



April 13, 2010

Hubert Yoshida Chief Technology Officer Hitachi Data Systems



Certain statements found in this document may constitute "forward-looking statements" as defined in the U.S. Private Securities Litigation Reform Act of 1995. Such "forward-looking statements" reflect management's current views with respect to certain future events and financial performance and include any statement that does not directly relate to any historical or current fact. Words such as "anticipate," "believe," "expect," "estimate," "forecast," "intend," "plan," "project" and similar expressions which indicate future events and trends may identify "forward-looking statements." Such statements are based on currently available information and are subject to various risks and uncertainties that could cause actual results to differ materially from those projected or implied in the "forward-looking statements" and from historical trends. Certain "forward-looking statements" are based upon current assumptions of future events which may not prove to be accurate. Undue reliance should not be placed on "forward-looking statements," as such statements speak only as of the date of this document. Factors that could cause actual results to differ materially from those projected or implied in any "forward-looking statement" and from historical trends include, but are not limited to: fluctuations in product demand and industry capacity, particularly in the Information & Telecommunication Systems segment, Electronic Devices segment and Digital Media & Consumer Products segment; uncertainty as to Hitachi's ability to continue to develop and market products that incorporate new technology on a timely and cost-effective basis and to achieve market acceptance for such products; rapid technological change, particularly in the Information & Telecommunication Systems segment, Electronic Devices segment and Digital Media & Consumer Products segment; increasing commoditization of information technology products, and intensifying price competition in the market for such products, particularly in the Information & Telecommunication Systems segment, Electronic Devices segment and Digital Media & Consumer Products segment; fluctuations in rates of exchange for the yen and other currencies in which Hitachi makes significant sales or in which Hitachi's assets and liabilities are denominated, particularly between the yen and the U.S. dollar; uncertainty as to Hitachi's ability to implement measures to reduce the potential negative impact of fluctuations in product demand and/or exchange rates; general socio-economic and political conditions and the regulatory and trade environment of Hitachi's major markets, particularly, the United States, Japan and elsewhere in Asia, including, without limitation, a return to stagnation or deterioration of the Japanese economy, or direct or indirect restriction by other nations on imports; uncertainty as to Hitachi's access to, or ability to protect, certain intellectual property rights, particularly those related to electronics and data processing technologies; uncertainty as to the results of litigation and legal proceedings of which the Company, its subsidiaries or its equity method affiliates have become or may become parties; possibility of incurring expenses resulting from any defects in products or services of Hitachi; uncertainty as to the success of restructuring efforts to improve management efficiency and to strengthen competitiveness; uncertainty as to the success of alliances upon which Hitachi depends, some of which Hitachi may not control, with other corporations in the design and development of certain key products; uncertainty as to Hitachi's ability to access, or access on favorable terms, liquidity or long-term financing; and uncertainty as to general market price levels for equity securities in Japan, declines in which may require Hitachi to write down equity securities it holds. The factors listed above are not allinclusive and are in addition to other factors contained in Hitachi's periodic filings with the U.S. Securities and Exchange Commission and in other materials published by Hitachi.







#### IDC World Wide IT Spend on CAPEX vs OPEX

CAPEX spending has remained flat while overall costs continue to Increase due to OPEX





#### **A Sustainable Future**

**Apply Technologies to Reduce Operational costs** 





#### **Exploding Data Growth**

#### **Compounded Annual Growth Rate of 66%**

(Exabytes)



Understanding the types of data will help to address costs

Source: IDC 2008





Consumption of Enterprise Disk Capacity by Type



- Content data and Unstructured data are growing the fastest
- Replicas of data do not have to be on the same tier of storage as primary data
- Majority of the data does not need tier 1 storage
- Tiering of data and archive will play a major role in controlling cost Source: IDC 2008



## Servers and Networks Are Scaling Up

- Processor technology is scaling up
  - Multi-core Dual, Quad, 8 way
  - SMT Simultaneous Multi Thread
  - L1, L2, L3 cache
- Virtual Servers and hypervisors
  - Multiple Virtual Machines per physical server
  - Multiple VM I/O streams per physical server
    - Increasing I/O load
    - Increasing randomness of I/O
- Network bandwidth is increasing
  - FC 4Gbs going to 8Gbs
  - FCoE 10 Gbs to 40 Gbs to 100 Gbs



#### <u>Scale-up Storage is required to support virtual</u> <u>servers and networks</u>



#### Scale Out Storage



- Scale out is loose coupling with external Switches
- Resources in one node can not be used to increase the resources in another node
  - Additional management required to distribute workload
  - Availability comes from active/passive redundancy



