



Financial Results for 2Q FY2021

WealthNavi Inc.
August 13, 2021

Agenda

Company profile

Business overview

2Q FY2021 business highlights

2Q FY2021 financial highlights

FY2021 full-year forecast

Appendices

Mission

To build a world-class wealth management platform for working families using cutting-edge technology



Management team

Directors



Name

Founder and CEO
**Kazuhisa
Shibayama**

Background

After working at the Ministry of Finance and McKinsey & Company Inc., Kazuhisa established WealthNavi Inc. in April 2015. He received an LL.B. from the University of Tokyo, LL.M. from Harvard Law School, and an M.B.A. with distinction from INSEAD, and is a member of the New York Bar.



Director, CFO
**Gaku
Hirose**

Gaku joined WealthNavi in 2019 after engaging in financing and M&A advisory at Deutsche Securities, Social App Trifort as Director and CFO, and Credit Suisse Securities. He received M.B.A. from Waseda University.



External Director
**Sumito
Togo**

After working at McKinsey & Company Inc. Japan and Google, Sumito joined freee Co., Ltd. in 2013, where he drove rapid business growth as Director and COO, and then as Director and CFO since 2018. He graduated from the Graduate School of Engineering, the University of Tokyo, where he conducted research on next-generation rocket propellants at JAXA.



External Director
**Maki
Ogawa**

Maki is a Chief Analyst, Executive Officer and General Manager at the Financial Market Research Department of Sony Financial Holdings Inc. She began her career as a foreign exchange dealer at First National Bank of Chicago in 1994, before moving to J.P. Morgan, Sony Corporation and the retail banking division of Citibank (currently SMBC Trust Bank). Maki served on the board of Sony Bank from 2017 to June 2021, and has been a director of Sony Lifecare Inc. since June 2021.

Auditors



Full-time Auditor
**Akira
Enomoto**

After joining Tokai Bank (currently MUFG Bank), Akira worked in various positions including ALM Director, and since 2002, served as Executive Officer and Head of Market Sales Department, and then Deputy Company Manager of International & Market Department. He then served as a full-time auditor of the Bank from 2006 to 2010. He graduated from the Faculty of Economics, Kyoto University.



**Eriko
Matsuno**

After graduating from the Faculty of Law, the University of Tokyo, Eriko joined Morgan Stanley Japan Securities. After that, she became a member of the Japanese Bar in 2000 and joined Nagashima Ohno & Tsunematsu Law Offices. She has been an independent practitioner since 2010. Currently, Eriko also serves as an ADR mediator at the Securities and Financial Instruments Mediation Counseling Center (FINMAC).



**Sachihiko
Fujimoto**

After graduating from Kyoto University, Sachihiko worked for the Tokai Bank (currently MUFG Bank) and Chuo Shinko Audit Corporation, he joined Chuo Coopers & Lybrand International Tax Office (currently PwC Tax Japan) and served as Partner and Director of the Finance Department. He is a Certified Public Accountant and Tax Accountant and holds a Master's degree in International Business Administration.

Top Japanese robo-advisor with recurring revenues

Service launch

July 2016

of employees¹

98

Engineer & designer %
of all employees¹

48%

Users^{1,2}

288K

% of 20s-50s users¹

89%

Average monthly churn rate³

<1%

Intention to use
for over 10 years⁴

62%

AuM¹

JPY485Bn

YoY AuM growth⁵

+95%

ARR⁶

JPY4.44Bn

Net AuM retention⁷

120%+

¹ As of June 30, 2021

² "Users" refers to a customer who has AuM of 1 yen or more

³ % of users who go from a positive ETF balance to no ETF balance (monthly, total average from July 2016 to June 2021)

⁴ From the results of the questionnaire survey conducted by WealthNavi in July 2021

⁵ Growth rate of AuM from June 30, 2020 to June 30, 2021

⁶ Annual Recurring Revenue. Calculated by multiplying monthly recurring revenue (Monthly Recurring Revenue, "MRR") before deducting revenue sharing in June 2021 by 12

⁷ An index that shows the % of AuM retained over 1 year (Book value basis, excluding market price fluctuations. All averages from July 2016 to June 2021)

(Initial AuM + Automated deposits for 1 year + Additional manual deposits for 1 year – Withdrawal for 1 year) / Initial AuM

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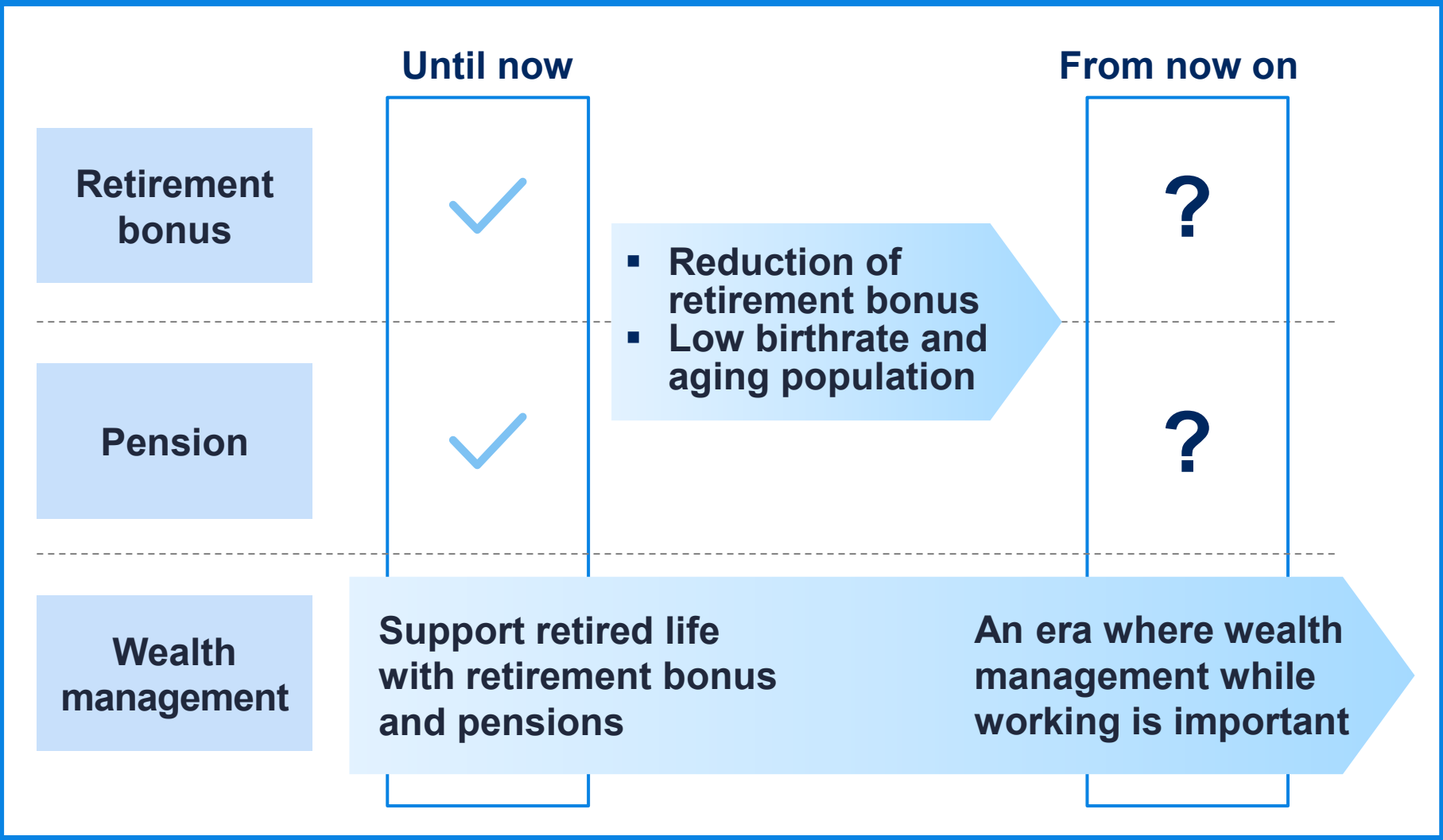
2Q FY2021 business highlights

2Q FY2021 financial highlights

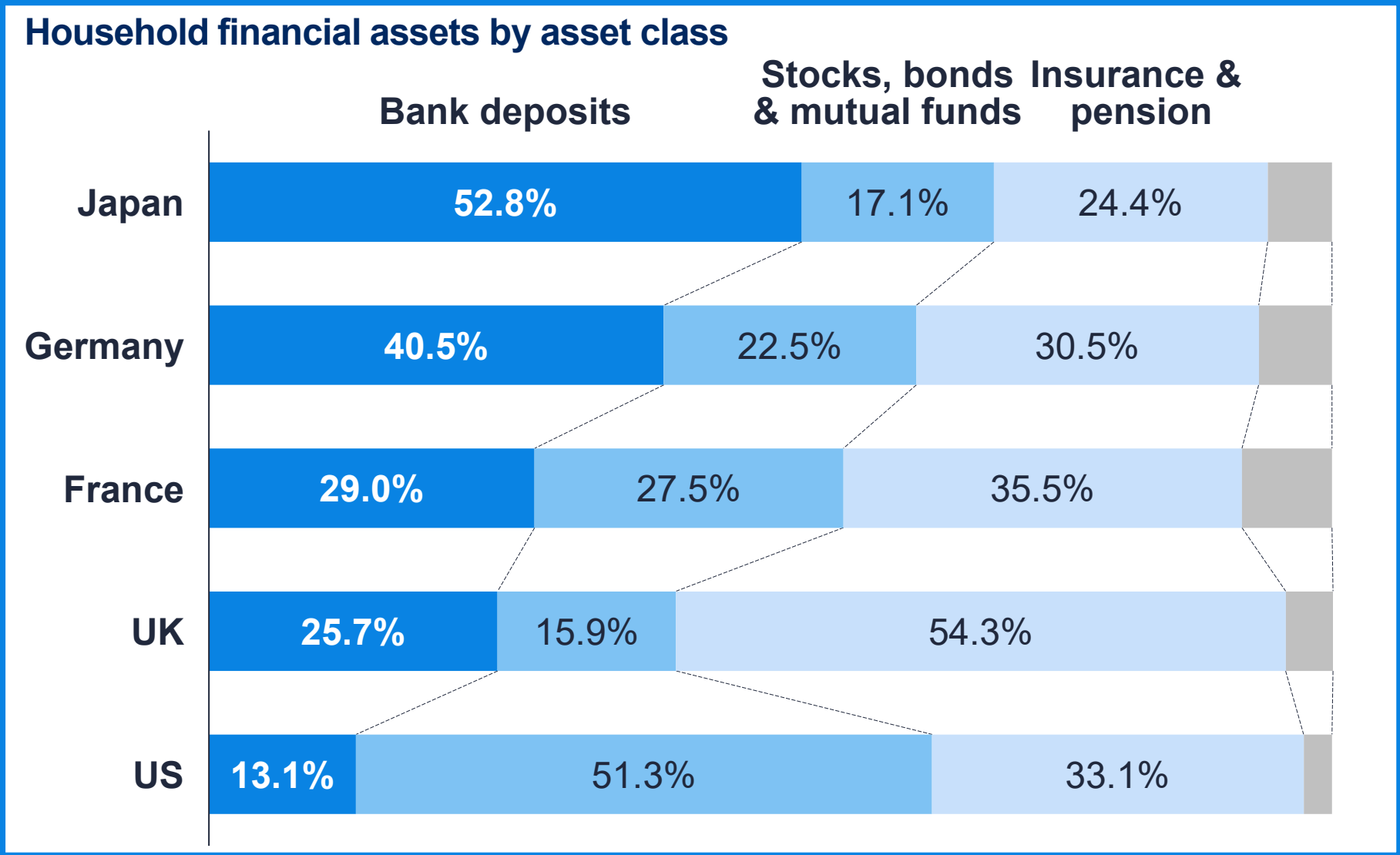
FY2021 full-year forecast

Appendices

Emerging needs for wealth management services driven by the structural changes in the Japanese economy



On the other hand, 52.8% of Japanese household financial assets are concentrated in bank deposits



Source: WealthNavi analysis based on OECD's "Household financial assets" as of the end of 2018 (April 2021)

WealthNavi, completed online, helps busy working families build wealth for a comfortable retirement

Risk tolerance assessment through **5 questions** and proposed **wealth management plan**



Roadmap to your **goal** and visualized **risk**



Portfolio built, at the shortest, the day after planning



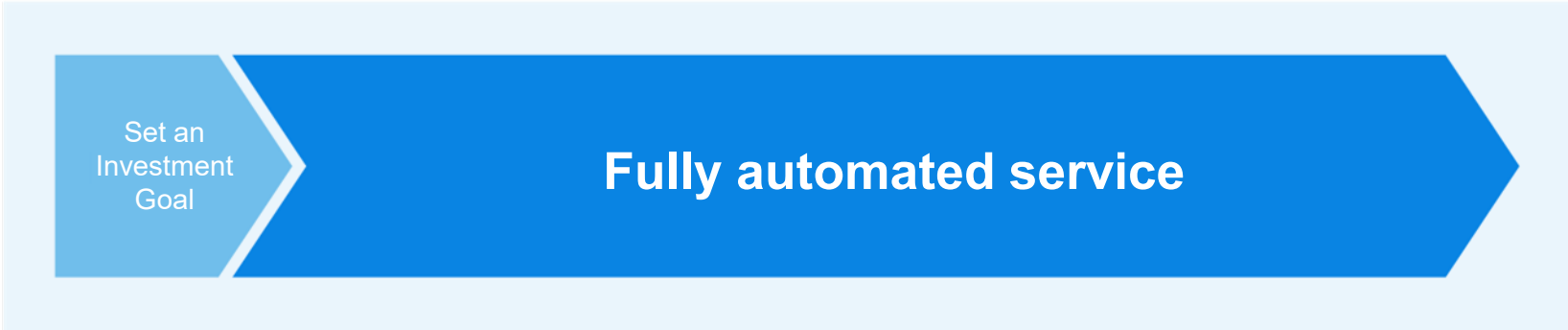
Daily performance tracking in JPY/USD



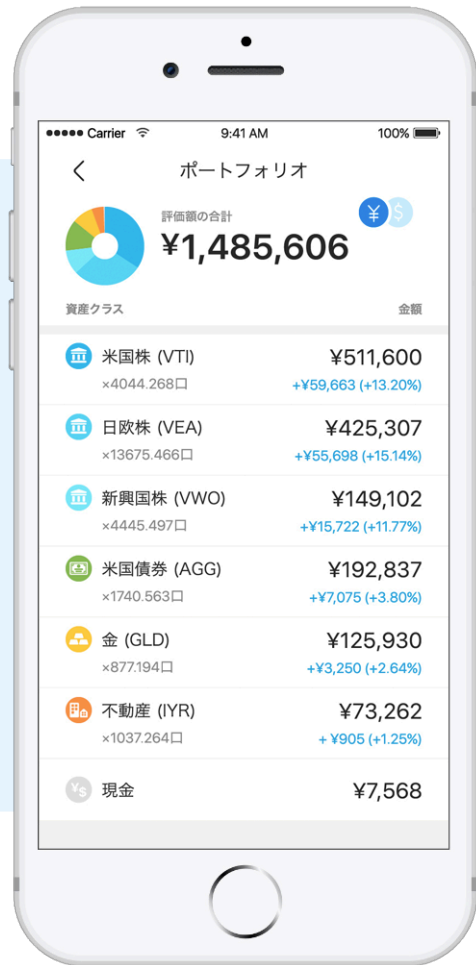
Note: The picture is an image

WealthNavi provides automated, end-to-end services

Traditional investment advice



WealthNavi allows customers to make diversified investments in more than 11,000 securities in about 50 countries around the world through 6 to 7 ETFs



3 Vanguard ETFs, 3 BlackRock ETFs and 1 State Street ETF¹

On average, 74% equities, 14% fixed income, 12% gold and REITs¹

Published the wealth management algorithm in a white paper (First in Japan: October 2016)

¹ As of June 30, 2021
Note: The picture is an image.

