

Edgar Filing: NVE CORP /NEW/ - Form 10QSB

NVE CORP /NEW/
Form 10QSB
January 20, 2004

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-QSB

(Mark One)

QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE
ACT OF 1934

For the quarterly period ended December 31, 2003

TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE EXCHANGE ACT

For the transition period from _____ to _____

Commission file number 000-12196

NVE Corporation
(Exact name of registrant as specified in its charter)

Minnesota
(State or other jurisdiction of
incorporation or organization)

41-1424202
(IRS Employer
Identification No.)

11409 Valley View Road, Eden Prairie, Minnesota 55344
(Address of principal executive offices)

(952) 829-9217
(Issuer's telephone number)

Check whether the issuer (1) filed all reports required to be filed by
Section 13 or 15(d) of the Exchange Act during the past 12 months (or for
such shorter period that the registrant was required to file such reports),
and (2) has been subject to such filing requirements for the past 90 days.
Yes No

State the number of shares outstanding of each of the issuer's classes of
common equity, as of the latest practicable date:
Common Stock, \$.01 Par Value - 4,369,335 shares outstanding as of
January 16, 2004

Transitional Small Business Disclosure Format (Check one): Yes No

PART I--FINANCIAL INFORMATION

Item 1. Financial Statements.

NVE CORPORATION
BALANCE SHEET
DECEMBER 31, 2003

Current assets:

Edgar Filing: NVE CORP /NEW/ - Form 10QSB

Cash		\$ 1,339,343
Investment securities		5,360,466
Accounts receivable, net of allowance for uncollectible accounts of \$15,000		1,152,991
Inventories		1,189,010
Prepaid expenses and other assets		108,086

Total current assets		9,149,896
Fixed assets:		
Machinery and equipment		3,431,309
Leasehold improvements		365,187

		3,796,496
Less accumulated depreciation		2,218,158

Total fixed assets		1,578,338

Total assets		\$10,728,234
		=====
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable		\$ 394,892
Accrued payroll and other		630,529
Deferred revenue		420,338
Capital lease obligations		146,267

Total current liabilities		1,592,026
Capital lease obligations, less current portion		116,684

Total liabilities		1,708,710
Shareholders' equity:		
Common stock		43,438
Additional paid-in capital		12,415,214
Accumulated other comprehensive income		50,310
Accumulated deficit		(3,489,438)

Total shareholders' equity		9,019,524

Total liabilities and shareholders' equity		\$10,728,234
		=====

SEE ACCOMPANYING NOTES.

NVE CORPORATION
STATEMENT OF OPERATIONS
THREE MONTHS ENDED DECEMBER 31, 2003 AND 2002

	Three Months Ended December 31	
	2003	2002

Revenue		
Contract research and development	\$ 1,633,361	\$ 1,673,502
Product sales	1,484,766	565,633

Edgar Filing: NVE CORP /NEW/ - Form 10QSB

License revenue	-	97,917
	-----	-----
Total revenue	3,118,127	2,337,052
Cost of sales	1,907,029	1,424,507
	-----	-----
Gross profit	1,211,098	912,545
Expenses		
Research and development	230,671	327,472
Selling, general & administrative	464,264	420,862
	-----	-----
Total expenses	694,935	748,334
	-----	-----
Income from operations	516,163	164,211
Interest income	46,716	58,454
Interest expense	(6,107)	(9,210)
Other income	20,384	20,706
	-----	-----
Net income	\$ 577,156	\$ 234,161
	=====	=====
Net income per share-basic	\$ 0.13	\$ 0.06
	=====	=====
Net income per share-diluted	\$ 0.12	\$ 0.05
	=====	=====
Weighted average shares outstanding:		
Basic	4,334,092	4,159,718
Diluted	4,831,540	4,466,199

SEE ACCOMPANYING NOTES.

