[Translation]

Financial Report for the 16th Business Year

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Citigroup Global Markets Japan Inc.
Luke Randell, Representative Director, President and CEO

Balance Sheet

(for the fiscal year ended March 31, 2016)

(Millions of Yen)

(Assets)		(Liabilities)	
Current assets	1,547,659	**Current liabilities**	1,297,749
Cash and deposits	80,269	Trading products	507,672
Cash segregated as deposits	11,369	Trading securities and other	396,216
Trading products	594,623	Derivatives	111,456
Trading securities and other	479,032	Trade date accrual	767
Derivatives	115,591	Loans payable secured by securities	547,161
Loans secured by securities	676,011	Cash received on debt credit transaction of securities	74,700
Cash collateral pledged for securities borrowed	256,985	Borrowings on Gensaki transactions	472,460
Loans on Gensaki transactions	419,026	Deposits received	459
Advance paid	100	Guarantee deposits received	100,707
Short-term guarantee deposits	175,936	Short-term loans payable	125,000
Variation margin paid	52	Current portion of bonds payable	1,700
Accounts receivable	285	Income taxes payable	789
Accrued income	8,904	Deferred tax liabilities	86
Others	107	Accounts payable	5,322
Allowance for doubtful accounts	(2)	Accrued expenses	4,364
		Reserve for bonuses	1,095
		Others	2,622
Noncurrent assets	2,812	**Noncurrent liabilities**	95,443
Property, plant and equipment	0	Bonds payable	3,600
Furniture and fixtures	0	Long-term loans payable	81,900
Intangible assets	3	Reserve for retirement benefits	4,013
Software	3	Others	5,929
Investments and other assets	2,809		
Investment securities	742	**Reserves under the special laws**	2,465
Long-term loans receivable	941	Reserve for financial products transaction liabilities	2,465
Long-term guarantee deposits	1,125		
		Total Liabilities	1,395,658
		(Net assets)	
		Shareholders' equity	160,277
		Capital stock	96,307
		Capital surplus	55,660
		Legal capital surplus	55,660
		Retained earnings	8,309
		Other retained earnings	8,309
		Retained earnings brought forward	8,309
		Valuation and translation adjustments	(5,463)
		Deferred net gain/ (loss) on hedges	(5,463)
		Total Net Assets	154,813
Total Assets	1,550,472	**Total Liabilities and Net Assets**	1,550,472

[Translation]

Statement of Income

(from April 1, 2015 to March 31, 2016)

(Millions of Yen)

Account				Amount	
Ordinary income	Operating revenue and expenses		Operating revenue		58,111
			Commission received	50,680	
			Net trading income	4,453	
			Financial revenue	2,977	
			Financial expenses		2,985
			Operating revenue, net of interest expense		55,126
			Selling, general and administrative expenses		40,746
			Operating income		**14,379**
	Non-operating income and expenses		Non-operating income		421
			Non-operating expenses		1
			Ordinary income		**14,799**
		Extraordinary income			-
		Extraordinary loss			1,662
			Reserve for financial products transaction liabilities	439	
			Restructuring loss	189	
			Litigation settlement	1,033	
			Net income before income taxes		**13,136**
			Income taxes - current		4,883
			Income taxes - deferred		(56)
			Net income		**8,309**

[Translation]

Statement of Changes in Equity

(from April 1, 2015 to March 31, 2016)

(Millions of Yen)

	Shareholders' equity						Valuation and translation adjustments	Total net assets
	Capital stock	Capital surplus			Retained earnings	Total shareholder's equity	Deferred net gain / (loss) on hedges	
		Legal capital surplus	Other capital surplus	Total capital surplus	Other retained earnings			
					Retained earnings brought forward			
Beginning balance	96,307	96,641	-	96,641	(40,981)	151,967	(4,500)	147,467
Changes of items during the fiscal year								
Reversal of legal capital surplus	-	(40,981)	40,981	-	-	-	-	-
Deficit disposition	-		(40,981)	(40,981)	40,981	-	-	-
Net income	-	-	-	-	8,309	8,309	-	8,309
Net changes of net assets other than shareholders' equity	-	-	-	-	-	-	(963)	(963)
Total changes of items during the fiscal year	-	(40,981)	-	(40,981)	49,291	8,309	(963)	7,346
Closing balance	96,307	55,660	-	55,660	8,309	160,277	(5,463)	154,813

[Translation]

Notes to Financial Statements

The financial statements of Citigroup Global Markets Japan Inc. (hereafter referred to as “the Company”) have been prepared in accordance with “Ordinance on Company Accounting” (Ministry of Justice Ordinance No. 13, February 7, 2006), “Cabinet Office Ordinance Concerning Financial Instruments Dealers” (Cabinet Office Ordinance No. 52, August 6, 2007) and “Rule Concerning Uniform Accounting Standards for Securities Dealers” (Self-regulatory Rule of Japan Securities Dealers Association, November 14, 1974).

