

World HDD Market: Key Research Findings 2010

~ Ever-growing world HDD market: the market expected to reach 804.5 million units in quantity in 2013 ~

✦ **Research Outline**

Yano Research Institute has conducted a study on the HDD market with following conditions.

1. Research period: September to December 2010
2. Research targets: HD drive and components manufacturers (HDD: 5 firms, HD media: 2 firms, magnetic head: 1 firm, substrate: 4 firms), SSD (solid state drive) manufacturers: 1 firm (13 firms in total)
3. Research methodologies: Face-to-face interviews by our specialized researchers are mainly employed. Literature researches and interviews via telephone and e-mail are supplementarily utilized.

✦ **Key Findings**

◆ **World market size for HDD (hard disk drive) is projected to be over 647 million units in 2010.**

The market size for HDD in 2010 is expected to grow to 117% of the previous year and reach more than 647 million units in quantity. The sales in the first quarter and the second quarter in 2010 were smaller than the fourth quarter in 2009 when the market was strong, and the manufacturers had to clear their inventories while suppressing production. In and after the third quarter in 2010, however, sales of 2.5-inch hard disk drives are forecasted to grow largely backed by the worldwide demand for laptop PCs, which should be more prominent in emerging countries, and the manufacturers will increase the production again and the market size of full year will register a growth accordingly.

◆ **The SSD (solid state drive) and the NAND-type flash memory markets are drastically expanding. Market scale of SSD is expected to grow to more than 10 million units.**

SSD market registered over 7 million units of sales in 2009. The market is drastically growing and the sales are projected to grow to more than 10 million units in 2010. SSD should continuously expand its applications to blade servers, VOD, servers for online transactions, mobile devices that prioritize portability and so forth by utilizing its feature of quick response.

◆ **The compound annual growth rate (CAGR) of the HDD market between 2009 and 2013 will be 9.8%. The market will continue to grow into the future.**

HDD market should continue to demonstrate upward trend into the future and sales volume is forecasted to reach 804.5 units or more in 2013. The compound annual growth rate (CAGR) between 2009 and 2013 should be 9.8% and a significant growth of the market is highly expected also into the future. The major factors for the growth include economic growth in emerging economies such as BRICs and NEXT11 countries, expansion of PC demand stimulated by such macro economic factors as revitalization of the market through enlargement and deepening of the integration of the EU and transition to digital broadcasting as well as demand expansion for data storage driven by increase in total information volume, expansion of iDC, growth of the server market and popularization of HDD, iVDR and home servers.

✦ **Report format:**

Published report: "HDD Market 2010"

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Format: 136 pages in A4 format

Price: 120,000 yen (6,000 yen of consumption tax will be additionally charged for sales in Japan.)

Contacts:

Public Relations

Yano Research Institute Ltd. (URL: <http://www.yanoresearch.com>)

Phone: +81-3-5371-6912

E-mail: press@yano.co.jp**Table 1: World HDD Market Size by Disk Size**

(Unit: 1,000 units)

Diameter	2008	2009	Y-o-Y	2010 (Projected)	Y-o-Y
3.5 inches	306,300	310,000	101.2%	331,180	106.8%
2.5 inches	211,600	237,000	112.0%	309,600	130.6%
1.8 inches	17,800	6,100	34.3%	6,300	103.3%
Total	535,700	553,100	103.2%	647,080	117.0%

Estimated by Yano Research Institute Ltd.

Notes:

1) Market size is based on the shipment from manufacturers.

Table 2: Forecast of World HDD Market Size (by disk size/ application)

(Unit: 1,000 units)

Diameter	Application	2010	2011	2012	2013
3.5 inches	PC	205,100	197,000	163,000	118,000
	Server	31,080	28,000	25,000	22,000
	Non-PC	95,000	120,000	135,000	150,000
	Subtotal	331,180	345,000	323,000	290,000
	Year-on-year	—	104.2%	93.6%	89.8%
2.5 inches	PC	260,600	311,000	370,000	427,000
	Server	12,000	16,000	20,000	23,000
	Non-PC	37,000	43,000	50,000	60,000
	Subtotal	309,600	370,000	440,000	510,000
	Year-on-year	—	119.5%	118.9%	115.9%
1.8 inches	PC	3,000	1,500	1,000	500
	Non-PC	3,300	4,500	4,500	4,000
	Subtotal	6,300	6,000	5,500	4,500
	Year-on-year	—	95.2%	91.7%	81.8%
Total		647,080	721,000	768,500	804,500
Year-on-year		—	111.4%	106.6%	104.7%
Subtotal for PC + Server		511,780	553,500	579,000	590,500
Year-on-year		—	108.2%	104.6%	102.0%
Subtotal for Non-PC		135,300	167,500	189,500	214,000
Year-on-year		—	123.8%	113.1%	112.9%
Ratio of Non-PC to total HDD		20.9%	23.2%	24.7%	26.6%

Estimated by Yano Research Institute Ltd.

Notes:

2) Market size is based on the shipment from manufacturers.

3) Data for PC include other devices than OEM products, such as external HDDs and white boxes.