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[Disclosure Booklet]

Explanatory Documents on the Status of Business and Property for the fiscal year ended Dec 31, 2025

This disclosure booklet is prepared by the Company for publication

on the Internet under Article 46-4 of the Financial Instruments and Exchange Law.

Citigroup Global Markets Japan Inc.

Contents

I Outline and Organization

1. Corporate Name Citigroup Global Markets Japan Inc. (the Company)

2. Registration Date September 30, 2007
(Registration Number) (The Director-General of the Kanto Finance Bureau (Kinsho) No.130)

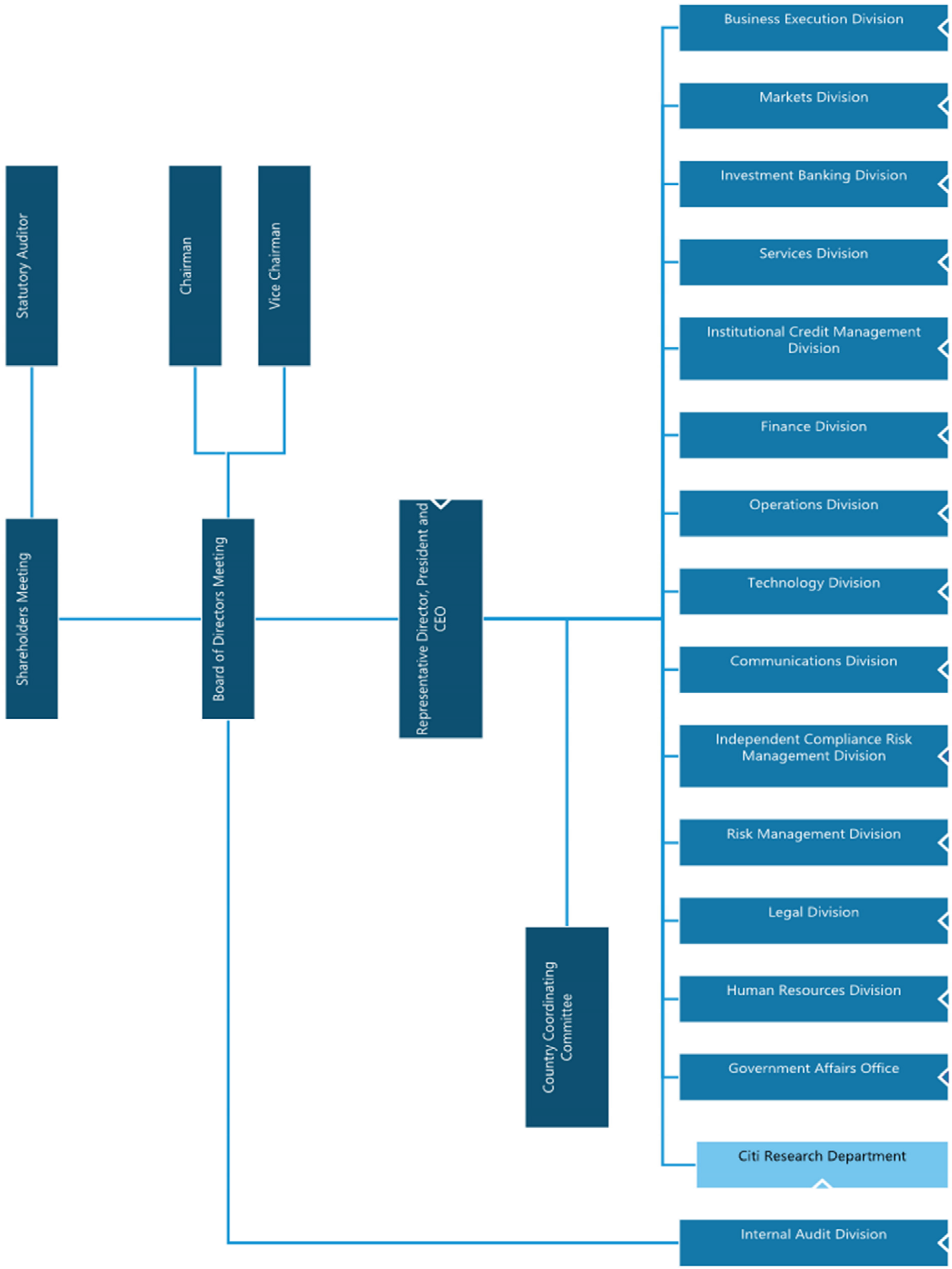
3. History and Organization

(1) History

Year	History
1972	・ Smith Barney Tokyo Representative Office established
1977	・ Salomon Brothers Asia Limited established in Hong Kong
1980	・ Salomon Brothers Asia International Tokyo Representative Office established ・ Smith Barney Tokyo Branch opened
1982	・ Salomon Brothers Asia Limited Tokyo Branch opened
1987	・ Becomes Remote Member of Osaka Securities Exchange
1988	・ Becomes Official Member of Tokyo Stock Exchange
1989	・ Becomes Standing Underwriting Manager for JGB syndication ・ Becomes Clearing Member of Tokyo International Financial Futures Exchange ・ Becomes Special Participant of Nagoya Stock Exchange
1991	・ Becomes Official Member of Osaka Securities Exchange
1998	・ Salomon Smith Barney (Japan) Limited formed upon Salomon Brothers Asia Limited's acquisition of all operations of Smith Barney Tokyo Branch
1999	・ Name changed to Nikko Salomon Smith Barney Limited upon acquisition of Nikko Securities' institutional businesses ・ Becomes Official Member of Nagoya Stock Exchange
2004	・ Begins operation as Nikko Citigroup Limited
2008	・ Nikko Citi Holdings Inc. established
2009	・ Name changed to Citigroup Global Markets Japan Inc.
2017	・ Japan headquarters moved to Otemachi Park Building