NVE CORPORATION
STATEMENT OF OPERATIONS
NINE MONTHS ENDED DECEMBER 31, 2003 AND 2002

	Nine Months Ended December 31	
	2003	2002
	-----	-----
Revenue		
Contract research and development	\$ 4,949,879	\$ 4,843,268
Product sales	3,852,282	1,707,633
License revenue	-	293,751
	-----	-----
Total revenue	8,802,161	6,844,652
Cost of sales	5,554,726	4,273,553
	-----	-----
Gross profit	3,247,435	2,571,099
Expenses		

Edgar Filing: NVE CORP /NEW/ - Form 10QSB

Research and development	711,913	944,330
Selling, general & administrative	1,390,818	1,324,302
	-----	-----
Total expenses	2,102,731	2,268,632
	-----	-----
Income from operations	1,144,704	302,467
Interest income	140,184	154,134
Interest expense	(20,705)	(32,108)
Other income	53,867	62,193
	-----	-----
Net income	\$ 1,318,050	\$ 486,686
	=====	=====
Net income per share-basic	\$ 0.31	\$ 0.12
	=====	=====
Net income per share-diluted	\$ 0.28	\$ 0.11
	=====	=====
Weighted average shares outstanding:		
Basic	4,241,791	4,118,523
Diluted	4,739,239	4,425,004

SEE ACCOMPANYING NOTES.

NVE CORPORATION
STATEMENT OF CASH FLOWS
NINE MONTHS ENDED DECEMBER 31, 2003 AND 2002

	Nine Months Ended Dec. 31 2003	2002
	-----	-----
OPERATING ACTIVITIES		
Net income	\$ 1,318,050	\$ 486,686
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Depreciation and amortization	381,919	370,398
Changes in operating assets and liabilities:		
Accounts receivable	(124,701)	(89,757)
Inventories	(348,234)	(334,078)
Prepaid expenses and other	62,234	(119,641)
Accounts payable and accrued expenses	89,008	63,795
Deferred revenue	(469,289)	(483,279)
	-----	-----
Net cash provided by (used in) operating activities	908,987	(105,876)
INVESTING ACTIVITIES		
Purchases of fixed assets	(774,110)	(383,377)
Sales (purchases) of investment securities	477,074	(5,583,414)
	-----	-----
Net cash used in investing activities	(297,036)	(5,966,791)
FINANCING ACTIVITIES		
Net proceeds from sale of common stock	246,071	6,224,766

Edgar Filing: NVE CORP /NEW/ - Form 10QSB

Repayment of note payable and capital lease obligations	(114,447)	(323,868)
	-----	-----
Net cash provided by financing activities	131,624	5,900,898
	-----	-----
Increase (decrease) in cash	743,575	(171,769)
Cash and cash equivalents at beginning of period	595,768	537,258
	-----	-----
Cash and cash equivalents at end of period	\$1,339,343	\$ 365,489
	=====	=====

SEE ACCOMPANYING NOTES.

NVE CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2003

1. INTERIM FINANCIAL INFORMATION

The accompanying unaudited financial statements of NVE Corporation (the "Company") are consistent with accounting principles generally accepted in the United States and reporting with SEC regulations. In the opinion of management, these financial statements reflect all adjustments, consisting only of normal and recurring adjustments, necessary for a fair presentation of the financial statements. Although we believe that the disclosures are adequate to make the information presented not misleading, it is suggested that these condensed financial statements be read in conjunction with the audited financial statements and the notes included in our latest annual financial statements included in our report on Form 10-KSB. The results of operations for the three and nine month periods ended December 31, 2003 are not necessarily indicative of the results that may be expected for the full year ending March 31, 2004.

2. NATURE OF BUSINESS

We develop, manufacture, and sell "spintronics" devices, a nanotechnology which relies on electron spin rather than electron charge to acquire, store, and transmit information.

3. REVENUE RECOGNITION

Revenue from product sales to direct customers is recognized upon shipment. Revenue from licensing and technology development programs, which is nonrefundable and for which no significant future obligations exist, is recognized when the license is signed. Revenue from licensing and technology development programs, which is refundable, recoupable against future royalties, or for which future obligations exist, is recognized when we have completed our obligations under the terms of the agreements. Revenue from royalties is recognized upon the shipment of product from our technology license partners to direct customers. Certain research and development activities are conducted for third parties and such revenue is recognized as the services are performed.

4. EARNINGS PER SHARE

We calculate our income per share pursuant to Statement of Financial Accounting Standards No. 128 ("SFAS 128"), Earnings Per Share. Basic earnings per share is computed based upon the weighted average number of common shares issued and outstanding during each year. Diluted net income per share amounts assume conversion, exercise or issuance of all potential common stock instruments (stock options, warrants and convertible preferred stock). Potentially dilutive securities including warrants and stock options are excluded from diluted

Edgar Filing: NVE CORP /NEW/ - Form 10QSB

earnings per share during net loss periods because these securities would be anti-dilutive.

