

Prosperity of the APEC Region Through Law and Technology

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ABAC Symposium

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NEC Corporation

About NEC

Profile

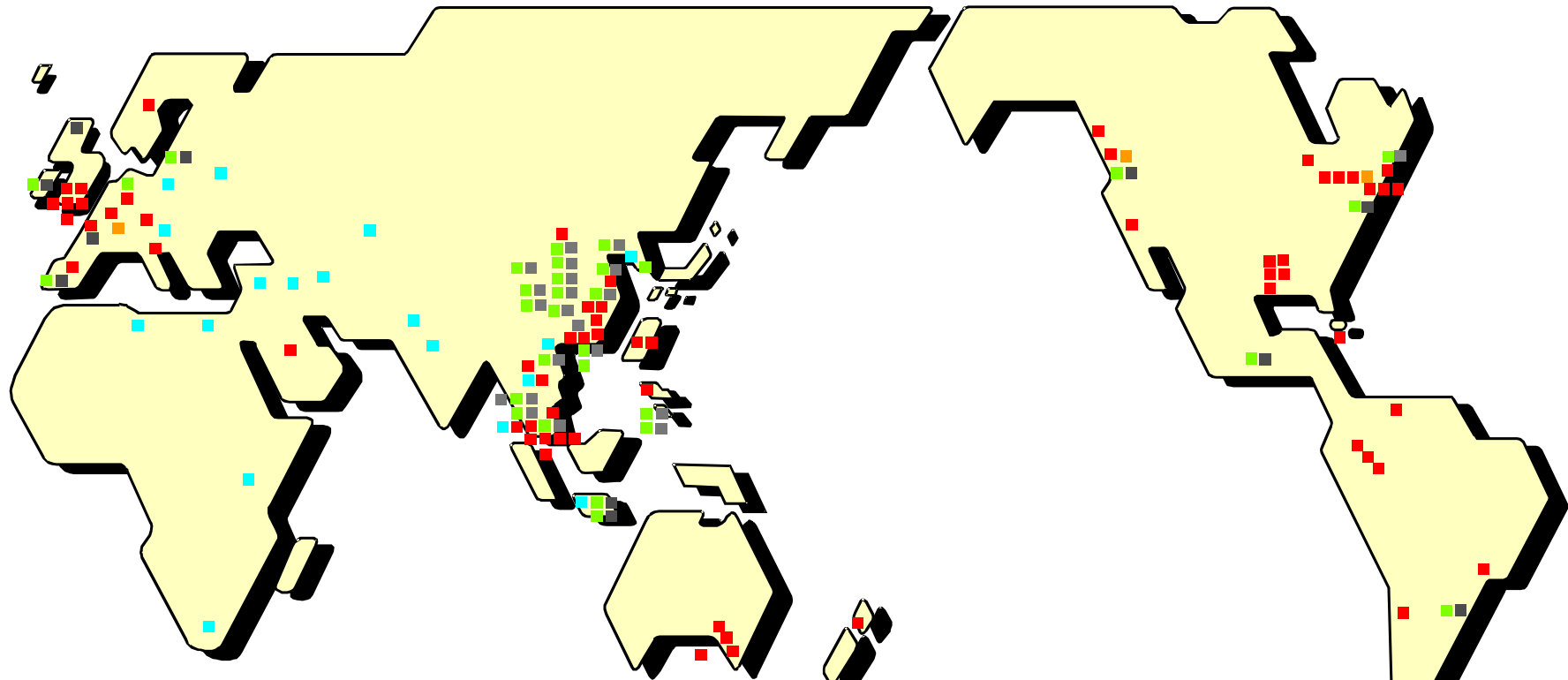
Corporate Name	NEC Corporation
Established	July 17, 1899
President	Akinobu Kanasugi
Capital	¥244.7 billion (\$2,074 million) - As of Mar. 31, '03 -
Net Sales	¥4,695.0 billion (\$39,788 million) - For the fiscal year ended Mar. 31, '03 -
Employees	NEC Corporation 24,301 - As of Mar. 31, '03 - NEC Corporation and Consolidated Subsidiaries 145,807 - As of Mar. 31, '03 -
Consolidated Subsidiaries	Domestic: 86 companies Overseas: 97 companies - As of Mar. 31, '03 -
Major NEC Group Operations	Internet solution business including the manufacture and sales of computers, communications equipment, electronic devices and software

Notes:

