

FOR IMMEDIATE RELEASE
Citibank Securities (Japan) Limited
Nikko Cordial Securities Inc.

**Announcement of Proposed Integration of
Retail Securities Businesses of Citi and Nikko Cordial
Citibank Securities Japan and Nikko Cordial Securities Start Preparation for
Business Consolidation**

Tokyo, October 9, 2007 - Citibank Securities (Japan) Limited ("Citibank Securities Japan") and Nikko Cordial Securities Inc. ("Nikko Cordial Securities") today announced that Citibank Securities Japan, a 100%-owned securities subsidiary of Citigroup Inc. ("Citigroup"), and Nikko Cordial Securities, a 100%-owned securities subsidiary of Nikko Cordial Corporation, have agreed to start preparations for consolidating the retail business operations of Citibank Securities Japan with those of Nikko Cordial Securities ("Integration") as part of the comprehensive strategic alliance announced by Citigroup and Nikko Cordial Corporation on March 6, 2007.

1. Objectives of the Integration

Citigroup and Nikko Cordial Corporation have been examining various collaborative initiatives designed to expand their respective business opportunities in Japan and to create one of Japan's leading comprehensive financial services groups, while giving due respect to Japanese culture and business practices. One such collaborative initiative is the proposed consolidation of the retail securities operations of the two companies in Japan.

Citibank Securities Japan and Nikko Cordial Securities believe that the Integration will enable Nikko Cordial Securities to offer its wide range of products and services to customers of Citibank Securities Japan as well as to introduce new products and services offered by Citigroup's global network to its existing customers. In the areas of wealth management services and the securities intermediary business, Nikko Cordial Securities intends to promote business growth by capitalizing on the complementary strengths of Citibank Securities Japan and Nikko Cordial Securities.

2. Target Date of the Integration

The target date of the Integration is early May 2008.

3. Details of the Integration

Citibank Securities Japan and Nikko Cordial Securities are currently discussing the Integration plan

and the services to be provided after the Integration. They are also discussing the form of the transaction to be used to effect the Integration, which as currently anticipated would involve a merger of Citibank Securities Japan with and into Nikko Cordial Securities in exchange for cash consideration, all conducted on an arm's-length basis.

4. Overview of the Integrated Companies

As of end of September 2007 unless otherwise specifically described

(1) Trade name	Nikko Cordial Securities Inc.	Citibank Securities (Japan) Limited
(2) Business	Financial instruments trading business	Financial instruments trading business
(3) Date of incorporation	March 29, 2001	May 30, 2006
(4) Location of head office	3-3-1, Marunouchi, Chiyoda-ku, Tokyo, Japan	1-3-1, Marunouchi, Chiyoda-ku, Tokyo, Japan
(5) Representative	Mikio Kitabayashi President and CEO	Masaaki Mizuno Representative Director Raul Paredes Representative Director
(6) Amount of stated capital	100 billion yen	6,388,270,776 yen
(7) Outstanding shares	2,000,000 shares	66,778,541,549 shares
(8) Net assets (as of June 30, 2007)	410,072 million yen	6,089 million yen
(9) Total assets (as of June 30, 2007)	1,371,539 million yen	20,476 million yen
(10) End of fiscal year	March 31	March 31
(11) Employees	7,266	105
(12) Branch offices	110 branches	2 branches
(13) Major shareholders and their percentage of shareholdings	Nikko Cordial Corporation: 100.00%	CJP Holdings Inc. 100.00%

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