

March 7, 2022

Preliminary Monthly Report for February 2022

Money Partners Group released the following data for consolidated performance in February 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	396	
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	82,802	
Customer accounts (Accounts)	342,801	343,397	343,817	344,134	344,314	344,522	344,755	345,482	346,625	347,287	347,437	
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	53,808	
General customers	57,068	54,786	54,965	55,027	55,065	54,825	54,090	52,988	52,409	52,848	52,151	
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	1,657	
Manepa Card accounts (Accounts)	161,712	161,526	161,301	161,091	160,964	160,800	160,701	160,574	160,390	159,994	159,566	

(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 February>

In February, trading in the forex market began in the lower 115-yen range against the U.S. dollar (USD). The USD weakened to a monthly low in the lower 114-yen range on February 2, when the statistics in the January ADP National Employment Report substantially underperformed expectations. U.S. long-term interest rates subsequently recovered and non-farm payrolls for January in the U.S. substantially outperformed market forecasts, causing the USD to strengthen temporarily to the mid 115-yen range on February 4. While the USD weakened to the upper 114-yen range the next week on February 7 due to position adjustments, the U.S. CPI for January announced on February 10 rose 7.5% YoY, recording the highest growth rate since February of 1982. This, combined with the rise in U.S. long-term interest rates to the 2% level for the first time since August 2019, pushed the USD to a monthly high in the lower 116-yen range. However, the USD abruptly weakened to the lower 115-yen range on February 11 when media reported that President Putin had decided to invade Ukraine. It subsequently trended in an upper 114-yen to upper 115-yen range as the market focused on the course of the situation in Ukraine. When media reported that Russian had decided to conduct a “special military operation” in Ukraine on February 24, yen-buying dominated as investors sought to avoid risk causing the USD to temporarily weaken to the mid 114-yen range. However, it subsequently rebounded to the mid 115-yen range in light of the limited sanctions imposed by European countries, and finished the month in the upper 114-yen range.

The trend in the main currencies for Europe and Oceania, which are the main currencies traded other than the USD, diverged. European currencies generally trended downward after initially reaching a high for the month, while the currencies of Oceania generally trended upward.

Forex market volatility decreased slightly and the daily average price range for the USD/JPY, was 0.666 yen (compared to 0.670 yen in January). The currencies of Europe and Oceania saw increased volatility from January, impacted by the situation in Ukraine, and the daily average price range generally trended upward to a certain extent overall.

Amid these conditions, the Money Partners Group has been implementing 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 are also being implemented as the normal practice from January 18. From January 20, we have been implementing 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 Turkish lira (TRY)/JPY) as the normal practice. We are also making 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. the 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 have also continued a cash-back campaign of 7 yen per 10,000 currency units for the GBP/JPY currency pair, a high level in the industry.

From February, we began a campaign on Partners FX offering the narrowest spreads in the industry for different, new currency pairs. This campaign was launched for two currency pairs on February 7 for the Mexican peso (MXN)/JPY and the South African rand (ZAR)/JPY. Five currency pairs were added to these two currency pairs from February 21, the NZD/JPY, CAD/JPY, AUD/USD, GBP/AUD, and EUR/AUD. The campaign offers the narrowest spreads in the industry in all seven currency pairs only between the hours of 6:00 p.m. to 12:00 a.m.

We also changed our margin rules to enable customers to engage in transactions with high capital efficiency, according to the price range. We have changed the method of calculating the required margin for 11 currency pairs from February 5, for AUD/JPY, NZD/JPY, AUD/USD, AUD/NZD, NZD/USD, TRY/JPY, ZAR/JPY, MXN/JPY, CAD/JPY, HKD/JPY, and Singapore dollar (SGD)/JPY. We then made additional changes to the required margin rules for five of these 11 currency pairs from February 19, for the TRY/JPY, ZAR/JPY, MXN/JPY, HKD/JPY, and SGD/JPY. (The HKD/JPY and SGD/JPY currency pairs are only handled on Partners FX.)

Foreign exchange trading volume increased 12% from January to 82.8 billion currency units, mainly in the currencies of Europe and Oceania, due to the success of these measures and despite fewer business days in February than in January. Operating revenues increased, demonstrating better profitability overall due to the increase in trading volume and a lower percentage of transactions in the less profitable USD/JPY currency pair. Trading profits increased while system-related sales decreased, resulting in operating revenues of 396 million yen, a 1% increase from January. Foreign exchange margin deposits decreased for general customers and increased for financial companies, decreasing by 594 million yen to 53,808 million yen overall.

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