

**Press Release**

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NEC Concludes Supercomputer Distributorship Agreement with Cray

NEC Corporation (NEC) announced today that an agreement has been concluded to enter into a distributorship relationship with Cray Inc. (Cray) for the sales, installation and support of the NEC SX Series vector supercomputer product line.

The main contents of the distribution agreement are:

1. The agreement gives Cray exclusive rights to distribute the NEC SX-5 Series and successor vector supercomputers in North America and non-exclusive rights in the rest of the world. Cray will resell these supercomputers as one of its product lines exclusively in the US, Canada and Mexico. After confirming that it is permissible under applicable antitrust laws and regulations, Cray will sell NEC's high performance supercomputers in Europe and other areas under the non-exclusive right.
2. NEC and Cray will cooperate to promote sales activities for SX-5 Series and its successor models.
3. In order to strengthen the relationship between the two companies in the field of supercomputers, NEC will invest \$25M in Cray's non-voting preferred stock.

In order to facilitate performance of this agreement, it is necessary to revoke dumping duties to Japanese vector supercomputers in the U.S. and revocation of these dumping duties is a condition for effectuation of this agreement.

NEC announced its first SX Series supercomputer in 1983. The SX-5 Series, which is the current and primary model under this agreement, is the fourth generation product developed by NEC. Its peak vector processing speed is 5 TeraFlops (five trillion floating point operations per second) and it is the world's fastest vector supercomputer for commercial use.

The original Cray Research Inc. (CRI), founded by Seymour Cray, was a pioneering company in high performance computing. CRI was sold to Silicon Graphics Inc. (SGI)

in February 1996; then acquired by Tera Computer Company in April 2000. Tera changed its name to Cray Inc. Cray will sell the vector supercomputer SV1 and SX-5 Series systems as well as other current Cray products.

Cray has in depth experience in marketing supercomputers worldwide. This agreement will combine NEC's technology with Cray's sales and support infrastructure. Cray will now be able to respond to customers requiring high-end vector supercomputers by filling an important gap in their product line. NEC expects to expand its sales through Cray's sales channel.

Since the sales rights will be transferred exclusively to Cray, NEC's current sales and support organization, HNSX Supercomputers Inc., will transition into Cray over next 12 months.

- [Profile of NEC Corporation and Cray Inc.](#)

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