Simple and easy-to-understand fees: 1% of AuM (annual rate)

Fees deducted from WealthNavi accounts

WealthNavi

Fee
1%, annual rate

Taxes

Consumption tax
(10% of the fee)

+

Fees deducted within the ETF

ETF

ETF costs
(0.08-0.13%, annual rate)

An image of costs assuming the costs are borne by customers. Fees and ETF costs are % of AuM (As of April 2021)

1 Simple

Simple fees of 1% (annual rate, excluding tax) of AuM

2 No commission

Fee structure that aligns interest between users and WealthNavi

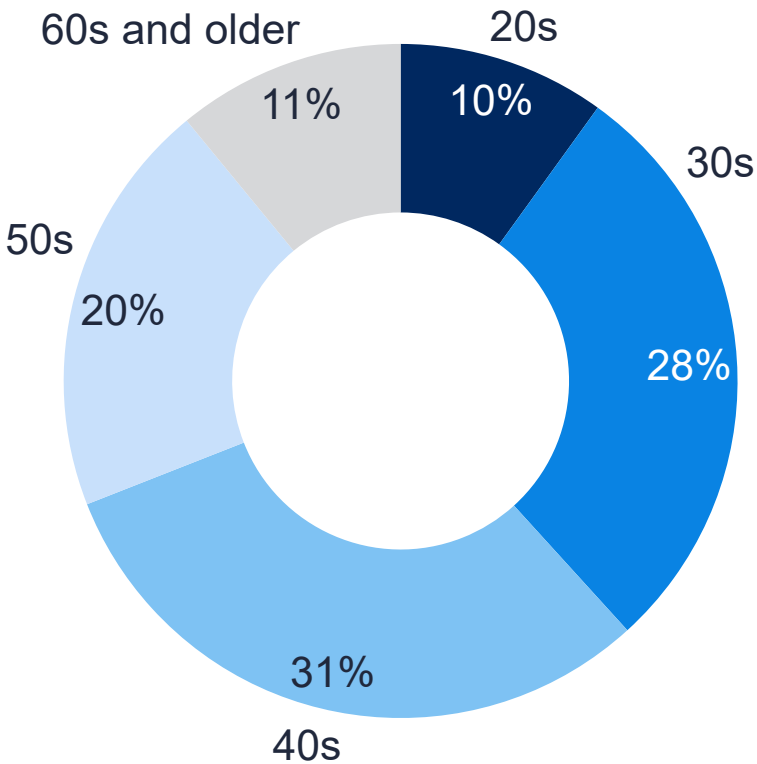
3 Transparency

Displaying fees on the application screen and deducting fees and costs from performance estimates

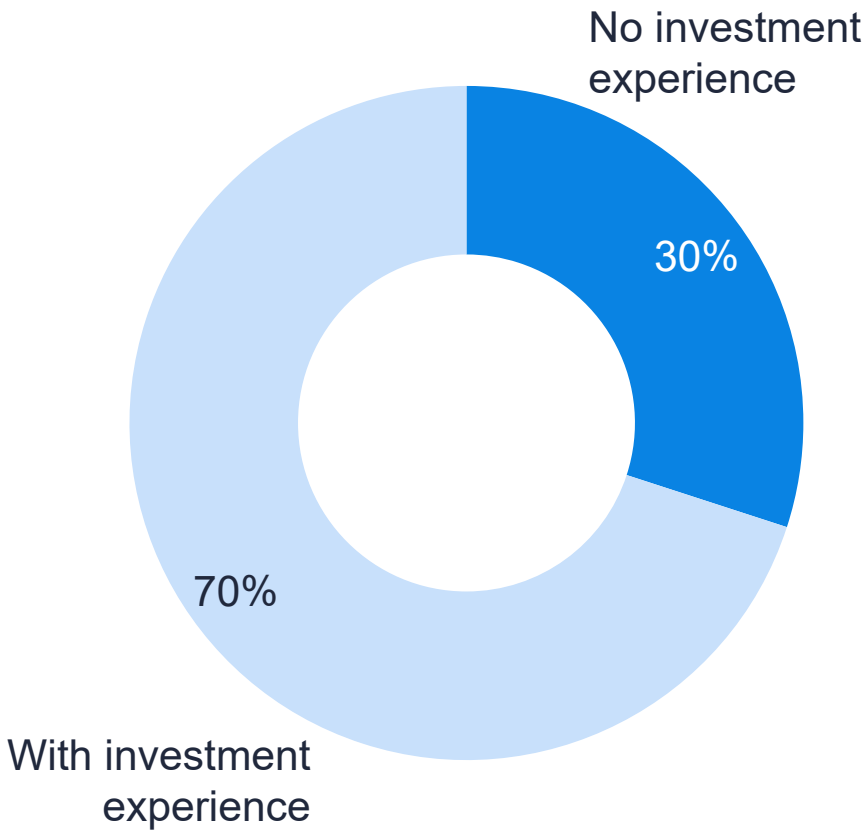
Note: Of the ETF portion of the AuM only (1.1% including tax). The annual fee of the portion exceeding JPY 30 million is 0.5% (0.55% including tax). For managed account services with a hybrid of online and face-to-face support, the base annual fee is 1.5% (1.65% including tax), and the annual fee for the portion exceeding JPY 30 million is 1.0% (1.1% including tax)

Approximately 90% of users are 20s-50s, and about 30% have no investment experience

% of users by age¹



% of investment experience²



¹ % of account holders by age as of June 30, 2021 (rounded to the nearest whole number)

² % of answers to the question, "Do you have any investment experience in stocks, mutual funds, foreign currency deposits, FX, and bonds?" at the time of application, among account holders as of June 30, 2021 (rounded to the nearest whole number)

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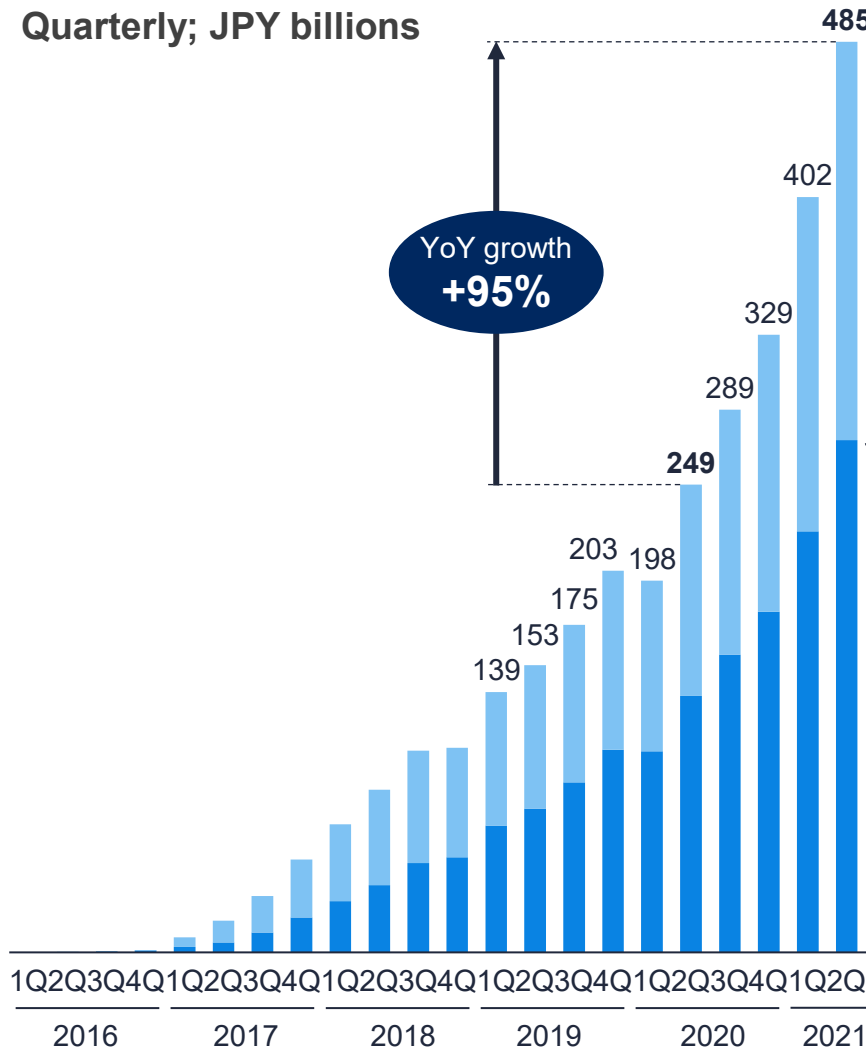
FY2021 full-year forecast

Appendices

Both direct and alliance channels drive rapid growth

AuM trend

Quarterly; JPY billions



Service

夢おいNavi²

WealthNavi for 三菱UFJ銀行

岡三Naviハイブリッド²

WealthNavi for 東京スター銀行

WealthNavi for ODAKYU

北國おまかせNavi²

WealthNavi for 東京海上日動

WealthNavi for ネオモバ

WealthNavi for auじぶん銀行

WealthNavi for TOKYU POINT

WealthNavi for JAL

WealthNavi for 横浜銀行

WealthNavi for イオン銀行

WealthNavi for ソニー銀行

WealthNavi for ANA

WealthNavi for 住信SBIネット銀行

WealthNavi for SBI証券

Partner

Hamamatsu Iwata
Shinkin Bank

MUFG Bank

Okasan Securities

Tokyo Star Bank

Odakyu

Hokkoku Bank

Tokio Marine
Nichido

SBI Neo Mobile

au Jibun Bank

Tokyu

JAL

Yokohama Bank

Aeon Bank

Sony Bank

ANA

SBI Sumishin
Net Bank

SBI Securities

Launch

Nov. 2020

Nov.

Sep.

Apr.

Nov. 2019

Oct.

Aug.

Apr.

Jan.

Nov. 2018

May

Apr.

Mar.

Dec. 2017

Sep.

Feb.

Jan.

WealthNavi

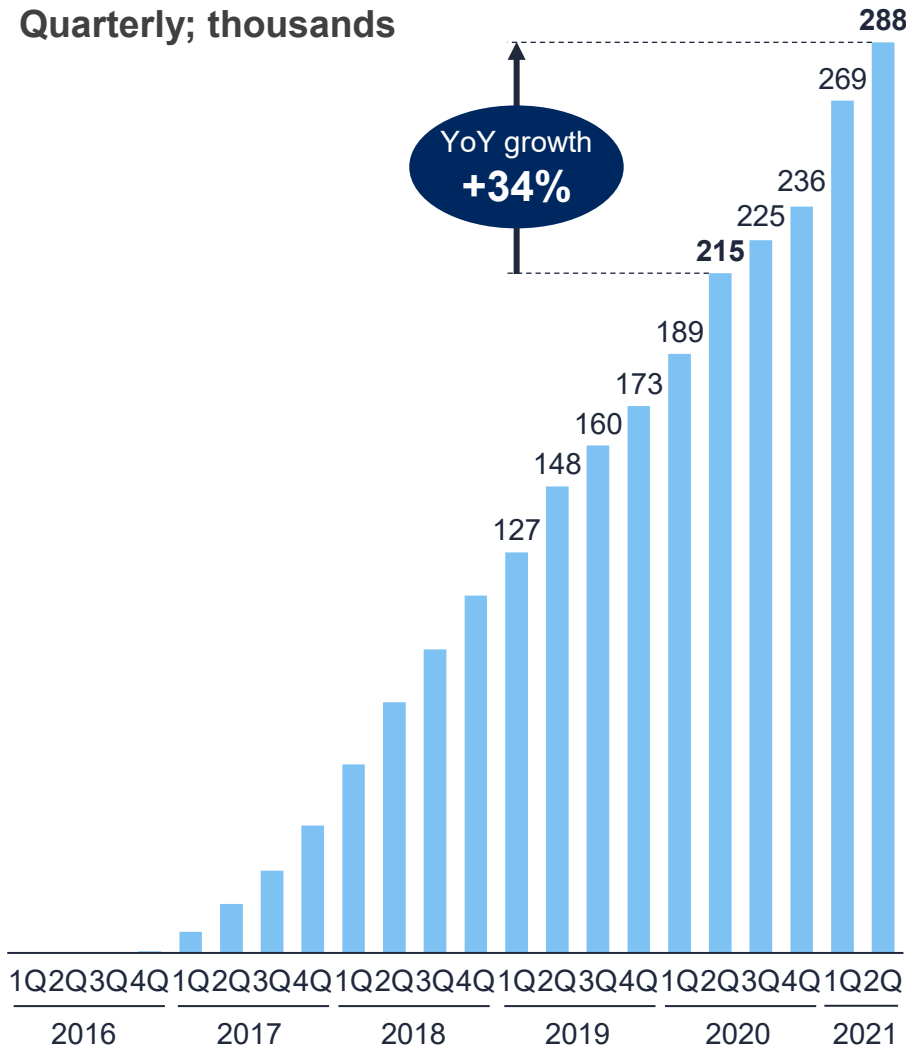
Jul. 2016

¹ Channels available as of June 30, 2021. "Chukyo Omakase Navi" was launched on August 2, and a new managed account service with Taiko Bank has been under development.

