



Financial Results for 3Q 2023

WealthNavi Inc.
Nov 10, 2023

Mission

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



Top Japanese robo-advisor with recurring revenues

Service launch

July 2016

of employees¹

160

Engineer & designer %
of all employees¹

53%

Users^{1, 2}

383K

% of 20s-50s users¹

84%

Average monthly churn rate³

<1%

Intention to use
for over 10 years⁴

57%

AuM¹

JPY928Bn

YoY AuM growth⁵

+34%

ARR⁶

JPY8.59Bn

Net AuM retention⁷

120%+

¹ As of September 30, 2023

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 September 2023)

⁴ From the results of the questionnaire survey conducted by WealthNavi in October 2023

⁵ Growth rate of AuM from September 30, 2022 to September 30, 2023

⁶ Annual Recurring Revenue. Calculated by multiplying monthly recurring revenue (Monthly Recurring Revenue, "MRR") before deducting revenue sharing in September 2023 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 September 2023)

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

Agenda

3Q 2023 business highlights

3Q 2023 financial highlights

Forecast for full-year 2023

Overview of New “Robo-NISA” to be launched in Jan. 2024

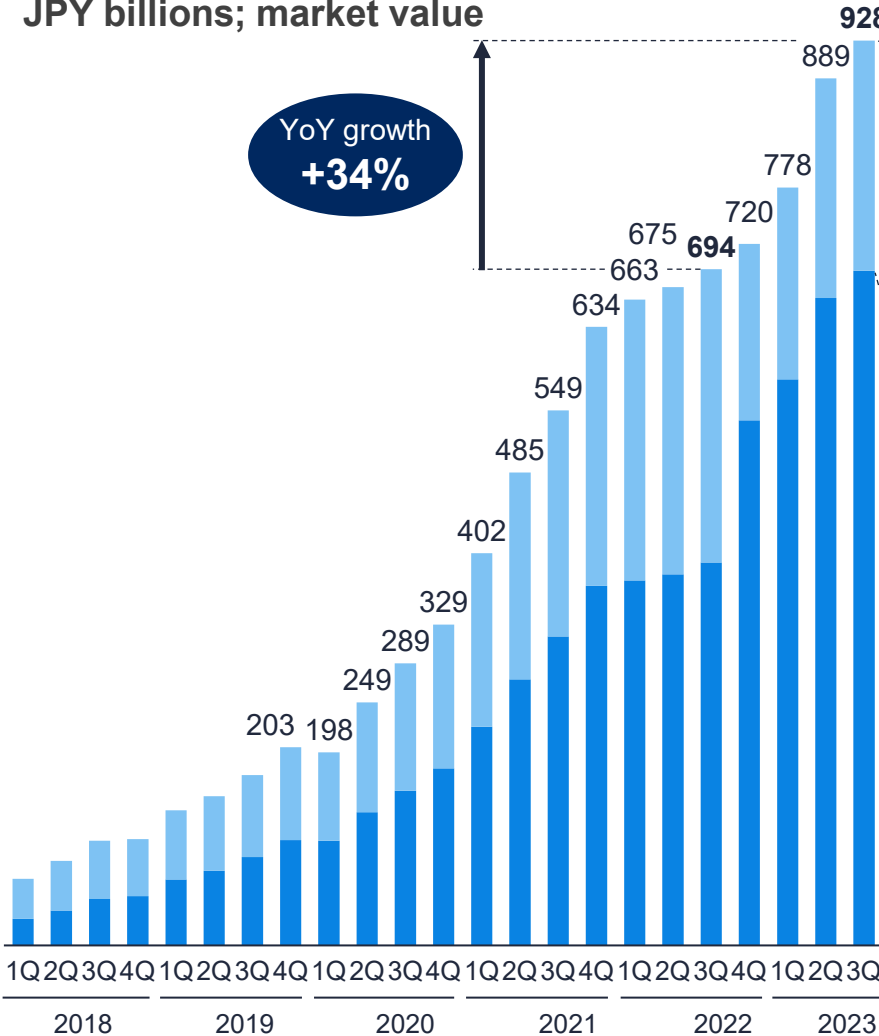
Appendices

Both direct and alliance channels drive growth

AuM trend

JPY billions; market value

YoY growth
+34%



Service	Partner	Launch
WealthNavi for 東邦銀行	Toho Bank	Apr. 2023
WealthNavi for オリックス銀行	ORIX Bank	Feb.
WealthNavi for 十六銀行	Juroku Bank	Nov. 2022
WealthNavi for 千葉銀行	Chiba Bank	Oct.
WealthNavi for AEON CARD	AEON Credit Service	Jul.
たいこうNavi ³	TAIKO Bank	Oct. 2021
〈中京〉おまかせNavi ³	Chukyo Bank	Aug.
夢おいNavi ³	Hamamatsu Iwata Shinkin Bank	Nov. 2020
WealthNavi for 三菱UFJ銀行	MUFG Bank	Nov.
岡三Navi ハイブリッド ³	Okasan Securities	Sep.
WealthNavi for 東京スター銀行	Tokyo Star Bank	Apr.
WealthNavi for ODAKYU	Odakyu	Nov. 2019
北国おまかせNavi ³	Hokkoku Bank	Oct.
WealthNavi for 東京海上日動	Tokio Marine Nichido	Aug.
WealthNavi for auじぶん銀行	au Jibun Bank	Jan.
WealthNavi for TOKYU POINT	Tokyu	Nov. 2018
WealthNavi for JAL	JAL	May
WealthNavi for 横浜銀行	Yokohama Bank	Apr.
WealthNavi for イオン銀行	AEON Bank	Mar.
WealthNavi for ソニー銀行	Sony Bank	Dec. 2017
WealthNavi for ANA	ANA	Sep.
WealthNavi for 住信SBIネット銀行	SBI Sumishin Net Bank	Feb.
WealthNavi		Jul. 2016