5. INVESTMENTS

We classify and account for debt and equity securities in accordance with SFAS No. 115, Accounting for Certain Investments in Debt and Equity Securities. The Company's entire portfolio is classified as available for sale; thus, securities are recorded at fair market value and any associated unrealized gain or loss, net of tax, is included as a separate component of shareholders' equity, "Accumulated other comprehensive income."

6. COMPREHENSIVE INCOME

The components of comprehensive income are as follows:

	Three months ended December 31		Nine months ended December 31	
	2003	2002	2003	2002
Net income	\$577,156	\$234,161	\$1,318,050	\$486,686
Change in unrealized gains	(24,146)	1,557	(22,911)	92,671
Comprehensive income	\$553,010	\$235,718	\$1,295,139	\$579,357

7. INVENTORIES

Inventories consisted of the following at December 31, 2003:

Raw materials	\$ 388,864
Work-in-process	628,592
Finished goods	426,554
	1,444,010
Less obsolescence reserve	(255,000)
	\$1,189,010

8. STOCK-BASED COMPENSATION

We have adopted the disclosure-only provisions of SFAS Nos. 123 and 148, Accounting for Stock-Based Compensation, but apply Accounting Principles Board ("APB") Opinion No. 25, Accounting for Stock Issued to Employees, and related interpretations in accounting for our plans. Under APB No. 25, when the exercise price of employee stock options equals or exceeds the market price of the underlying stock on the date of grant, no compensation expense is recognized.

Pro forma information regarding net income and income per share is required by SFAS Nos. 123 and 148, and has been determined as if we had accounted for our employee stock options under the fair value method of that Statement. The fair value for these options was estimated at the date of grant using the Black-Scholes option pricing model with the following weighted average assumptions: risk-free interest rate of 2.7% for the three months ended December 31, 2003

Edgar Filing: NVE CORP /NEW/ - Form 10QSB

and 2002, expected volatility of 55%, a weighted-average expected life of the options of four to seven years, and no dividend yield.

Option valuation models were developed for use in estimating the fair value of traded options which have no vesting restrictions and are fully transferable. In addition, option valuation models require the input of highly subjective assumptions. Because our employee stock options have characteristics significantly different from those of traded options, and because changes in the subjective input assumptions can materially affect the fair value estimate, in management's opinion, the existing models do not necessarily provide a reliable single measure of the fair value of our employee stock options.

The pro forma information is as follows:

	Three Months Ended Dec. 31 2003	2002
	-----	-----
Net income applicable to common shares:		
As reported	\$ 577,156	\$ 234,161
Pro forma adjustment for stock options	(83,590)	(164,710)
	-----	-----
Pro forma net income	\$ 493,566	\$ 69,451
	=====	=====
Earnings per share:		
Basic - as reported	\$ 0.13	\$ 0.06
Basic - pro forma	\$ 0.11	\$ 0.02
Diluted - as reported	\$ 0.12	\$ 0.05
Diluted - pro forma	\$ 0.10	\$ 0.02

	Nine Months Ended Dec. 31 2003	2002
	-----	-----
Net income applicable to common shares:		
As reported	\$ 1,318,050	\$ 486,686
Pro forma adjustment for stock options	(246,240)	(494,129)
	-----	-----
Pro forma net income (loss)	\$ 1,071,810	\$ (7,443)
	=====	=====
Earnings per share:		
Basic - as reported	\$ 0.31	\$ 0.12
Basic - pro forma	\$ 0.25	\$ 0.00
Diluted - as reported	\$ 0.28	\$ 0.11
Diluted - pro forma	\$ 0.23	\$ 0.00

9. TECHNOLOGY EXCHANGE AGREEMENT

Edgar Filing: NVE CORP /NEW/ - Form 10QSB

On April 19, 2002 the Company closed a technology exchange agreement accompanied by an investment by Cypress Semiconductor Corporation ("Cypress"). Cypress purchased 686,849 shares of NVE Common Stock for \$6.228 million, which on September 5, 2003 they announced they had sold. Cypress also received a warrant for the purchase of up to 400,000 shares of Common Stock for \$15.00 per share for a term of three years.

Item 1. Legal Proceedings.
None.

