

April 27, 2007
Nikko Cordial Corporation

Announcement Concerning Change in the Parent Company and Largest (Major) Shareholder

This is to announce that there has been a change in the parent company and largest (major) shareholder of Nikko Cordial Corporation (“company”) as described below.

1. Background of change

On March 14, 2007, Citigroup Japan Investments LLC decided to launch a tender offer for the shares, the rights to subscribe for new shares and share purchase warrants of the company (“tender offer”). The board of directors of the company resolved to support the tender offer at the meeting held on the same date and the company expressed its support opinion to the tender offer. Today, Citigroup Japan Investments LLC reported that xx ordinary shares of the company were tendered in the tender offer during the period from March 15, 2007 to April 26, 2007.

As a result, the percentage of the voting rights of the company held by Citigroup Japan Investments LLC will represent over 50% of the voting rights held by all shareholders, whereby Citigroup Japan Investments LLC will become the parent company and largest (major) shareholder of the company as of May 9, 2007 (scheduled date of the commencement of settlement of the tender offer). In addition, Citigroup Inc., which is a 100% parent company of Citigroup Japan Investments LLC, will be the parent company set forth in Article 8, Paragraph 3 of the Regulations Concerning Terminology, Forms and Preparation Methods of Financial Statements, etc.

For details, such as regarding the outcome of the tender offer, please refer to “Notice Regarding the Results of the Tender Offer for the Shares, etc. of the Company” announced by Citigroup Japan Investments LLC (see attached document).

2. Summary profile of the entity that will become the parent company and largest (major) shareholder

(1) Corporate name	Citigroup Japan Investments LLC
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(2)	Business activities	Holding company	
(3)	Date of establishment	February 20, 2007	
(4)	Address of head office	1209 Orange Street, Wilmington, Delaware, U.S.A.	
(5)	Title and name of representative	William H. Wolf, President	
(6)	Amount of capital	Not applicable	
(7)	Relationship with the company	Capital relationship	Not applicable (as of March 14, 2007). Citigroup Japan Investments LLC is a 100% subsidiary of Citigroup Inc. and Citigroup International LLC, also a 100% subsidiary of Citigroup Inc. and a related company of Citigroup Japan Investments LLC, holds 47,501,743 shares (approximately 4.9% of the issued shares) of the company.
		Personal relationship	Not applicable

	Business relationship	Citigroup Japan Investments LLC and the company have no business relationship. The company has entered into agreements with among others Citigroup Inc., a 100% parent company of Citigroup Japan Investments LLC, such as the shareholder agreement in relation to the management and operations of Nikko Citigroup Limited, the relationship manager agreement regarding Nikko Citigroup Limited and Nikko Cordial Securities Inc., the agreements with respect to the operations of overseas alliance businesses between the company's group companies and the related companies of Citigroup, and the shareholder agreement with respect to the management and operations of NikkoCiti Trust & Banking Corporation.
	Applicability to a related party	Not applicable
(8)	End of fiscal year	December
(9)	Exchanges on which the entity is listed	Not applicable

3. Summary profile of the entity that will become the parent company

(1)	Corporate name	Citigroup Inc.
(2)	Business activities	Financial holding company
(3)	Date of establishment	March 8, 1988
(4)	Address of head office	399 Park Ave, New York, New York, U.S.A.
(5)	Title and name of representative	Charles O. Prince, Chairman and CEO

(6) Amount of capital	<p>Preferred Stock: US\$1 billion Common Stock: US\$55 million Additional paid-in capital: US\$18.253 billion Total Stockholders' Equity: US\$119.783 billion (as of 12/31/06)</p>	
(7) Relationship with the company	Capital relationship	Citigroup International LLC, a 100% subsidiary of Citigroup Inc., holds 47,501,743 shares (approximately 4.9% of the issued shares) of the company.
	Personal relationship	Not applicable
	Business relationship	The company has entered into agreements with among others Citigroup Inc., such as the shareholder agreement in relation to the management and operations of Nikko Citigroup Limited, the relationship manager agreement regarding Nikko Citigroup Limited and Nikko Cordial Securities Inc., the agreements with respect to the operations of overseas alliance businesses between the company's group companies and the related companies of Citigroup, and the shareholder agreement with respect to the management and operations of NikkoCiti Trust & Banking Corporation.
	Applicability to a related party	Not applicable
(8) End of fiscal year	December	
(9) Exchanges on which the entity is listed	New York Stock Exchange, Mexican Stock Exchange	

4. Number of shares held (number of voting rights) and percentage of voting rights held by Citigroup Japan Investments LLC and Citigroup Inc. before and after the change

(1) Citigroup Japan Investments LLC

	Number of voting rights	Number of shares held	Percentage against voting rights held by all shareholders	Shareholder rank
Before the change	- rights	- shares	- %	-
After the change	1,082,393 rights	541,196,777 shares	56.15%	Rank 1

(2) Citigroup Inc.

	Number of voting rights	Number of shares held	Percentage against voting rights held by all shareholders	Shareholder rank
Before the change	95,003 rights (95,003 rights)	47,501,743 shares (47,501,743 shares)	4.93% (4.93%)	-
After the change	1,177,396 rights (1,177,396 rights)	588,698,520 shares (588,698,520 shares)	61.08% (61.08%)	-

Note 1) The percentage against voting rights held by all shareholders is calculated by dividing (x) the number of voting rights relating to the number of shares held by (y) the number of the voting rights held by all shareholders by using 1,927,634 as the number of the voting rights held by all shareholders. Given that shares constituting less than one unit and cross-held shares were subject to the tender offer, the number of voting rights held by all shareholders is calculated as 1,927,634 by adding (i) the number of voting rights held by all shareholders as of September 30, 2006 (1,922,664 voting rights) as stated in the Semi-annual Report for the 66th period filed by the company on February 1, 2007 to (ii) the number of voting rights relating to shares constituting less than one unit (3,520, which is the number of the voting rights relating to the number of the shares constituting less than one unit (1,760,059 shares) as calculated by deducting the number of shares constituting less than one unit held by the company (190 shares) from the number of shares constituting less than one unit as of September 30, 2006 (1,760,249 shares) as stated in the above-mentioned Semi-annual Report) and (iii) the number of voting rights relating to the cross-held shares (725,000 shares) as of September 30, 2006 (1,450 voting rights) as stated in the above-mentioned Semi-annual Report. The number of shares constituting one unit is 500 in the company.

Note 2) The percentage is rounded off to the nearest hundredth.

Note 3) The figures in parentheses represent indirect shareholdings and are included. Indirect shareholdings are the aggregate of shareholding by the 100% subsidiaries of Citigroup Inc. described below:

[Citigroup Japan Investments LLC]

Before the change:	- rights	- %
After the change:	1,082,393 rights	56.15%

[Citigroup International LLC]

Before the change:	95,003 rights	4.93%
After the change:	95,003 rights	4.93%

5. Anticipated date of change

May 9, 2007 (scheduled)

6. Future Outlook

As a result of the tender offer, the percentage of shareholdings by the minority shareholders as at the final date of this fiscal year may possibly meet the delisting criteria set forth by the Tokyo Stock Exchange, Osaka Securities Exchange and Nagoya Stock Exchange. While no specific measures have been determined to cope with the case in which the company meets the delisting criteria, we shall promptly announce future measures and policies should any decision be made before the final date of this fiscal year.

This material is an English translation of a Japanese announcement made on April 27, 2007. Although the Company intended to faithfully translate the Japanese document into English, the accuracy and correctness of this translation are not guaranteed.