1 Channels available as of September 30, 2023

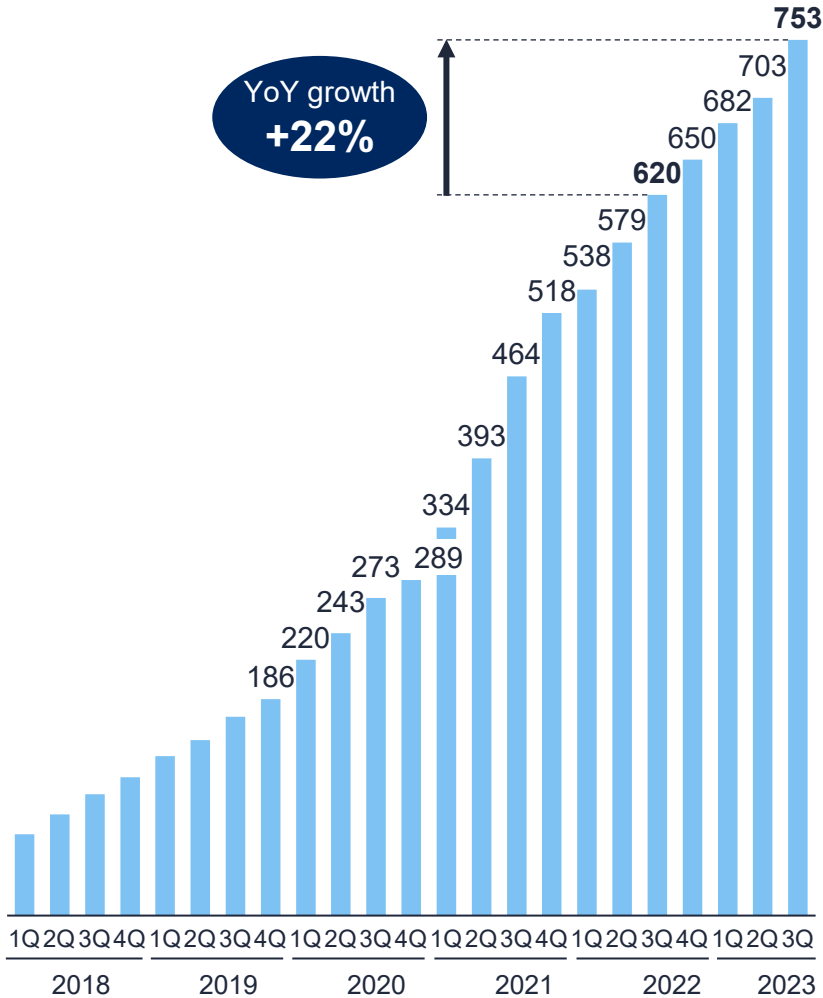
2 AuM through SBI Securities and SBI Neomobile securities are included in alliance channel until the termination date of the business alliances on November 4, 2022 and included in direct channel afterwards