(2) Organization Chart

As of December 31, 2025



4. Shareholders in the Top 10, Number of Shares Held and Percentage of Voting Rights

As of December 31, 2025

Name of shareholders	Number of shares held	Percentage of voting rights
Citigroup Japan Holdings G.K.	3,842,000	100.00%
Total 1 party		

5. Names of Board of Directors and Statutory Auditor

As of December 31, 2025

Position	Name	Representation	Full-time/Non-Full-time
Representative Director, President and CEO	Robert Itsuo Nakamura	Yes	Full-time
Director, Chairman	Fumiaki Kurahara	No	Full-time
Director	Marc Raoul Marie Luet	No	Non-Full-time
Director	Masuo Fukuda	No	Full-time
Director	Jonathan Nix	No	Non-Full-time
Director	Hideki Ishibashi	No	Full-time
Director	Akira Hoshino	No	Full-time
Director	Miho Nakagawa	No	Full-time
Director	Akira Kiyota	No	Full-time
Statutory Auditor	Yuichi Ito		Full-time

(Note) Marc Raoul Marie Luet ceased to be a Director when the term of office expired on March 26, 2026.

6. Names of Employees Specified by Cabinet Order

(1) Persons overseeing the operations concerning the guidance for compliance with the laws and regulations, etc. with respect to the financial instruments business

As of December 31, 2025

Name	Title
Hideki Ishibashi	Director, Head of Independent Compliance Risk Management Division, Chief Internal Control Officer
Hiroko Tanaka	General Counsel

(2) Persons overseeing the division to make an advice or conducting management with respect to the investment advisory business and investment management business

Not applicable

7. Business Operation

(1) Type I Financial Instruments Business

① Businesses under Article 28(1) (i) of Financial Instruments and Exchange Law (hereinafter referred to as the "FIEL")

(i) Sale and purchase of Securities (excluding those falling under the category of Derivative Transactions; the same shall apply hereinafter), Exchange traded Derivatives (excluding Financial Instruments (limited to those in Article 2(24) (iii-2)) or Financial Indices (limited to the value of the Financial Instruments or figures calculated based thereon) related Exchange traded Derivatives (the same shall apply "Commodities related Exchange traded Derivatives" hereinafter) or Foreign Exchange traded Derivatives Transactions (excluding sale and purchase of Securities falling under Article 2(8) (x) of FIEL)

(ii) Intermediary ("Baikai"), brokerage ("Toritsugi") (excluding Brokerage for Clearing of Securities,etc.) or agency service ("Dairi") for sale and purchase of Securities, Exchange traded Derivatives or Foreign Exchange traded Derivatives Transactions (excluding intermediary ("Baikai"), brokerage ("Toritsugi") or agency service ("Dairi") for sale and purchase of Securities falling under Article 2(8) (x) of FIEL)

(iii) Intermediary ("Baikai"), brokerage ("Toritsugi") or agency service ("Dairi") for agency ("Itaku") of the following transactions;

(a) Sale and purchase of Securities conducted in a Financial Instruments Exchange Market or Exchange traded Derivatives; or

(b) Sale and purchase of Securities conducted in a Foreign Financial Instruments Market (meaning a market in a Foreign State similar to Financial Instruments Exchange Market; the same shall apply hereinafter) or Foreign Exchange traded Derivatives Transactions

(iv) Brokerage for Clearing of Securities, etc.; or

(v) Secondary Distribution of Securities or exclusive Offer to Sell, etc. to Professional Investors

(vi) The handling of a Public Offering or Secondary Distribution of Securities, or the handling of a Private Placement of Securities or exclusive Offer to Sell, etc. to Professional Investors

② Business under Article 28(1) (ii) of FIEL

Over-the-Counter Transactions of Derivatives or intermediary ("Baikai"), brokerage ("Toritsugi") (excluding Brokerage for Clearing of Securities,etc.) or agency service ("Dairi") therefor; or, Brokerage for Clearing of Securities, etc. in relation to Over-the-Counter Transactions

③ Business under Article 28(1) (iii) (a) of FIEL

Wholesale Underwriting of Securities that are specified by a Cabinet Order as those for which management of risks of loss is highly necessary

④ Business under Article 28(1) (iii) (b) of FIEL

Wholesale Underwriting of Securities other than those listed in Article 28(1) (iii) (a) of FIEL

⑤ Business under Article 28(1) (iii) (c) of FIEL

Acts listed in Article 2(8) (vi) that are other than Wholesale Underwriting of Securities

⑥ Securities, etc. Management Business

(2) Type II Financial Instruments Business

(3) Investment Advisory and Agency Business

① Business under Article 28(3) (ii) of FIEL.

Agency or intermediation for the conclusion of an Investment Advisory Contract or a Discretionary Investment Contract

(4) Supplemental Business Operation to Financial Instruments Business (i.e. the business conducted by the Company listed in Article 35(1) of FIEL)

① Lending and borrowing of Securities, or intermediary ("Baikai") or agency service ("Dairi") thereof

② Money loan incidental to a margin transaction

③ Money loan secured by Securities that are deposited for safe custody from customers

④ Agency service ("Dairi") for customers concerning Securities

⑤ Agency service ("Dairi") of the business pertaining to payment of earnings, redemption money or cancellation money with regard to beneficiary securities of Investment Trusts or foreign investment trusts, or the business pertaining to delivery of the Securities or any other assets belonging to the trust property pertaining to the Securities

⑥ Agency service ("Dairi") of the business pertaining to distribution of money, distribution of refunds or residual assets or payment of interest or redemption money with regard to Investment Securities, Investment Equity Subscription Rights Certificates or Investment Corporation Bonds, or Foreign Investment Securities

⑦ Conclusion of a Contract for Cumulative Investment

⑧ Provision of information or advice in relation to Securities

⑨ Agency service ("Dairi") of the business of any Counterparty Financial Business Operator, etc.

