



Notice about the Administrative Action Taken by the FSA Against Monex, Inc.

TOKYO, March 24, 2009-Monex Group, Inc. (“the Company”) announces that the Securities and Exchange Surveillance Commission (“SESC”) had issued a recommendation to the Financial Services Agency (“FSA”) on March 13, 2009 for the FSA to give administrative action against Monex, Inc. (“Monex”), a wholly owned subsidiary of the Company. In response to this recommendation, the FSA, accepting that some parts of Monex’s business operations were in fact in violation of applicable laws and regulations, issued an administrative action against Monex as described below.

We deeply apologize for receiving this kind of administrative action.

Receiving this administrative action, we will further strengthen the internal management structure of the Group as a whole.

<Attached>

Monex, Inc. Press Release

About the Administrative Action Taken by the FSA

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Monex, Inc.
Chief Executive Officer, Oki Matsumoto

About the Administrative Action Taken by the FSA

TOKYO, March 24, 2009 – The Securities and Exchange Surveillance Commission (“SESC”) had issued a recommendation to the Prime Minister and Commissioner of the Financial Services Agency (“FSA”) on March 13, 2009 for the FSA to give administrative action against Monex due to the circumstance that “the management of the electronic data processing system related to financial product transactions is not satisfactory.” Today, Monex, Inc. (“Monex”) received an “order for business suspension” (the cessation of all new business services (aside from those approved by the FSA) deploying system developments between April 1, 2009 through June 30, 2009) and “business improvement order” from the FSA.

We sincerely apologize to all customers, stakeholders (including shareholders of Monex Group, Inc.) and all those involved for receiving this kind of action.

Contents of the Order for Business Suspension

“The cessation of new business services (aside from those approved by the FSA) deploying system developments between April 1, 2009 through June 30, 2009” is the contents of the order for business suspension.

This action **does not affect our current services such as securities, investment trusts and FX, and our customers will be able to have access to these services as usual.**

The order for business suspension is limited to "new business developments involving system developments," and so at this time, we believe that its direct impact on our business performance will be small to insignificant.

Contents of the Business Improvement Order

1. To ascertain the reason why the improvement plans previously reported to the FSA were not properly executed, to review the managerial and internal controls, as well as to clarify the responsibility of the management.
2. To review the improvement plans previously reported to the FSA, and to improve areas as needed and implement them properly.
3. As part of the improvement plan noted in 2. above, to conduct external system audits covering the entire system in order to verify the effectiveness of the system management, and to perform

maintenance based on those results.

4. In carrying out the measures noted in 2. above, to establish the basis for properly monitoring the improvement progress.
5. To make sure that the management and employees recognize the importance of system management and implement necessary system developments as well as training in order to ensure proper system operations.
6. To report in writing by April 23, 2009 and from time to time as deemed necessary for 1.~5. above (and for 2. and 3. above, report again on June 30, 2009 and every 3 months following, about further progress)

The details of the object of the administrative action this time, “the management of the electronic data processing system related to financial product transactions is not satisfactory” was similarly pointed out in the last regular inspection (3 years ago), and we received a “business improvement order” and Monex had submitted a “business improvement report” to the FSA, but the important part of this time’s order is that the improvement processes described in the report were not carried about properly. Though Monex has focused on providing stable services with an IT system as a base, and as a result, spare customers of any inconveniences, we have no excuse for the action taken by the FSA this time due to the improvement processes noted in the previous report not being well verified and implemented.

This is an issue of the awareness of the management including the CEO, and each takes this responsibility seriously and is deeply regretful. To prevent such problems from happening again in the future, we will be responsible for carrying out measures to improve the fundamental structures and awareness. We hope to further improve services for our customers, and we will do our best to meet the expectations of our customers and shareholders.

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