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

Book-value AuM and number of users are growing

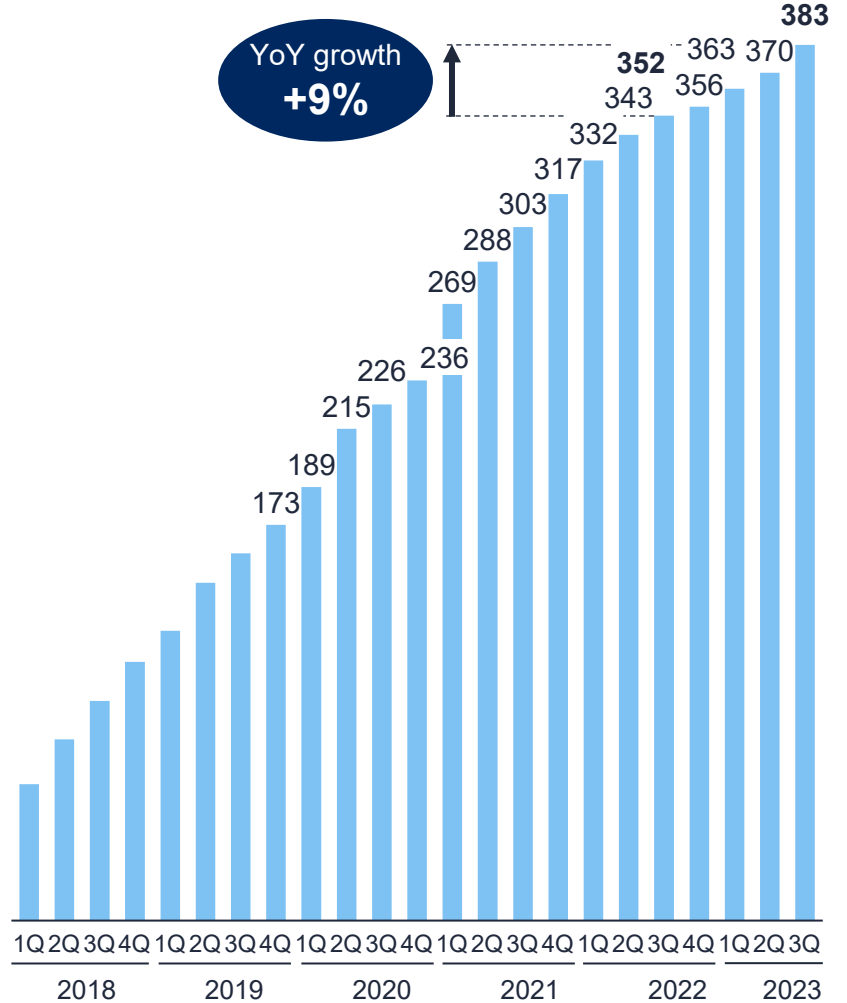
Book-value AuM

JPY billions; book value



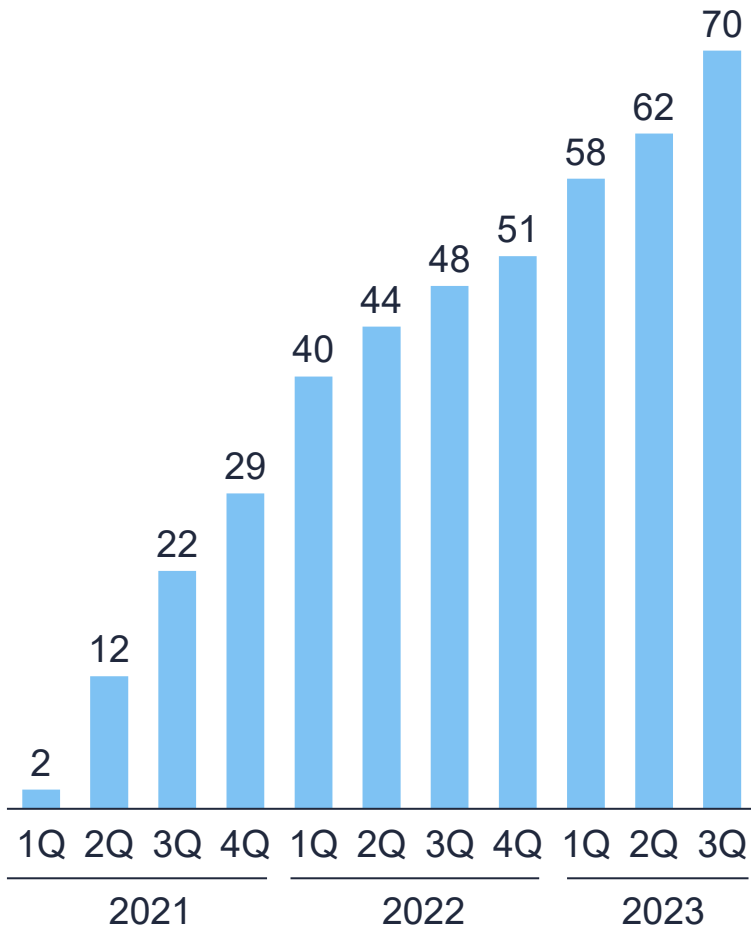
Number of users

Thousands

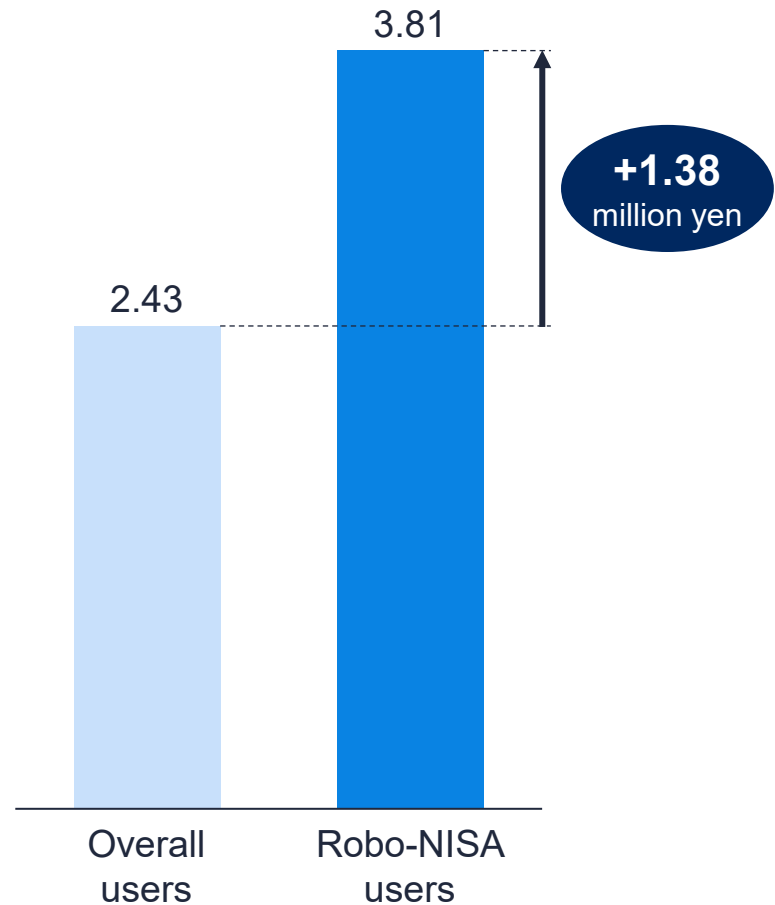


Robo-NISA contributes to AuM growth

Number of “Robo-NISA” users
Quarterly; thousands



AuM per user^{1,2}
