



## Press Release

# HCL forms joint venture with NEC, Japan

*Joint Investment in Centre of Excellence for Product Engineering*

**New Delhi, Jun 3, 2005:** NEC Corporation, Japan, world's leading provider of internet, broadband network and enterprise business solutions and HCL Technologies Limited (HCL), India's leading IT products and services company, today announced a joint venture to provide offshore led software engineering solutions in **embedded software, hardware design, network & security, R&D, high performance computing, and mobile technology** to NEC, its subsidiaries and their clients, in Japan and globally. NEC Corporation and its subsidiary, NEC System Technologies, Ltd, will have a 51% stake in the joint venture while remaining 49% will be held by HCL.

The joint venture is the culmination of a longstanding relationship of HCL with NEC and uniquely positions the JV to draw upon the business and the market reach of NEC and offshore centric technologies expertise of HCL. It is a reinforcement of NEC's trust in HCL's strong product engineering capabilities. HCL relationship with NEC goes back to 1997 which started with a small project in system software and currently encompasses work on mobile technologies, system software, embedded software, network and securities, R&D, security products, web technologies, etc.

**The Joint Venture** will be based out of Noida. HCL shall provide the CEO and CTO along with some key technical people to kick start the JV. An Advisory Committee with representation from the top management from each partner will be formed to set the future direction of the company.

This alliance is a part of NEC's strategic intent to harness Indian IT prowess and leverage its IT eco system advantages to provide greater value & higher quality of IT products and services to its subsidiaries and their clients globally.



The JV is expected to grow to about US \$25 million in three years and has a potential to scale up to US \$75 million to US \$100 million of revenues per annum in five years time frame.

“In the changing global economic scenario, India has established itself as a leading provider of software technology solutions and a destination for Japanese investment in sectors like telecom and information technology. We believe that this is the first step in the direction of a long and fruitful relationship and are confident that HCL will be able to value add to our business and contribute to our growth strategy,” **said Toshihiko Takahashi, President, NEC System Technologies, Ltd. and Executive Vice President NEC Corporation.** He further added, “The JVC is strategically positioned to enable NEC and HCL to also explore business in areas not covered in the current focus of Joint Venture.”

**Shiv Nadar, Founder HCL and Chairman & CEO HCL Technologies Ltd.** said, “It has been 7 years since we began our association with NEC and today it makes me nostalgic when I think of the multiple success stories that we have with NEC. We were given the letter of gratitude by NEC for our performance in two of their major projects.” He further added, “It is a matter of pride for us to work together as partners with NEC and contribute in their growth by providing cost effective solutions in cutting edge technologies for NEC in Japan and for their Global Market. It is a first JV of its kind where a Japanese Technologies Giant and one of the largest IT groups of India have come together to form a JV focused on Japan business.”

**Hiroshi Oka, Associate Senior Vice President, NEC System Technologies Ltd.** said, “I have a lot of expectations from the JV and HCL in the area such as embedded software, network and securities products, hardware design and related tools and other cutting edge technologies yet to emerge.”



“This alliance serves as a strong platform for HCL to strengthen its global presence, providing HCL wider access to Japan’s IT market, which is one of the world’s larger and more complex markets,” said Amitava Roy, Senior Corporate Vice President, HCL.

#### **About NEC Corporation**

NEC Corporation (NASDAQ: NIPNY) (FTSE: 6701q.l) is one of the world's leading providers of internet, broadband network and enterprise business solutions dedicated to meeting the specialized needs of its diverse and global base of customers. Ranked as one of the world's top patent-producing companies, NEC delivers tailored solutions in the key fields of computer, networking and electron devices, by integrating its technical strengths in IT and Networks, and by providing advanced semiconductor solutions through NEC.

#### **About NEC System Technologies**

NEC System Technologies, Ltd., a subsidiary of NEC Corporation, has over 3,600 employees and plays a vital role in software development & system integration services in NEC group. With core competencies in IT platform software development, NEC System Technologies offers a unique combination of products and services that draw on the synergy between IT platform software development and systems integration technologies. Aiming to be the “System Technologies Innovator”, NEC System Technologies Ltd. strives to pursue advanced technologies and generate the synergy of IT platform software development & system integration services.

#### **About HCL**

HCL is a leading Global Technology and IT enterprise with annual revenues of \$2.2 billion. IT Products and Services contribute to revenues of over \$1.1 billion. The HCL Enterprise comprises two companies listed in India, HCL Technologies & HCL Infosystems. The 29 year old enterprise, founded in 1976, is one of India’s original IT garage start ups. Its range of offerings span Product Engineering, Technology and Application Services, BPO, Infrastructure Services, IT Hardware, Systems Integration, and distribution of technology and telecom products. The HCL team comprises of 26,000 professionals of diverse nationalities, who operate from 15 countries including 300 points of presence in India. HCL has global partnerships with several leading Fortune 1000 firms, including leading IT and Technology firms. For more information please visit [www.hcl.in](http://www.hcl.in)

#### **About HCL Technologies**

HCL Technologies, a HCL Enterprise, is one of India’s leading global IT Services Companies, providing software - led IT solutions, BPO, and Remote Infrastructure Management services. Making a foray into the services domain in 1997-98, HCL Technologies focuses on technology and R&D outsourcing, working with clients in areas at the core of their business. The company leverages an extensive offshore infrastructure and its global network of 26 offices in 15 countries to deliver solutions across select verticals including Banking, Insurance, Retail & Consumer, Aerospace, Automotive, Semiconductors, Telecom and Life Sciences. For the twelve month period ended 31st March 2005, HCL Technologies along with its subsidiaries



had revenues of \$ 711 million and employed 22,034 professionals. For more information, please visit [www.hcltech.com](http://www.hcltech.com)

#### **Forward Looking Statements**

Certain statements in this release are forward-looking statements, which involve a number of risks, and uncertainties that could cause actual results to differ materially from those in such forward-looking statements. The risks and uncertainties relating to these statements include, but are not limited to, risks and uncertainties regarding fluctuations in earnings, our ability to manage growth, intense competition in IT services including those factors which may affect our cost advantage, wage increases in India, our ability to attract and retain highly skilled professionals, time and cost overruns on fixed-price, fixed-time frame contracts, client concentration, restrictions on immigration, our ability to manage our international operations, reduced demand for technology in our key focus areas, disruptions in telecommunication networks, our ability to successfully complete and integrate potential acquisitions, liability for damages on our service contracts, the success of the companies/ entities in which we have made strategic investments, withdrawal of governmental fiscal incentives, political instability, legal restrictions on raising capital or acquiring companies outside India, and unauthorized use of our intellectual property and general economic conditions affecting our industry. The company does not undertake to update any forward-looking statement that may be made from time to time by or on behalf of the company.

#### **For any further details / clarifications please contact:**

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