² Managed account service with a hybrid of online and face-to-face support

Number of users consistently grew

Number of users
Quarterly; thousands



Continued growth in number of users resulting from increased brand recognition due to the IPO and strong equity market

215K ► **288K**
(Jun. 30, 2020) (Jun. 30, 2021)

+34%

Continuously releasing new functions with high product development capability

User rating¹



4.5 ★★★★★



4.2 ★★★★★



1 As of June 30, 2021

2 Only for users of "WealthNavi for SBI Securities"

3 Only for users of "WealthNavi" (Direct channel)

4 Only for users of "Hokkoku Omakase Navi"

5 Only for users of "WealthNavi" (Direct channel) and part of alliance channels

Helping users to continue long-term investment with a globally diversified portfolio

Video messages



Columns

昨日の株価急落で不安を感じていらっしゃる方へ

2020.06.12



#長期・積立・分散 #相場が急変したとき #金融・経済・市況

昨日、世界的に株価が下落しました。2月から3月にかけての株価急落で資産の大きな目減りを経験した方にとっては、ここ最近の株価の回復で少しほっとしたところに急落があり、驚かされているかもしれません。

株価の急落を見て、一時的に資産を手放そうと考える方もいるのではないのでしょうか。そのような場合には一度立ち止まってみることをお勧めします。

コロナ・ショックのような経済危機を乗り越える過程においては、楽観的なニュースと悲観的なニュースが飛び交い、株価は短期的に急落することも、逆に急上昇することもあります。しかし長期投資の成果を決めるのは、株価の短期的な動きではなく長期的な成長です。

Webinars



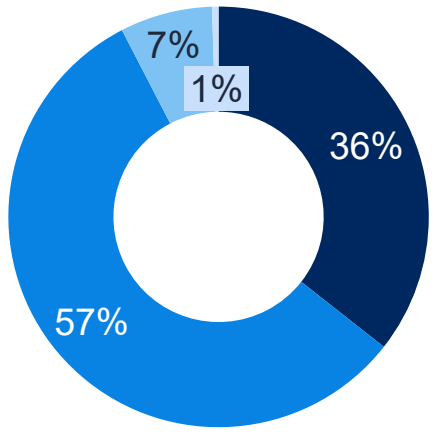
Approx. 156K participants¹

¹ Participants in our webinar from July 2020 to June 2021

Vast majority of users are satisfied with WealthNavi, and intend to use it for a long period of time

User satisfaction¹

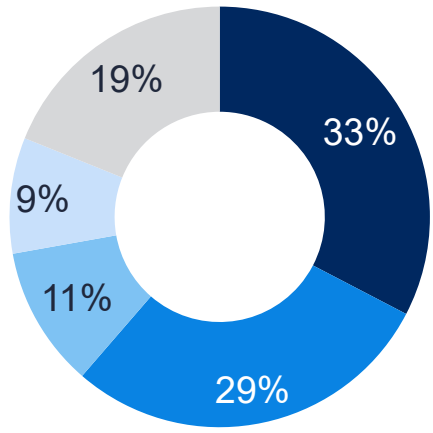
•93% of users are satisfied with WealthNavi



- Very satisfied
- Somewhat satisfied
- Somewhat unsatisfied
- Very unsatisfied

Expected years of use²

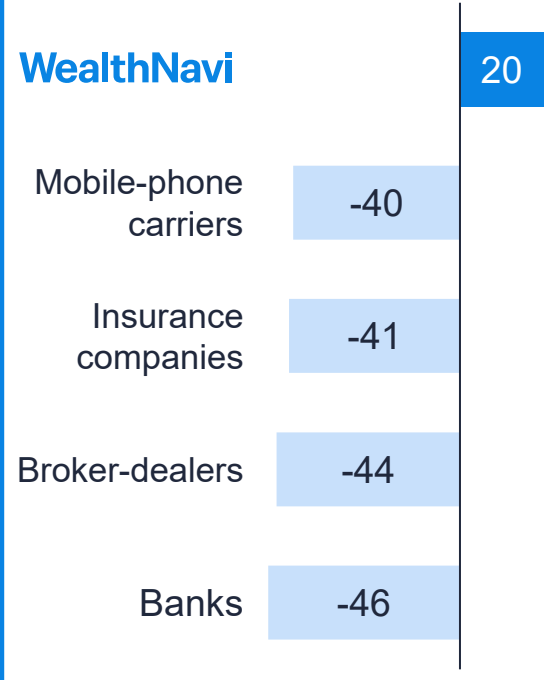
•62% intend to use for 10 years or more



- 20 years or more
- 10-20 years
- 5-10 years
- Less than 5 years
- Undecided

NPS³

•WealthNavi has a high score compared to mobile-phone carriers associated with long-term use and other financial services

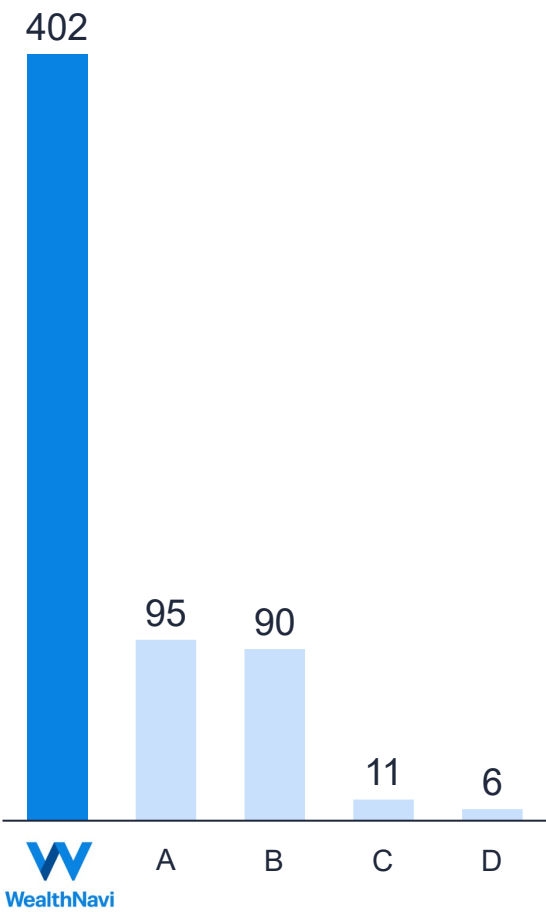


¹ Based on the answer to the question "Please rate your satisfaction with WealthNavi" in the questionnaire conducted by WealthNavi in July 2021
² Based on the answer to the question "How long do you plan to use WealthNavi?" in the questionnaire conducted by WealthNavi in July 2021. The result is weighted according to the age distribution of users (rounded to the nearest whole number)
³ Net Promoter Score measures customer experience by asking how likely he/she would recommend a brand to a friend or colleague, and is calculated by subtracting the percentage of detractors from the percentage of promoters. WealthNavi's NPS is calculated based on the results of user experience questionnaire conducted by WealthNavi from July 2020 to June 2021. NPS of other services are from the Financial Service Authority's "Customer awareness survey on sales of risk-bearing financial products" in August 2019

WealthNavi is the leading robo-advisor in Japan

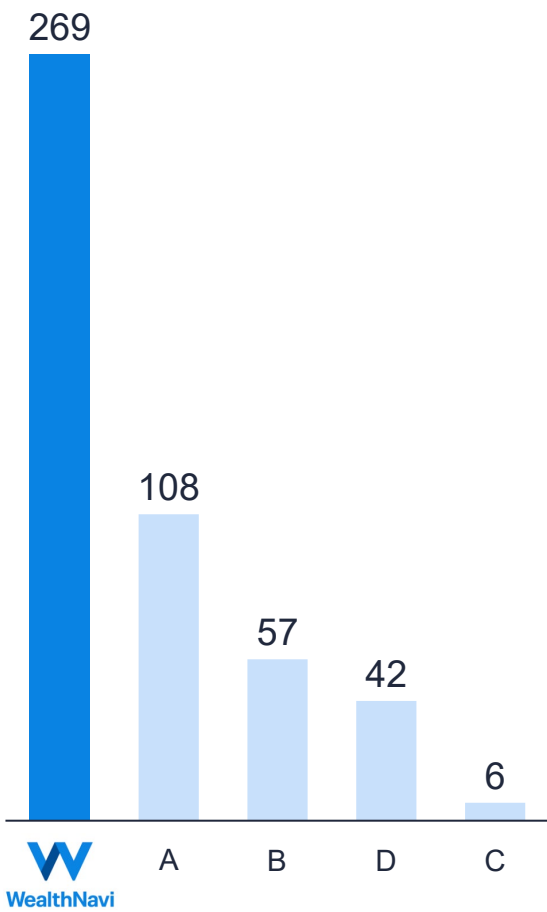
AuM

JPY billions; March 2021



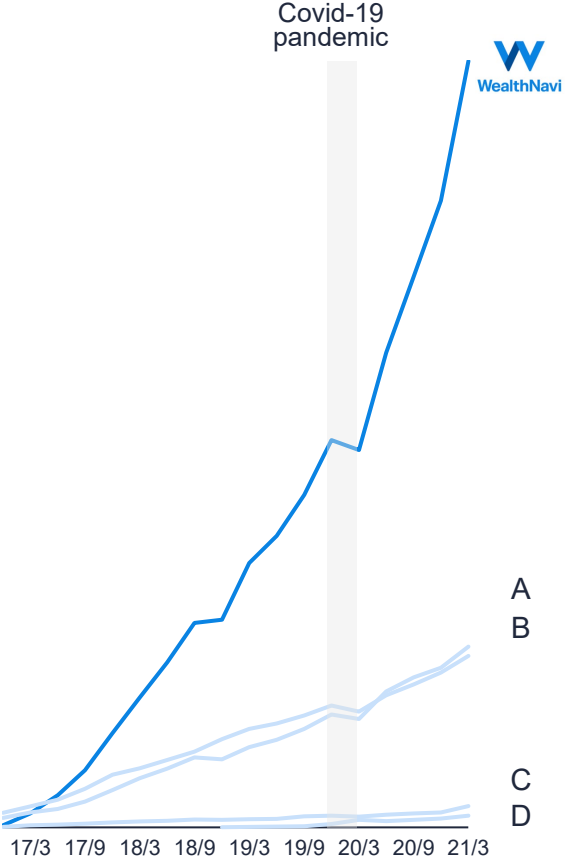
Number of users

Thousands; March 2021



AuM trend

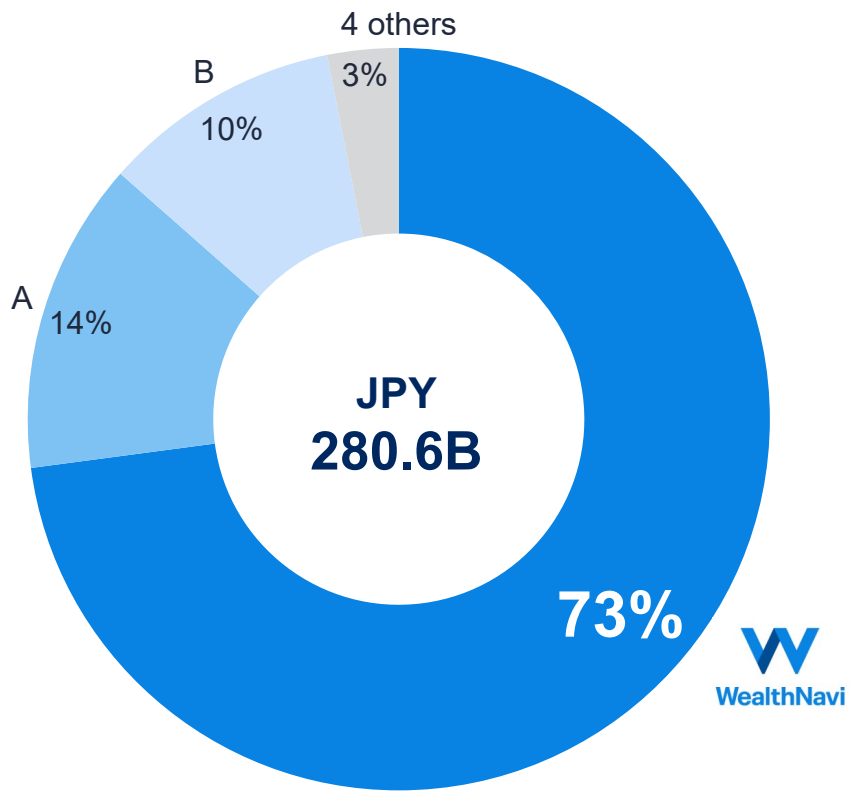
December 2016 to March 2021



Source: WealthNavi analysis based on Japan Investment Advisers Association, "Contract Asset Status, June 2021". AuM of Company A to D include those under "discretionary investment business".

Distinct market leader – with 73% of total AuM growth of robo-advisors over a 12-month period

Increase in AuM of domestic robo-advisors
March 2020 to March 2021



WealthNavi accounts for 73% of the total AuM growth of robo-advisors over a 12-month period to March 2021

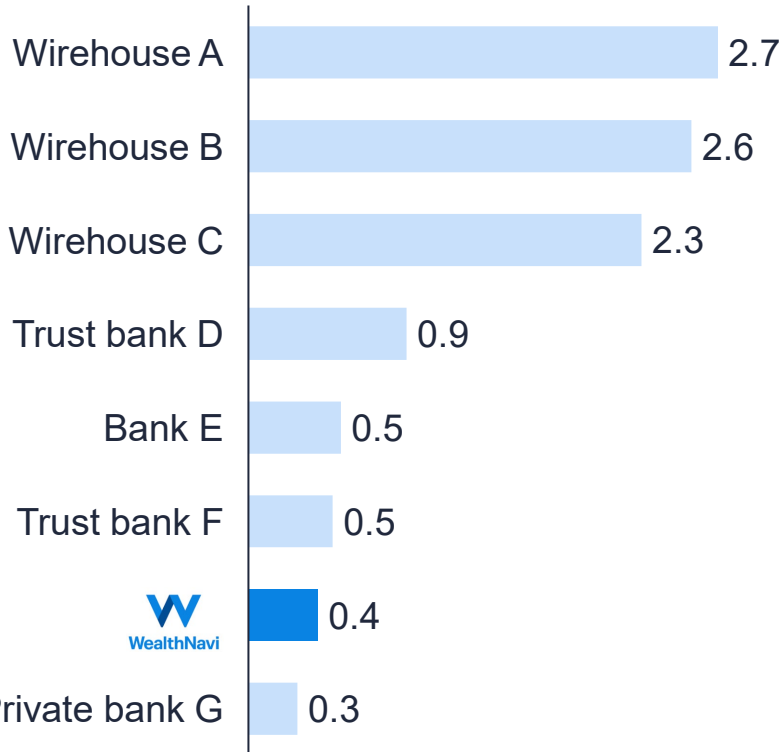
Source: WealthNavi analysis based on Japan Investment Advisers Association's "Contract Asset Status, June 2021". AuM of Company A, B and four other companies include those under "discretionary investment business."

