



Translation of Japanese press release

March 26, 2010
Nikko Cordial Securities Inc.

Medium-Term Management Plan

With the future prospect of “becoming the No.1 general securities company in Japan which is excellent both in quality and in quantity and globally competitive,” Nikko Cordial Securities Inc., a member of Sumitomo Mitsui Financial Group, has established the medium-term management plan in order to become one of the leading general securities companies in Japan within three years from April 2010.

The essence of the plan is as follows.

1. Management Targets

(1) Basic Policy

1. Aiming at becoming one of the leading and solid general securities companies in Japan that can offer full-line services to customers and obtain their utmost confidence
 - a) Sustainable expansion of existing business centering on retail business
 - Improving the operating structure to further expand our revenue base while maintaining high productivity
 - Providing customers with a broad lineup of products and services through introduction or intermediation business of Sumitomo Mitsui Banking Corporation (SMBC)
 - Aiming to drastically increase product sales and the net inflow of assets through the expansion of primary deals in concert with the wholesale division
 - b) Creation of new business centering on the wholesale business
 - Realizing business results by which the Company can demonstrate a solid presence through maintenance and enhancement of relations with customers for whom the Company worked as a lead-manager and enhancement of lead management capabilities utilizing our partnership with SMBC
 - Increasing the number of skilled personnel and investing in systems in order to expand new business, such as trading operations, overseas business and our partnership with SMBC
 - c) Improvement of the organizational structure of the head office in order to establish risk management and compliance systems in response to full-line business operations
2. Responding to society, the economy and markets in a more responsible manner as a major financial institution in Japan and aiming at improving both our reliability and presence
3. Establishing a growth strategy as a general securities company that conducts both retail and wholesale business

(2) Numerical Targets

	FY ending March 2010 3Q (annualized) *1 (billions of yen)	FY ending March 2013 Planned target (billions of yen)
Net operating revenue	181.4	300
- Retail business	167.4	200
- Wholesale business	14.0	100
Ordinary income	37.9	100

*1 The business results for the 3Q (October to December) of the fiscal year ending March 2010 are quadrupled to show them on an annual basis.

2. Main Measures

(1) Retail business

- Enhancement of efforts in business targeting wealthy individuals
- Meeting the diversified needs of customers by enhancing our partnership with SMBC
- Enhancement of efforts for primary deals

(2) Wholesale business

- Establishment of the front system to achieve business results by which the Company can demonstrate a solid presence
- Increasing the number of skilled personnel and investing in systems in order to expand new business, such as trading operations, overseas business and our partnership with SMBC

(3) Active employment of personnel and enhancement of personnel development programs (increase in the number of employees by approximately 1,000 over the three years from now)

(4) Increase in system investment (by more than approximately 50 billion yen over the three years from now)

(5) Improvement of the organizational structure of the head office in response to full-line business operations

(6) Maintenance of low-cost operations based on IT, etc. (improvement of productivity of sales activities)

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