

## FOR IMMEDIATE RELEASE

# VLSI RESEARCH INC

## 2006 VLSI Research Inc Overall 10 BEST Awards for Chip Making Equipment – TESEC and Varian achieve top rankings

Santa Clara, CA - June 27, 2006 – VLSI Research Inc is honored to present the winners of the 2006 Overall 10 BEST Customer Satisfaction Awards for Focused Suppliers of Chip Making Equipment and Large Suppliers of Chip Making Equipment. The rankings are based on responses from customers who represented 95% of the world's total semiconductor market.



<b>2006 10 BEST Focused Suppliers of Chip Making Equipment</b>		
<b>Rank</b>	<b>Company</b>	<b>Overall Rating<sup>†</sup></b>
1	TESEC Corporation	8.26
2	HANMI Semiconductor	8.07
3	Orthodyne Electronics	8.01
4	DISCO Corporation	7.99
5	Nextest Systems Corporation	7.95
6	Keithley Instruments, Inc.	7.81
7	Nissin Ion Equipment Co., Ltd.	7.77
8	Hamamatsu Photonics K.K.	7.71
9	Rigaku Corporation	7.69
10	Towa Corporation	7.69

<b>2006 10 BEST Large Suppliers of Chip Making Equipment</b>		
<b>Rank</b>	<b>Company</b>	<b>Overall Rating<sup>†</sup></b>
1	Varian Semiconductor	7.91
2	ASML	7.68
3	Teradyne, Inc.	7.33
4	Advantest	7.33
5	ASM International N.V.	7.26
6	Dainippon Screen Mfg. Co., Ltd.	7.15
7	Tokyo Electron Limited	7.12
8	Hitachi High-Technologies Corporation	6.97
9	Applied Materials, Inc.	6.83
10	Novellus Systems, Inc.	6.67

The overall 10 BEST lists are based on each company as a whole, regardless of equipment type. Assembly, Material Handling, Process Diagnostics, Test, and Wafer Processing equipment ratings are all grouped together for each company and an overall score is determined.

Among the **Focused Suppliers of Chip Making Equipment**, TESEC received the highest ratings in six of the thirteen categories – including *uptime*, *process support*, *field engineering support*, *spares support*, *support after sales*, and *technical leadership*. Moreover, TESEC tied with Orthodyne as the best company for *build quality*. TESEC also tied with Rigaku as the highest rated company for *product performance*. Rigaku captured the top score for *quality of results*. Nextest achieved the highest marks for *cost of ownership* and *usable throughput*. HANMI was rated the best company for *software*, while Nissin Ion Equipment won the top position for *commitment*.

The majority of the Focused Suppliers earned their best ratings in the equipment performance criteria, but two firms scored very well in the customer service criteria – TESEC and Nissin. The table below lists the highest-rated category for each individual company:

<b>Company</b>	<b>Highest Rated Category</b>
TESEC Corporation	Technical leadership and uptime (two-way tie)
HANMI Semiconductor	Usable throughput
Orthodyne Electronics	Build quality
DISCO Corporation	Uptime
Nextest Systems Corporation	Cost of ownership and usable throughput (two-way tie)
Keithley Instruments, Inc.	Uptime
Nissin Ion Equipment Co., Ltd.	Commitment
Hamamatsu Photonics K.K.	Quality of results
Rigaku Corporation	Quality of results
Towa Corporation	Uptime

For the **Large Suppliers of Chip Making Equipment**, Varian received the highest ratings in six of the thirteen categories – *cost of ownership*, *quality of results*, *product performance*, *field engineering support*, *support after sales*, and *commitment*. Varian also tied with several suppliers as the best-rated company in four other categories. Varian tied with Dainippon Screen for the top score in *uptime*, tied with Advantest for the highest ratings in *build quality*, and also tied with ASML for the best marks in *usable throughput* and *process support*. ASML captured the highest score for *spares support* and *technical leadership*. Teradyne achieved the best ratings for *software* among these companies.

The majority of the Large Suppliers excelled in the equipment performance criteria. Only ASML earned its best ratings in a customer service category. The table below lists the top-rated category for each individual company:

<b>Company</b>	<b>Highest Rated Category</b>
Varian Semiconductor	Quality of results
ASML	Technical leadership
Teradyne, Inc.	Usable throughput and quality of results (two-way tie)
Advantest	Build quality
ASM International N.V.	Quality of results
Dainippon Screen Mfg. Co., Ltd.	Uptime
Tokyo Electron Limited	Uptime
Hitachi High-Technologies Corporation	Uptime
Applied Materials, Inc.	Usable throughput and quality of results (two-way tie)
Novellus Systems, Inc.	Usable throughput and uptime (two-way tie)

The Overall 10 BEST lists are based on all the ratings each company received, regardless of equipment type. Assembly, Material Handling, Process Diagnostics, Test, and Wafer Processing equipment ratings are all grouped together for each company and an overall score is determined. The Large Suppliers of Chip Making Equipment 10 BEST competition is comprised of the fifteen largest companies in terms of their sales of chip making equipment. These fifteen companies are ranked against each other for a 10 BEST placement based on survey responses from their customers. The Focused Suppliers of Chip Making Equipment is comprised of the manufacturers that are smaller than the largest fifteen in chip making equipment sales.