Unlike other major managed account services, WealthNavi focuses on supporting working families

Top 8 managed account services in Japan ranked by AuM

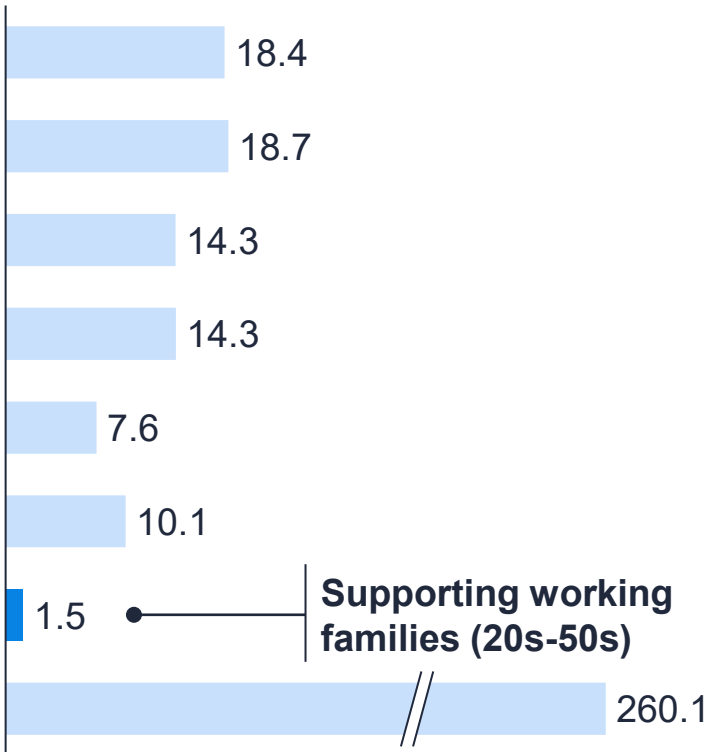
AuM

JPY trillions; March 2021



AuM per user

JPY millions; March 2021



Source: WealthNavi analysis based on websites of the companies listed as "wrap account" managers on Japan Investment Advisers Association, "Contract Asset Status, June 2021"

WealthNavi targets working families, which have, in total, approx. JPY 650T of financial assets

Household financial assets by age and asset size



Working families (20s-50s) are the target of WealthNavi

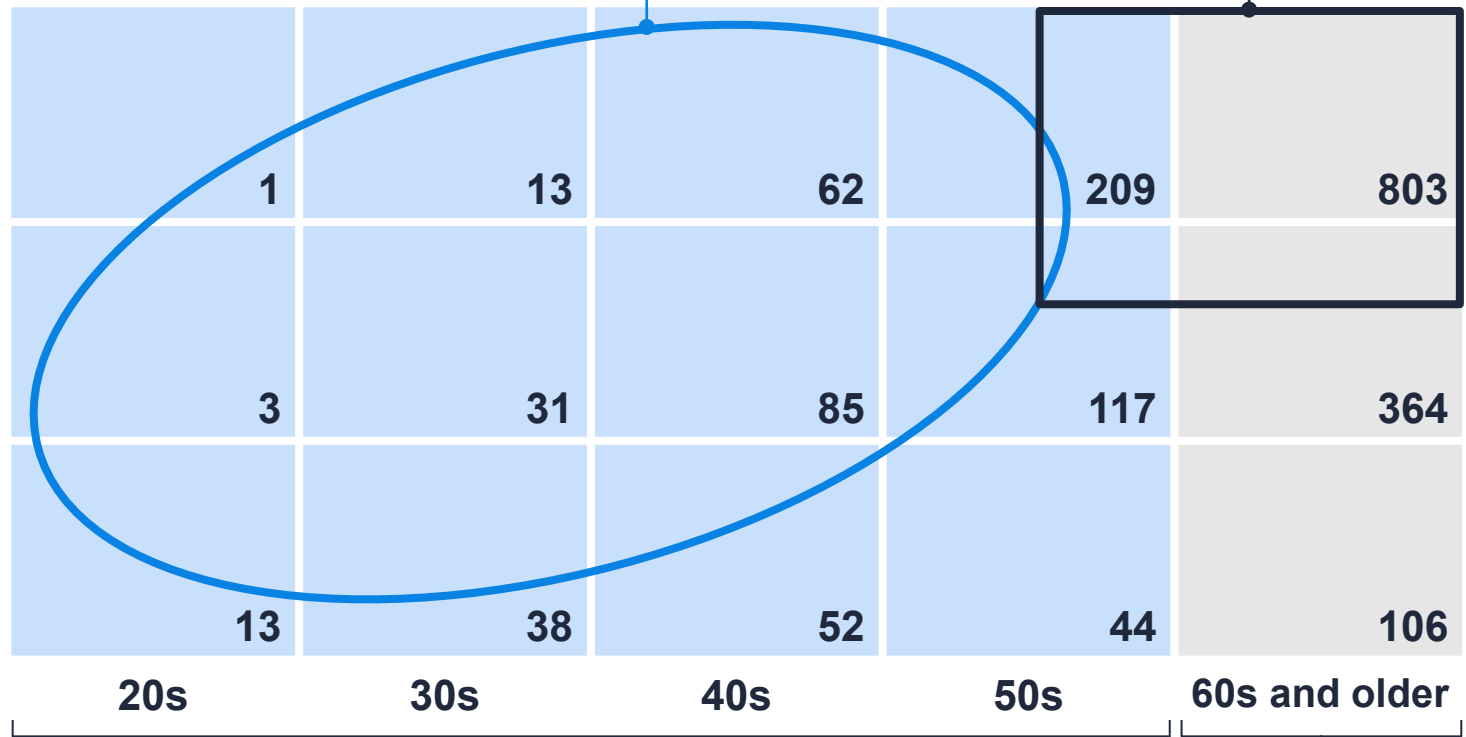
Primary target group of face-to-face channels for incumbent banks and securities

XX Financial assets JPY trillions

JPY 30M or more

JPY 10-30M

Less than JPY 10M

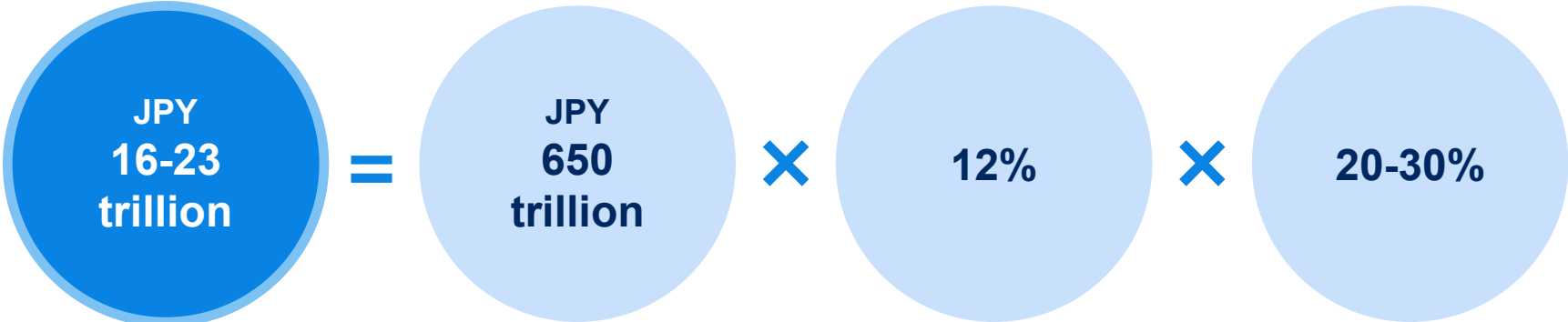


Approx. JPY 650T

Approx. JPY 1,250T

Source: WealthNavi analysis based on the Bank of Japan's "Japan's Flow of Funds Accounts, 1st quarter of 2021", the Ministry of Internal Affairs and Communications' "Population, demographic statistics and household numbers based on the Basic Resident Registration, January 2020," and the Ministry of Internal Affairs and Communications' "Household Survey, March 2016"

Robo-advisors' potential market estimated to be JPY 16-23 trillion over the next 10 years as working families accelerate wealth building for retired life



Potential market for robo-advisors over the next 10 years

Financial assets owned by working families (20s-50s)

Assuming the deposit ratio of household financial assets will fall to the level of Germany (53%→41%) over the next 10 years

Assuming 20-30% of assets moving from deposits to investments are allocated to long-term investments

Source: WealthNavi analysis based on the Bank of Japan's "Japan's Flow of Funds Accounts, 1st quarter of 2021", the Ministry of Internal Affairs and Communications' "Population, demographic statistics and household numbers based on the Basic Resident Registration, January 2020", the Ministry of Internal Affairs and Communications' "Household Survey, March 2016," and OECD's "Household financial assets" as of the end of 2018

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Steady growth in operating revenue in 2Q FY2021

- Maintained high growth in operating revenue, resulting in +85.1% YoY, +17.8% QoQ
- Each earnings index was improved significantly both YoY and QoQ

Financial results

JPY millions

	2Q FY2021					1Q-2Q FY2021		
	Actuals	2Q FY2020		1Q FY2021		Actuals	1Q-2Q FY2020	
		Actuals	YoY	Actuals	QoQ		Actuals	YoY
Operating revenue	1,056	571	+85.1%	897	+17.8%	1,954	1,075	+81.8%
-) Revenue sharing	192	114	+67.4%	158	+21.4%	350	224	+56.1%
-) Transaction-linked expenses	163	108	+51.3%	153	+7.1%	316	233	+35.6%
-) Personnel expenses	248	209	+18.4%	238	+4.4%	486	434	+11.9%
-) Real estate related expenses, etc.	135	118	+14.9%	143	-5.3%	278	249	+11.9%
Operating profit excluding advertising expenses	316	19	+1,495.6%	204	+54.6%	521	-67	-
-) Advertising expenses	367	244	+50.2%	328	+11.9%	696	556	+25.0%
Operating profit	-51	-224	-	-123	-	-175	-624	-

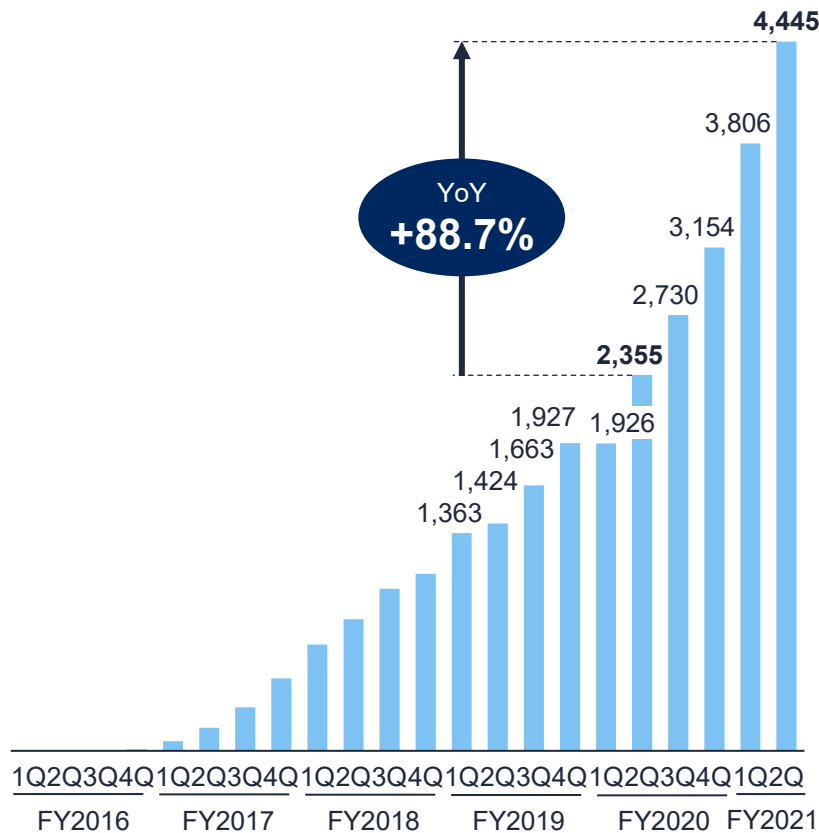
Note: Fractions of one million yen are rounded down

Continued growth in ARR and operating revenue

- ARR for 2Q FY2021 increased 88.7% YoY to JPY 4,445 million
- Operating revenue for 2Q FY2021 increased 85.1% YoY to JPY 1,057 million

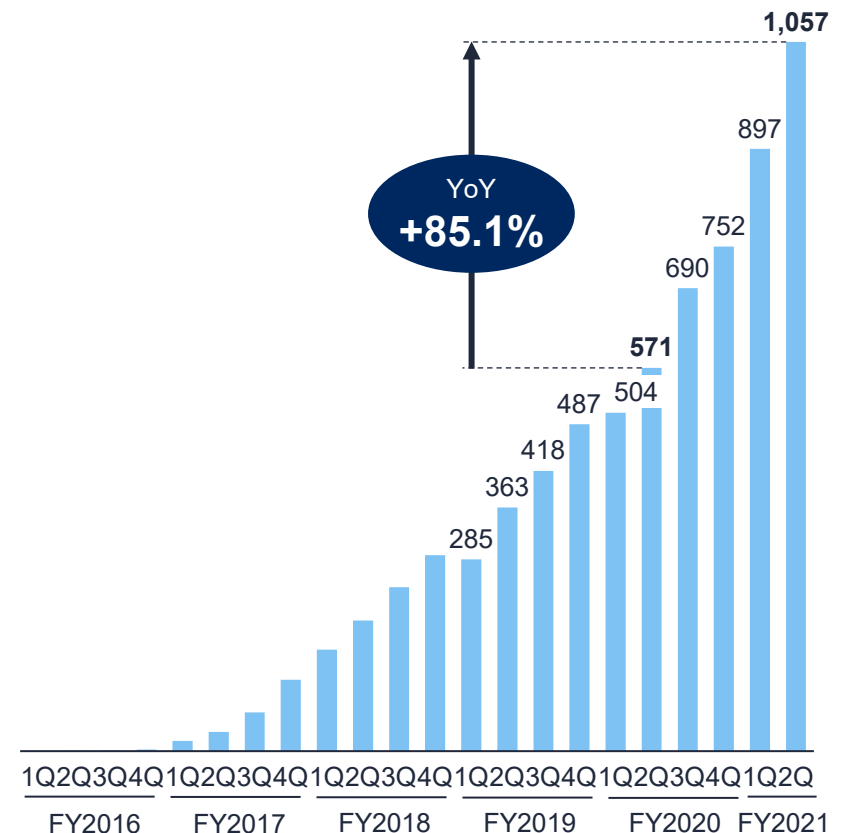
ARR

Quarterly; JPY millions



Operating revenue

Quarterly; JPY millions

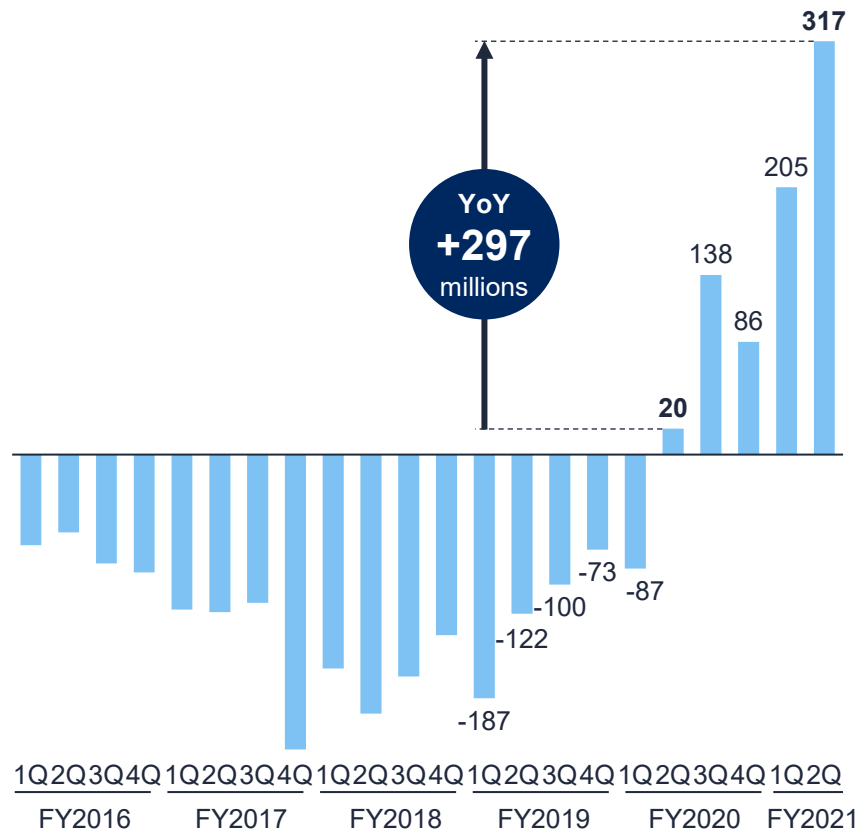


Note: **A**nual **R**ecurring **R**evenue. Calculated by multiplying monthly recurring revenue (MRR : **M**onthly **R**ecurring **R**evenue) before deducting revenue sharing in the last of each quarter by 12

