



Translation of the Japanese press release

August 24, 2009  
Nikko Cordial Securities Inc.

## **Corporate Organization and Executive Structure of New Company**

Nikko Cordial Securities Inc. (the “Current Nikko Cordial Securities”) will start operations as a new company (the corporate name is scheduled to be changed to Nikko Cordial Securities Inc. from Nikko Cordial Securities De-Merger Preparatory Company Ltd. as of October 1, 2009) by succeeding all the operations of Nikko Cordial Securities Inc. and part of operations of Nikko Citigroup Limited etc., subject to relevant authorities’ approvals and registrations, and will build a new structure of a full-line securities firm as a wholly-owned subsidiary of Sumitomo Mitsui Banking Corporation.

The announcement is hereby made as the corporate organization and executive structure of the new company as of the starting date of business operations were decided today.

### **1. Outline of Organizational Structure of New Company**

The new company will build a new corporate structure by adding the following elements to the operations of the Current Nikko Cordial Securities centered on retail securities business.

- (1) Build a structure for domestic equity and bond underwriting and investment banking operations and reinforce and expand wholesale securities business with an aim to further enhancing customer service. Establish wholesale trading division.
- (2) Develop and expand internal control structure that will help support the full-line brokerage operations and take in functions such as finance and media relations that have been operated under the existing holding company, Nikko Citi Holdings Inc.
- (3) Multiple organizations will respond to step up coordination with Sumitomo Mitsui Banking Corporation in the areas such as intermediary business, compliance, risk management and audit.
- (4) Build a structure for managing affiliates that will be taken in as subsidiaries at this time of business reorganization.

### **2. Outline of New Company (As of October 1, 2009 – Planned)**

1. Corporate Name	Nikko Cordial Securities Inc.
2. Line of Business	Financial Instruments Transactions, etc.
3. Date of Establishment	June 15, 2009
4. Address of Head Office	3-3-1 Marunouchi Chiyoda-ku, Tokyo

5. Representative	Eiji Watanabe, President & CEO
6. Capital	10 billion yen
7. Total Number of Shares Outstanding	200,000 shares
8. Fiscal term end	March 31
9. Number of employees	6,960
10. Major shareholder and Voting right	Sumitomo Mitsui Banking Corporation 100%
11. Major Banking Relationship	Sumitomo Mitsui Banking Corporation

### 3. Executive Structure (As of October 1, 2009 – planned)

Kazuyoshi Kimura	[New] Chairman
Naoyuki Kawamoto	[New] Vice Chairman, Co-Head of Risk Management and Co-Head of Finance
	[Previous] Managing Director, Sumitomo Mitsui Banking Corporation
Eiji Watanabe	[New] President & CEO
Noriyuki Ogasawara	[New] Executive Deputy President
	[Previous] Director
Yuichiro Takada	[New] Executive Deputy President, Co-Head of Corporate Business and Co-Head of Institutional Business
	[Previous] Managing Director, Sumitomo Mitsui Banking Corporation
Masashi Iwakigawa	[New] Senior Executive Managing Director, Head of Public Institutions
Hideto Yoshikawa	[New] Senior Executive Managing Director, Head of Institutional Business Unit
	[Previous] Senior Executive Managing Director, Head of Institutional Business Unit, Head of IPO Underwriting & Consulting, Head of Institutional Business Tokai and Head of Institutional Business Kinki
Masaaki Mizuno	[New] Senior Executive Managing Director, Head of Products and Head of Research
Noriyoshi Suzuki	[New] Senior Executive Managing Director, Head of Retail Business Kinki, Hokuriku & Shinetsu and Head of Wealth Management
Naofumi Fuke	[New] Senior Executive Managing Director, Head of Retail Business Planning and Head of Financial Products Intermediary Business