This is the last announcement in a series of three press releases listing the 10 BEST companies in each competitive segment.

Last year's 10 BEST Focused and Large Suppliers of Chip Making Equipment lists for 2005 are shown below for reference. Prior years' lists can be found at <https://www.visiresearch.com> in the Reference

section under Press Releases for the Customer Satisfaction Survey.

<b>2005 10 BEST Focused Suppliers of Chip Making Equipment</b>		
<b>Rank</b>	<b>Company</b>	<b>Overall Rating<sup>†</sup></b>
1	Tegal Corporation	8.96
2	AIXTRON AG	8.63
3	Soluris Inc.	8.48
4	Orthodyne Electronics	8.39
5	Varian Semiconductor	8.23
6	DISCO Corporation	8.13
7	ACCRETECH-Tokyo Seimitsu	7.87
8	SUSS MicroTec	7.75
9	EV Group	7.62
10	Kulicke & Soffa Industries, Inc.	7.43

<b>2005 10 BEST Large Suppliers of Chip Making Equipment</b>		
<b>Rank</b>	<b>Company</b>	<b>Overall Rating<sup>†</sup></b>
1	Hitachi High-Technologies Corporation	7.73
2	Tokyo Electron Limited	7.59
3	Agilent Technologies, Inc.	7.45
4	ASML	7.35
5	Advantest	7.32
6	Dainippon Screen Mfg. Co., Ltd.	7.15
7	ASM International	7.14
8	Canon	7.14
9	Teradyne, Inc.	7.04
10	Nikon Corporation	6.81

## ABOUT THE SURVEY

The VLSI Research annual *Customer Satisfaction Survey on Chip Making Equipment* is the only publicly available opportunity for chip manufacturers to provide feedback on their suppliers. The 10 BEST rankings award special recognition to the suppliers that are rated highest by their customers.

The survey asks users of chip making equipment to rate their suppliers on a ten-point scale among thirteen categories that exemplify a supplier's relationship with its customers. These thirteen categories include seven measures of equipment performance and six measures of customer service. *Cost of ownership, uptime, software, build quality, usable throughput, quality of results achieved, and product performance* are the equipment performance measures. Customer service measures include *process support, field engineering support, spares support, support after sales, technical leadership in the supplier's field, and the supplier's overall commitment to supporting its customers' needs*.

The results were drawn from a distribution of 44,130 questionnaires sent worldwide by mail, email, and fax in six languages: English, Japanese, Korean, Chinese, German, and French. About one in sixteen industry employees received a survey. Virtually every chipmaker was given a chance to respond.

Respondents returned surveys rating 4,505 equipment models. The companies that responded to VLSI Research's customer satisfaction survey represented 95% of worldwide chip production in 2004. When calculating each of the thirteen separate categories previously mentioned, total responses comprised about 56,000 individual ratings across the categories, each on a scale of 1 through 10.

Demographic distribution of the equipment ratings returned was 30.1% from North America, 25.0% from Europe, 10.3% from Japan, 8.3% from Taiwan, 6.9% from China, 6.2% from Korea, and 13.1% from all other areas of the world.

A new 10 BEST methodology was implemented this year. There are two parts to the new methodology. The first part is that the qualification rule for the 10 BEST Awards is based on the *Respondents' Share of Market* statistic. This statistic is the sum of share of market held by unique companies responding to the survey for each specific equipment supplier and equipment type.

The second part of the new 10 BEST methodology is the calculation of the 10 BEST ranking itself. The rankings are based on the **equally weighted average** rather than the straight average. This rating is weighted equally for each unique responding company (not individual survey response). Hence, each surveyed company only gets "one vote", based on the average of the individuals from that company

responding to the survey. This rating method has the advantage that no single customer- company can stuff the ballot box, giving a much more meaningful picture for potential effects on market share.

#### ***SURVEY STATISTICS***

<b>Percent of Chip Market Represented:</b>	<b>95%</b>
Surveys Distributed:	44,130
Equipment Models Rated:	4,505
From Asia:	32%
From North America:	30%
From Europe:	25%
From Other:	13%

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† In cases where a tie has occurred, the ranking position is determined by a single-sided 97.5% confidence margin.

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doc # 507660 v 1.1 06/06

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