1. US \$1=¥118

2. All data are based on a consolidated basis.

Overseas Offices and Plants



- Overseas Offices (18 Offices in 18 Countries)
 - Overseas Manufacturing Affiliates (31 Affiliates in 15 Countries)
 - Overseas Plants (32 Plants in 15 Countries)
 - Overseas Marketing and Service Affiliates (63 Affiliates in 24 Countries)
 - Laboratories (3 Offices in 2 Countries)
- (As of Jan. 1, '03)

Europe - Russia - Central Asia

■	4
■	4
■	5
■	13
■	1

Africa - The Middle and Near East

■	7
■	1

Asia - Oceania

■	7
■	22
■	22
■	26

America

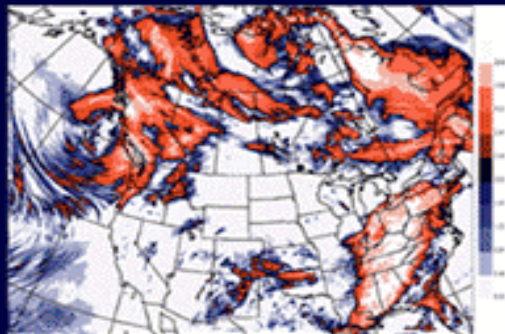
■	5	■ 2
■	5	
■	23	

The Earth Simulator

The Earth Simulator Project

by the Ministry of Education, Culture, Sports, Science and Technology

- Average performance of usual supercomputer cannot meet the needs for global environment analysis.



(North American 24hours Precipitation)



NEC SX-6/8A

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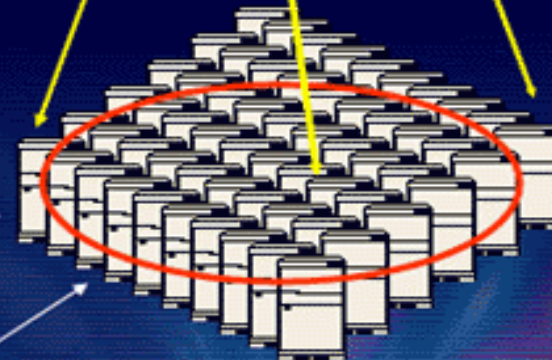
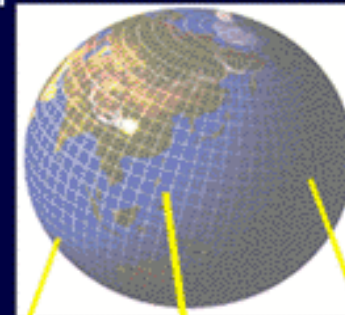
The Earth Simulator

