

## NEWS RELEASE

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### **Nikko Citigroup Overseas Limited Receives Judgment on Its Appeal Against Corporate Tax Assessment**

TOKYO, June 30, 2005 – Nikko Citigroup Overseas Limited (NCOL)\*, announced that the judgment has been made on its appeal in July 2004 against supplementary corporate tax assessment issued by the National Tax Authority Tokyo Regional Bureau in May 2004 regarding certain debt transactions during the tax years 2000 – 2002. The judgment by the National Tax Tribunal Office cancels 9.9 billion yen out of the original tax assessment of 10.9 billion yen and requires the refund to NCOL of the taxes, penalty and interest that had been paid, as well as interest on the refunded amounts.

Nikko Citigroup is committed to fulfill its responsibilities and the Company will continue to process taxes appropriately.

\* In April 2003, Nikko Salomon Smith Barney (based in the British Cayman Islands) changed its name to Nikko Citigroup and established a Japanese entity under the same name (the present Nikko Citigroup Limited). All businesses were transferred to the Japanese entity on December 31, 2003 and the Cayman entity changed its name to Nikko Citigroup Overseas Limited (NCOL). NCOL still exists as a legal entity although it conducts no business activity.

Established as a joint venture between Nikko Cordial Corporation and Citigroup Inc., Nikko Citigroup Limited is a securities company dedicated to serving corporate and institutional clients. Through its “Local Depth, Global Reach,” Nikko Citigroup fully leverages the domestic and global distribution platforms available from each parent company to provide the institutional customers with an innovative financial solution in sales/trading, investment banking, research and other businesses.

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