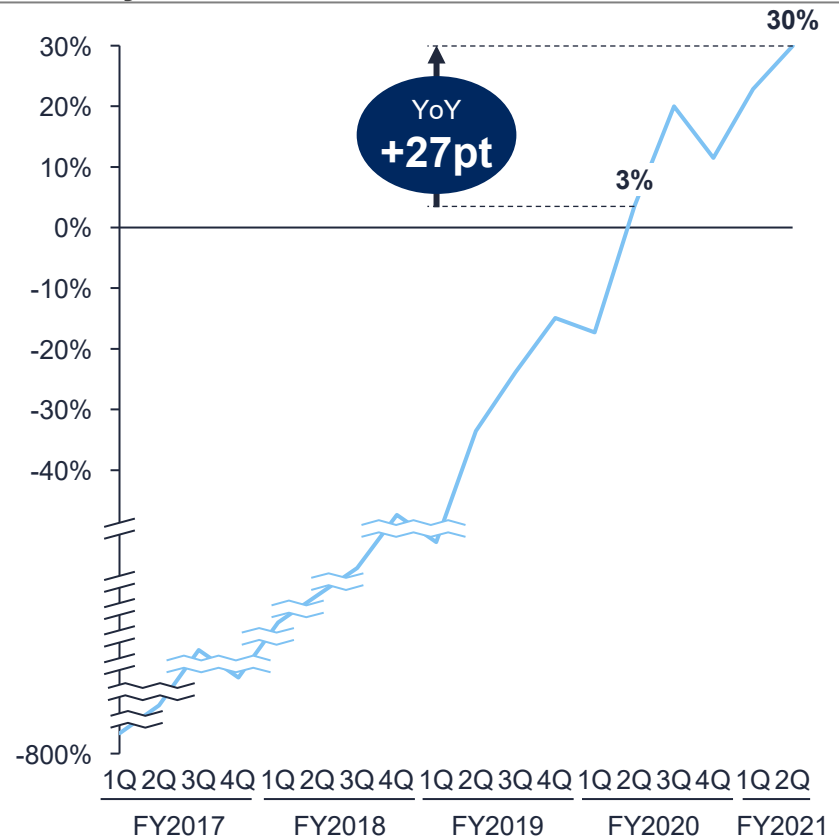
Operating profit excluding advertising expenses significantly increased

- Operating profit excluding advertising expenses for 2Q FY2021 was JPY 317M, +JPY 297M YoY
- Operating profit margin excluding advertising expenses reached 30%, +27pt YoY

Operating profit excluding advertising expenses
Quarterly; JPY millions



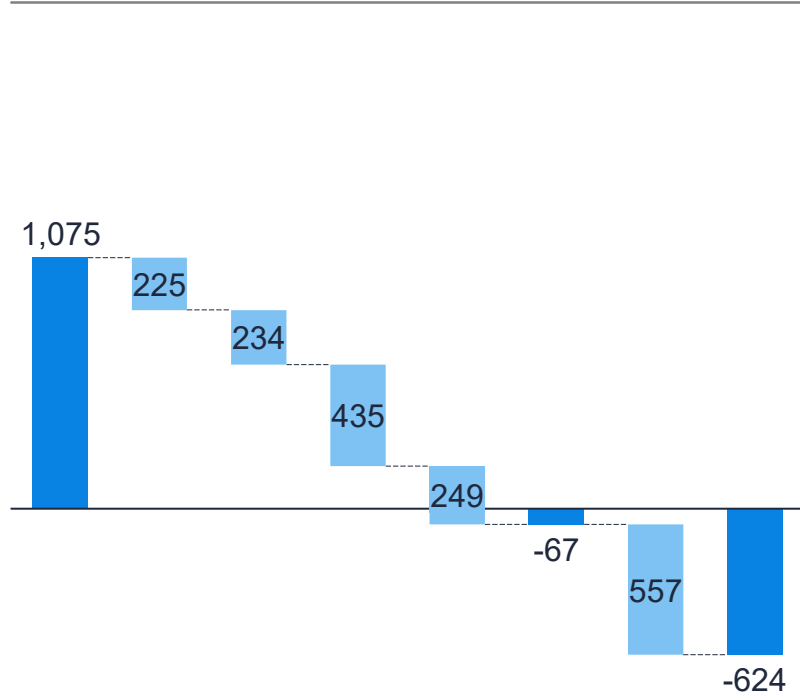
Operating profit margin excluding advertising expenses
Quarterly; %



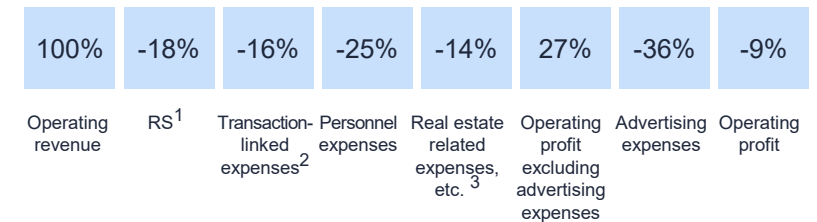
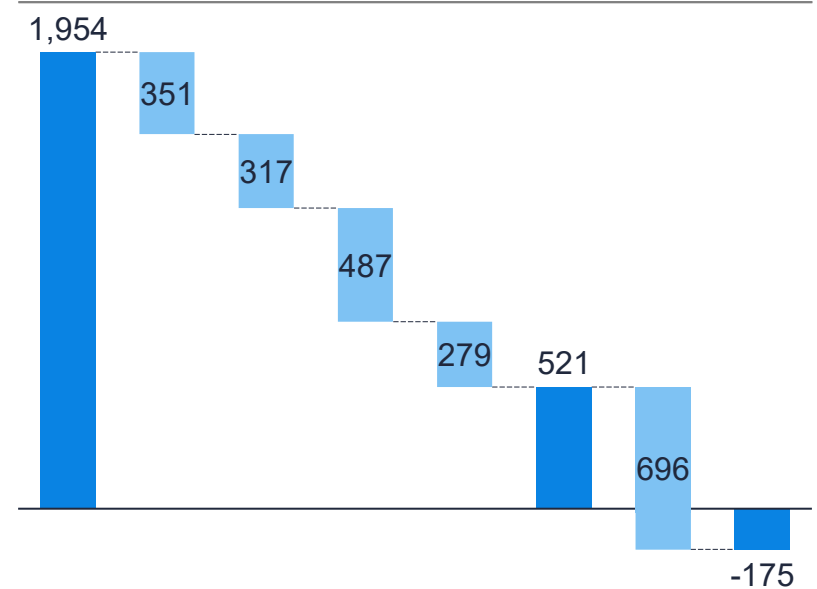
Each cost component significantly improved compared to that of the same period last year

Breakdown of revenue and expenses

FY2020 1Q-2Q; JPY millions



FY2021 1Q-2Q; JPY millions



1 "RS" represents revenue sharing with alliance partners

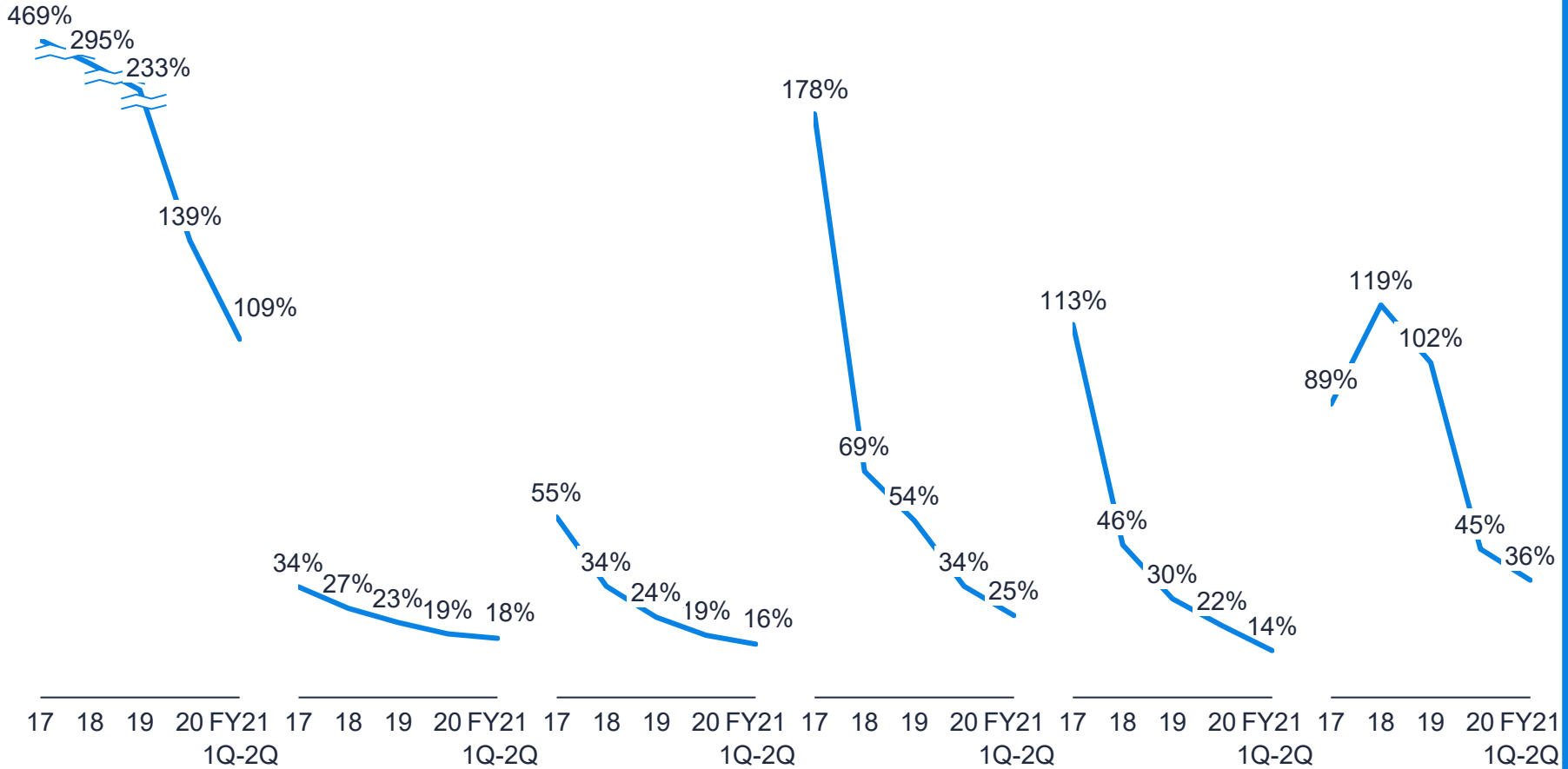
2 "Transaction-linked expenses" include account opening expenses, fees of instant deposits, automated deposits and withdrawals

3 "Real estate related expenses, etc." include real estate related expenses, server costs, other sales and administrative expenses

Cost structure improved continuously

Operating revenue ratio

$$\text{Total expenses} = \text{Revenue sharing} + \text{Transaction-linked expenses}^1 + \text{Personnel expenses} + \text{Real estate related expenses, etc.}^2 + \text{Advertising expenses}$$



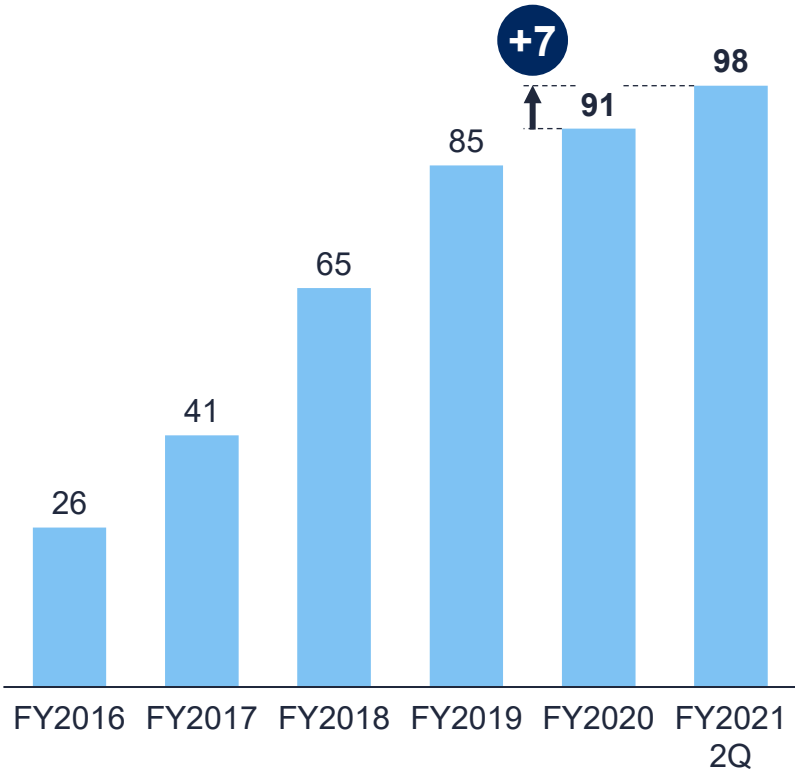
1 "Transaction-related expenses" include account opening expenses, deposit/recurring/withdrawal fees, etc.

2 "Real estate related expenses, etc." includes real estate related expenses, server expenses, other sales and administration expenses, etc.