Item 2. Management's Discussion and Analysis or Plan of Operation.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

Some of the statements made in this Quarterly Report on Form 10-QSB, except for historical information contained in this Form 10-QSB, constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements are subject to the safe harbor provisions of the reform act. Forward-looking statements may be identified by the use of the terminology such as may, will, expect, anticipate, intend, believe, estimate, should, or continue or the negatives of these terms or other variations on these words or comparable terminology. To the extent that this Form 10-QSB contains forward-looking statements regarding the financial condition, operating results, business prospects or any other aspect of NVE, you should be aware that our actual financial condition, operating results and business performance may differ materially from that projected or estimated by us in the forward-looking statements. These differences may be caused by a variety of factors, including but not limited to adverse economic conditions, intense competition, including entry of new competitors, our ability to obtain sufficient financing to support our operations, progress in research and development activities by us and others, variations in costs that are beyond our control, adverse federal, state and local government regulations, unexpected costs, lower sales and net income, or higher net losses than forecasted, price increases for equipment, our dependence on significant suppliers, including Taiwan Semiconductor Manufacturing Corporation for foundry semiconductor wafers, our ability to meet stringent customer technical requirements, our ability to consummate additional license agreements, our ability to continue eligibility for SBIR awards, our inability to raise prices, failure to obtain new customers, the possible fluctuation and volatility of our operating results and financial condition, inability to carry out marketing and sales plans, loss of key executives, and other specific risks included in Exhibit 99.1 "Cautionary statements for purposes of the 'safe harbor' provisions of The Private Securities Litigation Reform Act," filed herewith.

General

We develop, manufacture, and sell "spintronics" devices, which are nanotechnology devices that rely on electron spin rather than electron charge to acquire, store, and transmit information in electronic systems. We derive revenue from three sources:

- 1) contract spintronics research and development (principally government contracts);
- 2) commercial sales of spintronic integrated circuit type sensor and coupler products; and
- 3) licenses for our magnetic random-access memory (MRAM)

intellectual property.

Critical accounting policies

It is important to understand our significant accounting policies in order to understand our financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States. These accounting principles require us to make estimates and assumptions that affect amounts reported in our financial statements and the accompanying notes. Actual results are likely to differ from those estimates, but we do not believe such differences will materially affect our financial position or results of operations for the periods presented in this report.

Revenue recognition

Revenue from product sales to direct customers is recognized upon shipment. Revenue from licensing and technology development programs, which is nonrefundable and for which no significant future obligations exist, is recognized when the license is signed. Revenue from licensing and technology development programs, which is refundable, recoupable against future royalties, or for which future obligations exist, is recognized when we complete our obligations under the terms of the agreements. Revenue from royalties is recognized upon the shipment of product from our technology license partners to direct customers. Certain research and development activities are conducted for third parties and such revenue is recognized as the services are performed. Payments received from licensing and technology development programs relating to future obligations as well as prepayments for future discounts on product sales are recorded as deferred revenue.

Bad Debt

We maintain an allowance for doubtful accounts for estimated losses resulting from the inability of our customers to make required payments. If the financial condition of our customers were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required.

Inventory

We reduce the stated value of our inventory for excess quantities or obsolescence in an amount equal to the difference between the cost of inventory and the estimated market value based upon assumptions about future demand and market conditions. If actual future demand or market conditions are less favorable than those projected by management, additional reductions in stated value may be required.

Income Taxes

In determining the carrying value of our net deferred tax assets, we must assess the likelihood of sufficient future taxable income in certain tax jurisdictions, based on estimates and assumptions to realize the benefit of these assets. Our management evaluates the realizability of the deferred assets quarterly and assesses the need for valuation allowances or reduction of existing allowances quarterly.

Edgar Filing: NVE CORP /NEW/ - Form 10QSB

THREE MONTHS ENDED DECEMBER 31, 2003 COMPARED TO THREE MONTHS ENDED DECEMBER 31, 2002

The table below summarizes the percentage of revenue for various items for the periods indicated:

	Three months ended December 31	
	2003	2002
	-----	-----
Revenue:		
Research and development	52.4 %	71.6 %
Product sales	47.6	24.2
License fees	-	4.2
	-----	-----
Total revenue	100.0	100.0
Cost of sales	61.2	61.0
	-----	-----
Gross profit	38.8	39.0
Total expenses	20.3	29.0
	-----	-----
Net income	18.5 %	10.0 %
	=====	=====

