

The Lenovo logo is displayed in white, lowercase, italicized font.

NEW WORLD. NEW THINKING.

Joint Venture with NEC

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January 27, 2011

Transaction Summary

What

- Creation of JV in Japan between Lenovo and NEC

Why

- Becoming #1 PC Company in Japan with approx. 25% market share
- Acquiring strong Japanese brand and extensive distribution channels

Consideration

- Consideration for NEC PC at an Enterprise Value of US\$450 mm
- Transaction will be immediately accretive to earnings

Transaction Overview

Transaction Description

- Lenovo will own 51%, NEC will own 49% of the joint venture (“JV”)
- This transaction will deliver a more competitive business with powerful brand names, balanced product offerings, leading R&D capabilities, and extensive customer reach
- The combined platform will have products and services to address the needs of a full spectrum of customers, including large enterprises, small and medium-sized businesses, government and public sector customers, and consumers in Japan

Key Transaction Terms

- Total consideration based on an enterprise value of US\$450 mm, subject to NEC achieving certain financial milestones
 - Initial payment to NEC of US\$175 mm in Lenovo shares
 - Final payment up to US\$275 mm subject to NEC achieving certain financial milestones
- Lenovo to receive shareholder loan in exchange for transfer of Lenovo Japan to the JV

Timing

- Transaction is expected to close by June 30, 2011

Transaction Rationale – A Win-Win Proposition



- Fastest growing top-five global PC maker
- WW manufacturing and technology expertise



- #1 Japan PC market share
- Superior brand name in Japan with strong market position



1

Creates a strong #1 player in the 3rd largest PC market globally

2

Potential for new products & technologies from newly combined R&D capabilities and IP portfolio

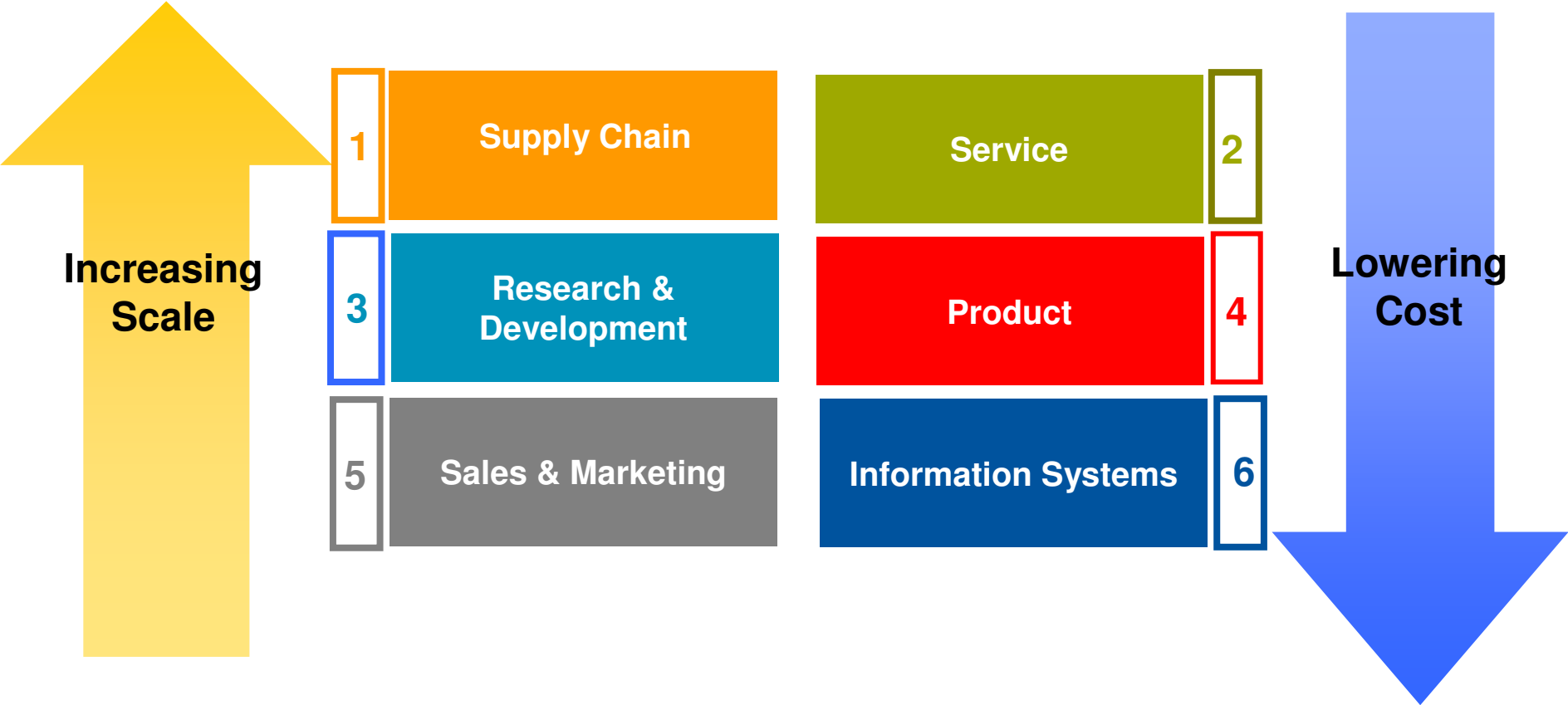
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EPS expected to be accretive immediately after transaction on a pre-synergy basis