⑩ Retention of assets of a registered investment corporation

⑪ Consultation to any other business operator with regard to a business assignment, merger, company split, share exchange or share transfer, or intermediation for these matters

⑫ Consultation to any other business operator with regard to management

⑬ Sale and purchase of currencies and other assets designated by a Cabinet Order as being related to Derivative Transactions (excluding Transactions of Securities-Related Derivatives) or intermediary ("Baikai"), brokerage ("Toritsugi") or agency service ("Dairi") thereof

⑭ Sale and purchase of negotiable deposits and other monetary claims (excluding those that fall under the category of Securities), or intermediary ("Baikai"), brokerage ("Toritsugi") or agency service ("Dairi") thereof

8. Addresses of Head Office and Other Branches

As of December 31, 2025

Category	Address
Head Office	1-1, Otemachi 1-Chome, Chiyoda-ku, Tokyo 100－8132

9. Other Business Operation

(1) Registered businesses conducted by the Company listed in Article 35(2) of FIEL

① Business pertaining to transactions conducted by using fluctuations in commodity prices and other indicators, market gaps, etc. as specified by a Cabinet Office Ordinance (excluding business pertaining to transactions on a commodity market, etc. defined in Article 2(21) of the Commodity Futures Act)

② Business pertaining to money lending business defined in Article 2(1) of the Act on Controls, etc. on Money Lending or other money loan, or intermediary service of lending and borrowing of money

③ Business pertaining to conclusion of a Loan Participation Contract, or an intermediary, brokerage or agency service

④ Goods leasing business

⑤ Business pertaining to creation and sale of computer programs for the business of any other business operator, and a business to accept the entrustment of computing service

⑥ Business of a conclusion of a contract on the acquisition or transfer of Carbon Dioxide Equivalent Quotas, or an intermediary, brokerage or agency service

⑦ Derivatives transactions pertaining to Carbon Dioxide Equivalent Quaotas, or an intermediary, brokerage or agency service

⑧ Business of concluding a contract for a guarantee or assumption of an obligation, or an intermediary, brokerage or agency service
⑨ Business of making an arrangement with or introducing another business operator, to customers of its Business
⑩ Business of management and lease of real estate and building
⑪ Business related to insurance solicitation as stipulated in Article 2, Paragraph 26 of the Insurance Business Act

(2) Approved Businesses conducted by the Company listed in Article 35(4) of FIEL

① Business for intermediary, etc. of custody business, business for intermediary, etc. of fund service business and business for intermediary, etc. of foreign depositary receipt business
② Business for intermediary business related to LNG physical trading
③ Business for maritime freight index derivative transactions including intermediary and agency thereof
④ Agency/Brokerage services of collateral management related to OTC derivative transactions
⑤ Intermediary services for the foreign commodity market transactions

10. Engaged Businesses included in the Matters Set Forth in Article 7(3)(a), (3)-2, (3)-3 (a) and from (4) to (9) of the Cabinet Office Ordinance on Concerning Financial Instruments Business

① Securities-related business
② Sale and purchase of real estate trust beneficiary interests

11. Complaint Processing and Dispute Resolution

(1) Type I Financial Instruments Business

Measures to conclude a Basic Contract for Implementation of Dispute Resolution Procedure with Financial Instruments Mediation Assistance Center (hereinafter referred to as the "FINMAC")

(2) Type II Financial Instruments Business

Measures to utilize the Financial Futures Association of Japan (outsourcing to FINMAC) or measures to utilize Type II Financial Instruments Firms(outsourcing to FINMAC); otherwise, measures to utilize FINMAC directly as grievance procedure and dispute resolution prescribed in article 37-7(1) (ii) (b) of FIEL.

(3) Investment Advisory and Agency Business

Measures to utilize the Center of Tokyo Bar Association, Daiichi Tokyo Bar Association, and Diani Tokyo Bar Association as the measures for dispute resolution prescribed in article 37-7(1)(iii)(b) of FIEA Measures to publicize the business operation system and internal policy on public website of the Company.

(4) Investment Management Business

Not applicable

(5) Money Lending Business

Measures to conclude a Basic Contract for Implementation of Dispute Resolution Procedure with Japan Financial Services Association

(6) Insurance Broker Business

Measures to conclude a Basic Contract for Implementation of Dispute Resolution Procedure with Association Insurance Ombudsman

12. Financial Instruments Firms Associations and Certified Investor Protection Organization Memberships

・Financial Instruments Firms Association : Japan Securities Dealers Association
The Financial Futures Association of Japan
Type II Financial Instruments Firms Association

13. Financial Instruments Exchange Memberships

Tokyo Stock Exchange
Osaka Exchange
Nagoya Stock Exchange
Tokyo Financial Exchange

14. Investor Protection Fund Membership

Japan Investor Protection Fund

II Business Overview

1. Business Outline for the Current Period

Operating revenue totaled 150.7 billion yen, and Operating revenue, net of interest expense, amounted to 75.3 billion yen. Selling, general and administrative expenses totaled 53.4 billion yen, the operating income amounted to 21.9 billion yen and the ordinary income including non-operating income and expenses amounted to 21.9 billion yen. The net income before income tax amounted to 20.0 billion yen and the net income amounted to 13.5 billion yen with extraordinary income and loss and income taxes. Summaries by accounts are as follows.

(1) Commission received

Commission received was 72.2 billion yen. The following is the breakdown by category.

① Brokerage commissions

Brokerage commissions were 16.3 billion yen. Equity trading volume was 59,806.2 billion yen. Brokerage commissions on equities were 14.4 billion yen and average brokerage commission rate on equities was 0.024%. Brokerage commissions on equity futures and options, JGB futures and ETFs totaled 1.8 billion yen.

② Underwriting and selling commissions

Underwriting and selling commissions were 0.1 billion yen.

③ Subscription and distribution commissions

There was no subscription and distribution commissions in the current fiscal year.