The amounts are presented in millions of Japanese yen and are rounded down to the nearest million yen.

[Major Accounting Policies]

１．Valuation of financial instruments

（１）Basis and methods of valuation of financial instruments

① Trading assets and liabilities

Securities held for trading purposes and classified as trading assets and liabilities are carried at fair value.

② Non-trading assets and liabilities (Available-for-sale securities)

Securities without fair value are carried at cost using the moving average method.

（２）Basis and methods of valuation of derivatives

Carried at fair value.

２．Depreciation and amortization

（１）Property, plant and equipment

Property, plant and equipment are depreciated using the straight-line method. The useful life, which is the basis of calculating depreciation costs, is determined by the Company based on management's best estimate of the useful life of each asset.

（２）Intangible assets

Intangible assets are amortized using the straight-line method. The useful life is determined by the Company based on management's best estimate.

３．Allowance

（１）Allowance for doubtful accounts

To provide for possible loss on loans, the Company makes an allowance for the expected amount of irrecoverable loans. Allowance for ordinary bad debts are calculated based on the historical rate of default, while for specific debts whose recovery is doubtful, the Company considers the likelihood of recovery on a case by case basis.

（２）Reserve for bonuses

To provide for the bonus payments to officers and employees, the Company makes a provision for the estimated amount of bonus payable as derived by the calculation method.

（３）Reserve for retirement benefits

To provide for the payment of employees' retirement benefits per the retirement plan, the Company makes a provision for retirement benefits based on projected benefit obligations and projected plan assets at the end of this fiscal year. In addition, to provide for employees' lump sum severance indemnity, the Company also makes a provision for vested benefit obligation at this fiscal year end per the supplemental retirement plan.

（４）Reserve for officers' retirement

To provide for retirement benefit to officers on the amount needed at the current fiscal year end based on the supplemental retirement plan. A reserve for officers' retirement of 89 million yen is included in others in noncurrent liabilities.

４．Statutory reserve

Reserve for financial products transaction liabilities is recorded as reserve under the special laws to provide for losses associated with financial transactions of the entrusted securities transactions and derivatives transactions per the amount calculated as prescribed in article 175 of the "Cabinet Office Ordinance Concerning Financial Instruments Transaction Business" and pursuant to the provisions in Article 46-5, Section 1 of the Financial Instruments and Exchange Law.

５．Other material matters that constitute basis for preparing the financial statements

（１）Accounting for hedging activities

① Hedge accounting method

The Company applies the deferred hedge accounting.

② Hedging instruments and hedged items

The Company manages interest rate risk implied in its investment and funding through the use of derivatives such as interest rate swaps as hedging instruments based on the Company's risk management policy.

③ The assessment of hedge effectiveness

The Company assesses hedge effectiveness by comparing the changes in fair value between hedged item and hedging instrument from the inception of the hedge relationship to the point of the assessment.

（２） Accounting for consumption taxes

Consumption taxes are accounted for based on tax exclusion method.

[Translation]

[Notes to Balance Sheet]

１．Assets pledged as collateral and collateralized liabilities

（１）Assets pledged as collateral

・Trading products 91,631 million yen

In addition to the above, at March 31, 2016, Securities borrowed of 21,072 million yen were used as collateral for short-term loans payable. Trading products of 31 million yen were used as collateral for short-term borrowed securities. Trading products of 642 million yen were pledged as collateral in lieu of guarantee deposits for listed futures transactions. Trading products of 8,781 million yen and securities borrowed of 509 million yen were pledged as collateral with Japan Securities Clearing Corporation, Tokyo Financial Exchange, etc.

