

New PC Business Development through a Strategic Alliance with Lenovo

**NEC Corporation
President**

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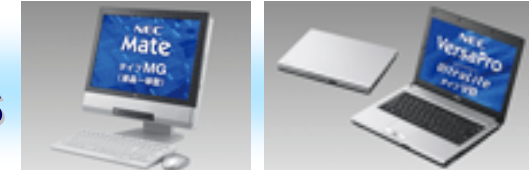
Effects from the Strategic Alliance with Lenovo

1. PC product strength through joint development



**2. Enhance PC price competitiveness
by leveraging the scale of both companies**

3. Global expansion of commercial PCs



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Further expansion of linked business areas



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1. PC Product Strength through joint Development

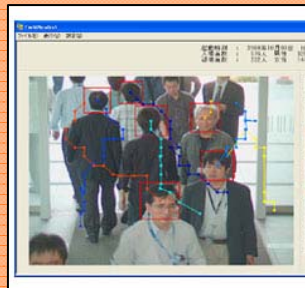
Creating technological synergies between NEC and Lenovo

NEC: High value added technologies to fulfill domestic customer needs

Lenovo: Innovative technologies from Yamato Lab as represented by ThinkPads

NEC

- Integration of AV & Network
- Eco technologies
- Security technologies



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Solid & Reliable

- Biometrics sensors
- Security measurement



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2. Enhance of PC price competitiveness by leveraging the scale of both companies

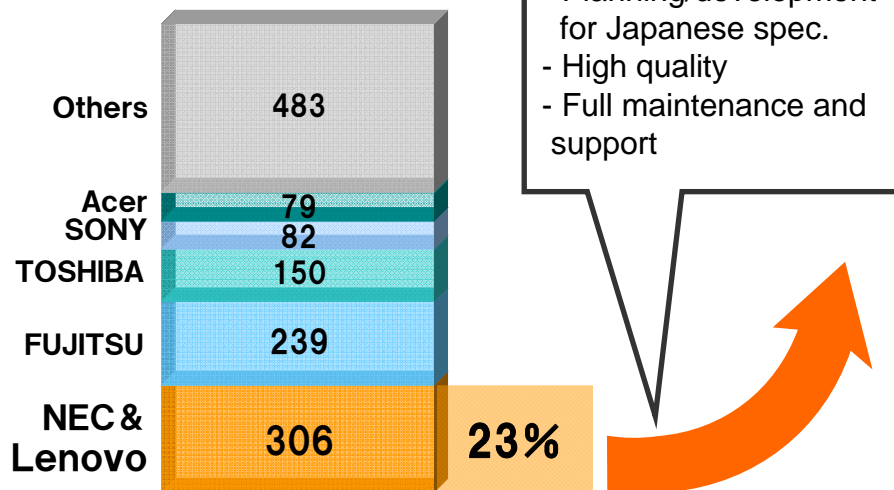
Establishing No.1 market share domestically

In addition to strengths that include planning, development and quality,
the alliance delivers the scale of Lenovo

Pursuing Top 3 positioning in the worldwide market

Increase share in Japan's PC market

Shipment in Japan
CY2009 13.43M units



(Source : IDC Japan, Japan Personal Computing Quarterly Model Analysis Q3 2010)

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Increase share in global PC market

WW3Q Share(CY2009, CY2010)

	CY09/3Q	CY10/3Q	+/-
HP	19.6%	17.8%	▲1.7%
Acer	13.5%	13.1%	▲0.3%
DELL	12.6%	12.6%	0.0%
NEC & Lenovo	9.3%	11.2%	+1.9%

(Source : IDC Japan, Japan Personal Computing Quarterly Model Analysis Q3 2010)

