

To: Our Clients

June 1, 2009

Amended as of October 1, 2009

Citigroup Global Markets Japan Inc.

## Summary of Conflicts Management Policy

Pursuant to Article 36, Paragraph 2 of the Financial Instruments and Exchange Law and Article 70-3, Paragraph 1, Item 3 of the Cabinet Office Ordinance Concerning Financial Instruments Exchange Business, Etc., Citigroup Global Markets Japan Inc. (hereinafter referred to as "CGMJ") hereby makes public a summary of its policy concerning conflict-of-interest management (hereinafter referred to as the "Conflicts Management Policy").

### 1. Types of Transactions Subject to Conflicts Management

CGMJ designates the transactions and matters relating to CGMJ's businesses listed below (hereinafter referred to as "Subject Transactions") as the transactions and matters subject to conflicts management by CGMJ:

- (i) Financial advisory business;
- (ii) Underwriting or acting as placement agent for primary and secondary public offerings and private placements of securities;
- (iii) Brokerage, agency or intermediary services relating to purchases or sales of securities, or the solicitation thereof;
- (iv) Proprietary trading of securities and other investment activities;
- (v) Corporate lending transactions; and
- (vi) Other business of CGMJ for which conflicts management is considered necessary.

### 2. Identifying Conflicted Transactions; Conflicts Management Measures

#### (1) Identifying Conflicted Transactions

Whether or not a transaction constitutes a conflicted transaction shall depend on the specific situation surrounding each individual transaction. At CGMJ, the conflicts

management control division, which shall be independent from front-office divisions, or a “Conflicts Clearance Officer” of Citigroup’s Global Control Group, will appropriately identify whether or not a Subject Transaction constitutes a conflicted transaction through having transactions and matters registered with the system used by Citigroup’s investment banking and corporate finance businesses to register and manage potentially conflicting transactions, as well as other methods.

## (2) Conflicts Management Measures

In order to manage identified conflicted transactions, CGMJ will appropriately manage conflicts generally through one of, or a combination of, the following measures. However, the list below is not intended to limit the measures to be taken, and CGMJ will take appropriate measures suitable for an individual transaction or matter, which include setting forth the conflicts management measures in advance through establishing or amending internal policies. Furthermore, based on the probability of inappropriately damaging 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

CGMJ front-office divisions will take measures instructed to be taken by the Compliance Department or a Conflicts Clearance Officer of Citigroup’s Global Control Group for the purpose of resolving conflicts regarding conflicted transactions. In determining the conflicts management measures to be used for domestic transactions, CGMJ will obtain the approval of the Conflict Clearance Council of Citigroup Japan Holdings Corp. as necessary.

### 3. Conflicts Management Framework

#### (1) The Conflicts Management Control Division and Its Duties

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

#### (2) Periodic Review

The Compliance Inspection Group within the Compliance Division will periodically review the effectiveness of the conflicts management framework based on the Conflicts Management 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. Furthermore, the Compliance Department will revise the Conflicts Management Policy or otherwise improve the conflicts management framework from time to time as necessary.

### 4. Affiliates Subject to Conflicts Management

(1) Affiliates subject to conflicts management by CGMJ under the Conflicts Management Policy are as follows:

- (i) Citibank Japan Ltd.
- (ii) Citigroup Japan Holdings Corp.
- (ii) Citigroup Principal Investments Japan Co., Ltd.
- (iv) Other affiliates constituting parent financial institutions, etc. or subsidiary financial institutions, etc. of CGMJ (including foreign affiliates).