④ Other commissions

Other commissions were 55.7 billion yen, mainly due to commissions from overseas subsidiaries and affiliates.

(2) Net trading income

Net trading income recorded 7.3 billion yen. Trading gain related to equities was 2.0 billion yen. Trading loss related to bonds was 8.8 billion yen and trading gain related to foreign exchange and other was 14.1 billion yen.

(3) Interest revenue and expenses

Net interest revenue and expenses were 4.2 billion yen loss.

(4) Selling, general and administrative expenses

Selling, general and administrative expenses were 53.4 billion yen.

(5) Non-operating income and expenses

Net non-operating income was 0.06 billion yen, mainly including policyholder dividends and revaluation loss generated from assets and liabilities in foreign currencies.

(6) Extraordinary income and loss

Extraordinary income was 0.4 billion yen from gain on early redemption of loan. Extraordinary loss includes 1.2 billion yen from reserve for financial products transaction liabilities and 1.1 billion yen from loss on early redemption of loan.

(7) Income taxes

Net income before income taxes amounted to 20.0 billion yen. Income taxes-current amounted to 7.5 billion yen and income taxes-deferred amounted to a benefit of 1.0 billion yen.

(8) Net income

Net income amounted to 13.5 billion yen and net income per share was 3,520 yen.

2. Key Financial Data

(1) Overall Operating Results

（Millions of Yen）

	FY 2023	FY 2024	FY 2025
Capital stock	96,307	96,307	96,307
Total number of issued shares (thousands)	3,842	3,842	3,842
Operating revenue	139,318	146,810	150,732
（Commission received）	50,134	55,093	72,273
((Brokerage commissions))	12,911	14,413	16,325
((Underwriting & selling commissions))	95	981	160
((Other commissions))	37,127	39,698	55,787
(((Profit distribution to Japan subsidiaries concerning international transaction)))	34,351	36,197	51,313
(((Other)))	2,775	3,501	4,474
(Net trading income)	43,734	5,812	7,348
((Equities and other))	22,220	1,777	2,070
((Bonds))	13,367	9,735	(8,881)
((Foreign exchange and other))	8,146	(5,700)	14,159
(((Foreign exchange)))	9,410	(6,065)	12,793
(((Other)))	(1,263)	365	1,366
（Financial revenue）	45,450	85,904	71,110
Financial expenses	71,002	80,433	75,364
Operating revenue, net of interest expense	68,316	66,377	75,367
Ordinary income	21,403	16,871	21,968
Net income	13,484	9,027	13,525

(2) Trading and underwriting volume in securities

① Equity Trading Activity (excluding electronically recorded transferable rights that must be indicated on securities, etc. (hereinafter referred to as Digitalized Securities))

（Millions of Yen）

	FY 2023	FY 2024	FY 2025
Brokerage	34,439,896	52,232,229	59,806,275
Proprietary	12,117,300	12,880,336	16,660,927
Total	46,557,197	65,112,566	76,467,202

①-2 Equity Trading Activity (limited to those for Digitalized Securities)
Not applicable

② Underwriting, offering and solicitation for selling and others for professional investors, and subscription placement, offering placement, private placement and solicitation for placement for professional investors (excluding those for electronic public offering services and Digitalized Securities)

(Millions of Yen)

Type			Underwriting	Offering	Total sales solicitation to professional investors	Subscription Placement	Offering Placement	Private Placement	Placement solicitation to professional investors
FY 2023	Stocks		13	—	—	—	—	—	—
		JGBs	—			—		—	—
		Municipal bonds	460			460		—	—
		Special bonds	400	—	—	400	—	—	—
		Corporate bonds	30,500	—	—	8,100	—	—	—
	Bonds Total		31,360	—	—	8,960	—	—	—
	Beneficiary certificate					—	—	924,690	—
	Other		—	—	—	—	—	—	—
FY 2024	Stocks		23,290	—	—	22,500	—	—	—
		JGBs	—			—		—	—
		Municipal bonds	100			100		—	—
		Special bonds	3,200	—	—	3,200	—	—	—
		Corporate bonds	4,100	—	—	—	—	—	—
	Bonds Total		7,400	—	—	3,300	—	—	—
	Beneficiary certificate					—	—	888,630	—
	Other		—	—	—	—	—	—	—
FY 2025	Stocks		—	—	—	—	—	—	—
		JGBs	—			—		—	—
		Municipal bonds	100			100		—	—
		Special bonds	2,400	—	—	2,400	—	—	—
		Corporate bonds	11,600	—	—	100	—	—	—
	Bonds Total		14,100	—	—	2,600	—	—	—
	Beneficiary certificate					—	—	1,773,814	—
	Other		—	—	—	—	—	—	—

②-2 Underwriting, offering and solicitation for selling and others for professional investors, and subscription placement, offering placement, private placement and solicitation for placement for professional investors (limited to those for electronic public offering services)
Not applicable

②-3 Underwriting, offering and solicitation for selling and others for professional investors, and subscription placement, offering placement, private placement and solicitation for placement for professional investors (limited to services related to Digitalized Securities)
Not applicable

(3) Other business activities

The Businesses listed in Article 35(2) and (4) of FIEL have been omitted in consideration of financial statements impact.

