



Press release

May 1, 2009

Sumitomo Mitsui Financial Group, Inc.
Sumitomo Mitsui Banking Corporation
Citigroup Inc.
NikkoCiti Holdings Inc.

Sumitomo Mitsui Financial Group to Acquire Businesses, Centered on Nikko Cordial Securities Announces Agreement to Forge Alliance with Citi

Sumitomo Mitsui Financial Group, Inc. (President Teisuke Kitayama, hereafter "SMFG") and Citigroup Inc. (Principal Office in New York, U.S.A., CEO: Vikram Pandit, hereinafter "Citi") today reached an agreement whereby Sumitomo Mitsui Banking Corporation (President Masayuki Oku, hereafter "SMBC") will acquire the entire business (excluding certain assets and liabilities) of Nikko Cordial Securities Inc. (President Eiji Watanabe, hereafter "Nikko Cordial Securities") and a part of the business of Nikko Citigroup Ltd. (including its domestic equity and debt underwriting business) (collectively, the "Businesses") and other assets from Nikko Citi Holdings Inc. (Chairman, Representative Director, President & CEO Douglas L. Peterson), a wholly owned subsidiary of Citi. This transaction (the "Transaction") is subject to regulatory approvals.

In connection with the Transaction, SMFG and Citi have agreed to enter into an alliance agreement.

1. Summary of the Transaction

(1) Outline of the scope of the Businesses and assets

In the Transaction, Nikko Cordial Securities and Nikko Citigroup Ltd. plan to transfer the Businesses to a newly incorporated subsidiary of Nikko Cordial Securities ("NewCo") by means of respective absorption-type corporate demergers, and SMBC plans to acquire the shares of NewCo, together with the other assets. The Businesses and assets that SMBC will purchase from Citi, etc. in the Transaction are as follows:

- The entire business (excluding certain assets and liabilities) of Nikko Cordial Securities
- Certain businesses of Nikko Citigroup Ltd. (including its domestic equity and debt underwriting business)
- Other subsidiaries and affiliates related to the Businesses (Nikko System Solutions, Ltd., Nikko Global Wrap, Ltd., Nikko Business Systems Co., Ltd., etc.) (hereinafter the "Affiliates")
- Strategic Shareholdings (listed shares)
- Other assets including the "Nikko" brand and related trademarks

(2) Purchase price and other matters

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| ① Sum of the purchase price for the shares of NewCo, etc. (excluding Strategic Shareholdings described in section ②) | ¥545 billion (to be adjusted based on the net assets and other figures of NewCo and the Affiliates at the point in time on the effective date) |
| ② Strategic Shareholdings | Price equivalent to approx. 95% of the market closing price as of four business days prior to the date immediately preceding the effective date (¥28.5 billion if calculated by using 95% of the closing price as of March 31, 2009) |

**Note: At the time of the demerger of Nikko Cordial Securities, ¥201 billion in cash will remain in Nikko Cordial Securities and will not be transferred to the NewCo. This amount is expected to be excluded from the scope of this Transaction.

(3) Schedule

May 1, 2009

Approval of the Transaction by the respective Boards of Directors
Signing of the relevant definitive agreements related to the Transaction

October 1, 2009 (subject to change)

Effective date (subject to regulatory approvals and satisfaction of other conditions precedent)

2. Agreement between SMFG and Citi to enter into an alliance agreement

In connection with the Transaction, SMFG and Citi have agreed to enter into an alliance agreement wherein Citi will provide SMFG with access to Citi's global networks in corporate and investment banking, including M&A and sales and trading services, while continuing the longstanding partnership between Citi and Nikko Cordial Securities in originating and distributing capital markets products to investors in Japan and globally. SMFG and Citi will also explore further opportunities to facilitate the development of new business opportunities, products and services that will build upon the powerful combination of SMFG's and Citi's unique strengths in their respective core products and geographical markets.