（２）Collateralized liabilities

・Short-term loans payable 110,000 million yen

２．Fair value of collateralized securities

（１）Securities pledged out

・Securities loaned as collateral under financing agreements 142,820 million yen

・Securities pledged related to securities sold under Gensaki transactions 480,368 million yen

・Securities pledged as margin 666 million yen

・Securities pledged as collateral for other transactions 122,003 million yen

（２）Securities received in

・Securities borrowed under financing agreements 328,098 million yen

・Securities received related to securities purchased under Gensaki transactions 416,253 million yen

３．Accumulated depreciation of property, plant and equipment 1 million yen

４．Monetary claims from the affiliates and monetary debts to the affiliates

・Short-term monetary claims 105 million yen

・Short-term monetary debts 15,625 million yen

・Long-term monetary debts 20,320 million yen

[Notes to Statement of Income]

１．Volume of transactions with the affiliates

・Operating revenues 189 million yen

・Operating expenses 444 million yen

２. Extraordinary loss

1,033 million yen of the pending settlement payment is recorded in Extraordinary loss, reflecting the fact that the Company reached settlement with the plaintiffs in the US class action lawsuit with regard to the Yen LIBOR/TIBOR case.

[Notes to Statement of Changes in Equity]

Outstanding shares

(Unit: shares)

Types of shares	Number at the beginning of the fiscal year	Number increased	Number decreased	Number at the end of the fiscal year
Common stock	3,842,000	-	-	3,842,000

[Notes to accounting for income taxes]

1. Key components of deferred tax assets and deferred tax liabilities

Key components of deferred tax assets are loss carry-forward and reserve for retirement (non-deductible).

Key components of deferred tax liabilities are dividend receivable.

2. Valuation allowance deducted from deferred tax assets 24,363 million yen

3. Modifications of deferred tax assets and liabilities due to changes of corporate taxation rates

According to the enactment of the “Law for Partial Amendment of the Income Tax Law, etc.” (Law No. 15, 2016) and the “Law for Partial Amendment of the Local Tax Law, etc.” (Law No. 13, 2016) in the Diet session on March 29, 2016, the corporate income tax rate will be lowered from the fiscal years beginning on and after April 1, 2016. In conjunction with this change, the effective statutory tax rate used to measure deferred tax assets and deferred tax liabilities have changed for the timing differences expected to be resolved on the fiscal year beginning on April 1, 2016 and the fiscal year beginning on April 1, 2017 from the former 33.06% to 30.86%. And for the timing differences expected to be resolved on and after the fiscal years beginning on April 1, 2018. The effective statutory tax rate used to measure deferred tax assets and deferred tax liabilities have changed from the former 33.06% to 30.62%. The impact of these changes on deferred tax liabilities is immaterial.

[Translation]

[**Notes to Financial Instruments**]

１．Matters Related to Financial Instruments

（１）Transaction Policy

The Company operates securities-related businesses including intermediary, agency or broker activities for the purchase and sale of securities, underwriting and secondary offering of securities, primary and secondary offerings of securities, dealing of private placement of securities, securities lending transactions, Gensaki transactions, and trading of securities and other financial instruments (hereinafter “Trading”). As part of Trading, the Company also trades derivative products with clients in order to meet their various risk needs. Furthermore, the Company trades derivatives to hedge or control the risks occurred through Trading activities.

To meet the funding needs of those operations, the Company optimizes its finance through the use of unsecured and secured financing transactions in consideration of the nature of assets held. The Company conducts liquidity stress test and other liquidity monitoring based on the internal policy, and, monitors financing activities to ensure the Company meet the target set in the policy.

（２）Description of Financial Instruments and associated risks

The cash trades of financial instruments by the Company consist of listed stocks, government bonds, government guaranteed bonds, fiscal investment and loan program agency bonds, municipal bonds, corporate bonds, foreign bonds and beneficiary certificates. The risk associated with such financial instruments is mainly market risk.

The Company trades listed derivatives and OTC derivatives. Listed derivatives consist of equity index futures, JGB futures, interest rate futures, listed options on futures and options on listed stocks, etc. OTC derivatives consist of interest rate swap, currency swaps, bond options, currency options, equity options, credit default swaps, commodity swaps, forward rate agreements, FX forward contracts, etc. The risks associated with such financial instruments are mainly market risk and credit risk.

The Company's sources of funding include borrowing, collateralized financing transactions, issuance of debt, etc. The risk associated with such financial instruments is mainly liquidity risk.