(4) Regulatory capital adequacy ratio

(Millions of Yen)

		FY 2023	FY 2024	FY 2025
Net capital ratio (A / B X 100)		305.6%	388.0%	380.0%
Net capital (A)		269,579	320,968	334,863
Risk total (B)		88,201	82,712	88,099
	Market risk	47,139	36,861	36,178
	Counterparty risk	22,533	25,222	30,855
	Basic risk	18,528	20,628	21,065
	Crypto, etc-Assets, etc. Deduction	-	-	-

(5) Number of employees and registered sales representatives

	FY 2023	FY 2024	FY 2025
Employees	900	869	872
(Registered sales representatives)	(261)	(246)	(234)

(6) Performance-based compensation of Board of Directors (limited to financial instruments business operators engaged in investment management business)

Not applicable

III Financial Matters

1. Financial Information

(1) Statement of financial condition

(Millions of Yen)

Account	Previous fiscal year (As of December 31, 2024)	Current fiscal year (As of December 31, 2025)
(ASSETS)		
Current assets	6,890,252	6,794,298
Cash and deposits	452,728	615,478
Cash segregated as deposits	32,080	4,577
Trading products	1,480,455	1,824,257
Trading securities and other	574,071	955,909
Derivatives	906,384	868,347
Trade date accrual	10,820	-
Margin transaction assets	8,477	4,355
Cash collateral pledged for securities borrowing on margin transactions	8,477	4,355
Loans secured by securities	3,939,945	3,510,780
Cash collateral pledged for securities borrowed	1,368,403	1,237,916
Loans on Gensaki transactions	2,571,542	2,272,864
Advance paid	602	253
Short-term guarantee deposits	952,413	807,142
Variation margin paid	-	14,775
Accounts receivable	746	1,885
Accrued income	11,518	10,257
Others	464	534
Noncurrent assets	10,078	10,520
Property, plant and equipment	1,942	1,317
Buildings	1,869	1,286
Furniture & fixtures	73	31
Intangible assets	760	748
Software	527	416
Others	232	331
Investments and other assets	7,375	8,454
Investment securities	742	742
Long-term loans receivable	382	248
Long-term guarantee deposits	1,518	1,541
Deferred tax assets	4,663	5,675
Prepaid pension cost	67	246
Total Assets	6,900,330	6,804,819

（Millions of Yen）

Account	Previous fiscal year (As of December 31, 2024)	Current fiscal year (As of December 31, 2025)
(**LIABILITIES**)		
Current liabilities	6,113,032	5,972,412
Trading products	1,601,483	1,430,658
Trading securities and other	713,589	669,672
Derivatives	887,894	760,986
Trade date accrual	-	45,998
Margin transaction liabilities	7,469	4,489
Cash collateral received for securities lending on margin transactions	7,469	4,489
Loans payable secured by securities	3,679,282	3,572,337
Cash received on debt credit transaction of securities	619,229	673,330
Borrowings on Gensaki transactions	3,060,053	2,899,007
Deposits received	8,970	728
Guarantee deposits received	727,439	796,261
Variation margin received	7,956	-
Short-term loans payable	56,953	87,180
Current portion of bonds payable	-	1,000
Accounts payable	2,819	6,048
Accrued expenses	9,218	10,668
Income taxes payable	1,609	2,793
Reserve for bonuses	6,356	6,899
Others	3,471	7,349
Noncurrent liabilities	531,678	616,794
Bonds payable	1,600	600
Long-term loans payable	520,394	607,836
Reserve for retirement benefits	5,772	3,580
Others	3,911	4,776
Reserves under the special laws	4,440	5,665
Reserve for financial products transaction liabilities	4,440	5,665
Total Liabilities	6,649,151	6,594,872
(NET ASSETS)		
Shareholders' equity	251,941	210,467
Capital stock	96,307	96,307
Capital surplus	58,631	58,631
Legal capital surplus	55,660	55,660
Other capital surplus	2,971	2,971
Retained earnings	97,002	55,527
Other retained earnings	97,002	55,527
Retained earnings brought forward	97,002	55,527
Valuation and translation adjustments	(762)	(519)
Deferred net gain/ (loss) on hedges	(762)	(519)
Total Net Assets	251,179	209,947
Total Liabilities and Net Assets	6,900,330	6,804,819

(2) Statement of operations

(Millions of Yen)

Account	Previous fiscal year (from January 1, 2024 to December 31, 2024)	Current fiscal year (from January 1, 2025 to December 31, 2025)
Operating revenue	146,810	150,732
Commission received	55,093	72,273
Net trading income	5,812	7,348
Financial revenue	85,904	71,110
Financial expenses	80,433	75,364
Operating revenue, net of interest expense	66,377	75,367
Selling, general and administrative expenses	49,144	53,460
Trade-related expenses	7,564	7,034
Compensation	20,983	22,655
Occupancy	7,839	8,520
Administrative expenses	8,814	11,335
Depreciation	874	861
Taxes	1,697	1,817
Others	1,372	1,235
Operating income	17,232	21,907
Non-operating income	76	120
Non-operating expenses	437	59
Ordinary income	16,871	21,968
Extraordinary income	-	461
Gain on early redemption of loan	-	461
Extraordinary loss	2,132	2,332
Restructuring loss	173	-
Loss on early redemption of loan	761	1,107
Reserve for financial products transaction liabilities	1,197	1,224
Net income before income taxes	14,738	20,097
Income taxes - current	5,977	7,583
Income taxes - deferred	(266)	(1,011)
Net income	9,027	13,525

(3) Statement of changes in net assets

FY 2024 (from January 1, 2024 to December 31, 2024)

(Millions of Yen)

	Shareholders' equity						Valuation and translation adjustments	
	Capital stock	Capital surplus			Retained earnings	Total shareholder's equity	Deferred net gain / (loss) on hedges	Total net assets
		Legal capital surplus	Other capital surplus	Total capital surplus	Other retained earnings: Retained earnings brought forward			
Beginning balance	96,307	55,660	2,971	58,631	87,975	242,914	(1,005)	241,908
Changes of items during the fiscal year								
Net income	-	-	-	-	9,027	9,027	-	9,027
Net changes of net assets other than shareholders' equity	-	-	-	-	-	-	242	242
Total changes of items during the fiscal year	-	-	-	-	9,027	9,027	242	9,270
Closing balance	96,307	55,660	2,971	58,631	97,002	251,941	(762)	251,179

FY 2025 (from January 1, 2025 to December 31, 2025)

(Millions of Yen)

