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Summary of Non-consolidated Financial Results  
for the Nine Months Ended September 30, 2021  
[Japanese GAAP]



November 12, 2021

Company name: WealthNavi Inc.  
Listing: Tokyo  
Securities code: 7342 URL: <http://www.wealthnavi.com>  
Representative: Representative Director and CEO Kazuhisa Shibayama  
Contact: Director, CFO Gaku Hirose (TEL) +81-3-6632-4911  
Scheduled date to file quarterly Securities Report: November 12, 2021  
Scheduled date to commence dividend payments: -  
Preparation of supplementary materials on quarterly financial results: Yes  
Holding of quarterly financial results presentation meeting: Yes (for institutional investors and analysts)

(Millions of yen with fractional amounts rounded down, unless otherwise noted)

1. Non-consolidated financial results for the nine months ended September 30, 2021 (from January 1, 2021 to September 30, 2021)

(1) Non-consolidated operating results (cumulative)

(Percentages indicate year-on-year changes)

	Operating revenue		Net operating revenue		Operating profit		Ordinary profit		Net profit	
	million yen	%	million yen	%	million yen	%	million yen	%	million yen	%
Nine months ended September 30, 2021	3,210	81.9	3,195	82.6	(268)	-	(268)	-	(271)	-
September 30, 2020	1,764	-	1,750	-	(766)	-	(765)	-	(767)	-

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended September 30, 2021	(5.96)	-
September 30, 2020	(18.08)	-

Note 1. As the Company has not prepared non-consolidated financial statements for the nine months ended September 30, 2019, the percentage indicating year-over-year changes is not shown for the nine months ended September 30, 2020.

- The Company conducted a 3-for-1 stock split of common stocks effective on August 30, 2020. Basic earnings per share and diluted earnings per share are calculated assuming the stock split was conducted at the beginning of the previous fiscal year.
- Diluted earnings per share for the nine months ended September 30, 2021 is not depicted because, although potential shares exist, the basic loss per share is reported. Also diluted earnings per share for the nine months ended September 30, 2020 is not depicted because, although potential shares exist, the Company's shares were unlisted and the average share price was not available for that period as well as the basic loss per share was reported.

(2) Non-consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	million yen	million yen	%
September 30, 2021	19,330	7,318	37.9
December 31, 2020	15,378	6,916	45.0

(Reference) Equity: As of September 30, 2021 7,318 million yen As of December 31, 2020 6,916 million yen

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended December 31, 2020	-	0.00	-	0.00	0.00
Fiscal year ending December 31, 2021	-	0.00	-		
Fiscal year ending				0.00	0.00

December 31, 2021 (Forecast)					
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Note: Revisions to the forecast of cash dividends most recently announced: None

### 3. Non-consolidated earnings forecast for the fiscal year ending December 31, 2021 (from January 1, 2021 to December 31, 2021)

(Percentages indicate year-on-year changes)

	Operating revenue		Operating profit excluding advertising expenses	
	million yen	%	million yen	%
Fiscal year ending December 31, 2021	4,316	71.5	1,076	586.2

Note 1. Operating profit excluding advertising expenses is the sum of the operating profit and advertising expenses.

2. Revisions to the earnings forecast most recently announced: None

#### \* Notes

(1) Adoption of accounting treatment specific to the preparation of quarterly non-consolidated financial statements: None

(2) Changes in accounting policies, changes in accounting estimates, and restatement

(i) Changes in accounting policies in accordance with changes in accounting standards, etc.: No

(ii) Changes in accounting policies due to other reasons: None

(iii) Changes in accounting estimates: None

(iv) Restatement: None

(3) Number of shares issued (common shares)

(i) Number of shares issued at the end of the period (including treasury shares)

As of September 30, 2021 45,593,749 shares

As of December 31, 2020 44,967,649 shares

(ii) Number of treasury shares at the end of the period

As of September 30, 2021 4 shares

As of December 31, 2020 - shares

(iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Nine months ended September 30, 2021 45,549,212 shares

Nine months ended September 30, 2020 42,467,649 shares

\* Quarterly financial results reports are exempt from quarterly review conducted by certified public accountants or an audit corporation.

#### \* Explanation of the proper use of earnings forecasts, and other special matters

The forward-looking statements such as earnings forecasts contained in these materials are based on information currently available to the Company and certain assumptions deemed to be reasonable. These statements do not purport that the Company pledges to realize such statements. Because of variable factors, actual results may differ from the forecast figures. For information regarding assumptions upon which the Company's results forecasts are based and notes regarding the use of forecasts, please refer to page 2 of the attached materials 1. Qualitative information regarding quarterly results (3) Explanation regarding non-consolidated forecasts and forward-looking statements.