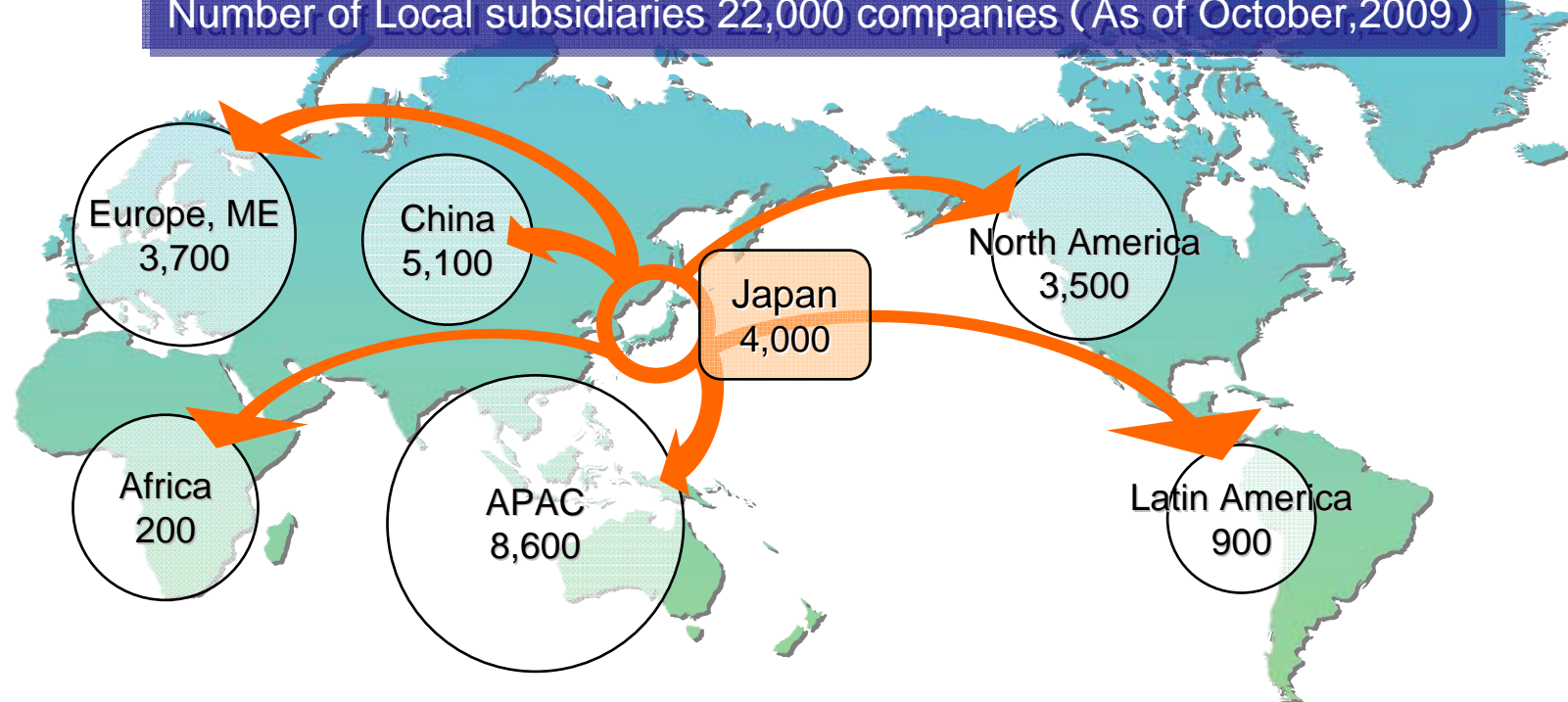
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3. Global Expansion of NEC's Commercial PCs

Expand overseas sales through a focus on the local subsidiaries of Japanese companies

- Aligning with NEC's sales network and Lenovo's global support
- Provide cost performing products and reliable support to Japanese corporate customers abroad

Number of Local subsidiaries 22,000 companies (As of October, 2009)