In order to hedge interest rate risk from cash collateral received from long-term collateral financing transactions, the Company applies hedge accounting by identifying cash collateral as a hedged item and interest rate swap as a hedging instrument. The Company assesses hedge effectiveness by comparing the changes in fair value between hedged item and hedging instrument from the inception of the hedge relationship to the point of the assessment.

[Translation]

(３) Risk Management Framework of Financial Instruments

① Market risk and credit risk management

(i) Risk management framework

Market risk and credit risk management is performed by Risk Management Division, independently from Trading division. Market risks are managed by setting market risk limit in consideration of its financial standing and setting the operational standards corresponding to trading practice and trading strategy. To elaborate, market risk limits are set based on sensitivity for market risk factors and Value-at-Risk calculated by a model examined by a dedicated model validation group and monitored. Any violation of the market risk limit is required to be resolved immediately. Risk Management Division evaluates counterparties' credit risks by applying the internal credit rating standard and sets the credit limit for each counterparty and then manages the transactions in accordance with the credit risk limits.

Risk Management Division monitors market risk limit usage, compliance with internal rules, and credit risk limit usage based on the trading positions and trading income and loss. Finance division manages trading income and losses and capital adequacy ratio according to the Financial Instruments and Exchange Law.

(ii)Quantitative information on Market Risks

a) Financial instruments for trading purpose

The company adopted Value-at-Risk (VaR) (holding period of one day, with the confidence level of 99%) to compute estimated fair market value of loss amounts associated with trading purpose securities and derivative products. The VaR computation uses the Monte-Carlo Method taking risk factors such as stock prices, interest rates and foreign exchange rates as risk factors under consideration of nonlinear option pricing and unique risk of equities and bonds.

The Company’s market risk amount for trading activities (probable loss amount) as of March 31, 2016 was 603 million yen.

The Company also conducts a comparative analysis of the VaR result against the actual profit and loss (P&L). Per the result for the period of April 2015 through March 2016, there was one business day where actual profit and loss exceeded VaR, and the Company continues to work on the improvement of the calculation including periodical update of correlation. VaR depends on many statistical assumptions and historical movement of market factors, thus, there can be some cases where actual losses would exceed VaR estimation depending on the market conditions. VaR covers financial instruments related to transactions of cash collateral for securities and Gensaki transactions, although these are not trading securities.

b) Financial instruments for non-trading purpose

Major financial instruments which may be impacted from the interest rate risk are "Long-term loans payable" and "Bonds payable". However, quantitative analysis is not used to measure market risk for the purpose of the risk management of these instruments. As of March 31, 2016 assuming all risk factors other than interest rate are same and if the interest rate decrease by 10 basis point (0.10%), the market value of these instruments is estimated to decrease by 19 million yen. Contrarily, if the interest rate increases by 10 basis point (0.10%), it is estimated the value will increase by 17 million yen. Note that those instruments of which interest rate sensitivities are clearly immaterial to the response of interest movement are excluded from the above upon consideration of specific nature of individual instruments.

② Management of liquidity risk associated with financing activities

Treasury department is in charge of managing liquidity risk associated with financing activities. In practice, the department maintains a certain level of cash and JGB positions which are used as collateral of borrowings, in compliance with internal policy. Furthermore, the department manages tenors and diversifies the means of funding in order to minimize the liquidity risk in consideration of market environment and asset held.

（４） Supplementary explanations about matters concerning fair value of financial instruments

Fair values of financial instruments are based on their market prices or on the reasonably calculated prices, in cases where market prices are not available. Such prices have been calculated using certain assumptions and may differ if calculated based on different assumptions.

2. Fair Value of Financial Instruments

The following table represents book values, fair values as well as differences as of March 31, 2016.