## Attached Materials

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## 1. Qualitative information regarding quarterly results

### (1) Explanation of operating results

During the nine months of the fiscal year, the global economy, in general, continued to recover from the COVID-19 pandemic while the situation varied from country to country. Japanese economy, however, remained uncertain despite expectations for reopening of economy with high vaccination rates and epidemic prevention measures.

In light of this environment, the Company has actively expanded the functions of its fully automated robo-advisor “WealthNavi,” increased the number of its alliance partners, hired human resources to strengthen its business base, and engaged in advertising activities such as TV commercials, all to achieve continuous business growth.

Regarding the expansion of the functions of “WealthNavi,” the Company began offering “Robo-NISA” as part of its direct business in February. “Robo-NISA” is a feature leveraging the NISA’s tax exemption merits while enabling the wealth management of long-term investment with a globally diversified portfolio through “WealthNavi.” The Company also started offering “Robo-NISA” for 15 alliance partners. The details are as follows (below) -

June: “WealthNavi for SBI Securities,” a service provided in partnership with SBI Securities Co., Ltd.

“Hokkoku Omakase Navi,” a service provided in partnership with The Hokkoku Bank, Ltd

July: “WealthNavi for SBI Sumishin Net Bank,” a service provided in partnership with SBI Sumishin Net Bank, Ltd

“WealthNavi for Sony Bank,” a service provided in partnership with Sony Bank Inc.

August: 11 other alliance partners

In addition, the Company has been promoting the expansion of its alliance partners. In August, the Company and The Chukyo Bank, Ltd. started offering “Chukyo Omakase Navi”. Also the Company concluded business alliance agreements with The Taiko Bank, Ltd. in June and plans to offer a managed account service with a hybrid of online and face-to-face support.

As a result, as of September 30, 2021, there were 303 thousand users and assets under management totaled 548.8 billion yen.

Consequently, for the nine months ended September 30, 2021, the operating revenue was 3,210 million yen (up 81.9% year-over-year), and the net operating revenue after deducting financial expenses of 15 million yen from the total operating revenue was 3,195 million yen (up 82.6% year-over-year), for the nine months ended September 30, 2021. In addition, the selling, general, and administrative expenses cost was 3,463 million yen (up 37.6% year-over-year), resulting in an operating profit excluding advertising expenses of 954 million yen (up 1,255.8% year-over-year), an operating loss of 268 million yen (a loss of 766 million yen in the same period of previous fiscal year; same hereinafter), an ordinary loss of 268 million yen (a loss of 765 million yen), and a quarterly net loss of 271 million yen (a loss of 767 million yen).

The Company only operates in a single segment being the robo-advisor business, and thus, no segment information is reported.

### (2) Explanation of financial position

#### (Assets)

Total assets as of September 30, 2021 were 19,330 million yen, up 3,952 million yen from the end of the previous fiscal year. This was mainly due to the increase of 3,400 million yen in cash segregated as deposits for customers.

#### (Liabilities)

Total liabilities as of September 30, 2021 were 12,012 million yen, up 3,550 million yen from the end of the previous fiscal year. This was mainly due to a 3,370 million yen increase in deposits received associated with the increase in funds received from customers, etc.

#### (Net assets)

Total net assets as of September 30, 2021 were 7,318 million yen, up 402 million yen from the end of the previous fiscal year. This was mainly caused by an increase in share capital of 336 million yen from a third-party allotment related to a secondary offering through an over-allotment etc., an increase in legal capital surplus of 336 million yen, and a decrease in retained earnings of 271 million yen due to the recording of a net loss.

### (3) Explanation of non-consolidated financial results forecasts and other forward-looking statements

There is no change to the financial results forecast for the year-ending December 31, 2021 announced on May 14, 2021.

## 2. Quarterly financial statements and significant notes thereto

### (1) Quarterly balance sheets

(Units: Thousands of yen)

