

October 23, 2017

Digital Realty Trust, Inc.

Mitsubishi Corporation

Announcement of New Joint Venture for Data Center Solutions

Digital Realty Trust, Inc. (“DLR,” Corporate Headquarters: San Francisco, CA/CEO: A. William Stein) and Mitsubishi Corporation (“MC,” Chiyoda-ku, Tokyo/CEO: Takehiko Kakiuchi) are pleased to announce that they have reached an agreement that the parties will launch a joint venture to deliver data center solutions in Japan.

Under this agreement, a data center operating and holding company will be established on a 50/50 basis under the name MC Digital Realty with an initial capital of over 400 million JPY. Using Digital Realty’s Saito facility in Osaka and Mitsubishi Corporation’s Mitaka facility in Tokyo, jointly worth approximately 40 billion JPY, as seed assets, MC Digital Realty aims to manage over 200 billion JPY worth of assets by 2022 through the acquisition and development of new and existing property. The data center operating company is seeking to provide clients with robust facilities, high level physical security, steady electricity supply, air conditioning and other key requirements, utilizing the operational expertise that both DLR and MC have developed through years of experience. The new joint venture represents the fusion of Digital Realty’s global client base, industry-leading design and construction capability, and high-capacity data center operational experience with Mitsubishi Corporation’s significant expertise in the Japanese real estate and IT markets.

Data centers are increasingly important to global business due to the explosion of data being created by the spread of AI, IoT and cloud usage, generally known as the Fourth Industrial Revolution. With the growth of cloud-based applications and storage, a significant amount of data is now processed and stored in the cloud, meaning inside data centers. Based on the Cisco Global Cloud Index forecast, global cloud data traffic is estimated to nearly quadruple from 2015 to 2020¹. While cloud service providers are demanding greater data center capacity, there are not enough facilities to meet these needs in Japan. This joint venture will be one of the few carrier-neutral, high-capacity data center providers in the country. Also, the field of interconnection, which allows clients (e.g. cloud service providers and enterprises) to exchange traffic privately and securely, is expected to grow, and the joint venture shall incorporate the service in its scope of work in the future.

¹ MC’s estimation based on the Cisco Global Cloud Index

<https://www.cisco.com/c/dam/en/us/solutions/collateral/service-provider/global-cloud-index-gci/white-paper-c11-738085.pdf>

In Japan, IT vendors, carriers and financial institutions have tended to own their data centers, and thus small data centers are scattered across the country. By contrast, in the US, where DLR is based, and in Europe, where DLR has extensive facilities, there has been a shift to high-capacity third-party data center providers, such as DLR, which provide data center capacity as a service. The same trend is expected to take place in Japan, and the joint venture aims to be the leader of the shift in the data center industry.

<Reference>

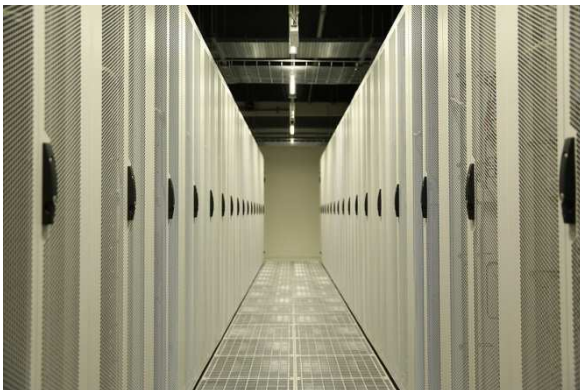
Images of the seed assets



Mitaka DC external view



Osaka Saito DC external view 1



Mitaka DC server room



Osaka Saito DC external view 2

Overview of the seed assets

Mitaka DC

Address: Mitaka-shi, Tokyo

Land area: 20,003 m²

GFA: South Block 14,586 m², North Block 25,368 m²

Designed IT load: South Block 13.5 megawatts, North Block 7.5 megawatts

Osaka Saito DC

Address: Ibaraki-shi, Osaka

Land area: 14,973 m²

GFA: 8,320 m²

Designed IT load: 7.6 megawatts

Overview of the data center operating company

Company name: MC Digital Realty

Main business activities: data center operations, including business planning, data center development, leasing, customer service, facility management, accounting, etc.

Capital: 400 million JPY

Corporate headquarter: TBC

Overview of DLR

Company name: Digital Realty Trust, Inc.

Corporate headquarter: Four Embarcadero Center, Suite 3200, San Francisco, CA 94111, USA

CEO: A. William Stein

Established: 2004

Number of employees: 1,400+ (as of Oct 2017)

Overview of MC

Company name: Mitsubishi Corporation

Corporate headquarter: Marunouchi Park Building, 3-1, Marunouchi 2-chome, Chiyoda-ku, Tokyo100-8086 Japan

CEO: Takehiko Kakiuchi

Established: 1954

Number of employees: 5,217 (as of March 2017, non-consolidated basis)