

January 11, 2022

Preliminary Monthly Report for December 2021

Money Partners Group released the following data for consolidated performance in December 2021 today. Operating revenues and foreign exchange margin deposits are preliminary figures that may change when financial statements are released.

Period	FYE March 2021											
	2020									2021		
	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Operating revenues (Million yen)	407	303	318	282	309	310	273	355	495	413	452	591
Foreign exchange trading volume (Currency in millions)	82,072	92,851	106,893	75,910	85,460	82,287	60,129	75,348	71,190	66,894	71,453	97,402
Customer accounts (Accounts)	340,605	340,735	340,825	340,830	340,840	340,768	341,218	341,138	341,086	341,521	341,690	342,122
Foreign exchange margin deposits (Million yen)	62,460	62,004	61,807	62,331	62,751	65,155	62,104	61,812	61,175	60,590	59,575	59,081
General customers	60,227	59,654	59,267	60,022	60,364	63,044	60,121	59,849	59,365	58,733	57,731	57,346
Financial companies (B-to-B)	2,232	2,350	2,539	2,309	2,386	2,111	1,982	1,963	1,809	1,856	1,843	1,734
Manepa Card accounts (Accounts)	162,828	163,034	163,058	163,086	163,138	163,159	163,034	162,996	162,802	162,492	162,309	161,921

Period	FYE March 2022											
	2021									2022		
	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Operating revenues (Million yen)	445	403	430	395	387	470	430	429	589			
Foreign exchange trading volume (Currency in millions)	72,253	82,478	73,411	92,739	76,532	78,411	90,593	95,217	66,099			
Customer accounts (Accounts)	342,801	343,397	343,817	344,134	344,314	344,522	344,755	345,482	346,625			
Foreign exchange margin deposits (Million yen)	58,635	56,276	56,581	56,671	56,468	56,284	55,503	54,426	53,911			
General customers	57,068	54,786	54,965	55,027	55,065	54,825	54,090	52,988	52,409			
Financial companies (B-to-B)	1,567	1,489	1,616	1,644	1,403	1,459	1,412	1,438	1,501			
Manepa Card accounts (Accounts)	161,712	161,526	161,301	161,091	160,964	160,800	160,701	160,574	160,390			

(Notes) 1. Foreign exchange trading volume is the sum of customer transactions in each currency, using base currency units. Trading volume has not been converted into yen.

2. The number of customer accounts and foreign exchange margin deposits are end-of-month figures.

3. Money Partners started contract-for-difference (CFD-metals) trading in August 2011. Margin deposits, trading volume (currency units converted to USD) and trading revenues in CFD-metals are included in foreign exchange margin deposits, foreign exchange trading volume and operating revenues, respectively.

4. Foreign exchange margin deposits are presented separately for transactions from general customers and from financial institutions that are B-to-B customers.

5. Operating revenue for the period from July 2020 to March 2021 includes the financial performance of a consolidated subsidiary COINAGE, Inc. The Company closed and dissolved the crypto-asset exchange business on March 31, 2021.

<Overview of December>

In December, trading in the forex market began in the lower 113-yen range against the U.S. dollar (USD). The USD temporarily strengthened to the mid 113-yen range the same day after Chairman Powell suggested that the Fed could speed up tapering on the previous day. However, vigilance over the Omicron COVID-19 variant and the lower than projected non-farm payrolls for November in the U.S. caused the USD to weaken to the mid 112-yen range on December 3, the lowest point in December. The USD subsequently strengthened, nearing 114-yen as concerns over the Omicron variant receded, then weakened again and mainly traded in a narrow mid 113-yen range, due in part to the imminent Federal Open Market Committee (FOMC) announcement and other announcements. Although the FOMC's suggestion on December 15 that the timing of an interest rate increase would be moved up caused the USD to strengthen to the lower 114-yen range, the interest rate hike by the Bank of England in the UK on December 16 drove dollar selling against the GBP and resulted in weakening of the USD to the mid 113-yen range. The market subsequently returned to dollar buying as a result of the statement by Federal Reserve Board Governor Christopher Waller on December 17 that he would support an early increase in the interest rate. The USD again strengthened to the 114-yen range when the U.S. long-term interest rate increased on December 21. The market remained firm despite few participants during the Christmas holidays from December 24 and signs that the psychological turning point of 115 yen was near were recognized. Yen selling dominated when market participants returned on December 29 and the USD rebounded to the 115-yen range, reaching the high point in the month in the low 115-yen range on December 30 and closing out the month in the same range.

Meanwhile, main currencies for Europe and Oceania, which are the main currencies traded other than the USD, generally trended toward yen weakness and fluctuated broadly in line with the JPY/USD. In emerging country currencies, the Turkish lira continued its non-stop descent against the yen from the previous month. The Central Bank of the Republic of Turkey (TCMB) lowered the interest rate again on December 16 and the Turkish lira broke through the low, weakening to the lower 6-yen range on December 20 and recording an historical low. Immediately thereafter, President Erdogan announced the unusual step of compensating the amount of the decrease in lira-denominated deposits caused by weakness of the Turkish lira and the lira rapidly rebounded against the yen to the upper 8-yen range. On December 23, buy-backs caused substantial movement, boosting the Turkish lira to the lower 11-yen range. These fluctuations in the Turkish lira were one reason for the greater than expected upswing in revenues.

Forex market volatility remained low for the JPY/USD, with a daily average price range of 0.522 yen (compared to 0.798 yen in November). It was also lower than in November in the currencies of Europe and Oceania. Volatility was extremely high for the Turkish lira, in contrast.

Amid these conditions, the Money Partners Group offered a 24-hour spread of 0.0 yen per USD (same bid and ask price) for trading volumes up to USD30,000 per trade on its Partners FX nano platform. It also waged a 24-hour narrow spread campaign for the AUD/JPY, EUR/JPY, and GBP/JPY currency pairs. We also continued our campaign on Partners FX, which features 100% contract execution, reducing spreads to 0.002 yen per USD, 0.003 yen per AUD, 0.003 yen per EUR,

and 0.005 yen per GBP only between the hours of 6:00 p.m. to 12:00 a.m. In addition, the above campaign, we are also conducting an unlimited cash-back campaign of 10 yen per 10,000 currency units on Partners FX to show our gratitude and as an apology to customers who traded despite the unstable conditions for the Turkish lira against the yen. We also began an OTC derivatives transaction service related to crypto-assets (crypto-asset CFD (contract for difference)) on December 6, 2021.

Foreign exchange trading volume declined 31% from the previous month to 66 billion currency units due the combined impact from low volatility in the USD/JPY currency pair and the decline in market participants during the Christmas holidays. Operating revenues increased 37% from November to 589 million yen despite the large decline in trading volume. This resulted from a large increase in trading profits from the higher volatility in the Turkish lira and the increase in swap revenues over the end of the year, and from an increase in system-related sales. Foreign exchange margin deposits decreased for general customers and increased for financial companies, declining by 515 million yen to 53,911 million yen overall.

Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.