(Millions of Yen)

	Book Value	Fair Value	Difference
(1) Cash and deposits	80,269	80,269	－
(2) Trading products			
Trading securities and others	479,032	479,032	－
(3) Loans secured by securities			
Cash collateral pledged for securities borrowed	256,985	262,065	5,079
Loans on Gensaki transactions	419,026	419,026	－
(4) Short-term guarantee deposits	175,936	175,936	－
Total Assets	1,411,249	1,416,328	5,079
(1) Trading products			
Trading securities and others	396,216	396,216	－
(2) Trade date accrual	767	767	－
(3) Loans payable secured by securities			
Cash received on debt credit transaction of securities	74,700	74,700	－
Borrowings on Gensaki transactions	472,460	472,460	－
(4) Guarantee deposits received	100,707	100,707	－
(5) Short-term loans payable	125,000	125,000	－
(6) Current portion of bonds payable	1,700	1,700	－
(7) Bonds payable	3,600	3,314	(285)
(8) Long-term loans payable	81,900	81,084	(815)
Total Liabilities	1,257,051	1,255,950	(1,101)
Derivative transactions (*)			
Hedge accounting not applied	4,214	4,214	－
Hedge accounting applied	(5,559)	(5,559)	－
Total Derivative Transactions	(1,345)	(1,345)	－

(*) The amounts represent the derivative transactions which are recorded as “Trading products” and “Others” in noncurrent liabilities. Derivative assets and liabilities are presented in net amounts. Negative amount represents net liability.

[Translation]

(Footnote 1) Fair value measurement for financial instruments

Assets

(1) Cash and deposits

Fair value of cash and deposits is considered to approximate the book value due to the short term of settlement period.

(2) Trading products (Trading securities and other)

Fair value of stocks is defined to be market closing price (including dealers' market quotation). Fair value of bonds is market closing price or calculated price based on JGB with same outstanding tenors and swap rates, taking into account of elements such as issuers' credit rating, rate of redemption before maturity, liquidity, etc. Fair value of convertible bonds is calculated based on the underlying stock price, volatilities, dealers' market quotation etc. Fair value of beneficiary certificates is defined to be market closing price or the published standard price.

(3) Loans secured by securities

Cash collateral pledged for securities borrowed

In the case of cash collateral with relatively long contract tenor, fair value is calculated as discounted cash flow for the redemption period using appropriate rate as a discount factor.

In the case of cash collateral with short contract tenor, fair value is considered to approximate the book value due to the short term of settlement period.

Loans on Gensaki transactions

Fair value of loans on Gensaki transactions is considered to approximate the book value due to the short term of settlement period.

(4) Short-term guarantee deposits

Fair value of short-term guarantee deposits is considered to approximate the book value due to the short term of contract.

[Translation]

Liabilities

(1) Trading products (Trading securities and other)

Fair value of stocks is defined to be market closing price (including dealers' market quotation). Fair value of bonds is market closing price or calculated price based on JGB with same outstanding tenors and swap rates, taking into account of elements such as issuers' credit rating, rate of redemption before maturity, liquidity, etc.

(2) Trade date accrual

Fair value of trade date accrual is considered to approximate the book value due to the short term of settlement period.

(3) Loans payable secured by securities

Cash received on debt credit transaction of securities

Fair value of Cash received on debt credit transaction of securities is considered to approximate the book value due to the short term of settlement period.

Borrowings on Gensaki transactions

Fair value of borrowings on Gensaki transactions is considered to approximate the book value due to the short term of settlement period.

(4) Guarantee deposits received

Fair value of guarantee deposits received is considered to approximate the book value due to the short term of settlement period.

(5) Short-term loans payable

Fair value of short-term loans payable is considered to approximate the book value due to the short term of settlement period.

(6) Current portion of bonds payable

Fair value of current portion of bonds payable is considered to approximate the book value due to the short term of redemption period.

(7) Bonds payable

Fair value of bonds payable is the present value calculated by pricing model based on interest rates, transaction term, credit spread, etc.

(8) Long-term loans payable

Fair value of long-term loans payable is the present value calculated by pricing model based on interest rates, transaction term, credit spread, etc.

Derivative instruments

（Foreign exchange contracts）

Fair value is calculated as discounted value of future value which is derived in consideration of swap rate, volatilities, with appropriate discount factor. Fair value is converted to JPY at month end spot exchange rate.

（Interest rate contracts）

Fair values of listed derivatives are based on settlement quotations or base price for margin calculation determined by market exchange or the price calculated by referring to dealers' market quotation and taking into consideration of the fair value of the underlying securities, volatilities and interest rate. Fair values of OTC derivatives are calculated as discounted value of future value which is derived in consideration of swap rate, volatilities with appropriate discount factor and converted to JPY at month end spot exchange rate.