4

Cost savings from the implementation of an operational efficiency enhancement program and potential synergies are estimated to be greater than US\$100 mm per annum

Synergies Driving Value...



thank you grazie **merci** danke **grazias** 謝謝 СПАСИБО
gracias **obrigado** ありがとう **dank** takk **bedankt** dakujem

lenovo
NEW WORLD. NEW THINKING.

The image shows the top portion of a slide with a dark blue background featuring abstract, flowing light blue lines. The word "lenovo" is written in a white, lowercase, sans-serif font.

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Appendices

NEC Personal Computers

Overview

- NEC Personal Computers was previously part of NEC, a 100%-owned subsidiary of NEC Corp.
 - Conducted most of NEC's PC operations including manufacturing, distribution, and services
 - Engaged in the consumer and business PC business
 - Enjoys 20% market share in the Japan PC market
- Long history of product innovation since introducing Japan's first PC in the late 70's

World Class Product Portfolio

Consumer

Commercial



ValueStar



LaVie



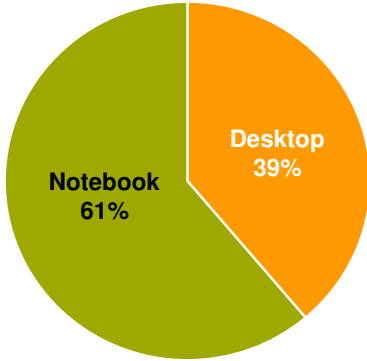
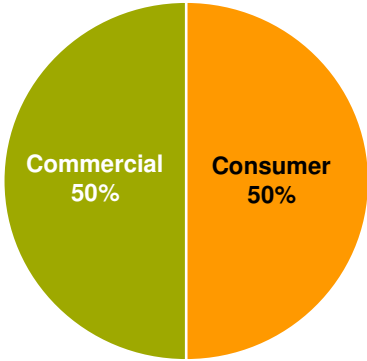
Mate



VersaPro

Unit Shipment Mix – 1H FY10

Total PC Shipments: 1.32 mm units



Source: Company filings

Lenovo Japan Ltd.

Overview

- Through its purchase of IBM's PC division, Lenovo has been in Japan since 2005. IBM had sold PCs in Japan since early 1980s.
- The iconic ThinkPad laptop PC was designed at IBM's Yamato R&D Center, which was also acquired by Lenovo in 2005.
- Lenovo currently has about 5.6% shipment share and ranks 7th in Japan.
- Lenovo Japan offices are located in Roppongi and Yokohama.