Strengthen recruitment across functions for sustainable growth

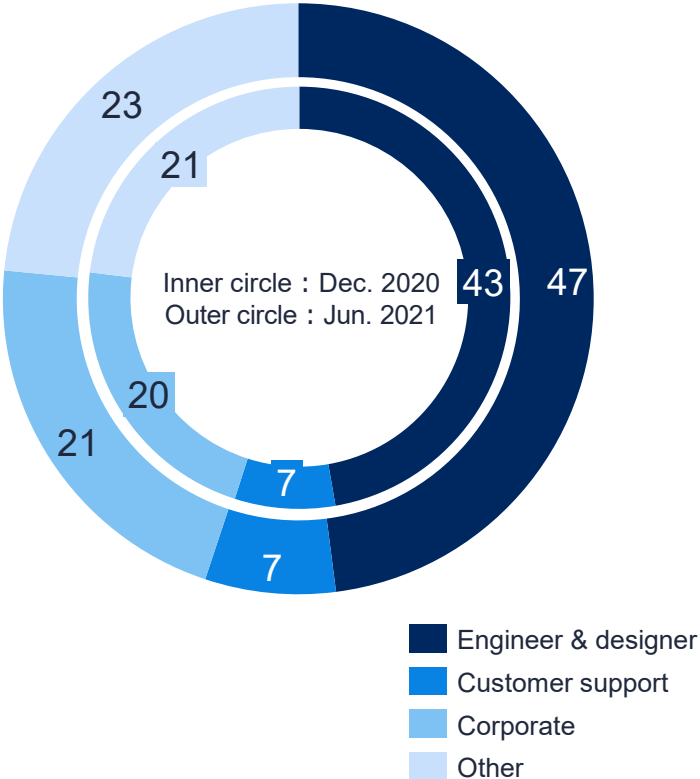
- Continue to strengthen recruitment of all occupations to maintain the current growth momentum

Number of employees



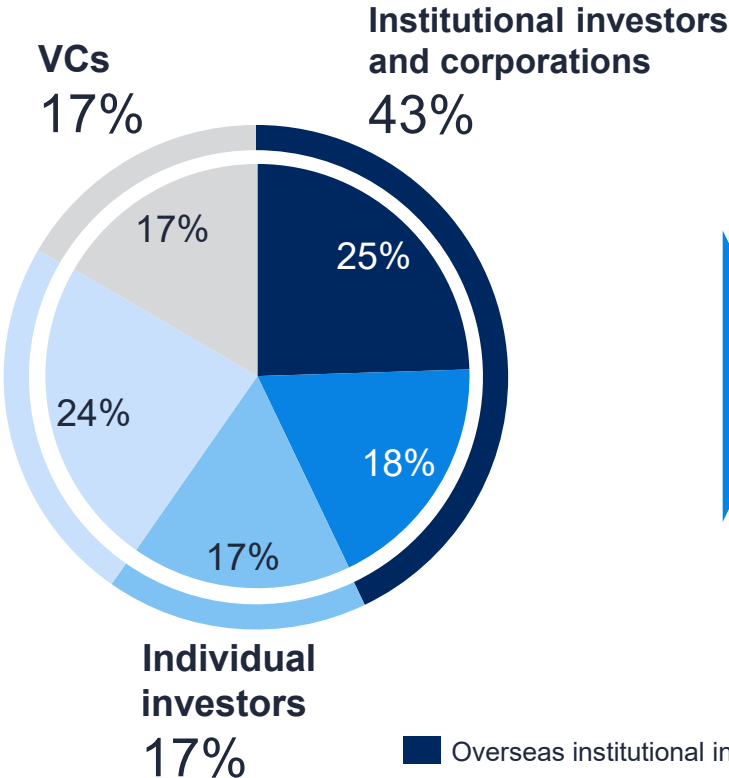
Breakdown of full-time staff by function

As of Dec. 2020 and Jun. 2021

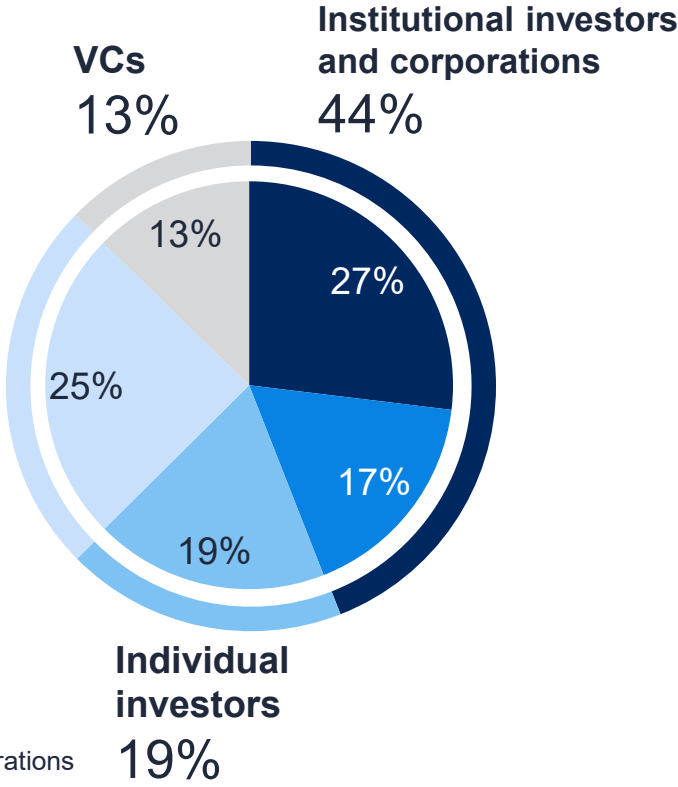


VC ownership decreased, and institutional and individual investors ownership increased

As of December 31, 2020



As of June 30, 2021



- Overseas institutional investors and corporations
- Domestic institutional investors and corporations
- Individual investors and others
- WealthNavi's management members
- VCs

Financial statements (1)

- Increased advertising expenses in 2Q to maintain growth momentum
- Despite business growth, real estate related expenses etc. decreased in 2Q. This is due the one-off IPO related expenses in 1Q and the decrease in recruiting expenses

Income statements

Annual; JPY millions

	FY2018	FY2019	FY2020
Operating revenue	881	1,552	2,516
-) Revenue sharing	238	353	486
-) Transaction-linked expenses	297	378	475
-) Personnel expenses	606	834	850
-) Real estate related expenses, etc.	408	466	548
Operating profit excluding advertising expenses	-670	-480	156
-) Advertising expenses	1,051	1,581	1,135
Operating profit	-1,721	-2,061	-978
Operating revenue growth rate	326%	76%	62%

Quarterly; JPY millions

	20/12 1Q	20/12 2Q	20/12 3Q	20/12 4Q	21/12 1Q	21/12 2Q
Operating revenue	504	571	689	751	897	1,056
-) Revenue sharing	109	114	122	139	158	192
-) Transaction-linked expenses	125	108	118	122	153	163
-) Personnel expenses	224	209	186	228	238	248
-) Real estate related expenses, etc.	131	118	123	175	143	135
Operating profit excluding advertising expenses	-87	19	137	86	204	316
-) Advertising expenses	312	244	280	298	328	367
Operating profit	-399	-224	-142	-212	-123	-51

Note: Fractions of one million yen are rounded down

Financial statements (2)

- In January 2021, share capital and legal capital surplus increased by JPY 331 million each due to secondary offering to provide over-allotment at the IPO
- In May 2021, share capital and capital surplus increased by JPY 5 million each due to issuance of new shares to provide restricted stock-based compensation to directors, executive officers and employees

Balance sheets

JPY millions

	FY2019	FY2020	FY2021 2Q
Current assets	12,439	15,117	17,249
Cash and bank deposits	4,912	8,613	6,829
Cash segregated as deposits	3,510	4,610	7,810
Due from banks	3,612	1,525	2,136
Other current assets	403	367	473
Non-current assets	257	261	259
Total assets	12,697	15,378	17,509
Current liabilities	6,437	8,461	10,097
Deposits received	6,170	7,075	8,680
Current portion of convertible bond-type bonds with share acquisition	-	1,000	1,000
Other current liabilities	266	386	416
Non-current liabilities	1,000	-	-
Convertible bond-type bonds with share acquisition rights	1,000	-	-
Total liabilities	7,437	8,461	10,097
Share capital	100	1,429	1,766
Capital surplus	7,221	6,490	6,826
Retained earnings	-2,060	-1,003	-1,181
Treasury stock	-	-	-0
Total net assets	5,260	6,916	7,411

Note: Fractions of one million yen are rounded down

Statement of cash flows

JPY millions

	FY2019	FY2020	FY2021 1Q-2Q
Cash generated by/(used in) operating activities	992	-939	-1,794
Cash generated by/(used in) investing activities	-113	-76	-38
Cash generated by financing activities	4,103	2,642	660
Effect of exchange rate changes on cash and cash equivalents	9	-12	-1
Net increase in cash and cash equivalents	4,992	1,613	-1,173
Cash and cash equivalents at beginning of the year	3,483	8,475	10,089
Cash and cash equivalents at end of the year	8,475	10,089	8,915

Details of operating cash flows

Cash generated by/(used in) operating activities	992	-939	-1,794
-) Decrease / (increase) in cash segregated as deposits	-	-1,100	-3,200
-) Increase / (decrease) in deposits received	2,998	904	1,605
Cash generated by/(used in) operating activities adjusted by items relating to cash deposited by customers	-2,006	-744	-199

Agenda

Company profile

Business overview

2Q FY2021 business highlights

2Q FY2021 financial highlights

FY2021 full-year forecast

Appendices

No changes in earnings forecast for FY2021

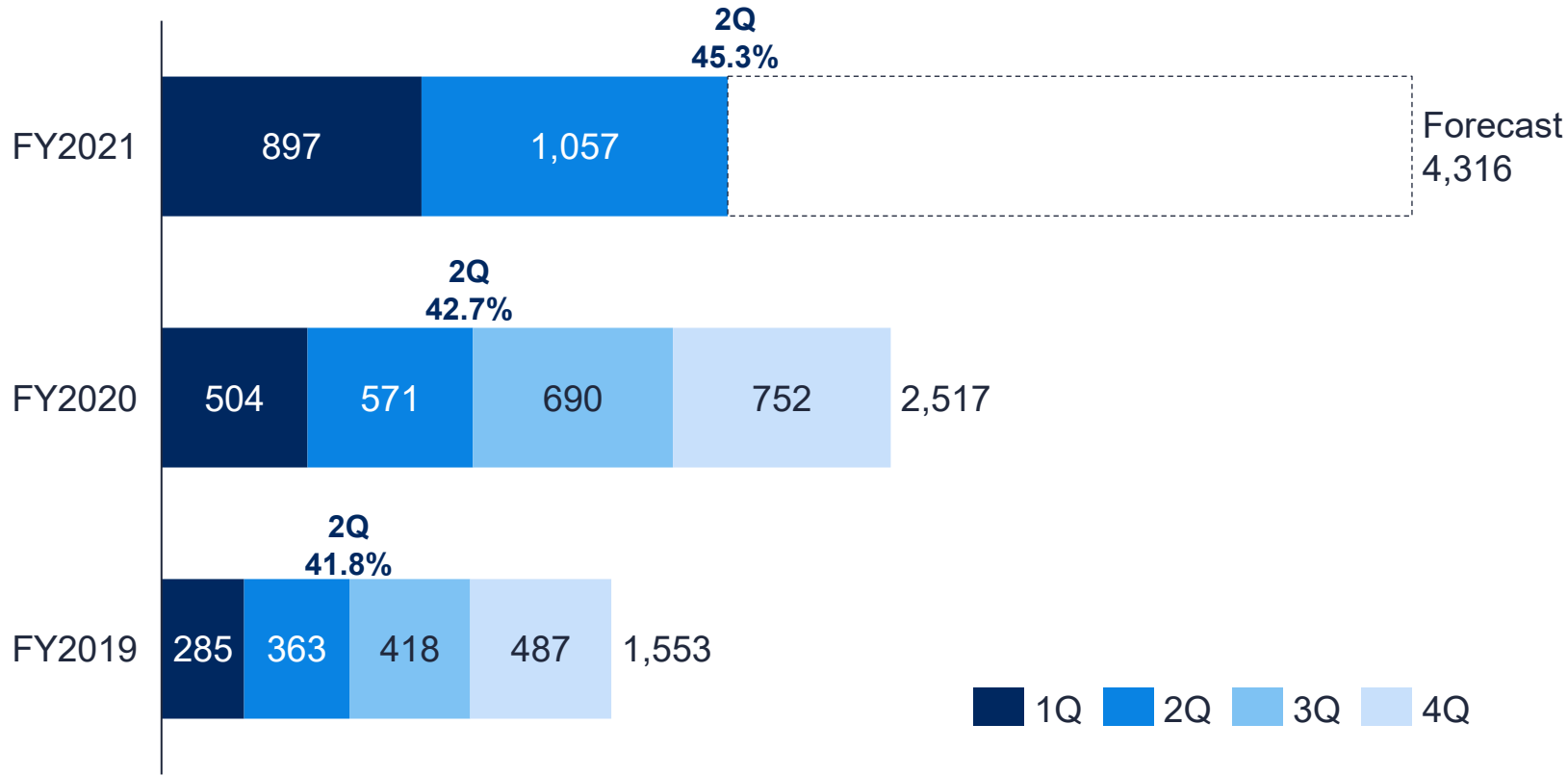
- Our goal is to maximize mid/long-term free cash flow by maintaining the current growth momentum of AuM and operating revenue rather than pursuing short-term profit
- Therefore, the Company will continue to invest for growth with recruiting and advertising
- To allow the Company to flexibly manage advertising expenses, the scope of our earnings forecast is (1) AuM, (2) operating revenue and (3) operating profit excluding advertising expenses
- At the same time, we aim to reduce our annual operating losses so that the users can continue to use “WealthNavi” without worry

	Forecast FY2021 full-year	Actual FY2021 1-2Q
Operating revenue	JPY 4,316 million YoY: +71%	JPY 1,954 million Progress: 45%
Operating profit excluding advertising expenses	JPY 1,076 million YoY: +586%	JPY 521 million Progress: 48%
AuM (at year-end)	JPY 530.7 billion YoY: +61%	JPY 485.2 billion Progress: 91% ¹

¹ Although the AuM at the end of Q2 2021 has reached 91% of the forecasted year-end AuM, the AuM forecast is not revised at this moment as it is subject to capital market fluctuations. The AuM forecast will be revised if the forecast of operating revenue or operating profit excluding advertising expenses is revised.

Steady progress toward earnings forecast...