Hiroshi Kobayashi	[New] Senior Executive Managing Director, Co-Head of Business & Strategic Planning
	[Previous] Director, Sumitomo Mitsui Banking Corporation
Shinya Tamoto	[New] Executive Director, Head of Finance
Hitoshi Chinen	[New] Executive Director, Head of Compliance, Head of General Administration and Head of Risk Management
	[Previous] Executive Director, Head of Compliance and Head of General Management
Yasushi Tachihara	[New] Executive Director, Head of Administrative Operation and Head of Business & Strategic Planning
Kenichi Shimizu	[New] Managing Executive Officer, Head of Institutional Business Western Japan
	[Previous] Executive Managing Director, Head of Institutional Business Western Japan
Shuichi Kondo	[New] Managing Executive Officer, Head of Institutional Business Tokai
	[Previous] Managing Executive Officer
Eiji Yamada	[New] Managing Executive Officer, Head of Institutional Business Eastern Japan
	[Previous] Executive Managing Director, Head of Institutional Business Eastern Japan
Takashi Yoshikawa	[New] Managing Executive Officer, Head of Corporate Business and Head of Corporate Business I
	[Previous] Managing Executive Officer
Masaya Owada	[New] Managing Executive Officer, Head of Corporate Development Service
	[Previous] Executive Director, Head of Corporate Development Service
Kunio Oda	[New] Managing Executive Officer, Head of Institutional Business Kinki
	[Previous] Executive Officer
Akira Nokina	[New] Managing Executive Officer, Head of Retail Business Eastern Japan & Metropolitan East
	[Previous] Executive Officer, Head of Retail Business East Japan & Metropolitan East
Hitoshi Hiramatsu	[New] Managing Executive Officer, Head of Retail Business Metropolitan West & Tokai
	[Previous] Executive Officer, Head of Retail Business Metropolitan West & Tokai
Taro Hayashi	[New] Managing Executive Officer, Co-Head of Products Planning & Operation and Head of Capital Markets Origination
	[Previous] Managing Director, Nikko Citigroup Limited

Masuo Fukuda	[New] Managing Executive Officer, Head of Investment Banking Division and Co-Head of Corporate Business I
	[Previous] Managing Director, Nikko Citigroup Limited
Hiroshige Jikihara	[New] Executive Officer, Head of Personnel Development
Osamu Morita	[New] Executive Officer, Head of Asset Management
	[Previous] Executive Director, Head of Asset Management
Yasuyoshi Asano	[New] Executive Officer, Co-head of Wealth Management and Co-Head of Solution Strategy
Tatsuya Kaneko	[New] Executive Officer, Deputy Head of Investment Banking Division
	[Previous] Executive Officer
Kenichi Tamura	[New] Executive Officer, Deputy Head of Investment Banking Division
	[Previous] Executive Officer
Naotaka Fujishiro	[New] Executive Officer, Head of Retail Business Tokyo
Toyoshi Maeda	[New] Executive Officer, Co-Head of Solution Strategy, Head of Compensation & Benefit Planning and Head of Corporate Business II
	[Previous] Executive Officer, Co-Head of Solution Strategy and Head of Listed & OTC, Private Companies
Toshio Sadayuki	[New] Executive Officer, Head of Retail Business Western Japan
Hiroaki Toyoda	[New] Executive Officer, Head of Products Planning & Operation and Co-Head of Products
Norihei Matsumoto	[New] Executive Officer, Deputy Head of Products
	[Previous] President, Nikko Financial Intelligence, Inc.
Michinori Ando	[New] Executive Officer, Head of Internal Audit
	[Previous] General Manager, Internal Inspection
Kouichirou Seo	[New] Standing Statutory Auditor
Masayoshi Sato	[New] Statutory Auditor
Yukio Rimbara	[New] Statutory Auditor

#### **4. Organization of New Company (As of October 1, 2009 – planned)**

“New” means an organization that does not exist in the Current Nikko Cordial Securities and “Renamed” means an organization to be succeeded from the Current Nikko Cordial Securities and its name is changed.

(1) Audit-related organization

- Internal Audit (Renamed)

(2) Compliance-related organizations

- General Compliance Management (Renamed)
- Product Compliance
- Securities Trading Supervisory Operation
- Institutional Business Administration
- Security Management (New)
- Underwriting Reviews (New)

(3) Administration-related organizations

- Communications (New)
- Legal (Renamed)
- Funding & Cash Management (New)
- Securities Settlement
- Administrative Services (New)
- Human Resources

(4) Administrative Operation-related organizations

- Administrative Operation
- System Planning & Operation

(5) Personnel Development-related organization

- Personnel Development

(6) Risk Management-related organization

- Risk Management

(7) Finance-related organizations

- Finance Control (New)
- Treasury (Renamed)

(8) Products Planning & Operation-related organization

- Products Planning & Operation

(9) Asset Management-related organizations

- Asset Management Products
- Asset Management Marketing
- Insurance Business
- Investment Advisory Business

- (10) Products-related organizations
  - Equity
  - Equity Advice Center
  - Financial Market Products
  - Financial Market Products Trading (Renamed)
  
- (11) Capital Markets Origination (New)
  - Equity Capital Markets (New)
  - Debt Capital Markets (New)
  - Debt Syndicate (New)
  - Alternative Markets (New)
  
- (12) Corporate Development Service
  - Corporate Development Service
  
- (13) Research-related organization
  - Global Investment Strategy
  
- (14) Business & Strategic Planning-related organizations
  - International Business (Renamed)
  - Overseas Office
  - Management Planning & Administration
  - Institutional Business Development
  - Customer Relations
  - Business Research
  