JPY million; Sep. 2023



¹ AuM per user is calculated as follows. For overall average, dividing total AuM by the number of users. For average of Robo-NISA users, dividing total AuM of Robo-NISA users, a sum of regular account and NISA account, by the number of “Robo-NISA” users

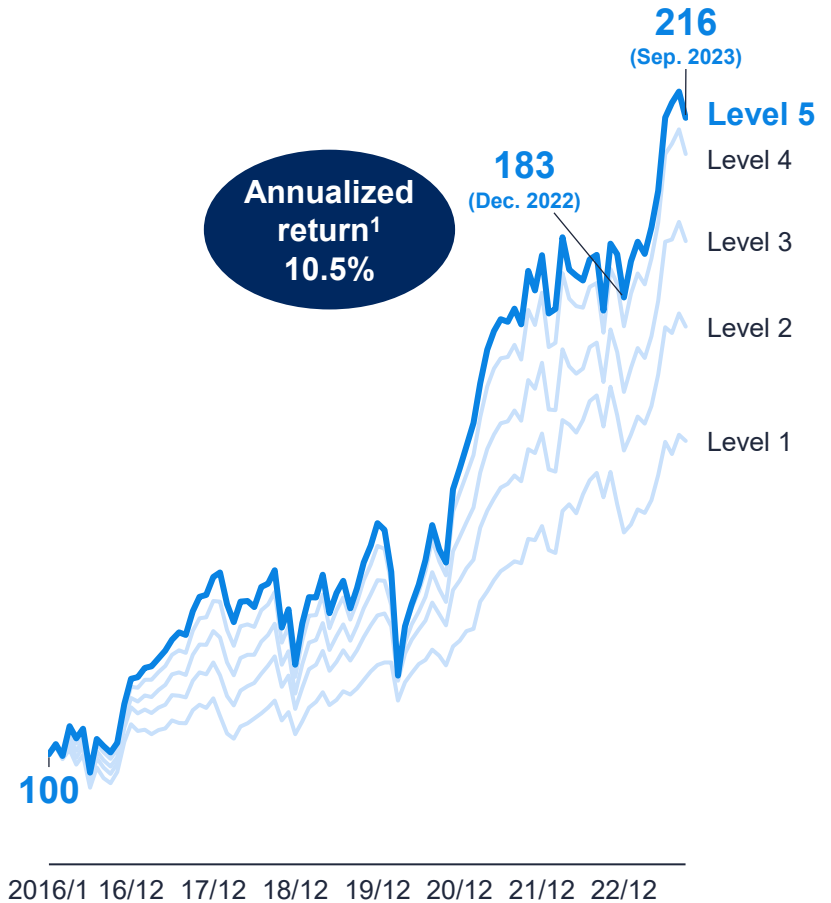
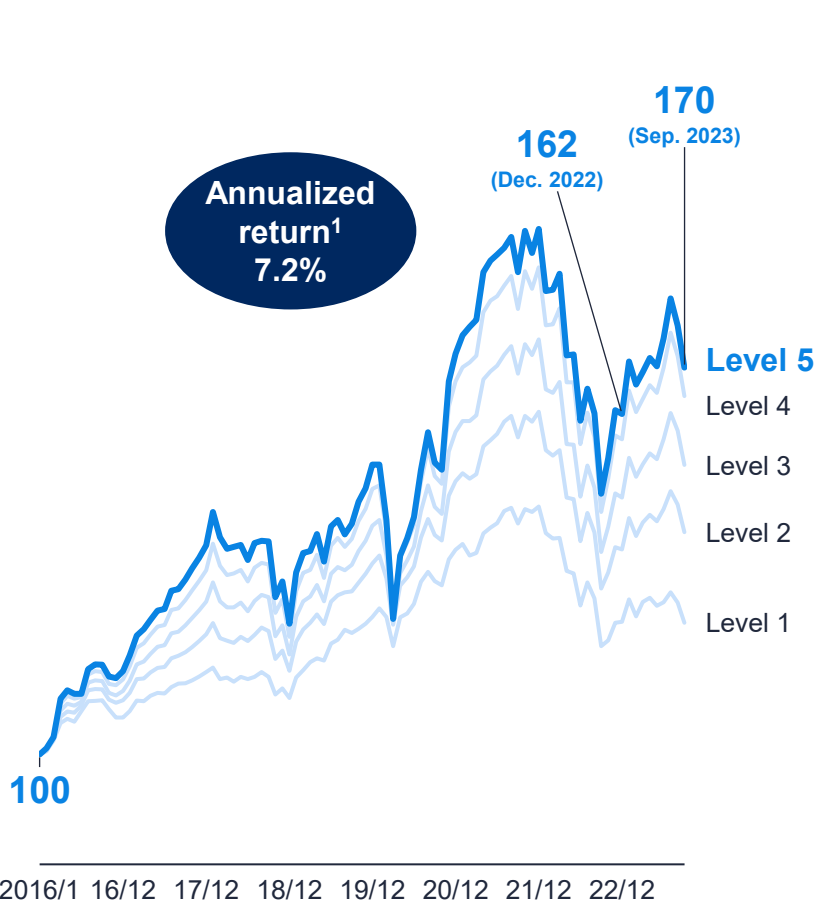
² Excluding users with AuM of 1 billion yen and above

