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Document Name: Tender Offer Report

Attention: Director General of the Kanto Local Finance Bureau

Date of Filing: April 27, 2007

Name of Filing Party: Citigroup Japan Investments LLC

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Nagoya Stock Exchange, Inc.
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(Note 1) When used in this report, the “Tender Offeror” means Citigroup Japan Investments LLC.

(Note 2) When used in this report, the “Target” means Nikko Cordial Corporation.

- (Note 3) In cases where numbers in this report have been rounded off or omitted, the numbers described as the totals thereof are not necessarily equal to the aggregate numbers thereof.
- (Note 4) When used in this report, the “Law” means the Securities and Exchange Law of Japan (Law No. 25 of 1948, as amended).
- (Note 5) When used in this report, the “Enforcement Order” means the Enforcement Order of the Securities and Exchange Law (Cabinet Order No. 321 of 1965, as amended).
- (Note 6) When used in this report, the “Cabinet Office Ordinance” means the Cabinet Office Ordinance Concerning Disclosure of the Tender Offer of Shares, Etc., by Non-Issuer (Ordinance of Minister of Finance No. 38 of 1990, as amended).
- (Note 7) In this report, unless otherwise stated, the number of days or the date and time means the number of days or the date and time in Japan.
- (Note 8) Unless otherwise described in this report, all procedures concerning the tender offer in connection with the filing of this report (the “Tender Offer”) shall be conducted in Japanese. If any document concerning the Tender Offer is prepared in English and there is any discrepancy between the English version and the Japanese version, the Japanese version shall prevail.
- (Note 9) The Tender Offer will be conducted to purchase Shares of Common Stock, the Rights to Subscribe for New Shares and Share Purchase Warrants of the Target, a company incorporated in Japan. The Tender Offer will be conducted in compliance with the procedures prescribed by the Securities and Exchange Law of Japan and related disclosure standards; however, these procedures and standards are not necessarily identical to those in the United States of America. In particular, Sections 13(e) and 14(d) of the U.S. Securities Exchange Act of 1934 and the Rules and Regulations thereunder shall not apply to the Tender Offer, and the Tender Offer may or may not be conducted in compliance with any procedure or standard thereunder.
- (Note 10) This report contains forward-looking statements as defined in Section 27A of the U.S. Securities Act of 1933 and Section 21E of the U.S. Securities Exchange Act of 1934 (“Forward-Looking Statements”). Due to known or unknown risks, uncertainties or other factors, actual results may materially differ from any forecast, expressly or implicitly, indicated as a Forward-Looking Statement contained herein. Neither the Tender Offeror nor any of its affiliates guarantee that any forecast, expressly or implicitly, indicated as a Forward-Looking Statement will turn out to be accurate. Any Forward-Looking Statement is prepared based on information held by the Tender Offeror as of the date hereof, and the Tender Offeror and its affiliates do not intend, and disclaim any obligation, to update or modify any such statement to reflect future events or developments, except as may be required by any applicable laws and regulations or stock exchange rules.

1. Description of the Tender Offer

(1) Name of the Target

Nikko Cordial Corporation

(2) Type of Shares, Etc., Subject to the Tender Offer

Common Stock

Right to Subscribe for New Shares (*shinkabu hikiuke ken*):

- (1) Rights to Subscribe for New Shares issued in accordance with a resolution of the 57th annual shareholders' meeting held on June 26, 1998 and a resolution of the board of directors' meeting held on August 3, 1998
- (2) Rights to Subscribe for New Shares issued in accordance with a resolution of the 58th annual shareholders' meeting held on June 29, 1999 and a resolution of the board of directors' meeting held on August 9, 1999
- (3) Rights to Subscribe for New Shares issued in accordance with a resolution of the 59th annual shareholders' meeting held on June 29, 2000 and a resolution of the board of directors' meeting held on June 29, 2000
- (4) Rights to Subscribe for New Shares issued in accordance with a resolution of the 60th annual shareholders' meeting held on June 28, 2001 and a resolution of the board of directors' meeting held on June 28, 2001

Share Purchase Warrant (*shinkabu yoyaku ken*):