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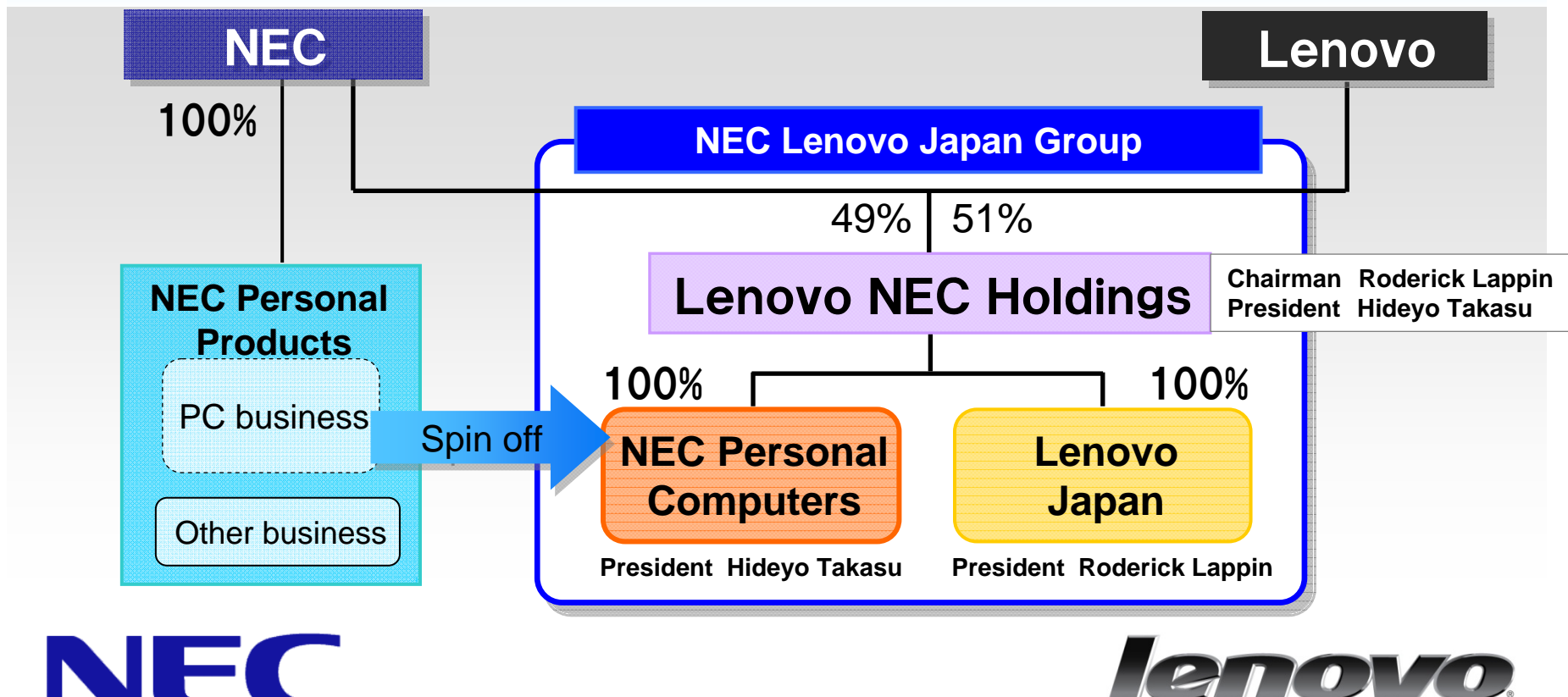
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PC Business Alliance Scheme

Establishment of NEC Lenovo Japan Group by integrating PC operations in Japan

- NEC receives Lenovo shares (US\$175M worth)
- Establish a PC holding company through investment of both companies