（Equity contracts）

Fair values of listed derivatives are defined as settlement quotations or base price for margin calculation determined by market exchange or calculated using pricing model which factors in the fair value of underlying securities, dividend yield, volatilities, interest rate, etc. Fair values of OTC derivatives are calculated using pricing model which factors in the fair value of underlying securities, dividend yield, volatilities, interest rate, etc.

（Other derivatives）

Fair values of credit default swaps are calculated using pricing model which factors in interest rates, credit rating, credit spread, default probabilities, transaction terms, etc.

Fair values of forward contracts are calculated using pricing model which factors in interest rates, underlying listed future market prices, the fair value of underlying securities, transaction terms, etc.

Fair values of embedded derivatives on structured notes/loans are calculated applying parameters such as swap rate, volatilities, stock index prices, etc. Present values are calculated to be the discounted values of the future values applying appropriate rate as discount factor.

Fair values of commodity derivatives are calculated using pricing model which factors in interest rates, listed future market prices, transaction term, etc.

The Company incorporates the effects of counterparty credit risk and own credit risk when determining fair value of OTC derivatives. The Company also implements Funding Valuation Adjustment (FVA) based on a market funding risk premium. FVA reflects a market funding risk premium inherent in the uncollateralized portion of derivative portfolios and in collateralized derivatives where the terms of the agreement do not permit the reuse of the collateral received.

(Footnote 2) Repayment schedule of monetary claims

(Millions of Yen)

	Within 1 Year	Between 1 Year and 2 Years	Between 2 Years and 3 Years	Between 3 Years and 4 Years	Between 4 Years and 5 Years	More than 5 Years
Cash collateral pledged for securities borrowed	221,985	15,000	—	—	—	20,000
Total	221,985	15,000	—	—	—	20,000

Monetary claims other than above are expected to be repaid within 1 year.

(Footnote 3) Repayment schedule of bonds, borrowings and other interest-bearing debts

(Millions of Yen)

	Within 1 Year	Between 1 Year and 2 Years	Between 2 Years and 3 Years	Between 3 Years and 4 Years	Between 4 Years and 5 Years	More than 5 Years
Short-term loans payable	125,000	—	—	—	—	—
Current portion of bonds payable	1,700	—	—	—	—	—
Bonds payable	—	—	—	—	—	3,600
Long-term loans payable	—	1,000	8,000	8,000	8,000	56,900
Total	126,700	1,000	8,000	8,000	8,000	60,500

Interest-bearing debts other than above are expected to be repaid within 1 year.

[Translation]

[Notes to transactions with related parties]

1. Parent Company and Major Shareholder

(Millions of Yen)

Category	Company name	Percentage of voting right	Relationship with the related parties	Description of transaction	Transaction amount (Note 1)	Account	Balance at the fiscal year end (Note 1)
Other related company	Citigroup Japan Treasury G.K.	49%	Borrowing	Borrowing(Note 4)	30,000	Short-term loans payable	10,000
						Long-term loans payable	20,000
				Interest expense on loans paybale (Note 4)	39	Accrued interest expense	4

2. Subsidiaries of the Parent Company

(Millions of Yen)

Category	Company name	Percentage of voting right	Relationship with the related parties	Description of transaction	Transaction amount (Note 1)	Account	Balance at the fiscal year end (Note 1)
Subsidiary of the parent company	Citigroup Global Markets Limited	n/a	Broker/dealer in the U.K.	Gensaki transactions (Note 2)(Note 3)	—	Loans on Gensaki transactions	—
						Borrowings on Gensaki transaction	305,339
				Gensaki transactions revenue	66	Accrued income	10
				Gensaki transactions expense	516	Accrued expenses	6
				Derivatives (Note 2)(Note 3)	—	Derivatives (liability)	22,353
				Trading revenues	39,865	Short-term guarantee deposits	17,664
				Interest revenue on cash collateral deposited (Note 2)	79	Accrued interest income	5
				Debt credit transaction of securities (Note 2) (Note 3)	—	Cash received on debt credit transaction of securities	11,413
				Revenue on debt credit transaction of securities	169	Cash collateral pledged for securities borrowed	21,371
				Expense on debt credit transaction of securities	93	Accrued income	14
						Accrued expenses	2
				Dividend equivalent received (Note 2)	312	Accounts receivable	—
				Dividend equivalent payment (Note 2)	326	Accounts payable	—
				Purchase and sale of securities (Note 2)(Note 3)	—	Trade date accrual (liability)	80,071
				Equity sales commission (Note 2)	8,722	Accrued commission income	48
				Trade management fee revenue (Note 2)	1,765	Accrued commission income	—
				Transfer pricing revenue (Note 5)	1,717	Accrued commission income	1,717
Subsidiary of the parent company	Citigroup Global Markets Inc.	n/a	Broker/dealer in the U.S.	Gensaki transactions (Note 2)(Note 3)	—	Loans on Gensaki transaction	—
						Borrowings on Gensaki transaction	54,692
				Gensaki transactions revenue	0	Accrued income	—
				Gensaki transactions expense	403	Accrued expenses	19
				Equity sales commission (Note 2)	6,926	Accrued commission income	30
				Purchase and sale of securities (Note 2)(Note 3)	—	Trade date accrual (asset)	7,074
				Trade management fee revenue (Note 2)	2,727	Accrued commission income	—
				Transfer pricing revenue (Note 5)	626	Accrued commission income	626

