

January 11, 2023

Preliminary Monthly Report for December 2022

Money Partners Group released the following data for consolidated performance in December 2022 today. Operating revenues and foreign exchange margin deposits are preliminary figures that may change when financial statements are released.

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	550
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	134,241
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	347,991
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	55,068
General customers	57,068	54,786	54,965	55,027	55,065	54,825	54,090	52,988	52,409	52,848	52,151	53,306
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	1,761
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	159,097

Period	FYE March 2023											
	2022									2023		
	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Operating revenues (Million yen)	457	432	500	420	493	468	499	464	575			
Foreign exchange trading volume (Currency in millions)	130,806	139,280	141,401	113,223	119,648	128,574	113,350	127,232	107,703			
Customer accounts (Accounts)	348,893	349,810	350,630	351,580	352,358	353,153	354,034	354,921	355,911			
Foreign exchange margin deposits (Million yen)	56,841	56,680	57,597	57,397	58,239	58,842	59,781	58,087	53,578			
General customers	55,261	55,126	55,939	55,862	56,679	57,382	58,476	56,055	52,006			
Financial companies (B-to-B)	1,579	1,553	1,658	1,534	1,559	1,459	1,305	2,031	1,572			
Manepa Card accounts (Accounts)	158,807	158,600	158,387	158,213	158,026	157,844	157,701	157,517	157,440			

- (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. From March 2022, crypto asset contract-for-difference (CFD) trading (margin deposits and trading volume (trading value converted to USD) in CFD transactions) are included in foreign exchange margin deposits and foreign exchange trading volume, respectively.

<Overview of December>

In December, trading in the forex market began in the lower 138-yen range against the U.S. dollar (USD). After the trend of rapid strengthening of the USD and weakening of the yen up to October, the trend reversed in November and the weakening of the USD and strengthening of the yen progressed in December. As a result, the USD temporarily fell to the mid 133-yen range on December 2. The forecast of a terminal policy interest rate exceeding 5% at the end of 2023 kept the USD firm in the lower 134-yen to lower 138-yen range (monthly high on December 15) despite the subsequent mixed results for November U.S. economic indicators and the fact the interest rate increase was reduced to 0.5% as expected at the December 14 Federal Open Market Committee (FOMC) meeting watched by the market. However, the yield curve control (YCC) was partially revised at the closely watched Bank of Japan Monetary Policy Committee meeting on December 20 and the committee announced an expansion in the permitted range of change in the long-term interest rate to +/- 0.5%. This caused the USD to temporarily weaken rapidly to the mid 130-yen range (monthly low). The price range (difference between high and low price) on December 20 expanded to 6.9 yen. The USD subsequently fluctuated in the upper 130-yen to the mid 134-yen range, ending the month in the lower 131-yen range.

The currencies for Europe and Oceania, which are the main currencies traded other than the USD/JPY, all strengthened against the yen, but weakened rapidly along with the USD/JPY on December 20 and subsequently lacked buoyancy.

The daily average price range for the USD/JPY decreased to 1.911 yen (compared to 2.100 yen in November). However, the USD/JPY, the currencies for Europe and Oceania, and other currency pairs rapidly weakened against the yen on December 20. Forex market volatility rose overall compared to November due to this and other factors, and remained at the extremely high level that has persisted since late February after Russia invaded Ukraine.

Amid these conditions, the Money Partners Group made our first-in-the-industry campaign on the Partners FX nano platform a regular offering from November 16, 2022 onward (also a first for the industry). This campaign offers a 24-hour zero spread (0.0 yen, same bid and ask price) on orders up to our specified volume for the five currency pairs of USD/JPY, EUR/JPY, AUD/JPY, and GBP/JPY, and Mexican peso (MXN)/JPY. We are also continuing the narrow spread campaign during Golden Manepa Time (5:00 p.m. to 3:00 a.m., the same below), offering the narrowest spreads in the industry on a total of 22 currency pairs including the USD/JPY and AUD/JPY, and the new currency pairs mentioned below. Due to the high popularity of our gift campaign offering a digital gift to all customers who executed at least one new or settlement transaction to commemorate the release of new currency pairs, we are continuing this campaign for the new currency pairs and adding 10 main currency pairs on the Partners FX nano platform to the campaign, including the USD/JPY and AUD/JPY.

We are also continuing our Golden Manepa Time campaign on Partners FX, which features 100% contract execution, offering the narrowest spreads in the industry next to Partners FX nano on a total of 22 currency pairs including the USD/JPY, AUD/JPY, and the new currency pairs. Customers can take advantage of a 0.002-yen spread for a total of 18 hours for the USD/JPY, from 9:00 a.m. to 3:00 a.m., and a 0.001-yen spread for a total of 13 hours for the MXN/JPY, from 2:00 p.m. to 3:00 a.m., the narrowest spreads in the industry.

During Golden Manepa Time, we offered a spread of 0.2 pips on Gold/USD and on Silver/USD, the narrowest spread in the industry in CFD-Metals trading.

In addition to the above campaigns, we are offering our cash back campaign on Partners FX, offering cash back for each limit order and streaming order on the total trading volume for new transactions and settlement transactions in the five currency pairs of USD/JPY, GBP/JPY, AUD/JPY, EUR/JPY, and Turkish lira (TRY)/JPY during the designated time period.

On October 24, 2022, Money Partners began handling trading for the first time in the four currency pairs of the Chinese Yuan (CNY)/JPY, USD/CNY (handled on Partners FX only), Norwegian krone (NOK)/JPY, and New Israeli shekel (NIS)/JPY. In particular, we are offering a spread of 0.004 yen during Golden Manepa Time on the CNY/JPY, the narrowest spread in the industry, and are also awarding the highest level of swap points since transactions in swap points began. Money Partners is the only company in Japan* capable of handling trading in the NIS/JPY.

* As of June 30, 2022, according to a survey of 137 corporate members of and 4 special participants in the Financial Futures Association of Japan conducted by Money Partners.

The above factors resulted in a 15% decrease in foreign exchange trading volume from November to 107.7 billion currency units overall. This decrease resulted from the factors described above as well as the decrease in the number of market participants during the Christmas and year-end holidays and a decline in trading volume in the USD/JPY and currencies of Europe and Oceania, despite the increase in trading volume for some emerging country currencies. Operating revenues were 575 million yen, a 24% increase from November and exceeding the 500-million-yen level for the second time since June 2022. This growth came from growth in system-related sales, in addition to an increase in profitability due to the growth in trading volume. Foreign exchange margin deposits decreased for both general customers and for financial companies, decreasing by 4,509 million yen from November to 53,578 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.