	Shareholders' equity						Valuation and translation adjustments	
	Capital stock	Capital surplus			Retained earnings	Total shareholder's equity	Deferred net gain / (loss) on hedges	Total net assets
		Legal capital surplus	Other capital surplus	Total capital surplus	Other retained earnings: Retained earnings brought forward			
Beginning balance	96,307	55,660	2,971	58,631	97,002	251,941	(762)	251,179
Changes of items during the fiscal year								
Dividends paid	-	-	-	-	(55,000)	(55,000)	-	(55,000)
Net income	-	-	-	-	13,525	13,525	-	13,525
Net changes of net assets other than shareholders' equity	-	-	-	-	-	-	242	242
Total changes of items during the fiscal year	-	-	-	-	(41,474)	(41,474)	242	(41,231)
Closing balance	96,307	55,660	2,971	58,631	55,527	210,467	(519)	209,947

(4) Notes to the financial statements

① Notes to statement of financial condition

1) Assets pledged as collateral and collateralized liabilities

	(Millions of Yen) FY2024	(Millions of Yen) FY2025
・ Assets pledged as collateral		
Trading products	10	10

	(Millions of Yen) FY2024	(Millions of Yen) FY2025
・ Collateralized liabilities		
Short-term loans payable	—	—

2) Collateralized securities

	(Millions of Yen) FY2024	(Millions of Yen) FY2025
・ Securities pledged out		
Securities loaned to customers for margin transactions	7,791	4,328
Securities loaned as collateral under financing agreement	704,370	754,517
Securities pledged related to securities sold under Gensaki transactions	2,956,484	2,779,207
Securities pledged as margin	48,240	41,513
Securities pledged as collateral for other transactions	17,080	34,567

	(Millions of Yen) FY2024	(Millions of Yen) FY2025
・ Securities received in		
Securities borrowed on margin transactions	7,791	4,328
Securities borrowed under financing agreements	1,561,664	1,281,640
Securities received related to securities purchased under Gensaki transactions	2,423,407	2,125,531
Securities received as margin	152,714	93,789

	(Millions of Yen) FY2024	(Millions of Yen) FY2025
3) Accumulated depreciation of property, plant and equipment	4,229	4,867

	(Millions of Yen) FY2024	(Millions of Yen) FY2025
4) Monetary claims from the affiliates and monetary debts to the affiliates		
・ Short-term monetary claims from the affiliates	183	88
・ Short-term monetary debts to the affiliates	60,679	92,375
・ Long-term monetary debts to the affiliates	476,297	561,220

② Notes to statement of operations

Volume of transactions with the affiliates

	(Millions of Yen) FY2024	(Millions of Yen) FY2025
Operating transactions		
・ Operating revenue from the affiliates	2,933	991
・ Operating expenses to the affiliates	26,573	24,475
Other than Operating transactions	761	646

③ Notes to statement of changes in net assets

1) Outstanding shares

(FY2024) (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

(FY2025) (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

2) Matters Concerning Dividends

(FY2024)

Not applicable

(FY2025)

Dividends Paid

Dividends in Cash

Resolution	Class of Stock	Total Dividends (Millions yen)	Effective Date
Extraordinary General Meeting of Shareholders on July 22, 2025	Common Stock	55,000	July 23, 2025

2. Major Lenders and Borrowings

(Millions of Yen)

	FY2024		FY2025	
	Lender	Balance at the end of the fiscal year	Lender	Balance at the end of the fiscal year
Short-term	Citicorp LLC	56,953	Citicorp LLC	87,180
Long-term	Citicorp LLC	473,894	Citicorp LLC	558,536
	Financial institutions	46,500	Financial institutions	49,300

3. Securities Held (Non-Trading)

(Millions of Yen)

	FY2024			FY2025		
	Book Value	Fair Value	Unrealized gain/ (loss)	Book Value	Fair Value	Unrealized gain/ (loss)
Current assets	-	-	-	-	-	-
Equities	-	-	-	-	-	-
Bonds	-	-	-	-	-	-
Others	-	-	-	-	-	-
Noncurrent assets	742	-	-	742	-	-
Equities	742	-	-	742	-	-
Bonds	-	-	-	-	-	-
Others	-	-	-	-	-	-

4. Derivative Transactions (Non-Trading)

Not applicable

5. External Audit

Pursuant to the Article 436(2) (i) of the Companies Act, the Company's financial report and its supplementary schedule were audited by KPMG AZSA LLC. And the Company received audit report with unqualified opinion from KPMG AZSA LLC.

IV Internal Control Structure

1. Overview of Internal Control

The Company has the following divisions and departments which are responsible for internal control of the Company.

- **Legal Division**

  Legal Division encompasses Legal Unit as a subordinate unit and is primarily responsible for providing legal advice and operational support in connection with general legal matters and applicable laws, regulations, and rules governing financial instruments transactions and related activities, supporting the execution of relevant legal and regulatory procedures, and supervising the resolution of disputes and contentious matters.

- **Independent Compliance Risk Management Division**

  Independent Compliance Risk Management Division consists of Markets ICRM Unit, ICRM Surveillance Unit, Compliance Programs Unit, AML Compliance Unit, Banking and Research, Conflicts & Information Barrier Advisory, Control Room Unit, Compliance Independent Assessment Unit, ICRM Sanctions Unit, Services ICRM Unit, ICRM Monitoring Unit and Regulatory Response and Exam Management & Oversight Unit. Assurance of compliance with laws and regulations associated with financial instruments, and AML (Anti Money Laundering) measures and anti-social forces by all employees, training, advice, support and challenge for employees on regulatory matters, trade surveillance, management of conflicts of interests, management of non-public information, development of compliance policies, and communication with regulatory authorities, etc.

