

March 24, 2008
Nikko Cordial Securities Inc.

**Summary of Remarks by Mikio Kitabayashi (President & CEO)
at the Spring 2008 General Managers' Meeting, Nikko Cordial Securities Inc.
(March 22, 2008)**

With Japanese securities market which is in the midst of "Globalization and Expansion", Japanese government and stock exchanges have begun to take further steps to strengthen competitive edge of Japanese financial and capital markets since last year.

Japanese securities markets will further develop going forward although the shift from savers to investors has been stagnant recently.

While Japanese individual investors are expected to be more sophisticated along with the growth of securities markets, Japanese corporations are adopting and executing management strategies for survival with an eye on global perspective.

In such circumstances, through consolidation of the securities functions of Nikko Cordial Securities and Nikko Citigroup Limited in a single company in around 12 months, we will improve operational efficiency and create a new securities company that will be more easy-to-understand for clients. It will create the securities company that is most Japanese and most global, in which Nikko's domestic sales platform and Citi's global network function in optimum balance.

New Medium-term Management Plan

➤ Management Policy

Aim to be a No. 1 financial services firm in Japan

➤ Establish an unyielding position in Japan for the goal of creating a No. 1 financial services firm in Japan by realizing "Quality No. 1" in the areas of "People", "Financial Products", "Services", and "Management Efficiency"

- People = The best talents in the industry and in respective regions
(Win utmost trusts from our clients)

This material is an English translation of a Japanese announcement made on March 24, 2008. Although the Company intended to faithfully translate the Japanese document into English, the accuracy and correctness of this translation are not guaranteed.

- Financial Products = Consistent commitment to Best Product Policy
Offering financial products that can meet all sorts of investment needs of our clients
- Services = Offering services that are valuable for clients
(Timely and cordial service)
- Management Efficiency = Cost control and risk management
(Pursue further management efficiency)

Sales Strategy

- **Retail Function : To be a No. 1 in respective regions**
 - Strengthen and expand client-facing points through 5-division structure
 - Drive growth in wealth management business by improving abilities to propose best products and services for each client
- **Institutional Function : Reinforce collaboration with Citibank and Nikko Citigroup Limited**
 - Full use of full-coverage and full-line service structure
 - Quickly respond to diversifying needs of our clients while capturing changes
- **Headquarters : Pursue even higher management efficiency**
 - Reinforce management practices through continuous cost control and risk management

Our Actions

- **Client First & Dedication to the job**
 - Abilities to explain markets and products, commitment to accomplish objectives. In addition, "SMILE" is also important
 - Work as attractive employees with "dream", "curiosity", honesty" and "sense of gratitude" in mind
 - Ensure sense of assurance to our clients and provide services that will boost trust on Nikko
 - Meet clients' high-level expectations

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