

Dec. 28, 2006

Nikko Cordial Securities Inc.

Summary of Keynote Address of Mikio Kitabayashi  
(President and CEO of Nikko Cordial Securities Inc.)

I am Mikio Kitabayashi, selected as President and CEO of Nikko Cordial Securities (the Company), on Dec. 26<sup>th</sup>.

I regret so much about Nikko Cordial Corporation, our parent company, damaged investors' trust against the market, by causing problems in area of disclosure, which is extremely important to ensure confidence against the market.

I express heartfelt apology to our customers and any concerned parties for causing considerable inconvenience. We will try our best to recover the trusts we lost from the market, and to contribute to the healthy development of the market.

➤ High ethics required for securities company

As the transfer "from deposit to investment" is getting drastic, the Company wishes to contribute to the development of Japanese market. For this purpose, the Company is executing its "24-months business plan", which ends on March 2008, to become a financial service company chosen by customers, by providing good financial services.

Though the business plan is proceeding steadily, we cannot forget our social responsibility as an entrepreneur of the market. Therefore, we must sustain high ethics, and thorough corporate governance. It's my sincere desire to manage the Company under strong internal control system.

➤ Movements to be made to recover the trust we lost

The company is a core subsidiary in the area of retail business and wholesale business. Therefore, restoration of trust against Nikko Cordial Corporation will be required conditions for the future progress of the Company's business.

I think that the trust Nikko Cordial Corporation had lost this time will cause tremendous impact to the Company. As a core subsidiary of Nikko Cordial Corporation, we will do our best to recover our customers' trust as fast as possible.

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This material is an English translation of a Japanese announcement made on Dec. 28, 2006. Although the Company intended to faithfully translate the Japanese document into English, the accuracy and correctness of this translation are not guaranteed and thus you are encouraged to refer to the original Japanese document.