Progress rate of operating revenue forecast
FY2019-FY2021; JPY millions



...along with key assumptions

- On track
- At risk
- Immediate action needed

Key assumptions as of May 2021

Progress to date

Operating revenue

- Pursues a more aggressive, yet disciplined, advertising strategy particularly from 3Q onwards
- Increases promotion of “Robo-NISA” from 3Q
- Develops 4 or 5 new alliance channels as in previous years

- • Completed quantitative and qualitative marketing research. On track to launch aggressive marketing from 3Q
- • Rolling out “Robo-NISA” across alliance channels to increase the promotion of “Robo-NISA” from 3Q
- • Delay due to Covid-19 related travel restrictions. “Chukyo Omakase Navi” with Chukyo Bank was launched on August 2, 2021

Operating profit excluding advertising expenses

- Proactively invests in increasing system security
- Increases the number of staff to 111 FTEs, from 91 FTEs on Dec. 31, 2020, while fortifying talent density

- • Strengthened security team and continuing investment in system security
- • Increased 7 FTEs in 1-2Q accessing a wider talent pool thanks to the IPO. Accelerating recruiting while prioritizing talent density over the FTE target

KPIs set to achieve our mission “Helping working families build wealth”

“Helping working families build wealth”



Support as many working families as possible



Resolve the “20 million yen problem” for each

Increase AuM



Increase number of users



Increase AuM per user

AuM

JPY249Bn (Jun.30, 2020) **▶** JPY485Bn (Jun.30, 2021)

+95%

Number of users

215K (Jun.30, 2020) **▶** 288k (Jun.30, 2021)

+34%

Net AuM Retention¹

120%+ (Jun.30, 2020) **▶** 120%+ (Jun.30, 2021)

Maintained

¹ An index that shows the % of AuM retained over 1 year (Book value basis, excluding market price fluctuations. All averages from July 2016 to June 2021) (Initial AuM + Automated deposits for 1 year + Additional manual deposits for 1 year – Withdrawal for 1 year) / Initial AuM

WealthNavi aims to help working families resolve their “20 million yen problem”

Resolve the “20 million yen problem” for each user

Increase AuM per user

Automated deposits

+

Additional manual deposits

–

Withdrawals

% of users signed up for automated deposit plan²

68% ▶ 69%

(Jun.30, 2020) (Jun.30, 2021)

Average monthly automated deposit³

JPY37K ▶ JPY44K

(Jun.30, 2020) (Jun.30, 2021)

Average monthly churn rate⁴

<1% ▶ <1%

(Jun.30, 2020) (Jun.30, 2021)

Net AuM Retention¹ : 120%+

¹ An index that shows the % of AuM retained over 1 year (Book value basis, excluding market price fluctuations. All averages from July 2016 to June 2021)

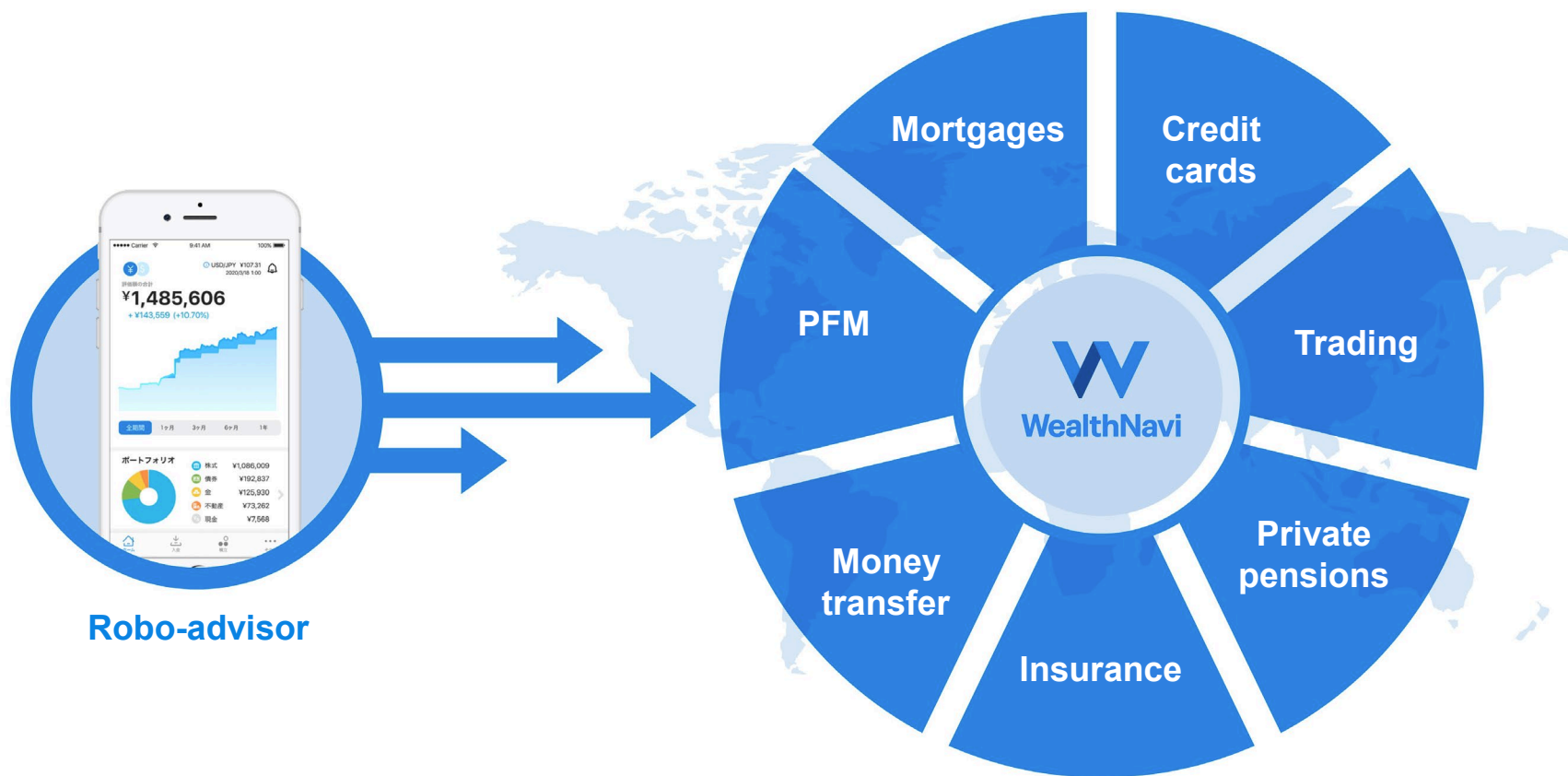
(Initial AuM + Automated deposits for 1 year + Additional manual deposits for 1 year – Withdrawal for 1 year) / Initial AuM

² % of WealthNavi accounts with the recurring deposits among % of WealthNavi accounts with a positive ETF balance

³ Average monthly automated deposit through WealthNavi’s automated deposit plan

⁴ % of users who go from a positive ETF balance to no ETF balance (monthly, total average from July 2016 to June 2021)

Aspiration to become a personal finance platform



Robo-advisor

- Provide tailored advice on the full range of financial services to meet customer needs
- Digitize and automate advisory and execution

Note: Concept only and not released yet. Indicate potential service domain to be provided in the future. The picture is an image

Agenda

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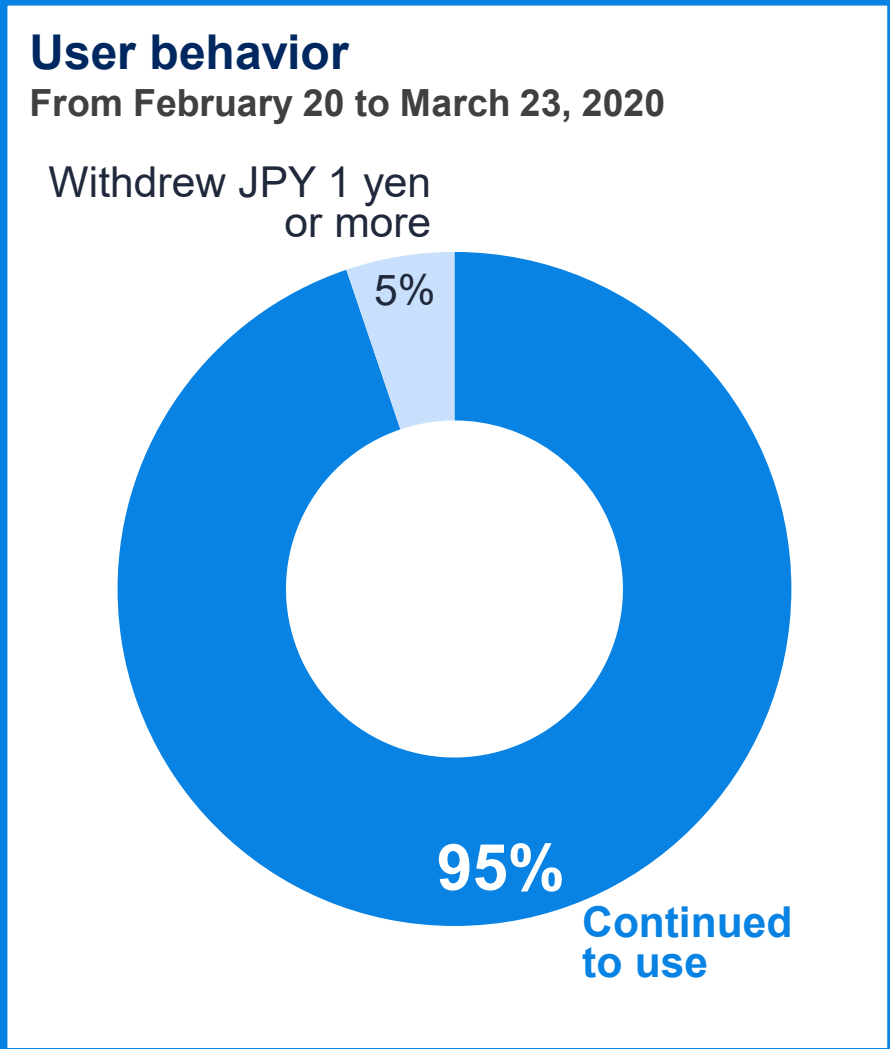
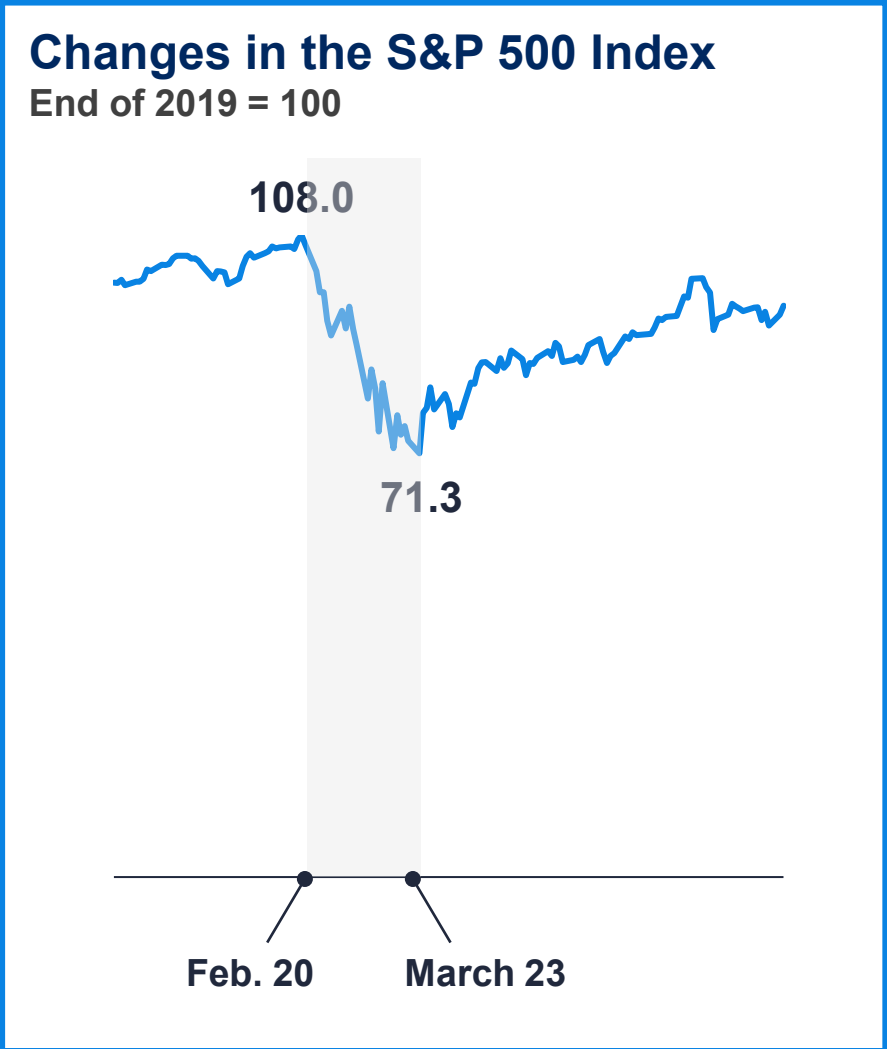
2Q FY2021 business highlights

2Q FY2021 financial highlights

FY2021 full-year forecast

Appendices

95% of users continued to use WealthNavi even when the market price plunged due to Covid-19

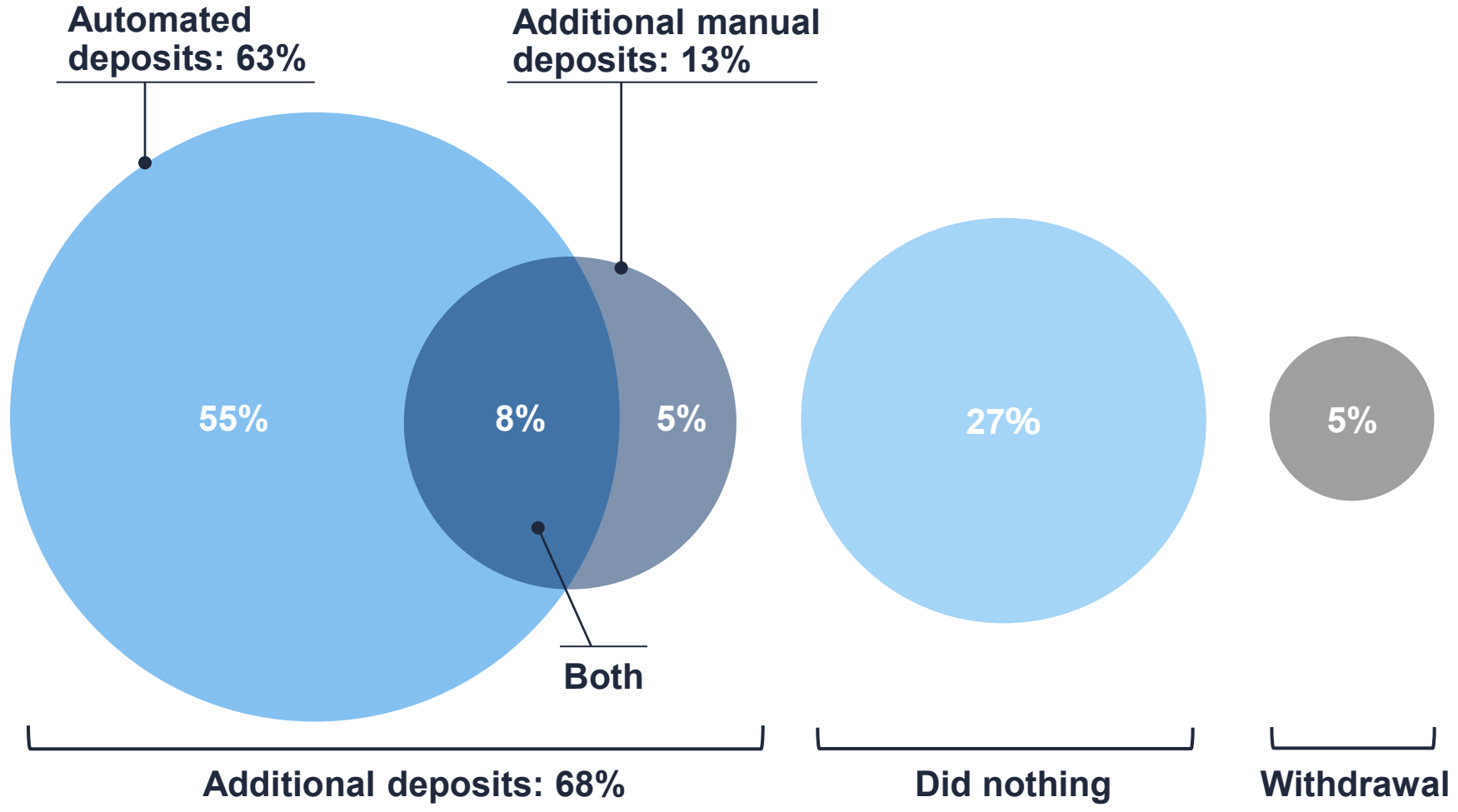


1 "Continue to use" means that there is an ETF balance on the first day of the above period and there is no withdrawal (JPY1 yen or more) in part or in whole during the period

