

January 16, 2012

Citigroup Global Markets Japan submits Business Improvement Plan to FSA

Citigroup Global Markets Japan Inc. today submitted to the Financial Services Agency of Japan ("FSA") a business improvement plan, as summarized in the Appendix below, in response to the FSA's administrative action dated December 16, 2011.

The company takes the administrative action very seriously and sincerely regrets any inconvenience and concern caused among clients and all parties concerned. Citigroup Global Markets Japan is implementing measures to prevent a recurrence of the issues raised by the FSA. Also the company is committed to keep working diligently to execute and complete the business improvement plan in order to regain confidence from clients and the market.

The suspension of the trading of derivatives products related to TIBOR and LIBOR, excluding trades related to previous transactions, will be in place through January 23, 2012.

Appendix: Summary of the Business Improvement Plan

1. Clarification of management responsibility

2. Secure strict compliance by all management and staff members
 - Reinforcement of Citigroup's Code of Conduct
 - Enhancements to Compliance training
 - Strengthening of Compliance function resources
 - Improvements in the processes for registration of sales representatives

3. Strengthening of governance and internal controls frameworks
 - Revisions to the composition of the Board of Directors and Executive Committee, etc. and clarification of roles and responsibilities
 - Enhancement of HR framework (hiring practices, performance evaluation system, etc.)
 - Enhancement of the risk management framework