

February 7, 2022

Preliminary Monthly Report for January 2022

Money Partners Group released the following data for consolidated performance in January 2022 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	394		
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	73,976		
Customer accounts (Accounts)	342,801	343,397	343,817	344,134	344,314	344,522	344,755	345,482	346,625	347,287		
Foreign exchange margin deposits (Million yen)	58,635	56,276	56,581	56,671	56,468	56,284	55,503	54,426	53,911	54,402		
General customers	57,068	54,786	54,965	55,027	55,065	54,825	54,090	52,988	52,409	52,848		
Financial companies (B-to-B)	1,567	1,489	1,616	1,644	1,403	1,459	1,412	1,438	1,501	1,554		
Manepa Card accounts (Accounts)	161,712	161,526	161,301	161,091	160,964	160,800	160,701	160,574	160,390	159,994		

(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 January>

In January, trading in the forex market began in the lower 115-yen range against the U.S. dollar (USD). Dollar buying ensued with the rise in U.S. long-term interest rates, and the USD reached a monthly high point in the lower 116-yen range on January 4. However, the USD weakened to the mid 115-yen range on January 7 when non-farm payrolls for December in the U.S. underperformed market expectations. A 7.0% YoY rise in the U.S. CPI for December, announced on January 12, marked the highest increase since June 1982, but this was deemed to be within the range anticipated by the market and dollar selling caused the USD to weaken to the mid 114-yen range. News on January 14 that the Bank of Japan was considering an interest rate hike before commodity prices reached the 2% goal led to yen buying and the USD weakened to the mid 113-yen range. Yen selling subsequently grew stronger on the recovery in U.S. long-term interest rates and the suggestion at the Bank of Japan Monetary Policy Meeting on January 18 that the policy of easing would continue, and the USD rebounded to the 115-yen level temporarily. However, it subsequently weakened to the low point for January in the mid 113-yen range on January 24 due to increasing tension over the situation in Ukraine. At a press conference after the Federal Open Market Committee (FOMC) meeting on January 26, Federal Reserve Board (FRB) Chairman Powell suggested that the FRB would soon begin shrinking the FRB's balance sheet in addition to ending tapering and beginning to raise interest rates in March. This resulted in dollar buying and caused the USD to strengthen to the mid 115-yen range at month end.

The main currencies for Europe and Oceania, which are the main currencies traded other than the USD, generally trended toward yen strength after initially opening at a high level.

Forex market volatility increased slightly for the JPY/USD, with a daily average price range of 0.670 yen (compared to 0.522 yen in November); however, it declined to a certain extent overall. While the Turkish lira settled down from the extremely high level in December, volatility remained slightly higher than normal.

Amid these conditions, the Money Partners Group established the 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 as the normal practice from January 18. The campaign spreads of 0.001 yen per USD between the hours of 4:00 p.m. to 6:00 p.m. and 0.0 yen per USD between the hours of 6:00 p.m. to 12:00 a.m. for trading volumes up to USD200,000 per trade were also established as the normal practice from January 18. From January 20, we made our 24-hour narrow spread campaign offering the narrowest spreads in the industry on orders up to our specified volume for four main currency pairs other than USD/JPY (AUD/JPY, GBP/JPY, EUR/JPY, and TRY/JPY) a normal practice. We also made the campaign offering the narrowest spread in the industry on the AUD/JPY, EUR/JPY, and GBP/JPY currency pairs for trading volumes up to 200,000 currency units per trade between the hours of 4:00 p.m. and 12:00 a.m. a normal practice.

We are also continuing our campaign on Partners FX, which features 100% contract execution, reducing spreads on the four main currency pairs of USD/JPY, AUD/JPY, EUR/JPY, and

GBP/JPY to the narrowest in the industry between the hours of 6:00 p.m. to 12:00 a.m. only. In addition to above campaigns, we are continuing our cash-back campaigns on Partners FX of 300 yen per USD1 million per trade in the USD/JPY currency pair for large and medium-sized customer accounts, a high level in the industry; and unlimited cash-back of 10 yen per 10,000 currency units for the TRY/JPY currency pair in all time periods, the highest level in the industry. We are also conducting a cash-back campaign of 7 yen per 10,000 currency units for the GBP/JPY currency pair, a high level in the industry.

Although foreign exchange trading volume declined for the TRY/JPY currency pair amid fewer business days than in the previous month, the successful measures described above resulted in an increase in USD/JPY trading volume and a 12% increase in overall trading volume from the previous month to 73.9 billion currency units. Operating revenues fell 33% from December to 394 million yen. The decline resulted from multiple factors: 1) a decrease in the number of business days in January compared to December, 2) comparison to the impact from increased volatility in the Turkish lira in December, and a decline in trading profits due to comparison with the upswing in revenues from the increase in swap revenues over the end of the year, and 3) an increase in system-related sales. Foreign exchange margin deposits rose for both general customers and financial companies, increasing by 491 million yen to 54,402 million yen.

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