



[Translation]

August 20, 2004

To the press

Nikko Cordial Corporation
Citigroup Inc.

Announcement Regarding Secondary Offering of Shares

Nikko Cordial Corporation (the “Company”) and Citigroup Inc. hereby announce that the Company made the following decisions today, with respect to the secondary offering of the shares of the Company currently held by Travelers Group International LLC, a subsidiary of Citigroup Inc.:

Particulars:

1. Type of Shares: Shares of Common Stock of the Company
2. Seller and Number of Shares to be Offered:
 - (1) Secondary Offering through Underwriting by the Underwriters: Travelers Group International LLC 117,400,000 shares
 - (2) Secondary Offering through Over-allotment: Mizuho Securities Co., Ltd. up to 17,600,000 shares

【Aggregate maximum number of shares to be offered through the methods mentioned in (1) and (2) above】 up to 135,000,000 shares
3. Offering Price: Not yet determined.
(To be determined on any date during the period from August 31, 2004 to September 3, 2004 (the “Pricing Date”) in such manner as provided for in Article 7-2 of Rule No. 14 of the Fair Practice Rules established by Japan Securities Dealers Association.)
4. Method for Secondary Offering:
 - (1) Secondary Offering through Underwriting by the Underwriters:
The secondary offering of all of the shares shall be commissioned to Nikko Citigroup Limited, Mizuho Securities Co., Ltd. and Mitsubishi Securities Co., Ltd. (collectively, the “Underwriters”), and if any of the offered shares remain unsold,

Note: This document has been prepared as a press release to announce to the public the matters relating to the secondary offering of the shares of the Company, and not for the purpose of inducing any investment. Any decision to make any investment must be made at the investor's own discretion, after reviewing the offering circular (and any amendment thereto) prepared by the Company.

Further, this document does not represent an offer for sale of any shares within the United States. The shares of the Company to be offered and sold in the secondary offering have not been, and will not be, registered under the U.S. Securities Act of 1933. Other than in cases where the shares have been registered under the U.S. Securities Act of 1933 or are exempt from the registration requirements, no shares of common stock of the Company may be offered or sold within the United States.

the Underwriters, to which the secondary offering is commissioned, shall jointly underwrite such remaining shares.

(2) Secondary Offering through Over-allotment:

The secondary offering through over-allotment shall be made by Mizuho Securities Co., Ltd. concurrently with the secondary offering through underwriting by the Underwriters, taking into account the demand for such shares. As the number of shares to be offered in the secondary offering through over-allotment mentioned in item 2 “Seller and Number of Shares to be Offered” above indicates the maximum number of shares to be offered, there is a possibility that the number of shares to be offered may be decreased or the secondary offering may not be performed at all, depending on the demand for such shares. Whether the secondary offering through over-allotment is performed or not, and if it is determined to be performed, the number of shares to be offered shall be determined on the Pricing Date. The Shares to be offered in the secondary offering through over-allotment are to be borrowed by Mizuho Securities Co., Ltd. from Travelers Group International LLC for the purpose of the secondary offering through over-allotment.

5. Subscription Period: The period for the subscription for the offering is to be from the 1st business day immediately following the Pricing Date to the 3rd business day immediately following the Pricing Date. (Such period shall be determined on the Pricing Date.)
6. Delivery Date: The delivery date is scheduled to be the 7th business day immediately following the Pricing Date. (Such delivery date shall be determined on the Pricing Date.)
7. Subscription Margin: The subscription margin amount shall be the same as the amount of the offering price per share.
8. Unit of Shares for Subscription: 1,000 shares
9. With respect to the matters mentioned in items 1 through 8 above, the securities notification (*Yuuka Shouken Tsuuchi-sho*) was filed on August 20, 2004 pursuant to the Securities and Exchange Law of Japan.
10. The determination of any other matters necessary for the secondary offering, in addition to the foregoing, shall be entrusted to the President & Representative Executive Officer.

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[For your reference]

1. Purpose of Secondary Offering:

The secondary offering of shares shall be made for the purpose of increasing the ratio of individual shareholders among all shareholders of the Company.

2. Secondary Offering through Over-allotment:

The offering of shares mentioned in this press release is scheduled to be performed through secondary offering through over-allotment, in addition to the secondary offering through underwriting by the Underwriters.

The secondary offering through over-allotment is a secondary offering which shall be made for up to 17,600,000 shares of the Shares to be borrowed by Mizuho Securities Co., Ltd. from Travelers Group International LLC (the "Seller"), the seller of the secondary offering through underwriting by the Underwriters, (the "Borrowed Shares"), taking into account the demand for such shares, separately from and concurrently with the secondary offering through underwriting by the Underwriters. Although the number of shares to be offered in the secondary offering through over-allotment indicates the maximum number of such shares to be offered, such number may be decreased or the secondary offering may not be performed at all, depending on the demand for such shares.

In connection with the secondary offering through over-allotment, Mizuho Securities Co., Ltd. shall be granted by the Seller the right to purchase an additional number of the Shares (the "Green Shoe Option") up to a maximum number of the Shares to be sold in the secondary offering through over-allotment (the "Maximum Number of Shares"); *provided*, that the period for exercising the Green Shoe Option shall end on September 17, 2004.

Mizuho Securities Co., Ltd. may, during the period beginning on the business day immediately following the end of the subscription period for the secondary offering through underwriting by the Underwriters and the secondary offering through over-allotment and ending on the last day of the period for exercising the Green Shoe Option (the "Syndicate Covering Transaction Period"), purchase the Shares up to the Maximum Number of Shares for the purpose of returning the Borrowed Shares, on Tokyo Stock Exchange, Inc. (the "Syndicate Covering Transaction"). During the Syndicate Covering Transaction Period, Mizuho Securities Co., Ltd. may, at its discretion, not conduct any Syndicate Covering Transaction at all or terminate the Syndicate Covering Transaction with a number of shares less than the Maximum Number of Shares.

Further, Mizuho Securities Co., Ltd. may, upon consultation with Nikko Citigroup Limited, conduct the stabilization for the shares of Nikko during the subscription period for the secondary offering through underwriting by the Underwriters and the secondary offering through over-allotment, and apply those shares purchased in the course of such stabilization to the return of the Borrowed Shares.

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Mizuho Securities Co., Ltd. will not exercise the Green Shoe Option to the aggregate number of the shares purchased through the Syndicate Covering Transaction and the shares purchased in the course of the stabilization, where such shares will be used to reduce the number of Borrowed Shares.

3. Sales Overseas:

A part of the total number of shares offered in the secondary offering through underwriting by the Underwriters and the secondary offering through over-allotment may be sold to foreign investors who are based mainly in Europe (*provided* that, as for any sale made in the United States, such sale may be made only to qualified institutional buyers as set forth in Rule 144A under the U.S. Securities Act of 1933). Since this case falls under Item 1 of Paragraph 2 of Article 19 of the Ministerial Order Concerning Disclosure of Company Information, Etc. , i.e., where an offering is commenced outside Japan, the extraordinary report has been filed with respect to the relevant offering.

Over.

<Inquiries for this matter>

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