- **Risk Management Division**

  The Risk Management Division covers all risk stripes under Citi Risk Taxonomy for the Japan franchise from second line risk oversight perspective. Wholesale Credit Risk oversees direct, contingent and counterparty exposures while Market Risk manages exposures to changes in market factors. Operational Risk Management is involved in identification, monitoring and controls to ensure risks remain within the defined appetite. The Finance CRO function oversees liquidity risk and interest rate risk in the banking book. Risk Governance and Risk Control oversee core risk processes, transformation initiatives, provide support to Wholesale Credit portfolio and Enterprise programs and ensure adherence to risk regulations, Citi policies and standards. Legal Entity Risk Analytics provide oversight of regulatory guidelines for Basel advanced approaches including governance of internal model approval and related supervisory communication. New Activity Risk Management is involved in risk assessment of new business initiatives.

- **Finance Division**

  Finance Division consists of Controllers, Corporate Treasury and Tax Units. The Division is responsible for production, maintenance, and management of ledgers / reports, etc. of the Company's finance, accounting and tax, risk management based on the Company's Capital Adequacy Ratio and liquidity management of the Company.

- **Communications Division**

  The Communications Division is responsible for communications for internal and external stakeholders and also responsible for the planning and execution of the Company's community activities.

- **Government Affairs Office**

  The office of Government Affairs is responsible for information gathering, research and analysis for the Company on government policies/activities as well as consultancy and advisory regarding relationship management with government agencies. It is also responsible for engagement in activities of business associations which the Company is involved in.
- **Operations Division**

  Operations consists of departments supporting key business functions and units governing internal controls. The division is responsible for matters concerning settlement of financial products with Japanese and foreign customers, compliance with laws and regulations, and risk management around Operations of the franchise.
- **Technology Division**

  The Technology division is responsible for driving the technology strategy that enables and supports systems and infrastructure for our key businesses and other internal functions. In this role, Technology consists of units that provide system development, project governance, production support, infrastructure maintenance, technology risk management, information security, data governance and operational resilience.
- **Institutional Credit Management Division**

  The Division is part of the First Line of Defense. Responsible for managing Wholesale Credit Risk.

The Company also has established the below division which directly report to Board of Directors.

- **Internal Audit Division**

  The Division conducts internal audits on the business of the Company and reports their results and evaluations to the Board of Directors.

Treatment of Customer Complaint

We shall respect the complaints and consultation received from our clients in relation to our business and strive for the prompt, good faith, fair and appropriate settlement thereof. Any received complaints are escalated to coverage Sales Managers and Internal Control Officers and a committee for Risk Management which members consist of our board of directors.

Internal Audit Structure

The Internal Audit Division will execute audits of the audit plan based on the risk assessment performed of the business of the Company including the adequacy of the firm’s customer complaint management framework and reports the result and assessment to the Board of Directors.

2. Condition of Customers' Assets Segregation

We have managed deposited cash and securities to secure and orderly stored them separately from our own property. Thus, even in the event of bankruptcy, deposited money and securities are refunded to customers under certainty. Asset segregation balance of cash and securities, and type of storage condition of the securities or the amount or quantity of securities at the end of December 2024 and December 2025 are as follows.

(1) Asset segregation based on article 43-2 of FIEL

① Condition of trust funds

（Millions of Yen）

Type	As of December 31, 2024	As of December 31, 2025
Required segregation of customers' cash deposits at the latest calculation date	31,020	3,544
Funds entrusted for segregated customers' cash deposits at the end of the fiscal year	32,047	4,547
Required segregation of cash deposits at the end of the fiscal year	12,164	3,486

② Condition of securities segregation (excluding Digitalized Securities)

A. Securities for safe keeping

Security Type	As of December 31, 2024				As of December 31, 2025			
	Domestic securities		Foreign securities		Domestic securities		Foreign securities	
Equities (shares)	1,223,486	thousand shares	9,009,491	thousand shares	1,341,144	thousand shares	8,903,899	thousand shares
Bonds (face amount)	132,648	millions of yen	2,624,317	millions of yen	85,825	millions of yen	2,496,493	millions of yen
Beneficiary certificates (number of accounts)	725,475	million accounts	10,882	million accounts	1,034,696	million accounts	8,882	million accounts
Stock purchase warrants (number of units)	-	units	14	units	-	units	15	units