Revenue for the three months ended December 31, 2003 was \$3,118,127, an increase of 33% from revenue of \$2,337,052 for the three months ended December 31, 2002. The revenue increase was primarily due to a 162% increase in commercial product sales to \$1,484,766 from \$565,633. Research and development revenue decreased 2% to \$1,633,361 from \$1,673,502 due to completion of revenue recognized under our agreement with Agilent Technologies, Inc., partially offset by increased government contract revenue. Such non-recurring revenues from Agilent were \$250,000 for the three months ended December 31, 2002. Increases in commercial product sales were partially offset by an absence of license revenue due to completion of revenue recognition for payments under our MRAM license agreements. Such license revenues were \$97,917 for the three months ended December 31, 2002.

Gross profit remained the same at 39% for the three months ended December 31, 2003 as compared to the three months ended December 31, 2002.

Research and development expenses decreased by 30% to \$230,671 for the three months ended December 31, 2003 as compared to \$327,472 for the three months ended December 31, 2002. The decrease was due to completion of the development of some of our commercial products.

Selling, general and administrative expenses for the three months ended December 31, 2003 increased by 10% to \$464,264 compared to \$420,862 for the three months ended December 31, 2002. The increase was due to increased commercial selling expenditures, including new product marketing programs.

Net income totaled \$577,156 for the three months ended December 31, 2003 compared to \$234,161 for the three months ended December 31, 2002. The increase in net income was due to higher revenues and higher commercial product margins.

Diluted net income per share increased to \$0.12 from \$0.05. The increase in diluted net income per share was despite an increase in diluted shares to 4,831,540 from 4,466,199 due primarily to a large increase in our stock price which resulted in a larger dilutive effect from the Cypress warrant and other

Edgar Filing: NVE CORP /NEW/ - Form 10QSB

warrants and options.

NINE MONTHS ENDED DECEMBER 31, 2003 COMPARED TO NINE MONTHS ENDED DECEMBER 31, 2002

The table shown below summarizes the percentage of revenue for various items for the periods indicated:

	Nine Months Ended December 31	
	2003	2002
	-----	-----
Revenue:		
Research and development	56.2 %	70.8 %
Product sales	43.8	24.9
License fees	-	4.3
	-----	-----
Total revenue	100.0	100.0
Cost of sales	63.1	62.4
	-----	-----
Gross profit	36.9	37.6
Total expenses	21.9	30.5
	-----	-----
Net income	15.0 %	7.1 %
	=====	=====

Revenue for the nine months ended December 31, 2003 was \$8,802,161, an increase of 29% from revenue of \$6,844,652 for the nine months ended December 31, 2002. The revenue increase was primarily due to increases in commercial product sales and research and development revenue. Commercial product sales increased 126% to \$3,852,282 from \$1,707,633. Research and development revenue increased 2% to \$4,949,879 from \$4,843,268 due to increased government contract revenue, partially offset by the completion of revenue recognized under our agreement with Agilent Technologies, Inc. Such revenues from Agilent were \$550,000 for the nine months ended December 31, 2002. Increases in commercial product sales and research and development revenue were partially offset by an absence of license revenue due to completion of revenue recognition for payments under our MRAM license agreements. Such license revenues were \$293,751 for the nine months ended December 31, 2002.

Gross profit margins decreased to 37% for the nine months ended December 31, 2003 as compared to 38% for the nine months ended December 31, 2002. The decrease was due to \$293,751 in license revenue and \$550,000 in revenue recognized under our agreement with Agilent Technologies, Inc. for the nine months ended December 31, 2002, which have not recurred. The decrease in gross profit was mostly offset by higher commercial product margins due to successful yield improvement and wafer cost reduction programs.

Research and development expenses decreased by 25% to \$711,913 for the nine months ended December 31, 2003 as compared to \$944,330 for the nine months ended December 31, 2002. The decrease was due to completion of the development of some of our commercial products.

Selling, general and administrative expenses for the nine months ended December 31, 2003 increased by 5% to \$1,390,818 compared to \$1,324,302 for the nine months ended December 31, 2002. The increase was due to increased commercial selling expenditures.

Edgar Filing: NVE CORP /NEW/ - Form 10QSB

Net income totaled \$1,318,050 for the nine months ended December 31, 2003 compared to \$486,686 for the nine months ended December 31, 2002. The increase in net income was due to higher revenues and higher commercial product margins.

