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NVEC is not a player in lab-on-a-chip or MRAM.

On April 5, 2005 NVE Corporation (NASDAQ: NVEC, $17.84) announced that the U.S. Patent Office had granted it "a key biosensor patent" related to the detection of magnetizable beads. In the same release NVE claimed that the detection of magnetizable beads is "a key element of proposed laboratory-on-a-chip ("LOC") systems." NVE does not produce a LOC nor does it supply biosensors to LOC manufacturers. In fact, NVE has no reported commercial relationships with any of the dozens of companies that are recognized participants in the development of LOCs. In a nutshell, NVE's "key" biosensor patent claims are not only self-serving rubbish but almost identical to it's grossly exaggerated, if not entirely baseless, "watershed" Magnetoresistive Random Access Memory ("MRAM") patent claims.

According to a Marlene Bourne, a senior analyst with In-Stat/MDR, "Fifteen years ago, lab-on-a-chip was considered the next big thing for MEMS. Yet for all its promise, lab-on-a-chip has never come close to meeting the expectation initially surrounding it. The cluster of startups that brought lab-on-a-chip to market went public fairly quickly, but they're still struggling to generate revenues, much less recover the hundreds of millions of dollars spent to develop these products. Some of the world's largest semiconductor companies are among the competitors jostling for market share."

In 1991 the first LOC was invented at the Oak Ridge National Laboratory ("ORNL"). In 1995 Caliper Technologies Corporation (NASDAQ: CALP, $5.86) held an exclusive license for the LOC technology developed at ORNL. In 1998 Hewlett-Packard Company (NYSE: HPQ, $21.57) agreed to jointly develop Caliper's LOC technology. Today Caliper's LabChip products are marketed and shipped globally by Agilent Technologies, Inc. (NYSE: A, $21.14).

We see no reason for NVE to have issued yet another press about yet another obscure patent with no known commercial value other than as an attempt to resuscitate its failed and highly questionable stock promotion. Management has already taken full advantage of NVE's MRAM stock promotion. One might wonder if the motive behind this latest stock promotion is an attempt by management to put distance between their stock sales and NVE's well-underway demise.

NVE has played no role whatsoever in MRAM’s development (Appendix B: NVE's MRAM contribution claims are unfounded.). Its so-called watershed MRAM patent has been shown to be little more than an old off-patent invention by International Business Machines Corporation (NYSE: IBM, $86.20) and in use since the 1960s. (NVEC's MRAM patents are immaterial and unenforceable.) NVE was a defunct work-for-hire research shop before it was merged with the empty shell of another defunct but public company. NVE’s leader has a history of making statements that were later shown to be misleading. (<a

href="http://www.asensio.com/Reports/ReportView.aspx?ReportId=545&CompanyId=140&CompanyName=NVE+Corpo title="Who is Daniel Baker and how did he get here?" target="_blank">Who is Daniel Baker and how did he get here?) NVE’s insiders latched on to nanotech as a way to hype NVE’s stock. The stock rose. NVE’s insiders used its back-door public status to dump shares. The NVE section at asensio.com contains information that investors can use to make their own determinations about NVE (NVE Corporation).