

To: Our Clients

June 1, 2009

Amended as of October 1, 2009

Amended as of November 1, 2010

Citigroup Global Markets Japan Inc.

Summary of Conflicts Management Policy

Citigroup Global Markets Japan Inc. (hereinafter referred to as "CGMJ") shall conduct its businesses appropriately and pursuant to applicable laws, regulations, and our internal policy concerning conflicts management (hereinafter referred to as the "Conflicts Management Policy," or the "Policy") to avoid unreasonable harm to clients' interests in executing any transactions that pose the risk of a conflict of interest between a client and CGMJ/any affiliate of CGMJ, or between clients of CGMJ/any affiliate of CGMJ. CGMJ hereby makes public a summary of the Policy in accordance with applicable laws and regulations.

1. Types of Transactions Subject to Conflicts Management

The following types of transactions are subject to conflicts management as types of transactions that pose the risk of a conflict of interest:

1) Transactions with Potential Conflicts of Interest Between Customers

A transaction regarding which the interests of one customer conflict with those of another customer (e.g. we or an affiliate of ours provides M&A related advice to customers who are in a competitive or adversarial relationship).

2) Transactions with Potential Conflicts of Interest Between a Customer and Us (or an Affiliate)

A transaction regarding which the interests of a customer conflict with ours or those of an affiliate of ours (e.g. we or an affiliate of ours sells to a customer a bond it underwrote, while it also receives from the issuer of the bond a repayment on a loan).

2. Methods of Identifying and Managing Transactions with Conflicts

(1) Identifying Transactions with Conflicts

Whether or not a transaction involves conflicts of interest depends on the specific circumstances of each transaction. Through registration of transactions or projects into a system for registering and managing transactions of Citigroup's investment banking and corporate banking businesses that pose the risk of a conflict of interest, as well as other means, CGMJ has its Conflicts Management Control Division (which is independent from the front-office divisions responsible for the transactions) or Conflicts Clearance Officers of Citigroup's Global Control Group appropriately identify whether the transactions subject to management are transactions with conflicts.

(2) Methods of Management

As a method for managing transactions with conflicts that have been identified, CGMJ appropriate manages conflicts of interest generally by using one of the methods below or a combination of them. The list below, however, is not an exhaustive list, and CGMJ shall take appropriate measures suitable for each transaction or project, which include setting forth conflicts management measures, etc. in advance through establishing or amending, etc. internal policies, etc. Furthermore, based on the probability of inappropriately harming clients' interests, the business relationships with the affiliates involved, applicable laws and regulations, internal policies, Citigroup global policies applicable to CGMJ, business practices, reputational risks to CGMJ or its affiliates, or other circumstances, the level and extent of each measure employed may be different.

- (i) Separating the divisions involved in the transaction (including blocking information flows between divisions or teams);
- (ii) Changing the terms of, or methods of conducting, the relevant transaction;
- (iii) Not engaging in, or terminating, the relevant transaction; and
- (iv) Making proper disclosures concerning the relevant transaction to clients (however, we will take care not to violate confidentiality obligations applicable to CGMJ or its affiliates).

(3) Implementation of Conflicts Resolution Measures

With respect to transactions with conflicts, the division responsible for the transaction will take the measures that the Conflicts Management Control Division or a Conflict Clearance Officer of Citigroup's Global Control Group instructs them to take in order to resolve conflicts of interest. In determining how a conflict of interest should be managed for transactions involving CGMJ's affiliates in Japan, CGMJ shall comply with the decision made by the Conflict Clearance Council of Citigroup Japan Holdings Corp., as appropriate.

3. Conflicts Management Framework

(1) The Conflicts Management Control Division and Its Duties

CGMJ designates its Compliance Department as its Conflicts Management Control Division and its head as the chief conflicts management control officer. Pursuant to the Policy, the Compliance Department shall, independent from front-office divisions, strive to aggregate information concerning conflicts management and to identify transactions with conflicts, determine conflicts management measures and appropriately perform its other duties concerning conflicts management under the Policy, all in coordination with the divisions controlling conflicts management within domestic and foreign affiliates, including Conflicts Clearance Officers of Citigroup's Global Control Group.

(2) Periodic Review

The Audit and Risk Review Department will periodically review the effectiveness of the conflicts management framework based on the Policy, the condition of conflicts management, and the personnel structure and operational framework involved in conflicts management, as well as report on it to the Executive Committee when necessary. Furthermore, the Conflicts Management Control Division will revise the Policy or make other improvements from time to time as necessary.

4. Affiliates Subject to Conflicts Management

Affiliates subject to conflicts management by CGMJ under the Policy are as follows:

(i) Citibank Japan Ltd. (CJL)

- (ii) Citigroup Japan Holdings Corp. (CJH)
- (iii) Other affiliates constituting parent financial institutions, etc. or subsidiary financial institutions, etc. of CGMJ (including foreign affiliates).