

April 12, 2004

NVEC's latest "nano" stock promotion questioned.

Below is a link to a news article published today, Monday, April 12, 2004 in the New York Times titled "Concerns That Nanotech Label Is Overused."

NVE Corporation (NASDAQ: NVEC, \$51.93) claims to own a valuable part design for use in an MRAM semiconductor. We have researched NVEC's claims and arrived at the conclusion that they are baseless and false. NVEC also claims it is engaged in nanotechnology, which we also believe to be completely untrue.

MRAM chips are much larger than DRAM and SRAM chips, which have never been described as "nano." Motorola, Inc. (NYSE: MOT, \$18.00), the only current MRAM manufacturer, does use nanotech to make its chips and does not describe its MRAM chip as nanotech. There is no reasonable basis to claim NVEC's supposed MRAM part or its manufacturing process has anything to do with "nanotech." Yet when NVEC's "nanotech" claims were added to its already questionable stock promotion, NVEC stock rose from \$6 per share to a high of \$70 per share. Almost immediately after NVEC's stock rose its insiders effectively dumped all of their stock. As a result of this insider stock dumping (after its nanotech-based pumping) NVE's stock, which was less than a year ago approximately 80% owned by its insiders, is now 90% owned by the public.

We have also included at the bottom of this email hyperlinks to two (2) other news articles pertaining to NVE's highly questionable stock promotion.

The second link is for a news article that appeared in the StarTribune on March 23, 2004 titled "On business: Short Sales smack NVE." The last link is for a news article published on March 26, 2004 by Dow Jones titled "NVE Corp. Shares Look Over-Enviied."

On March 18, 2004, Asensio & Company, Inc. initiated coverage of shares of NVE's publicly traded common stock with a "Grossly Overvalued" rating, and "Strong Sell" and "Short Sell" opinions.

NVE's management and insiders have issued a series of unsupported and undocumented claims while at the same time effectively selling all of their NVEC stock. NVEC is the product of a series of highly questionable transactions between two defunct companies with a common shareholder. The transaction commonly known as "reverse merger" has allowed management to use their promotion of these highly questionable claims to sell their stock to the public.

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<http://www.asensio.com/Report-images/NVEC/NYT04122004.pdf>>New York Times: Concerns That Nanotech Label Is Overused.

<http://www.asensio.com/Report-images/NVEC/ST03232004.pdf>>StarTribune: On business: Short Sales

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Dow Jones: NVE Corp. Shares Look Over-Envied.

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