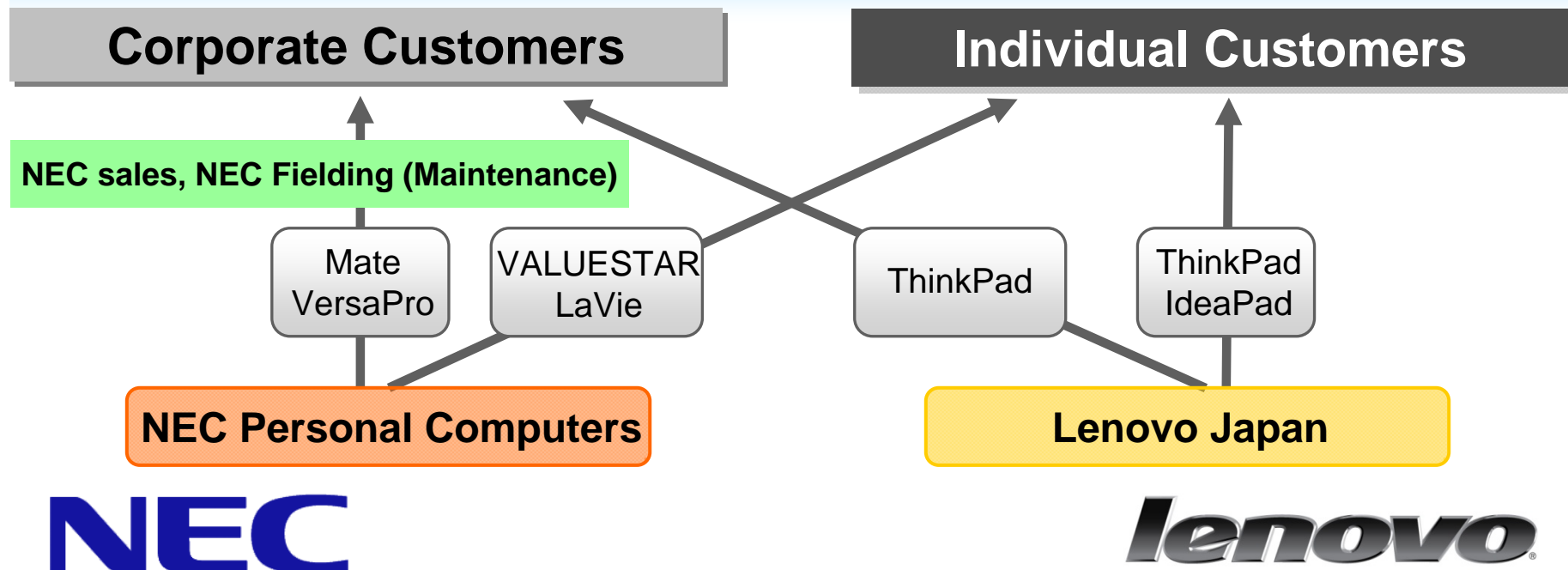
Chairman of the new company is from Lenovo. The President is from NEC.



High Customer Satisfaction with the same Branding and Support

Both brands will continue to provide commercial and consumer products.