#### Scale Up Storage



- Scale Up is tight coupling through a Global Cache
  - Resources can be pooled together to give maximum performance and capacity
  - Scale up can be partitioned to work like scale out



# • Two Dime

## **Cartesian Scaling**

- Two Dimensional scaling
  - Increase the number of port processors to scale out
  - Increase Global cache to tightly couple port processors
  - Return on Investment

Amount of Global Cache



#### Three Dimensional Scaling

- Virtualization of External Storage
- Return on Asset

Number of Port processors -



## Scale Up Existing Storage With USP V

#### **Consolidation with Virtual servers**



Virtual Servers become the new Mainframe Scale up Storage is required



April 12-15, 2010 **Rosen Shingle Creek Resort** 



## **Scale Out For Data Migration**

No more messy data migrations and painful "downtime"



The USP V Can Scale out with Virtualization and Loose Coupling



## **SNIA** Definition of Storage Virtualization

http://www.snia.org/education/dictionary/v/

The act of abstracting, hiding, or isolating the internal functions of a storage system or service from the application, host computer, or general network resources, for the purpose of enabling application and network <u>independent</u> management of storage or data.

The application of virtualization to storage services or devices for the purposes of aggregating functions or devices, hiding complexity, or adding new capabilities to lower level storage resources.





#### Virtualized Storage Services



#### **Non-Virtualized Storage services**



Enterprise



Modular



NAS





VTL

## Virtualized vs Non-Virtualized Storage Services



## **Dynamic Provisioning**

- Virtualize Devices into a pool of capacity and allocate by pages
- Eliminate allocated but • unused waste by allocating only the pages that are used
- Dynamically provision new • servers in seconds
- **Extend Dynamic Provisioning** • to external virtualized storage
- **Convert Fat volumes into thin** • volumes by moving then into the pool
- **Optimize Storage** • performance by spreading the I/O across more arms



120 100

80

60 40

20

Response time (ms)



Transactions (IOPS) -Single LDEV ---- Windows LVM --- HDP Pool



•

#### **Flash Disks**

- Very High Performance for Critical applications
  - 70x random reads, 14x random writes
- 50% reduction in power and cooling
  - Enterprise SLC Flash has 100,000 Write/Format cycles
    - Wear leveling, error recovery, spares
- Currently 10 times higher cost than HDD
- Optimize use of Flash with dynamic tiering
- Eliminate waste of allocated unused Flash capacity with Dynamic Provisioning









## **Convergence of File, Content and Block Virtualization**

File/content Services Leverage Advanced Block Services Architecture

• Global Name Space

- Intelligent Tiering Management
- Push files down to a content archive
- Tiering Through Virtualization





#### **Automated Data Mobility**

- Two layers of data mobility
  - Infrastructure layer / block level
  - Object layer / file level
- Use virtualization and data mobility tools to move (or re-provision) the volume without disruption to any other pool or tier based on
  - Promotion or demotion
  - Consolidation or migration
  - SLO, performance or cost change
- Automated with policy based management
  - Based upon pre-set SLAs

Infrastructure /block level







Object /file level



April 12-15, 2010 **Rosen Shingle Creek Resort** 



#### **Data Management General Use Case:** File HSM (ILM)





Tier 1

Inactive

Archive

Tier 3

.mp3

Tier 2





## File Aware Data Movement

Move all MP3 to SATA tier

#### **Content Aware Data Movement**

Move all PDF older than 90 days and containing word "Budget" to Archive

Files from multiple NAS filers can be stubbed out to Archive



#### Virtualization is a Key Enabler for the Cloud

"Cloud is a way of using technology, not a technology in itself – it's a self-service, ondemand pay-per-use model. Consolidation, virtualization and automation strategies will be the catalysts behind Cloud adoption."

- The 451 Group

Key characteristics of the Cloud are:

- The ability to scale and provision dynamically in a cost efficient way
- The ability to make the most of that power without having to manage the complexity of the underlying technology

"The Cloud architecture can be private (hosted within an organization's firewall) or public (hosted on the internet)."

- Open Cloud Manifesto

Cloud architectures have public, private and hybrid use cases



•

•

April 12-15, 2010 **Rosen Shingle Creek Resort** Orlando, Florida



## Summary

While hardware costs remain flat, IT costs are escalating due to operational costs

Worldwide IT Spending on Hardware, Power and Cooling, and Management/Administration Installed Base (M Units) \$300 50 Power and cooling costs HW mgmt. and admin costs New Hardware spending \$200 \$150

25 20

> IDC 2008 Vernon Turne

\$250

\$100

\$50

Virtualization can address operational costs through virtualization and scale up architectures



1998 1999 2000 2001 2002 2003 2004 2005 2006 2007 2008 2009 2010

