In 2014, global shipment volumes of smartphones and other mobile devices were robust, up 23% year on year, and demand for data center servers was strong, due to expanding internet data transmission volumes. Supported by these factors, sales in the global semiconductor market grew 8% year on year to a record high of US$340 billion. Accordingly, investment in additional production capacity for mobile DRAM and NAND flash memory picked up speed. Capital investment in logic semiconductors was also firm, supported by favorable server demand. As a result, global capital investment in wafer fab equipment saw considerable year on year growth, up 16%.

Segment net sales grew faster than the wafer fab equipment market, up 20.3% year on year to ¥76.2 billion.

Market share in all product categories improved, and overall share of the wafer fab equipment market rose from 10.5% to 13.6%.

Market share of cleaning systems reached 25%, its highest level ever.

Net sales in the field solutions business (sales of parts and used equipment, modification, maintenance services, etc.) rose more than 35% year on year.

Demand for semiconductors is expected to continue to grow. This growth will be driven by the increase of pan-mobile and pan-server memories, the arrival of the Internet of things (IoT) and more sophisticated use of big data as well as the rapid development of the networks that support these technologies.

For these developments to progress, semiconductor devices must offer even higher performance at lower cost. The role of semiconductor production equipment is thus growing even more important. Tokyo Electron regards this technological inflection point as an opportunity for growth and is aggressively bringing to market new high-performance, high-productivity products. In this area of finer patterning, to expand sales, the Company is introducing cost-effective systems with new defect-reducing features, single wafer cleaning systems that reduce pattern collapse, as well as etch systems and deposition systems, for which demand is expected to grow alongside expansion in multiple patterning processes. Furthermore, in response to the adoption of 3D structure devices and new semiconductor materials, Tokyo Electron aims to increase its market position in such areas as ALD systems, etch systems and dry cleaning systems, which boast advanced thin-film control and processing technologies.

STT-MRAM (spin transfer torque-magnetoresistive random access memory) is a promising candidate for the next-generation of memory devices. Tokyo Electron possesses all the products necessary to form STT-MRAM's core memory cells. Using this advantage, the Company aims to establish high-volume manufacturing technology that will help commercialize STT-MRAM for practical use through joint development with business partners, universities and consortia.

In the advanced packaging field, we are working to reduce costs, the greatest obstacle to mass production, through joint research with Singapore’s Agency for Science, Technology and Research.

Aiming to break into the thin-film silicon PV production equipment market, Tokyo Electron became the exclusive sales representative of Switzerland-based Oerlikon Solar in 2009. In 2013, the Company acquired Oerlikon Solar with the aim of generating growth. However, having determined that it could not expect a reasonable return on investment going forward, Tokyo Electron ended all research and development, manufacturing and sales operations in the PV production equipment business at the end of March 31, 2014.

Going forward, the Company will continue only support operations for delivered equipment, and aims to further reduce losses in this segment.