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June 7, 2006

To Investors and Customers:

Monex Beans Holdings, Inc.

Administrative Disciplinary Action taken by the FSA against Monex, Inc.

The Securities and Exchange Surveillance Commission (“SESC”) had issued a recommendation to the Financial Services Agency (“FSA”) on May 31, 2006 for the FSA to take administrative disciplinary action against Monex, Inc. (“Monex”), a wholly owned subsidiary of Monex Beans Holdings, Inc.

In response to this recommendation, the FSA issued a business improvement administrative order to Monex today as described below.

We deeply apologize for this situation and will endeavor to continue to further strengthen our internal control system of the entire Monex Group.

1. Regarding insufficient registration of customers’ employer related information^{*1}

The FSA has ordered Monex to probe into the cause of insufficient registration of customers’ employer related information and clarify the issues of internal management regarding the registration process. The FSA has also ordered Monex to, after thorough examination of the registration process, develop and implement specific and effective improvement measures including checking systems.

2. Regarding insufficient management of securities trading computer systems^{*2}

Monex had submitted to the FSA on December 28, 2005 a “System Improvement Report” which included measures to prevent future system errors. Despite this report, a system failure occurred on February 27, 2006 which was very similar to the one occurred in August 2005. The FSA has ordered Monex to probe into the cause of malfunction of the reported preventative measures and to re-examine and develop an effective system management scheme.

3. The FSA has ordered Monex to clarify the responsibility of management regarding the two issues above.

4. The FSA has ordered to conduct compliance training of executives and employees to heighten compliance awareness.

5. The FSA has ordered Monex to report the progress of the above 4 items by July 7, 2006.

^{*1} Required to describe i) the process of the adoption of new registration system for customers’ employer related information at the time of the merger and ii) how the management related with and judged the adoption of such system.

^{*2} Required to examine effectiveness of checking systems and develop necessary management system regarding outsourced systems.

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