



## **Announcement of the Subsidiary's Possibility of the Uncollectible Receivables**

TOKYO, March 18, 2011- Monex Group, Inc. (“the Company”: TSE 8698, Oki Matsumoto, Representative Director, Chairman and CEO) announces that its subsidiary Monex, Inc. (“Monex”) has recognized the possibility of uncollectible receivables, mainly from the customers of futures and options, due to the market decline influenced by the Tohoku-Pacific Ocean Earthquake occurred on Friday, March 11, 2011.

### **1. Content and amount of the receivable**

1.3 billion yen shortage has occurred mainly by the settlement loss in futures and options accounts of the customers. This amount also includes the shortages in the margin accounts and FX accounts. The amounts of the shortages may be decreased by the collection, however, there is still a possibility that the amounts may be increased by the future market movement.

### **2. Outlook of its impact on the financial status of the Company**

Account processing method for this matter in FYE March 31, 2011 has not been determined yet at this stage.

### **3. Outlook of its impact on the business operations**

Even if all of the shortage amount is reserved in the doubtful debt account or defined as bad debt loss, it will not make a significant impact on the financial condition of the Company, given the fact that the consolidated net asset of the Company is 71 billion yen, and the net asset of Monex is 42.7 billion yen, as of the end of December 2010.

In case the above accounting treatment is proceeded, the capital adequacy ratio calculated in accordance with the Financial Instruments and Exchange Act will be decreased by approximately 15% from 486.0% as of the end of December 2010, however, there will be no concern for Monex to continue business as a Financial Instrument Firm regulated by the above mentioned act.

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