	As of December 31, 2020	As of September 30, 2021
<b>Assets</b>		
Current assets		
Cash and deposits	8,613,814	9,465,471
Cash segregated as deposits	4,610,000	8,010,000
Cash segregated as deposits for customers	4,610,000	8,010,000
Trading products	43	60
Trade date accrual	398	2,025
Advances paid	9,784	5,033
Advance payments	4,000	7,300
Prepaid expenses	39,251	62,239
Accounts receivable - other	24,367	6,355
Accrued income	289,200	465,417
Due from banks	1,525,641	1,058,835
Other current assets	589	558
<b>Total current assets</b>	<b>15,117,090</b>	<b>19,083,297</b>
Noncurrent assets		
Property, plant, and equipment		
Buildings	68,440	68,440
Equipment	64,006	57,874
Accumulated depreciation	(64,272)	(73,042)
<b>Total property, plant, and equipment</b>	<b>68,174</b>	<b>53,272</b>
Intangible assets		
Software	47,808	88,210
Software in progress	40,965	1,392
Trademark right	1,100	987
<b>Total intangible assets</b>	<b>89,874</b>	<b>90,590</b>
Investments and other assets		
Lease and guarantee deposits	97,325	97,325
Long-term prepaid expenses	5,773	6,507
<b>Total investments and other assets</b>	<b>103,099</b>	<b>103,833</b>
<b>Total noncurrent assets</b>	<b>261,149</b>	<b>247,696</b>
<b>Total assets</b>	<b>15,378,239</b>	<b>19,330,993</b>

(Units: Thousands of yen)

	As of December 31, 2020	As of September 30, 2021
<b>Liabilities</b>		
Current liabilities		
Deposits received	7,075,298	10,445,795
Accounts payable - other	253,158	439,140
Accrued expenses	84,399	110,164
Income taxes payable	48,762	17,042
Current portion of convertible bond-type bonds with share acquisition rights	1,000,000	1,000,000
Total current liabilities	8,461,619	12,012,143
Total liabilities	8,461,619	12,012,143
Net assets		
Shareholders' equity		
Share capital	1,429,687	1,766,479
Capital surplus		
Legal capital surplus	6,444,452	6,781,244
Other capital surplus	45,690	45,690
Total capital surplus	6,490,142	6,826,934
Retained earnings		
Other retained earnings		
Retained earnings brought forward	(1,003,210)	(1,274,546)
Total retained earnings	(1,003,210)	(1,274,546)
Treasury stock	-	(17)
Total shareholders' equity	6,916,620	7,318,850
Total net assets	6,916,620	7,318,850
Total liabilities and net assets	15,378,239	19,330,993

## (2) Quarterly statement of income

(Units: Thousands of yen)

	For the nine months ended September 30, 2020	For the nine months ended September 30, 2021
<b>Operating revenue</b>		
Commission received	1,721,274	3,170,772
Net trading income	30,287	26,933
Financial revenue	762	548
Other operating revenue	12,597	12,600
Total operating revenue	1,764,921	3,210,853
Financial expenses	14,566	15,132
Net operating revenue	1,750,355	3,195,721
<b>Selling, general, and administrative expenses</b>		
Trading-related expenses	1,443,995	2,118,714
Personnel expenses	621,804	764,384
Real estate expenses	165,397	152,289
Office expenses	154,796	239,315
Depreciation	52,050	56,473
Taxes and dues	1,593	37,799
Other	77,275	94,904
Total selling, general, and administrative expenses	2,516,914	3,463,882
Operating loss	(766,558)	(268,160)
Non-operating income	3,463	2,669
Non-operating expenses		
Stock issuance expenses	-	2,897
Other	1,917	97
Total non-operating expenses	1,917	2,995
Ordinary loss	(765,012)	(268,486)
Loss before income taxes	(765,012)	(268,486)
Income taxes - current	2,850	2,850
Total income taxes	2,850	2,850
Loss	(767,862)	(271,336)

(4) Notes to quarterly financial statements

(Notes on premise of ongoing concern)

Not applicable

(Notes on significant changes in the amount of shareholders' equity)

For the nine months ended September 30, 2020 (From January 1, 2020 to September 30, 2020)

With a resolution passed at the annual shareholders' meeting held on March 27, 2020, the Company reduced its other capital surplus and transferred the amount to retained earnings brought forward to cover the deficit pursuant to Article 452 of the Companies Act. As a result, as of September 30, 2021, the Company's other capital surplus reduced by 2,060,805 thousand yen and retained earnings brought forward increased by 2,060,805 thousand yen.

For the nine months ended September 30, 2020 (From January 1, 2021 to September 30, 2021)

The Company issued 623,800 new shares through a third-party allotment (related to a secondary offering through an over-allotment) with payment completed on January 20, 2021, and share capital and legal capital surplus increased by 331,783 thousand yen respectively.

Also, share capital and legal capital surplus increased by 5,008 thousand yen respectively due to the issuance of new 2,300 shares as restricted stock-based compensation with payment completed on May 14, 2021.

As a result, as of September 30, 2021, the Company's share capital was 1,766,479 thousand yen, and capital surplus was 6,826,934 thousand yen.