- (15) Retail Business Planning-related organizations
  - Customer Service Center
  - Direct Marketing
  - Retail Business Planning
  - Solution Business Planning
  
- (16) Retail Business Eastern Japan & Metropolitan East
  - Tokyo District Sales Department
  - Branch Offices
  
- (17) Retail Business Tokyo
  - Branch Offices
  
- (18) Retail Business Metropolitan West & Tokai
  - Branch Offices
  
- (19) Retail Business Kinki, Shinetsu & Hokuriku
  - Branch Offices
  
- (20) Retail Business Western Japan
  - Branch Offices

- (21) Financial Products Intermediary Business
  - Financial Products Intermediary Business with SMBC (New)
  - Financial Products Intermediary Business
  
- (22) Public Institutions
  - Public Institutions I
  - Public Institutions II
  - Public Institutions III
  - Public Institutions IV
  - Public Institution Operation
  
- (23) Wealth Management
  - Private Banking
  - Personal Advisory for Corporate Employees
  - Sales Group for Wholesale Clients
  - Private Companies
  
- (24) Solution Strategy-related organizations
  - Solution Business Planning I
  - Corporate Strategy
  
- (25) Compensation & Benefit Planning-related organization
  - Compensation & Benefit Planning
  
- (26) Investment Banking (New)
  - Investment Banking I (New)
  - Investment Banking II (New)
  - Investment Banking III (New)
  - Investment Banking IV (New)
  - Investment Banking V (New)
  - Investment Banking VI (New)
  - Capital Markets Execution (New)
  - IPO Underwriting & Consulting
  
- (27) Corporate Business
  - Corporate Business I (New)
    - Listed Companies I (New)
    - Listed Companies II (New)
    - Financial Institutions & Public Sector (New)
  - Corporate Business II (Renamed)
    - Listed Companies IV
    - Listed Companies V
    - Listed Companies VI
  
- (28) Institutional Business
  - Institutional Business Eastern Japan
    - Institutional Clients Department, Sapporo Branch
    - Institutional Clients Department, Sendai Branch

- Institutional Clients Department, Niigata Branch
- Institutional Clients Department, Saitama Branch
- Institutional Business Kanto
- Institutional Clients Department, Chiba Branch
- Institutional Clients Department, Yokohama Branch
- Institutional Clients Department, Mito Branch

Institutional Business Tokai

- Institutional Business Nagoya (New)
- Institutional Clients Department, Shizuoka Branch

Institutional Business Kinki

- Institutional Business Osaka (New)
- Institutional Clients Department, Kyoto Branch
- Institutional Clients Department, Kobe Branch

Institutional Business Western Japan

- Institutional Clients Department, Okayama Branch
- Institutional Clients Department, Hiroshima Branch
- Institutional Clients Department, Fukuoka Branch
- Institutional Clients Department, Yamaguchi Branch

**5. Others**

The major entities that will become wholly-owned subsidiaries of Nikko Cordial Securities Inc. on the starting date of business are as follows:

There will be no changes in corporate names and other details.

Nikko Global Wrap Ltd.

Nikko Systems Solutions, Ltd.

Nikko Pension Consulting Co., Ltd.

Nikko Financial Intelligence, Inc.

Nikko Investor Relations Co., Ltd.

Nikko Enterprise Co., Ltd.

Nikko Business Systems Co., Ltd.

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Media:

Nikko Cordial Securities Inc.

81-3-6270-9279



[Appendix 1 ]

**Eiji Watanabe**

Nikko Cordial Securities Inc.  
President & CEO



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Eiji Watanabe has been appointed as President & CEO of Nikko Cordial Securities Inc., effective October 1, 2009.

He is presently President & CEO of the Current Nikko Cordial Securities Inc.

Previously, he served as Executive Deputy President, Compliance & Administrative Operation of the Current Nikko Cordial Securities Inc., since Feb. 2007.

He served as Senior Executive Managing Director and Senior Executive Officer of the Current Nikko Cordial Securities Inc., responsible for Compliance and Administrative Operation since March 2003.

He was a director of the Current Nikko Cordial Securities Inc., responsible for the Consulting Business since October.2001.

Initially appointed as Executive Officer of The Nikko Securities Co.,Ltd. in March 2000, he had served as head of the Consulting Business and General Manager of Consulting Support Department.

He has been in a position of leadership since March.1995, serving as Head of CEO Office, General Manager of Management Planning & Administration and General Manager of Shibuya Branch of The Nikko Securities Co.,Ltd.

He joined The Nikko Securities Co.,Ltd. in April 1976, after receiving a Bachelor's degree in Law from Waseda University.

He is married and has two sons.