Favorable performance – positive to AuM growth

Portfolio performance by risk tolerance level

USD-denominated; after fee

JPY-denominated; after fee



¹ Shows the annualized return of level 5, which 43% of users choose as of September 30, 2023

Notes: The investment performance is calculated by normalizing investment return of each wealth management plan setting the service launch date (January 19, 2016) to 100. In the performance calculation, the annual fee of 1% (1.1% including tax) of asset under management excluding cash is deducted from the daily return. Note that cash ratio is assumed to be 2%. No additional investment is assumed. Dividends are assumed to be reinvested on the ex-dividend date. Rebalancing is assumed to be carried out every six months. No consideration for taxes on dividends and capital gains from rebalancing.

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Steady progress in 3Q

- Maintained steady growth in operating revenue with a good increase in book-value AuM
- Achieved a high-level operating profit despite continued growth investments for business acceleration and expansion, including advertising and recruiting

Financial results

JPY millions

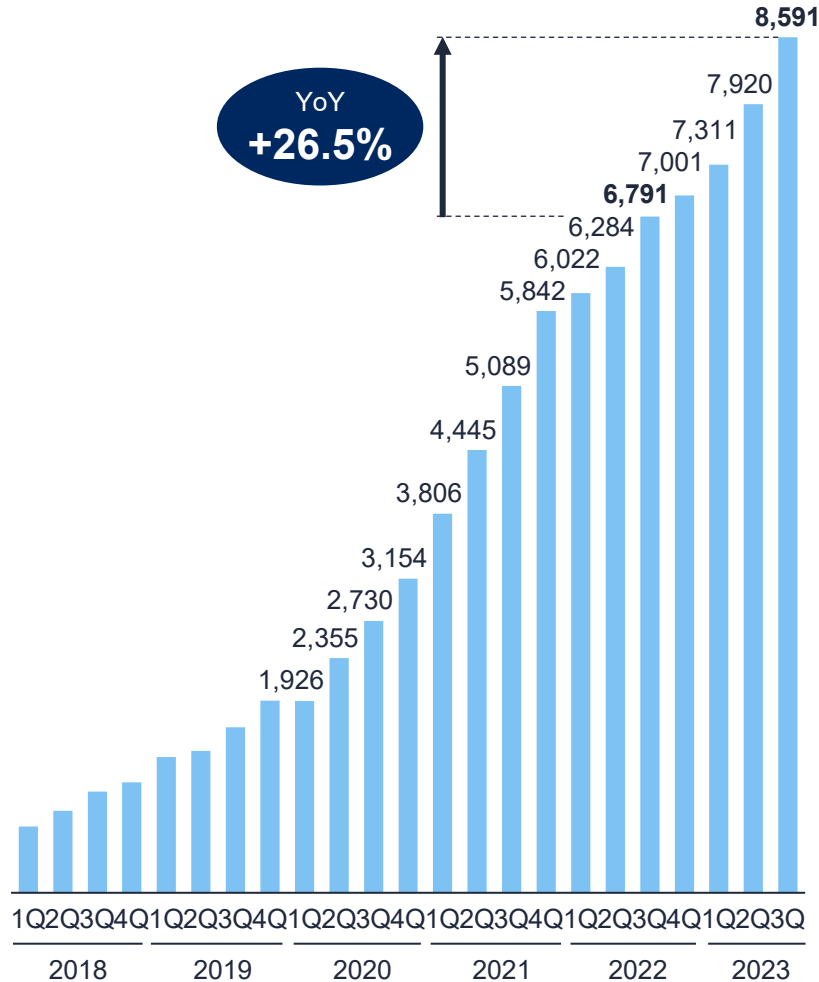
	3Q FY2023					1Q-3Q FY2023		
	Actuals	2Q FY2023		3Q FY2022		Actuals	1Q-3Q FY2022	
		Actuals	QoQ	Actuals	YoY		Actuals	YoY
Operating revenue	2,183	1,941	+12.5%	1,714	+27.3%	5,893	4,807	+22.6%
-) Revenue sharing	234	211	+10.8%	311	-24.6%	639	853	-25.1%
-) Transaction-linked expenses	238	221	+7.7%	196	+21.3%	673	591	+13.9%
-) Personnel expenses	485	451	+7.5%	372	+30.5%	1,378	1,065	+29.4%
-) Real estate related expenses, etc.	296	267	+11.0%	209	+41.7%	822	625	+31.4%
Operating profit excluding advertising expenses	927	788	+17.6%	625	+48.4%	2,379	1,671	+42.4%
-) Advertising expenses	587	571	+2.8%	520	+12.9%	1,850	1,536	+20.5%
Operating profit	340	217	+56.7%	105	+223.2%	529	135	+290.2%