Power
x 640

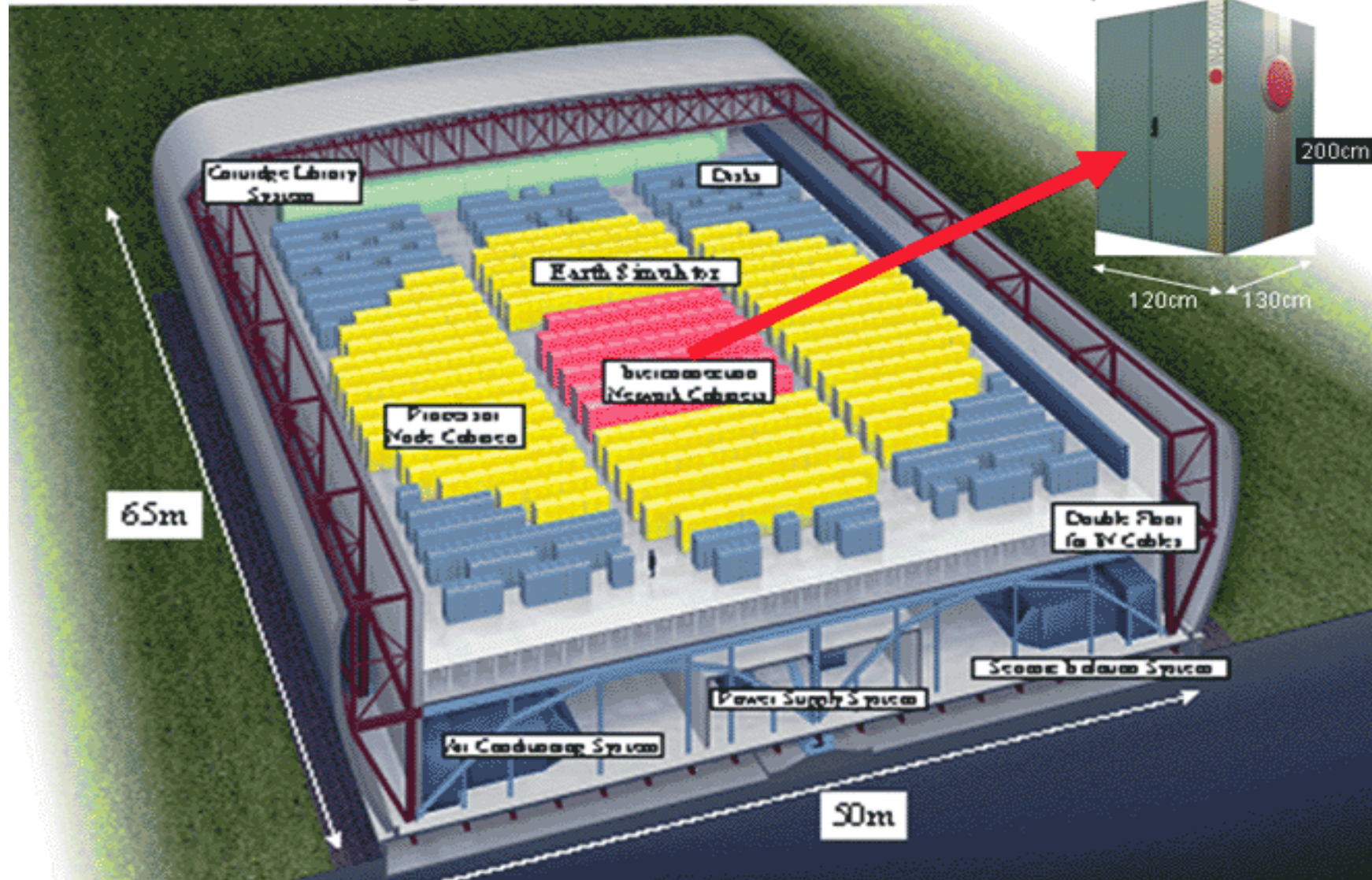
Each CPU executes its share of computation.

Empowered by Innovation

NEC



Bird's Eye View of the Earth Simulator Building



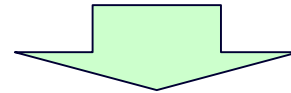
U.S. Patent Registration Ranking

Rank	95	96	97	98	99	00	01	02	
1	IBM	IBM	IBM	IBM	IBM	IBM	IBM	IBM	3,333
2	CANON	CANON	CANON	CANON	NEC	NEC	NEC	CANON	1,895
3	MOTOROLA	MOTOROLA	NEC	NEC	CANON	CANON	CANON	NEC	1,833
4	NEC	NEC	MOTOROLA	MOTOROLA	SAMSUNG	SAMSUNG	MICRON	MICRON	1,833
5	TOSHIBA	HITACHI	HITACHI	SONY	SONY	LUCENT	SAMSUNG	HITACHI	1,616
6	mitsubishi	mitsubishi	mitsubishi	FUJITSU	TOSHIBA	SONY	MATSUSHITA	MATSUSHITA	1,566
7	HITACHI	TOSHIBA	FUJITSU	TOSHIBA	FUJITSU	MICRON	SONY	SONY	1,456
8	MATSUSHITA	FUJITSU	TOSHIBA	KODAK	MOTOROLA	TOSHIBA	HITACHI	GE	1,417
9	KODAK	SONY	SONY	mitsubishi	LUCENT	MOTOROLA	mitsubishi	mitsubishi	1,408
10	SONY	MATSUSHITA	KODAK	HITACHI	mitsubishi	FUJITSU	FUJITSU	SAMSUNG	1,329

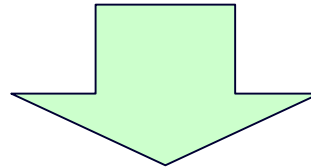
I.P. Strategy of NEC

Present Situation in Japan

- 1. Enlargement of Overseas Manufacturing**
- 2. Globalization of R&D is Unavoidable**
- 3. Unintended Technology Outflow is Growing**



Providing High Value Added Products / Services Protected by IP is the Best Solution for Japanese Companies