LIQUIDITY AND CAPITAL RESOURCES

Cash plus available-for-sale securities were \$6,699,809 at December 31, 2003, compared to \$6,475,865 at March 31, 2003. The increase was due to net income, partially offset by investments in machinery and equipment and increases in inventories related to the growth of our commercial product sales.

We expect to continue to invest in machinery, equipment, and facilities in the balance of the fiscal year and in the next fiscal year, as we continue to increase our manufacturing capacity. We believe our working capital is adequate to meet our requirements for at least the next twelve months.

OUTLOOK

We expect to broaden our sensor and coupler product lines, and continue to increase commercial product sales in the rest of the fiscal year ending March 31, 2004 ("Fiscal 2004"), and we expect to report a solid profit for Fiscal 2004. Possible expenses related to commercialization and market development for Cypress-manufactured MRAMs to be sold by us could decrease our quarterly profits in the next several quarters. We expect to make such expenditures, however, only if Cypress is successful in producing commercial MRAM.

Item 4. Controls and Procedures.

a. Evaluation of disclosure controls and procedures.

Under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, we evaluated the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rule 13a-15(e) under the Exchange Act) as of the last day of the period covered by this quarterly report (the "Evaluation Date"). Based upon that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that, as of the Evaluation Date, our disclosure controls and procedures were effective in timely alerting them to the material information relating to us required to be included in our periodic SEC filings.

b. Changes in internal controls.

There were no significant changes made in our internal controls over financial reporting (as defined in Rule 13 a-15(f) under the Exchange Act) during the period covered by this report that materially affected or are reasonably likely to materially affect our internal controls over financial reporting.

PART II--OTHER INFORMATION

Item 5. Other Information

Edgar Filing: NVE CORP /NEW/ - Form 10QSB

On December 1, 2003, we executed a lease amendment for our principal offices, located at 11409 Valley View Road, Eden Prairie, Minnesota 55344. The space consists of approximately 21,362 square feet of office, laboratory, and production space. The amendment extends through December 31, 2008 a lease that would have expired December 31, 2006. We believe this space will be adequate for our needs for the amended term of the lease. We plan to make improvements to our production space in order to increase our capacity and capabilities, and the lease extension will allow us a better financial return on such facility improvements.

In consideration of the extending the term, the amendment provides us a \$50,000 facility improvement allowance for calendar year 2004 and limits the base rent increases for each of calendar 2007 and 2008 to 3%. In addition to base rent, we pay operating expenses for the space including maintenance, utilities, real estate taxes and insurance.

The lease amendment is filed herewith.

Item 6. Exhibits and Reports on Form 8-K.

a. Exhibits.

- 10.1 Second amendment to lease between the company and Glenborough Properties, L.P. dated December 1, 2003 (filed herewith).
- 10.2 First amendment to lease between the company and Glenborough Properties, L.P. dated September 18, 2002 (incorporated by reference to our Quarterly Report on Form 10-QSB for the period ended September 30, 2002).
- 10.3 Lease dated October 1, 1998 between the company and Glenborough Properties, L.P. (incorporated by reference to our Quarterly Report on Form 10-QSB for the period ended September 30, 2002).
- 31.1 Certification by Daniel A. Baker pursuant to Rule 13a-14(a)/15d-14(a).
- 31.2 Certification by Richard L. George pursuant to Rule 13a-14(a)/15d-14(a).
- 32.1 Certification by Daniel A. Baker pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
- 32.2 Certification by Richard L. George pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
- 99.1 Cautionary statements for purposes of the "safe harbor" provisions of The Private Securities Litigation Reform Act.

b. Reports on Form 8-K.

We submitted a Form 8-K on October 21, 2003 including our press release reporting results for the quarter ended September 30, 2003. This information was furnished under Item 12, Results of Operations and Financial Condition.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities

Edgar Filing: NVE CORP /NEW/ - Form 10QSB

Exchange Act of 1934, the registrant has duly caused this report to be signed on behalf of the undersigned thereunto duly authorized.

NVE CORPORATION

Date: January 20, 2004

By /s/ Daniel A. Baker

Daniel A. Baker
President and Chief Executive Officer

By /s/ Richard L. George

Richard L. George
Chief Financial Officer