Well-known Brands for Both Markets

Consumer

Commercial



IdeaCenter IdeaPad

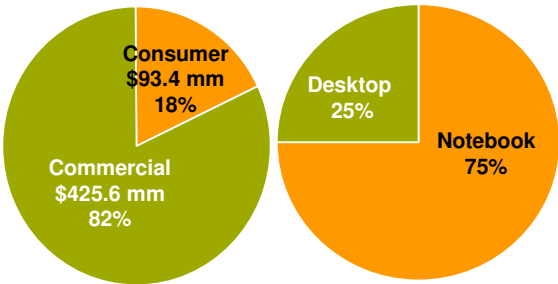


ThinkCenter ThinkPad

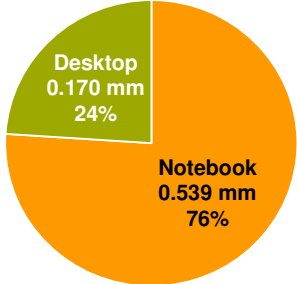
Source: Company filings



Revenue Mix – FY10

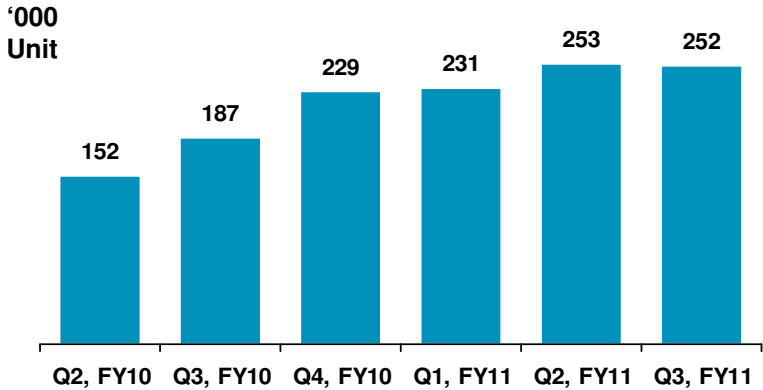


Unit Shipments Mix – FY10



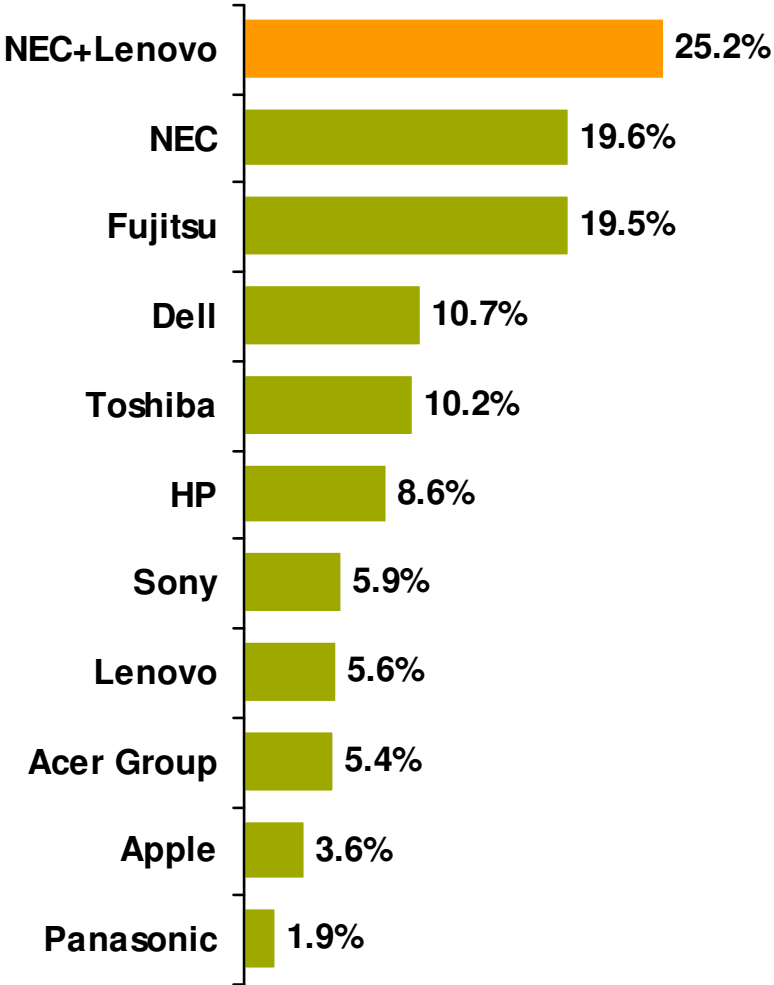
Total PC Revenue: US\$519 mm

Lenovo Shipments

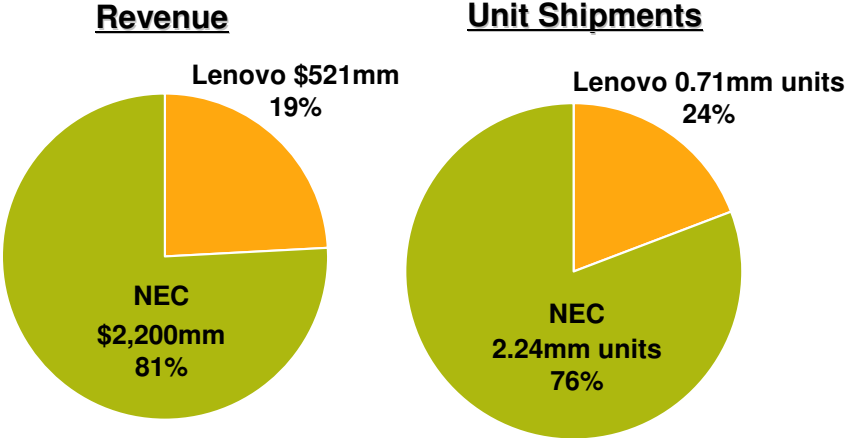


NEC + Lenovo Drive a Strong #1 Position

PF Market Share of JVCo – 1H 2010



PF Breakdown – FY10



Combined Strength



Robust growth profile; driving the revenue growth in the pro-forma combined entity going forward

+



Economies of scale provided by NEC Lenovo Japan to drive down JVCo's E/R ratio

=

Strong revenue growth & High profit margin