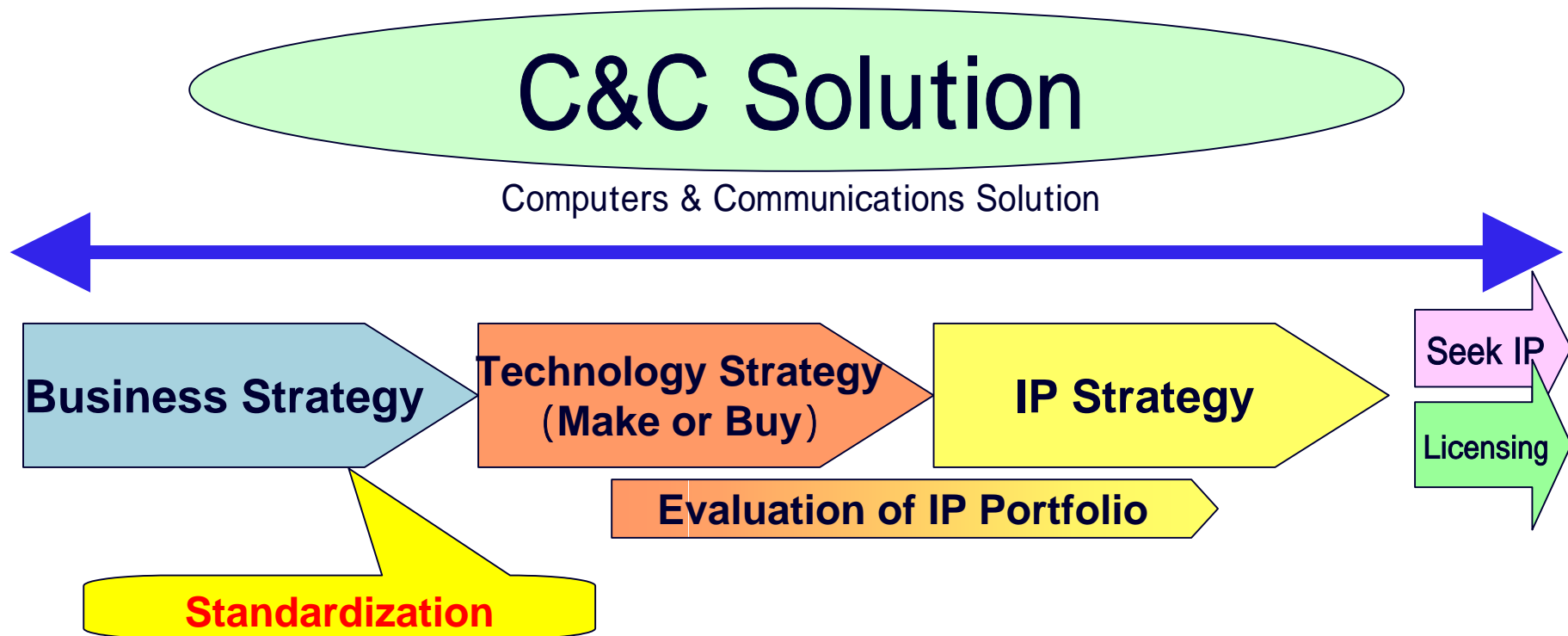


Planning and Enforcement of IP Strategy will Strengthen Sustainable Competitiveness of Companies

- Aggressively Seek IP Registration**
- Focus on Core Technologies**
- License Non-core Technologies**
- Manage Patent Portfolios**
- Analyze Patent Strategy of Competitors**

NEC's IP Strategy

- ◆ Seek IP Registration Focusing on Core Technologies
- ◆ Strategically Manage IP Portfolios
- ◆ Combine R&D Strategy with Standardization Strategy



IP Licensing

Promotion of IP Licensing to enhance collaboration

- Patent Licensing
- Know-how Licensing

Problem

Weak IP Protection in Licensees' Countries May Cause Unintended Know-how and Technology leaks.