Note: Fractions of one million yen are rounded down

Continued growth in ARR and operating revenue

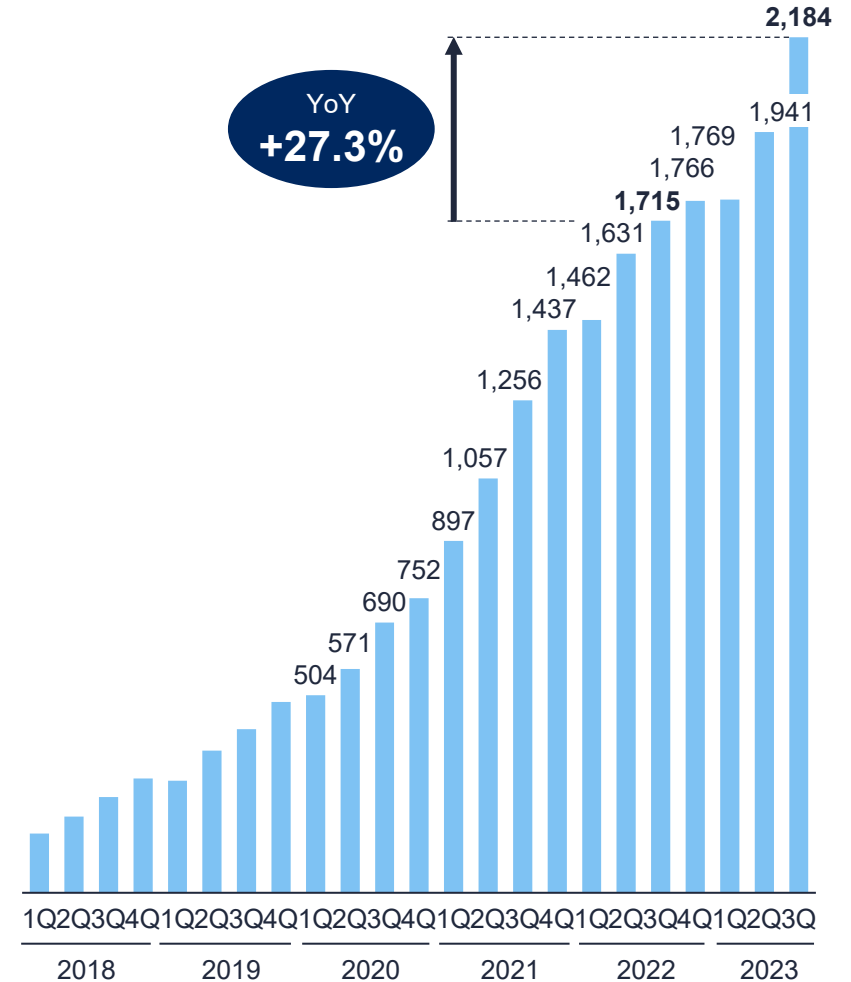
ARR

Quarterly; JPY millions



Operating revenue

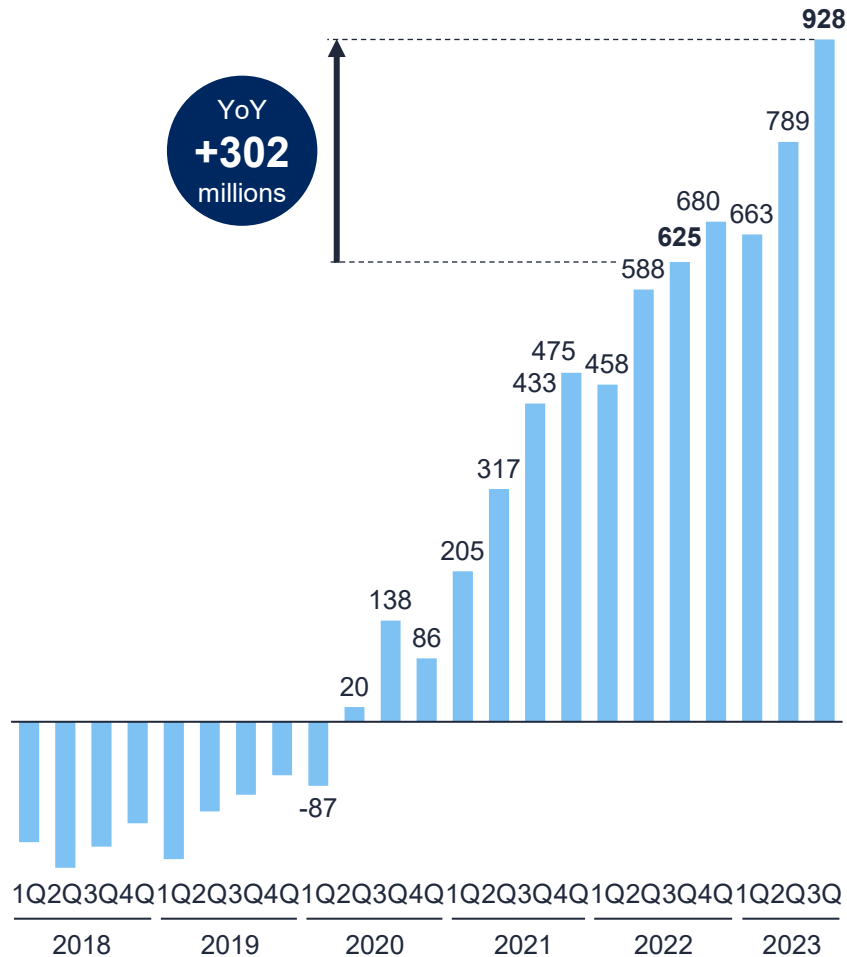