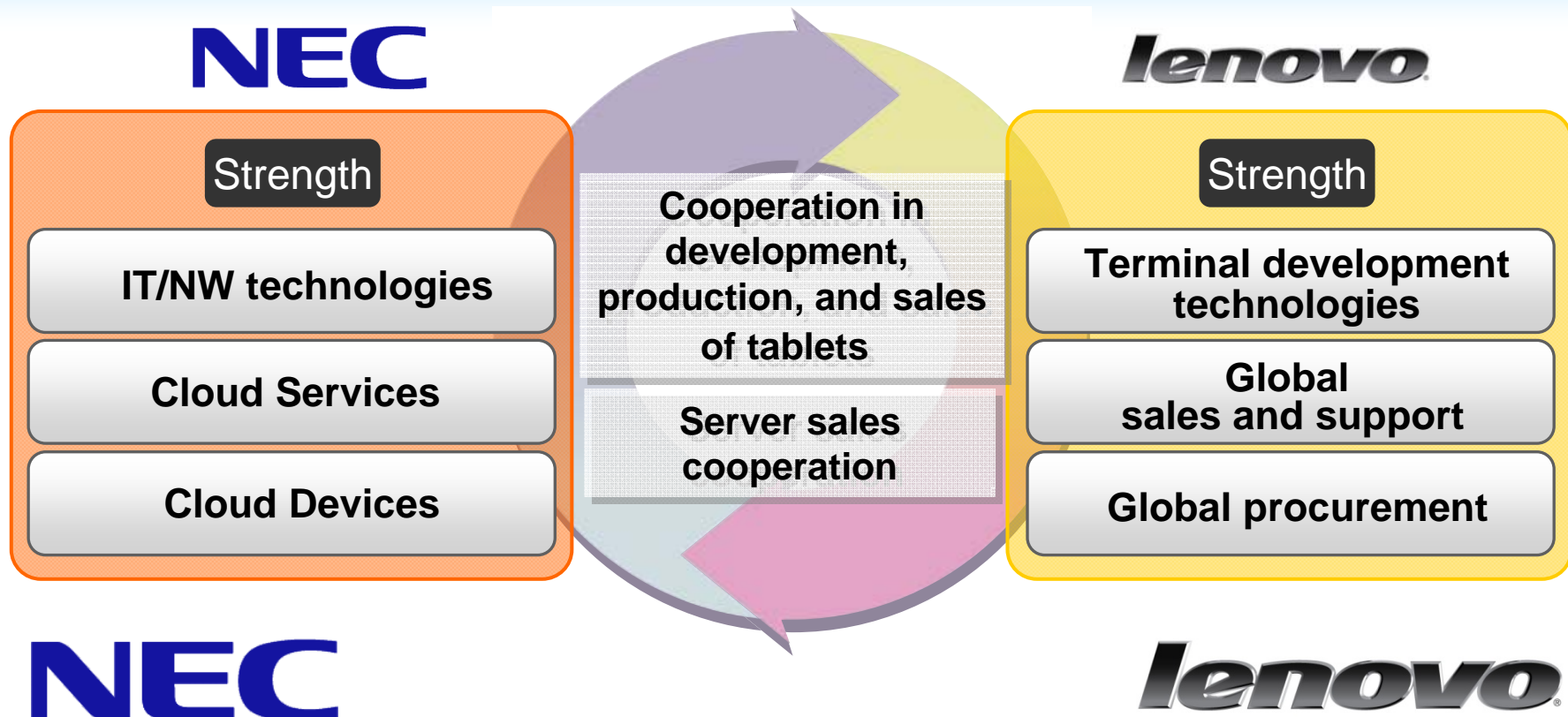
- NEC Personal Computers will be marketed for consumers. Lenovo Japan will be marketed for individually branded products.
- NEC manages sales of NEC branded products for corporations.
- Customer support provided through the same existing channels.



Strategic Alliance Expansion Possibilities

Possible business alliances in such as areas
tablets and servers, following PC business alliance

Capitalize on the new worldwide scale and leverage the
global expansion of Japanese companies in other areas



Empowered by Innovation

NEC

(Appendix) Current Status of NEC and Lenovo's PC business

NEC : Long term maintenance of the No. 1 PC position

Most suitable product planning and development for the Japanese market.