B. Securities received as collateral

Not applicable

C. Condition of securities segregation

Security Type	Depositary agent and segregation method
1. Convertible bond-type corporate bonds with stock acquisition rights, equity securities of investment corporations, beneficiary securities and investment securities that are listed on financial instruments exchange markets	①With respect to CB-type corporate bonds with stock acquisition rights (including CB certificates, the same shall apply hereinafter), equity securities of investment corporations, beneficiary certificates and investment securities that are listed on Financial Instruments Exchange Markets (the hereinafter referred to as the “Domestically Listed Securities”), those securities that are the assets of the Company and the other securities that are not Customer-owned Securities (hereinafter referred to as "Company-owned Securities"), in principle, shall be managed separately from Customer-owned Securities by means of a ledger, etc., but stored together at Japan Securities Depository Center (hereinafter referred to as the "Depository", including the organization that is entrusted by the Depositary, the same shall apply hereinafter). ②Customer-owned Securities shall be managed in a manner whereby the holdings of each customer can be immediately identified by means of the Company’s ledger, etc.; provided, however, that Domestically Listed Securities that are not re-deposited in the Depository at the customer’s request shall be stored in Japan Information Processing, Ltd. or any other outside place of custody clearly segregated from Company-owned Securities and managed in a manner whereby the customer to whom the particular securities belong can be immediately identified. Customer-owned Securities that have been delivered to the issuing company (including the transfer agent; the same shall apply hereinafter) for the exercise of stock acquisition rights of CB-type corporate bonds with stock acquisition rights etc. at the request of a customer shall be managed appropriately by means of the Company’s ledger, etc., in a manner whereby the issue, the amount and the issuing party of the particular securities can be immediately identified for each commissioning customer.
2. Domestically listed foreign securities	With respect to domestically listed foreign securities, Company-owned Securities and Customer-owned Securities, in principle, shall be managed separately by means of a ledger, etc. but stored together at Depository. Customer-owned Securities shall be managed in a manner whereby the holdings of each customer can be immediately identified by means of the Company’s ledger, etc.
3. Corporate debt securities, stocks etc. handled based on Act on Book-Entry Transfer of Corporate Bonds and Shares	①The Japanese Government Bonds shall be managed at Bank of Japan pursuant to Act on Book-Entry Transfer of Corporate Bonds and Shares in a manner whereby Company-owned Securities etc. and Customer-owned Securities are clearly segregated and, with respect to Customer-owned Securities, the holdings of each customer can be immediately identified by means of the Company’s ledger of the book-entry accounts. ②The corporate debt securities, stocks etc.(excluding JGBs described in ① above) shall be managed at the Depository pursuant to Act on Book-Entry Transfer of Corporate Bonds and Shares in a manner whereby Company-owned Securities etc. and Customer-owned Securities are clearly segregated and, with respect to Customer-owned Securities, the holdings of each customer can be immediately identified by means of the Company’s ledger of book-entry accounts.
4. Domestic bonds other than securities set forth in section 3 above, CB-type corporate bonds with stock acquisition rights, and stock acquisition rights securities, etc.	In principle, these securities shall be stored in Japan Information Processing Service Co., Ltd. or any other outside place of custody where Company-owned Securities, etc., and Customer-owned Securities are clearly segregated and managed in a manner whereby the holdings of each customer can be immediately identified by means of the Company’s ledger, etc. However, in the case of securities of large denomination, etc., where a single certificate is held in common by the Company and the customer, and it is not possible to clearly segregate the place of custody of Company-owned portion etc. and Customer-owned portion, the place of custody shall be made clear and Company-owned portion etc. and Customer-owned portion shall be segregated by means of the Company’s ledger, etc. and Customer-owned Securities shall be managed in a manner whereby the holdings of each customer can be immediately identified.

Security Type	Depositary agent and segregation method
5. Beneficiary certificates of investment trust	With respect to domestic Beneficiary certificates of investment trust, in principle, these certificates shall be stored together at the Depository. In such a case, the place of custody of Company-owned Securities, etc. and Customer-owned Securities shall be clearly segregated and Customer-owned Securities shall be managed in a manner whereby the holdings of each customer can be immediately identified by means of the Company's ledger, etc. However, in the case where a single certificate is held in common by the Company and the customer, and it is not possible to clearly segregate the place of custody of Company-owned portion etc. and Customer-owned portion, the place of custody shall be made clear and Company-owned portion etc. and Customer-owned portion shall be segregated by means of the Company's ledger etc. and Customer-owned Securities shall be managed in a manner whereby the holdings of each customer can be immediately identified. With respect to foreign Beneficiary certificates of investment trust, in principle, these certificates shall be managed clearly as Customer-owned Securities at an overseas Agency's facility and Customer-owned Securities shall be managed in a manner whereby the state of such management of Customer-owned Securities at the Agency can be immediately available and identified by means of the Company's ledger, etc.; provided,. however, that in the case it is not possible to store or manage Customer-owned Securities at an overseas Agency's facility in a manner whereby the holdings of each customer can be immediately identified, the Company shall manage these securities by means of the Company's ledger in such a way that the Company-owned portion and the Customer-owned portion is segregated and the holdings of each customer can be immediately identified.
6. Securities stored or managed at overseas custodial facilities	With respect to the securities stored or managed at an overseas Custodial Facility, Company-owned Securities and Customer-owned Securities shall be segregated by establishing separate accounts, etc. as shown in the chart below, and Customer-owned Securities shall be managed in a manner whereby the holdings of each customer can be immediately identified by means of the Company's ledger, etc.; provided, however, that in the case it is not possible to store or manage Customer-owned Securities at the Custodial Facility in a manner whereby the holdings of each customer can be immediately identified, the Company shall manage these securities by means of the Company's ledger in such a way that the Company-owned portion and the Customer-owned portion is segregated and the holdings of each customer can be immediately identified.

[Overview of overseas custody]

Name of custodial facility	Country of establishment	Type of securities deposited	Existence of segregated accounts and method of segregation
Euroclear	Belgium	Euro denominated bonds, Australian bonds, Euro Yen bonds, UK bonds, Russian bonds, UK stocks, etc.	Separate accounts have been established for Company-owned Securities and customer-owned Securities at each custodial facility, and the securities for the customers' account is on a commingle basis.
Citibank (Hong Kong) Ltd.	Hong Kong	Turkish bonds, Hong Kong stocks, Thailand stocks, etc.	
Citigroup Global Markets Inc.	USA	US stocks, Canadian stocks, US bonds, Canadian bonds, etc.	Separate accounts have been established for Company-owned Securities and customer-owned Securities at each custodial facility, and the securities for the customers' account is on a separate basis.

③ Condition of asset segregation for Over-the-Counter Transactions of subject Securities-Related Derivative

Not applicable

④ Condition of securities segregation (limited to Digitalized Securities (excluding rights based on article 1-12-2 of Order for Enforcement of FIEL))

Not applicable

(2) Asset segregation based on article 43-2-2 of FIEL

Not applicable

(3) Asset segregation based on article 43-3 of FIEL (excluding those for Digitalized Securities)

Not applicable

(3-2) Asset segregation based on article 43-3 of FIEL (limited to Digitalized Securities (excluding rights based on article 1-12-2 of Order for Enforcement of FIEL))

Not applicable

V Status of Consolidated Subsidiaries, etc.

The Company has no subsidiary and affiliate provided by the “Regulation for Terminology, Forms and Preparation of Consolidated Financial Statements” (Ordinance of the Finance Ministry No. 28 of 1976), article 2(3) and (7), respectively.

End