Quarterly; JPY millions



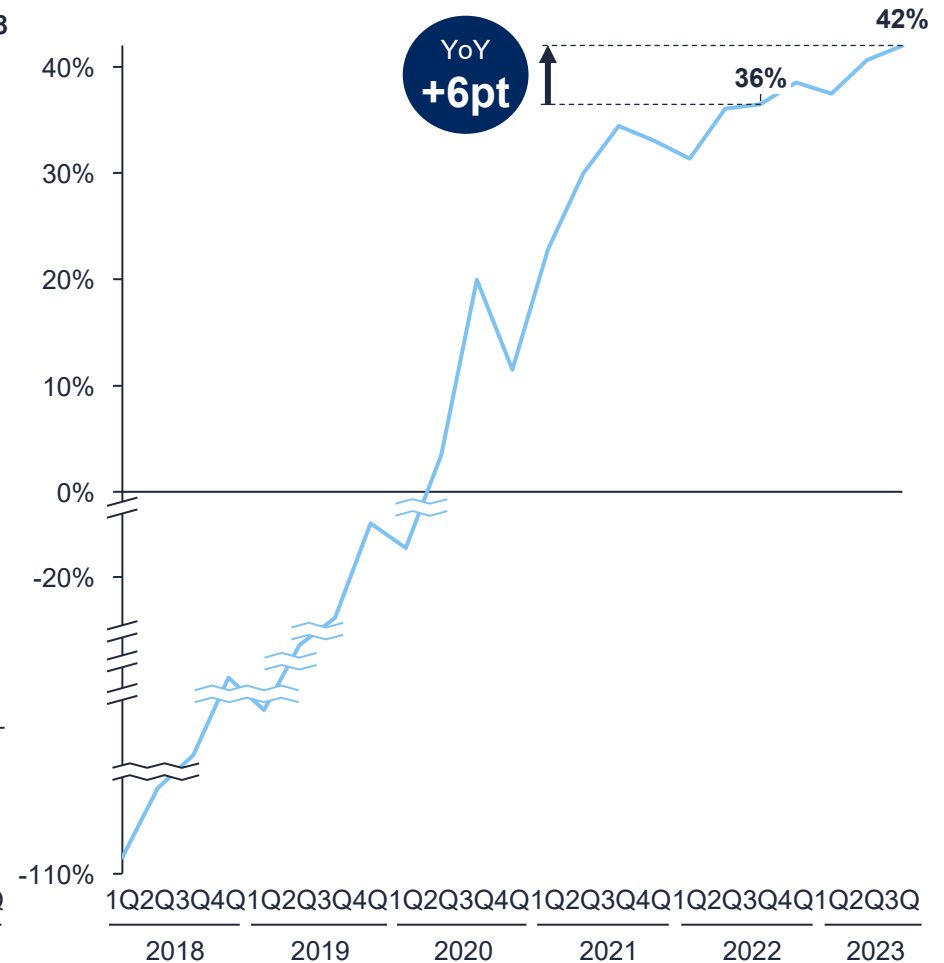
Note: Annual Recurring Revenue. Calculated by multiplying monthly recurring revenue (MRR : Monthly Recurring Revenue) before deducting revenue sharing in the last of each quarter by 12