68% of users added funds to WealthNavi accounts

User behavior

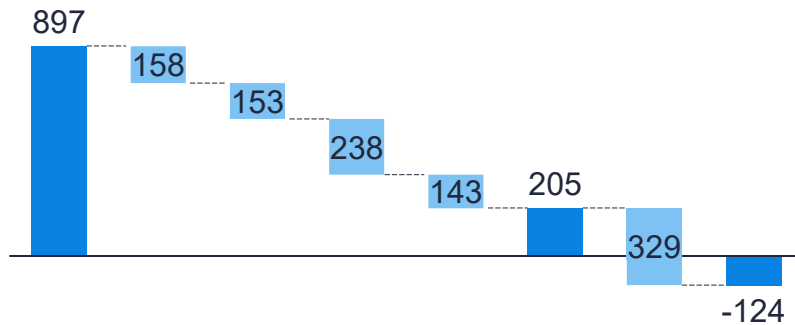
From February 20 to March 23, 2020



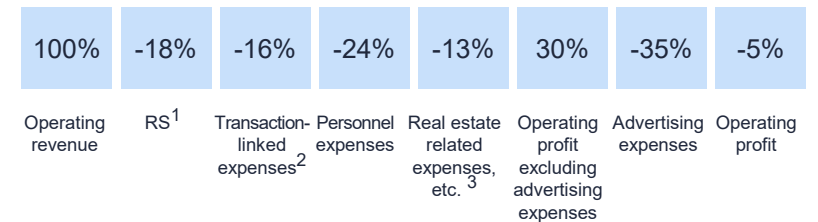
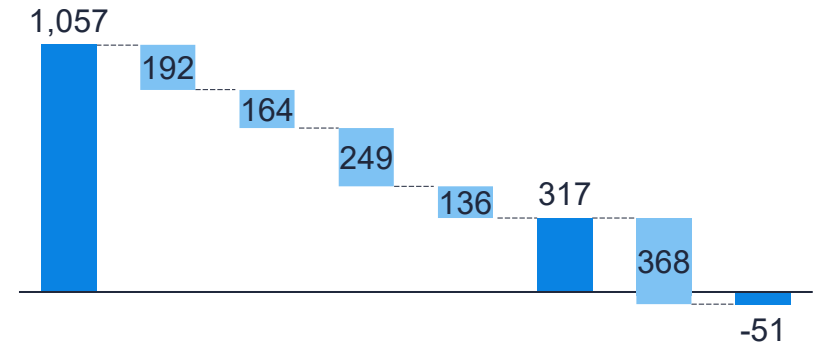
Note: % of users with ETF balance as of February 20, 2020. "Withdrawal" refers to some or total withdrawal (JPY1 yen or more)

Each cost component significantly improved in 2Q compared to 1Q

Breakdown of revenue and expenses 1Q FY2021; JPY millions



2Q FY2021; JPY millions



1 "RS" represents revenue sharing with alliance partners

2 "Transaction-linked expenses" include account opening expenses, fees of instant deposits, automated deposits and withdrawals

3 "Real estate related expenses, etc." include real estate related expenses, server costs, other sales and administrative expenses

“Robo-NISA,” the first managed NISA account in Japan,¹ was launched on Feb. 17, 2021

WealthNaviがNISAに対応!



おまかせ NISA

2021年2月17日よりスタート



※画面はイメージです

¹ WealthNavi analysis on February 12, 2021, based on websites of the companies listed as “wrap account” managers on Japan Investment Advisers Association, “Contract Asset Status, September 2020”. “NISA” stands for “Nippon Individual Savings Account,” a tax exemption program for small investments

“Robo-NISA” is a tax-free managed account powered by WealthNavi

Three benefits of “Robo-NISA”

Tax-free

Invest up to JPY
1.2M per year free of
tax for up to 5 years¹

**Globally
diversified
portfolio**

Build a globally
diversified portfolio
with WealthNavi

**Fully
automated**

Manage both NISA
and taxable accounts
holistically and
automatically

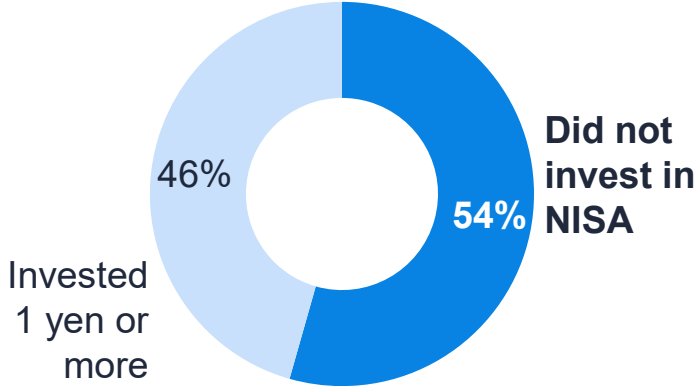
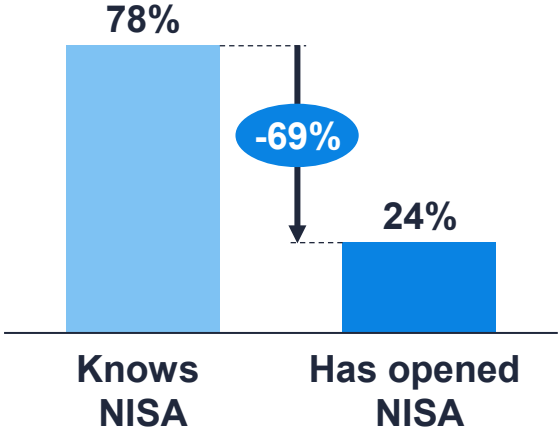
¹ “Robo-NISA” utilizes general NISA, not monthly (“Tsumitate”) NISA. Up to JPY 1.2M can be invested in a NISA account every year for up to 5 years, and capital gains and dividends on investments in the NISA account are exempt from Japanese individual income tax and local taxes for up to 5 years

NISA isn't widely used despite its wide recognition

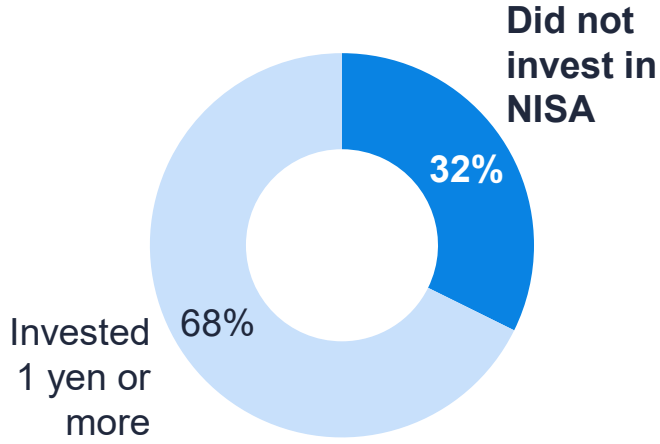
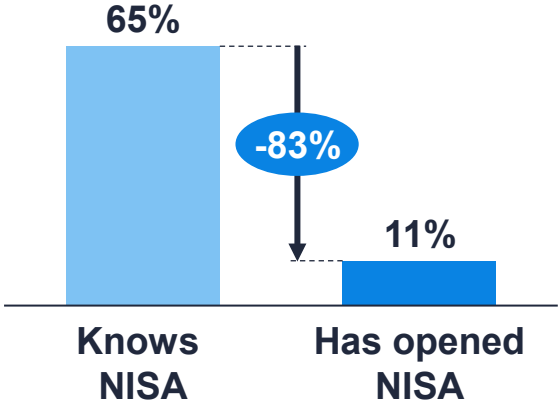
Most people know about NISA, but most have not opened NISA accounts¹

Nearly half of NISA accounts were dormant in 2020²

General NISA



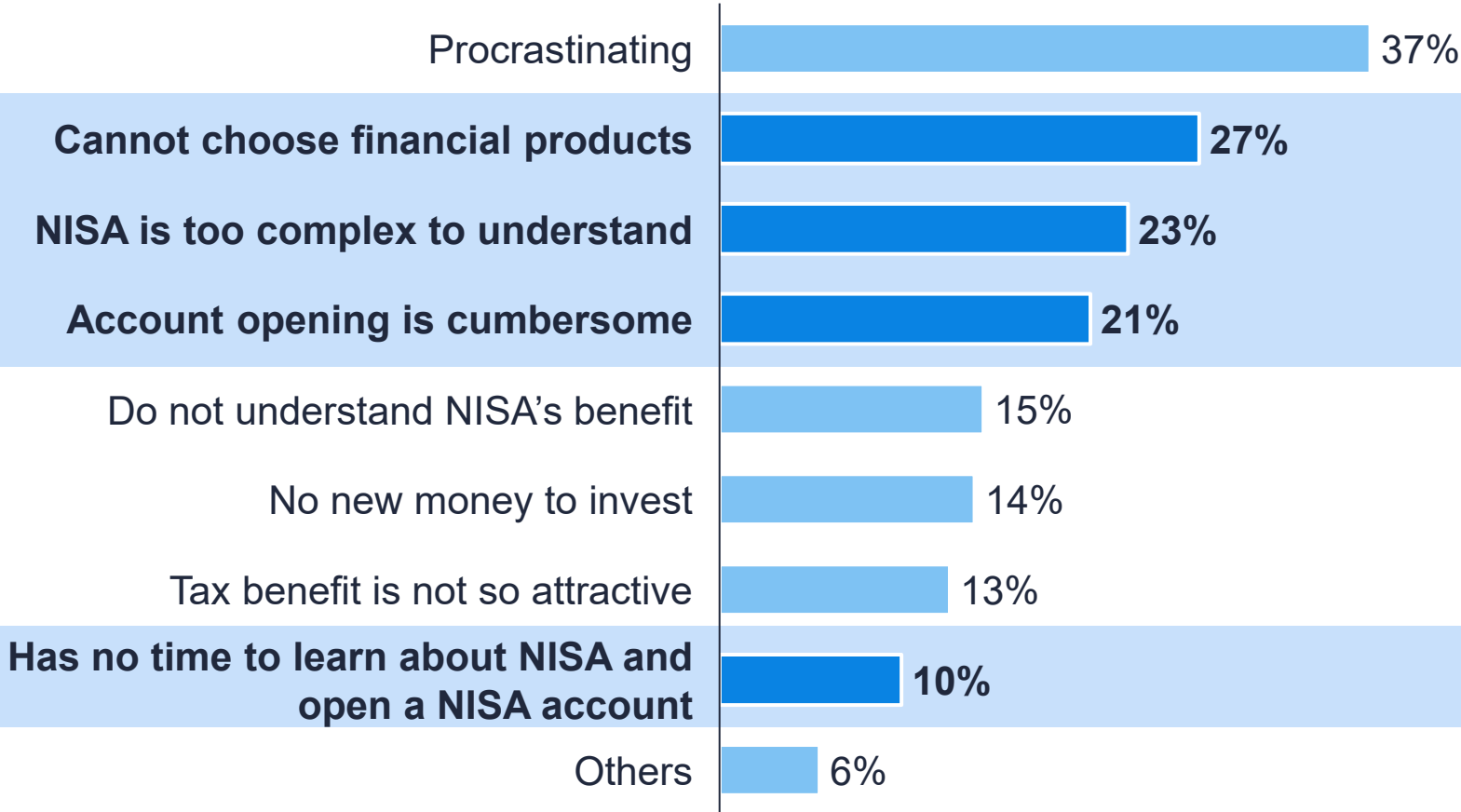
Monthly "Tsumitate" NISA



¹ WealthNavi analysis based on the Investment Trusts Association, "Report of survey on mutual funds in 2020 – NISA, iDeCo, etc."
² WealthNavi analysis based on FSA, "Research of activities in NISA accounts as of the end of 2020"

Many people do not use NISA because of its complicated rules and procedures

Reasons for not using NISA



1 WealthNavi analysis based on the result of a questionnaire of 949 users conducted by WealthNavi in February 2021

By leveraging a tax-free account, WealthNavi users can accelerate their wealth building

Average AuM and investment goal¹
JPY; WealthNavi users

Investment goal²

19.2M

1.0M

1.2M

1.4M

1.7M

Accelerate towards their investment goals with **tax-free** NISA investments of up to **JPY 1.2M annually** for up to 5 years

2018

2019

2020

2021 2Q

¹ As of end of each year

² Average of investment goals set by WealthNavi's life-planning tool as of June 30, 2021

Issue

- Have neither the time nor the knowledge to manage my own assets

Solutions

- Fully automated globally diversified investment
- Automatic recurring deposits

Impact

- Developed the habit of saving money every month
- Experienced my balance gradually going up and up

User's voice

I used to think you needed special expertise to invest. So, what I like about WealthNavi is that it works for ordinary office workers like me. There is a limit to how well I can diversify and manage assets on my own. But, when I gave this service a try, I realized it was simple – something well within my capabilities. It's great that I can leave decisions to the robo-advisor and not have to worry about it.

Note: The above customer comments are examples taken from interviews with specific users. This is an example of the user's personal experience and does not necessarily objectively demonstrate the benefits of the WealthNavi service



WealthNavi user
Male, 30s / IT sales



WealthNavi user

Female, 40s / Landscape designer

Issues

- No financial expertise
- Very little money to start wealth management

Solutions

- Automatic construction of optimized portfolio
- Minimum investment of only 100,000 yen

Impact

- I started investing despite my lack of expertise
- My attitude toward investing changed

User's voice

I used to think that wealth management was beyond me, but when I realized you only needed 100,000 yen, I started thinking this was something even I could do. WealthNavi is very easy – you just answer a few questions and it automatically selects the best portfolio for you. My impression of investing has changed.

I would like to continue as long as possible.

Note: The above customer comments are examples taken from interviews with specific users. This is an example of the user's personal experience and does not necessarily objectively demonstrate the benefits of the WealthNavi service

Issues

- Difficult to manage assets on my own
- Concerned about the risk associated with individual stocks

Solutions

- Automated wealth management
- Fully automated globally diversified investment

Impact

- Easily created a diversified portfolio
- Stopped worrying about the ups and downs of the market

User's voice

Once you set your risk tolerance and make a deposit, the service does the rest for you. I think WealthNavi's appeal lies in automated processes such as re-balancing and tax optimization. Also, I used to worry a little about my investments because I had Japanese equities only, so I like how WealthNavi lets me diversify globally. I'm also grateful that now I don't have to worry about every up and down in the market.

Note: The above customer comments are examples taken from interviews with specific users. This is an example of the user's personal experience and does not necessarily objectively demonstrate the benefits of the WealthNavi service



WealthNavi user

Male, 30s / Manufacturing back office



Issues

- It's a pain to open a brokerage account
- I didn't know anyone I could ask for advice

Solutions

- Can open an account entirely online
- Easy to read and use UI/UX

Impact

- Completed the whole sign-up process online
- Now have a reliable advisor for wealth management

User's voice

Investing involves lots of time-consuming paperwork, but WealthNavi is attractive because it can all be done online. The app and website are easy to read and use. I feel they were designed from the users' point of view. Also, I can count on the robo-advisor's automated service. It is good to have someone else to rely on.

Note: The above customer comments are examples taken from interviews with specific users. This is an example of the user's personal experience and does not necessarily objectively demonstrate the benefits of the WealthNavi service



Helping working families build wealth

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