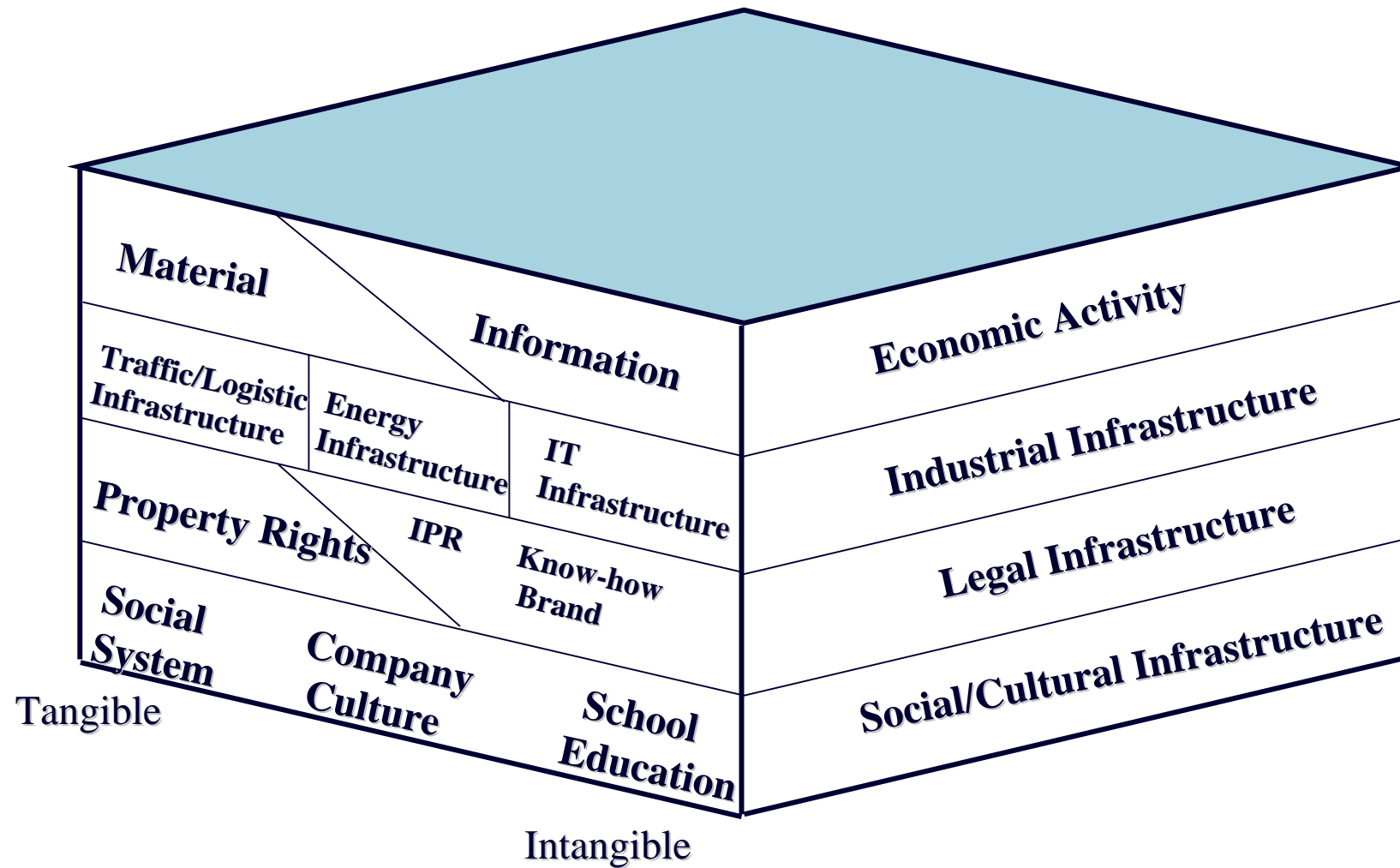
Establishment of Protection Infrastructure
for Intellectual Assets (IA) in APEC

- **To promote technology transfers in APEC, it is necessary to establish IA protection infrastructure . (not only IPR but also know-how).**
- **Each government in APEC should educate its people to respect the other parties' IA and obey the law.**
- **These will help to establish international Industrial collaboration.**

Remarks

For Prosperity of the APEC Region

Infrastructure for Law, Technology, etc.



- **Technological infrastructure and legal infrastructure should support each other to simultaneously progress.**
- **At present, only the technological infrastructure is making major progress, and the legal infrastructure cannot catch up with it. This causes worldwide economic disorder.**
- **Balanced development of legal infrastructure and technological infrastructure will bring prosperity to the APEC region.**

Establishment of IA Protection Infrastructure



**Fair and Disciplined International
Manufacturing System**



Prosperity of APEC Region



Worldwide Prosperity