[Translation]

(Millions of Yen)

Category	Company name	Percentage of voting right	Relationship with the related parties	Description of transaction	Transaction amount (Note 1)	Account	Balance at the fiscal year end (Note 1)
Subsidiary of the parent company	Citibank N.A.	n/a	Derivative counterparty	Derivatives (Note 2)(Note 3)	—	Derivatives (liability)	10,757
				Trading losses	63,460	Short-term guarantee deposits	62,404
				Interest revenue on cash collateral deposited (Note 2)	55	Accrued interest income	20
				Interest expense on cash collateral received (Note 2)	0	Accrued interest expense	—
				Trade management fee revenue (Note 2)	2,212	Accrued commission income	—
				Transfer pricing revenue (Note 5)	1,721	Accrued commission income	1,721
Subsidiary of the parent company	Citigroup Financial Products Inc.	n/a	Derivative counterparty Borrowing	Derivatives (Note 2)(Note 3)	—	Derivatives (liability)	33,134
				Trading revenues	49,831	Short-term guarantee deposits	41,157
				Interest revenue on cash collateral deposited (Note 2)	4	Accrued interest income	—
				Interest expense on cash collateral received (Note 2)	56	Accrued interest expense	14
				Trade management fee revenue (Note 2)	0	Accrued commission income	—
				Transfer pricing revenue (Note 5)	104	Accrued commission income	104
				Borrowing(Note 4)	73,666	Short-term loans payable	—
						Long-term loans payable	59,000
				Interest expense on loans paybale (Note 4)	612	Accrued interest expense	45
Subsidiary of the parent company	Citigroup Global Markets HK Limited	n/a	Derivative counterparty	Derivatives (Note 2)(Note 3)	—	Derivatives (liability)	13,674
				Trading losses	28,939	Short-term guarantee deposits	14,010
				Interest revenue on cash collateral deposited (Note 2)	11	Accrued interest income	2
				Interest expense on cash collateral received (Note 2)	13	Accrued interest expense	—
				Trade management fee revenue (Note 2)	32	Accrued commission income	—
				Transfer pricing revenue (Note 5)	144	Accrued commission income	144

The terms of transaction and the policy for determining the trade terms

(Note 1) Consumption taxes are not included in transaction amount and balance at the fiscal year end.

(Note 2) Market price based on transactions at arm's-length. The terms of transaction is reviewed as necessary.

(Note 3) Transaction amounts are omitted due to recurring nature of transaction.

(Note 4) Amount of transaction (borrowing) is the average balance during the current fiscal year after the starting date of transaction. Also, no collateral is pledged in the borrowing. Borrowing decisions are made in consideration primarily of market interest rate.

(Note 5) The amount is transfer priced among the related parties based on the new transfer pricing model.

[Note to per-share information]

（１） Net assets per share	40,295.12 yen
（２） Net income per share for the year	2,162.84 yen

[Notes to others]

Subordinated debts

Bonds payable and loans payable include the subordinated debt (subordinated bond payable and subordinated loan payable) stipulated by Article 176 of the Cabinet Office Ordinance Concerning Financial Instruments Dealers (Cabinet Office Ordinance No. 52 of 2007).

・Bonds payable	1,700 million yen
・Long-term loans payable	24,000 million yen