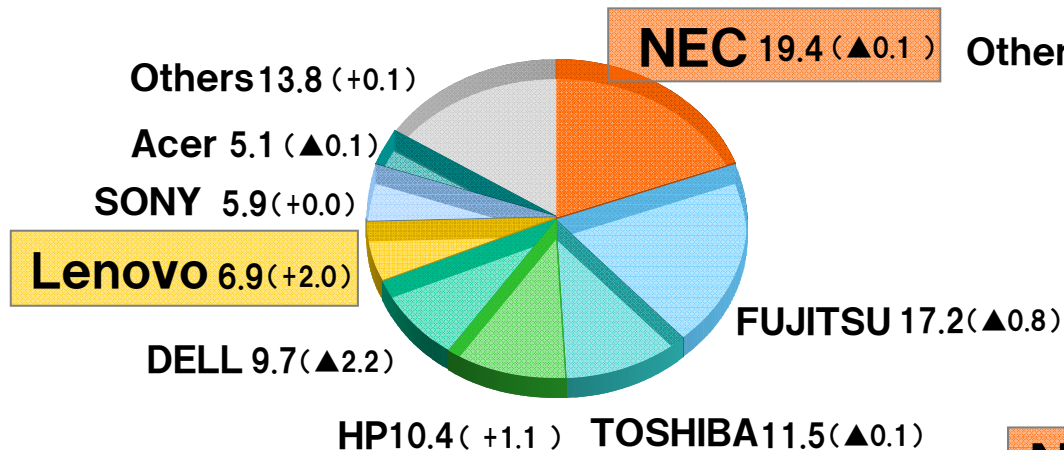
Established sales, maintenance and support channels in Japan.

Lenovo : No.4 Global PC Vender

Well known technology and development abilities (ThinkPads, etc.)

No. 1 share in China (Approx. 30%)

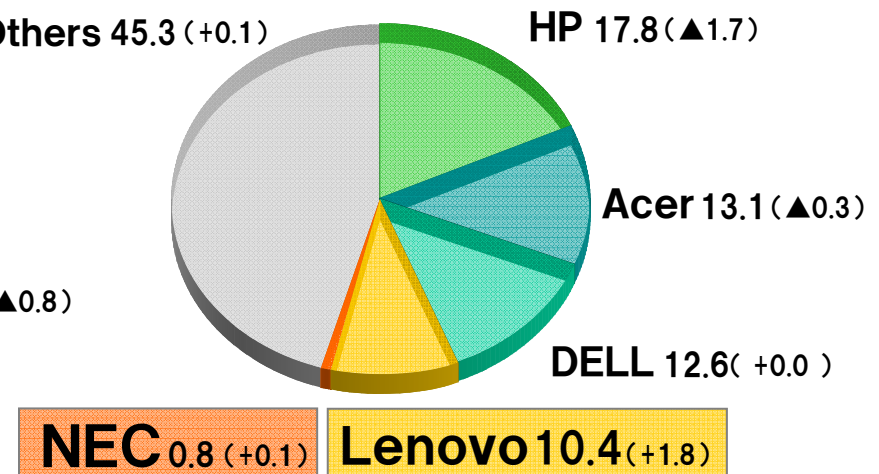
PC Market in Japan (CY2009 3Q)



(Source : IDC Japan, Japan Personal Computing Quarterly Model Analysis Q3 2010)

NEC

PC Market Share WW (CY2010 3Q)



(Source : IDC Japan, Japan Personal Computing Quarterly Model Analysis Q3 2010)

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Outline of NEC Lenovo Japan Group

【Group Structure】

1. Lenovo NEC Holdings B. V

Headquarters : Netherland

Representative (Plan) : Chairman Roderick Lappin (Representative Director and President of Lenovo Japan)
President & CEO Hideyo Takasu (President of NEC Personal Product)

Stake : Lenovo 51% NEC 49%

2. NEC Personal Computers, Ltd.

Headquarters : Shinagawa, Tokyo

Representative (Plan) : Hideyo Takasu, President

Shareholders : Lenovo NEC Holdings B. V (100%)

Operations : Product planning, development, production, sales and maintenance and support of NEC branded PCs.

Production site : Yonezawa, Japan

3. Lenovo Japan

Headquarters : Minato-ku, Tokyo

Representative : Roderick Lappin, Representative Director and President

Shareholders : Lenovo NEC Holdings B. V (100%)

Operations : Product planning, development, sales and maintenance and support of Lenovo branded PCs.

