

July 13, 2006

Nikko Cordial Securities Inc.

Notice Concerning Equity Acquisitions of Primasia Securities (Taiwan) and Primasia Securities (Hong Kong)

Nikko Cordial Securities Inc. (Head Office: Chiyoda-ku, Tokyo; President & CEO: Junichi Arimura; hereinafter Nikko Cordial Securities) had reached an agreement with Primasia Securities Co., Ltd., a company engaged in the securities business in Taiwan, in October last year that the former would acquire a 34% equity stake in the latter through share purchases. Nikko Cordial also had agreed with Primasia Securities (Asia) Limited, a company engaged in the securities business in Hong Kong, in October last year on the former's acquisition of a 50% stake in the latter through the buying of new share issues. Nikko Cordial announces that it recently received approval from the Taiwanese authorities and Hong Kong authorities for the respective deals mentioned above. Based on the agreements, Nikko Cordial completed payments to Primasia Securities Co., Ltd. on July 12 and payments to Primasia Securities (Asia) Limited on July 13 to conclude the respective deals.

Targeting the financial services markets of Taiwan and Hong Kong where economic development has been robust, Nikko Cordial Securities will try to build strong business relations with the Primasia Group as a strategic business partner. Taking advantage of Nikko Cordial Securities' investment in the two Asian securities companies and their acceptance of personnel sent from Nikko Cordial Securities, Primasia Securities Co., Ltd. and Primasia Securities (Asia) Limited will reinforce their brokerage business, wealth management services for wealthy customers, private equity business and asset-management business, mainly the venture-capital business, as well as investment on other own accounts. Meanwhile, Nikko Cordial Securities, by investing in the two companies, will accelerate the collection of market information in Taiwan and Hong Kong and develop human resources who can work effectively in the markets of the two regions.

Nikko Cordial Securities closed a representative office in Taipei in April 2006 following the approval by the Taiwanese financial authorities of its plan to invest in Primasia Securities Co., Ltd.

Outline of Primasia Group

Primasia Securities Co., Ltd. (Primasia Securities Taiwan)

Date of Establishment: June 26, 1989

Location: Taipei, Taiwan

Representative: David Tran

Main Business: Securities business

Primasia Securities (Asia) Limited (Primasia Securities Hong Kong)

Date of Establishment: July 19, 1994

Location: Taipei, Hong Kong

Representative: David Tran

Main Business: Securities business

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This material is an English translation of a Japanese announcement made on July 13, 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.