- (1) Share Purchase Warrants issued in accordance with a resolution of the 61st annual shareholders' meeting held on June 26, 2002 and a resolution of the board of directors' meeting held on July 8, 2002
- (2) Share Purchase Warrants issued in accordance with a resolution of the 62nd annual shareholders' meeting held on June 26, 2003 and a resolution of the board of directors' meeting held on July 3, 2003, which were granted to certain employees of the Target as well as directors, executive officers and employees of subsidiaries of the Target
- (3) Share Purchase Warrants issued in accordance with a resolution of the 62nd annual shareholders' meeting held on June 26, 2003 and a resolution of the board of directors' meeting held on July 3, 2003, which were granted to directors of the Target as well as directors and executive officers of Nikko Cordial Securities Inc.
- (4) Share Purchase Warrants issued in accordance with a resolution of the 63rd annual shareholders' meeting held on June 24, 2004, a resolution of the board of directors' meeting held on June 24, 2004 and the decision of the President & CEO (Representative Executive Officer) dated July 8, 2004
- (5) Share Purchase Warrants issued in accordance with a resolution of the 64th annual shareholders' meeting held on June 23, 2005, a resolution of the board of directors' meeting held on June 23, 2005 and the decision of the President & CEO (Representative Executive Officer) dated August 25, 2005
- (6) Share Purchase Warrants issued in accordance with a resolution of the Compensation Committee's meeting held on June 28, 2006 and the decision of the President & CEO (Representative Executive Officer) dated July 13, 2006

(3) Tender Offer Period

From Thursday, March 15, 2007 to Thursday, April 26, 2007 (30 business days)

2. Results of the Tender Offer

(1) Success or Failure of the Tender Offer

As stated in the Public Notice of Commencement of a Tender Offer and Tender Offer Registration Statement, since the total number of tendered shares, etc., is more than the minimum number of shares to be purchased (455,486,648 shares), the Tender Offeror will purchase all of the tendered shares, etc.

(2) Date of Public Notice of the Result of the Tender Offer and Name of Newspaper Carrying Public Notice

The result of the Tender Offer was announced to the press at the Tokyo Stock Exchange, Inc. on April 27, 2007, as provided in Article 9-4 of the Enforcement Order and Article 30-2 of the Cabinet Office Ordinance, pursuant to Article 27-13, Paragraph 1 of the Law.

(3) Number of Shares, etc. Purchased

Types of Shares, etc.	Number of Shares Tendered on Fully Diluted Basis	Number of Shares Purchased on Fully Diluted Basis
Shares of Common Stock	541,196,777 shares	541,196,777 shares
Share Purchase Warrants	—	—
Bonds with Share Purchase Warrants	—	—
Depository Receipts for Shares, etc. ()	—	—
Total	541,196,777	541,196,777
(Total Number of Residual Securities, etc.)	—	(—)

(4) Percentage of Ownership of Shares, etc. after the Tender Offer

Type	Number of Voting Rights
Number of Voting Rights Represented by Shares, etc. Owned by the Tender Offeror as of the Filing Date of the Tender Offer Report --(a)	1,082,393
Of the Number in (a) above, Number of Voting Rights Represented by Residual Securities, etc. --(b)	—
Of the Number in (b) above, Number of Voting Rights Represented by Depository Receipts for Shares, etc. --(c)	—
Number of Voting Rights Represented by Shares, etc. Owned by Parties having Special Relationships with the Tender Offeror as of the Filing Date of the Tender Offer Report --(d)	95,003
Of the Number in (d) above, Number of Voting Rights Represented by Residual Securities, etc. --(e)	—
Of the Number in (e) above, Number of Voting Rights Represented by Depository Receipts for Shares, etc. --(f)	—
Total Number of Voting Rights of the Shareholders of the Target (as of September 30, 2006) --(g)	1,922,664
Percentage of Ownership of Shares, etc., after Tender Offer $((a+d)/(g+(b-c)+(e-f) \times 100) (\%)$	61.08

(Note 1) “Total Number of Voting Rights of the Shareholders of the Target” is based on the total number of voting rights of the shareholders as of September 30, 2006, as stated in the Semi-annual Report for the 66th period filed by the Target on February 1, 2007. However, since shares constituting less than one unit and cross-held shares were subject to the Tender Offer, for the purposes of calculation of the “Total Number of Voting Rights of the Shareholders of the Target” is 1,927,634, including the number of voting rights represented by shares constituting less than one unit (3,520 voting rights represented by the shares (1,760,059) as calculated by deducting the number of shares constituting less than one unit held by the Target (190 shares) from the aggregate number of shares constituting less than one unit (1,760,249 shares)) and the number of voting rights (1,450 voting rights) represented by the cross-held shares (725,000) as of September 30, 2006 as stated in the above-mentioned Semi-annual Report (the number of shares constituting one unit is 500 in the Target).

(Note 2) The “Percentage of Ownership of Shares, etc., after Tender Offer” has been rounded off to two decimal places.

(5) Calculation of the Number of Shares, etc. Purchased by the Proportional Allocation Method

Not applicable