Operating profit excluding advertising expenses has been growing steadily

Operating profit excluding advertising expenses
Quarterly; JPY millions

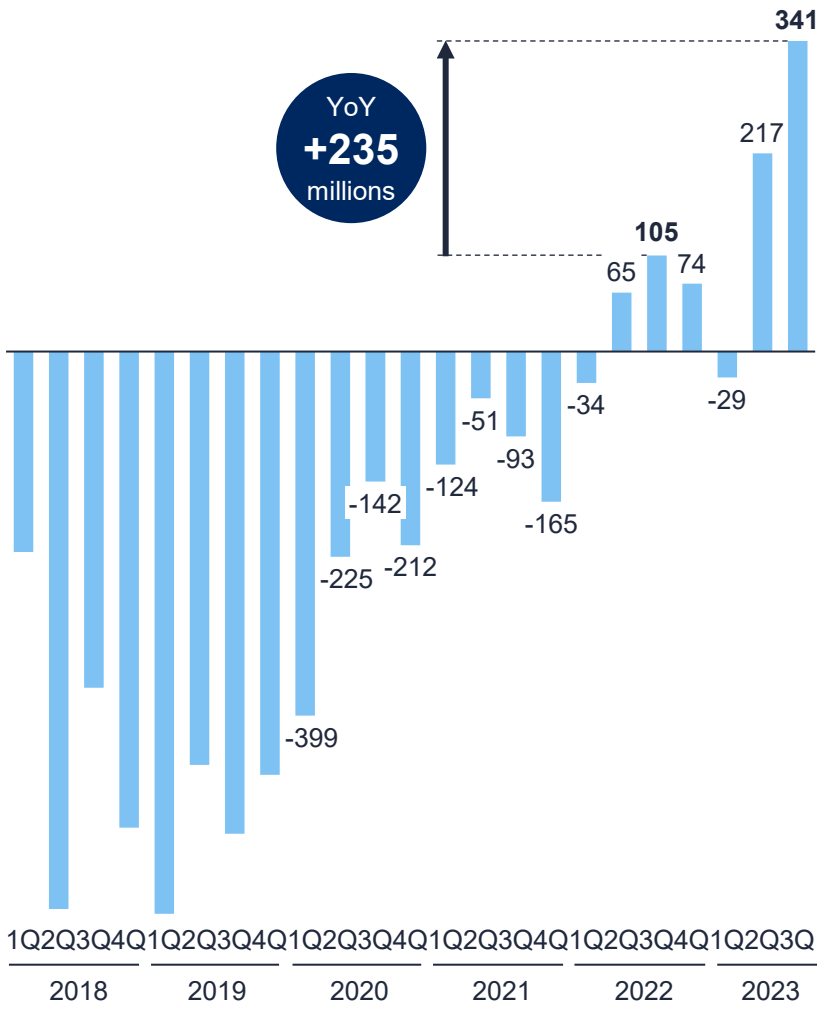


Operating profit margin excluding advertising expenses
Quarterly; %

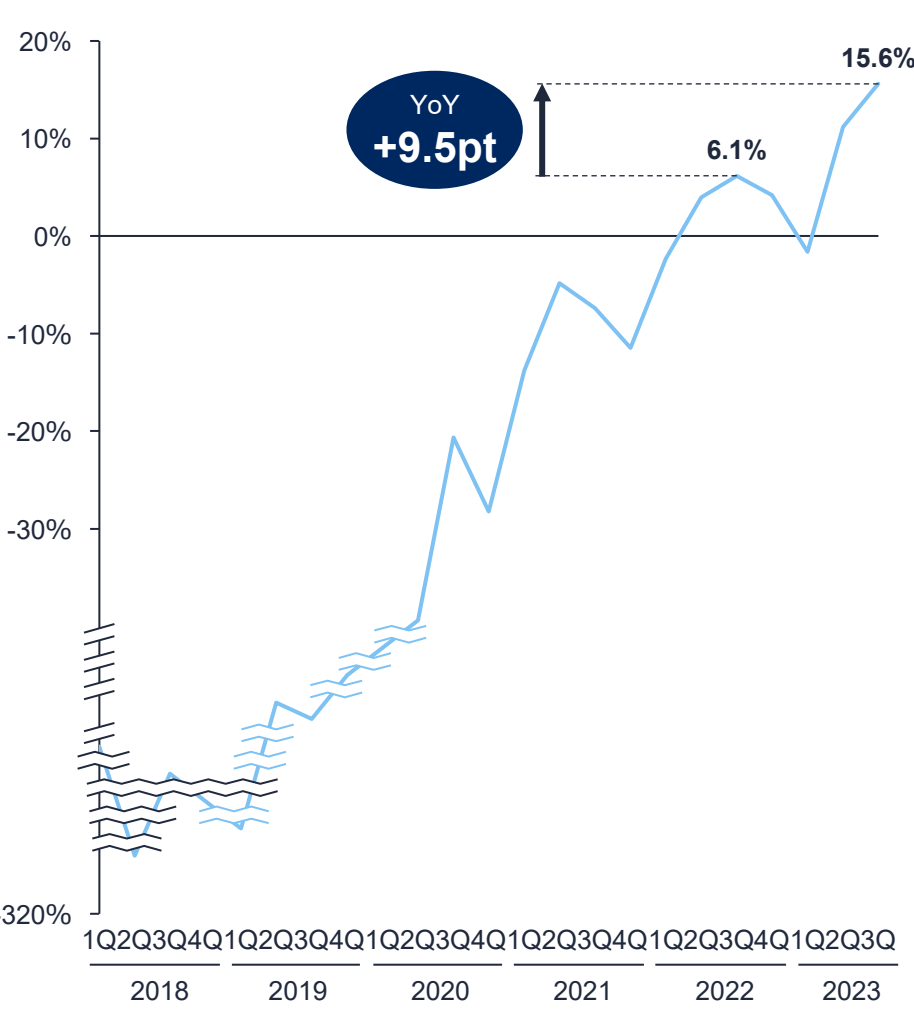


Achieving a record-high quarterly operating profit

Operating profit
Quarterly; JPY millions



Operating profit margin
Quarterly; %

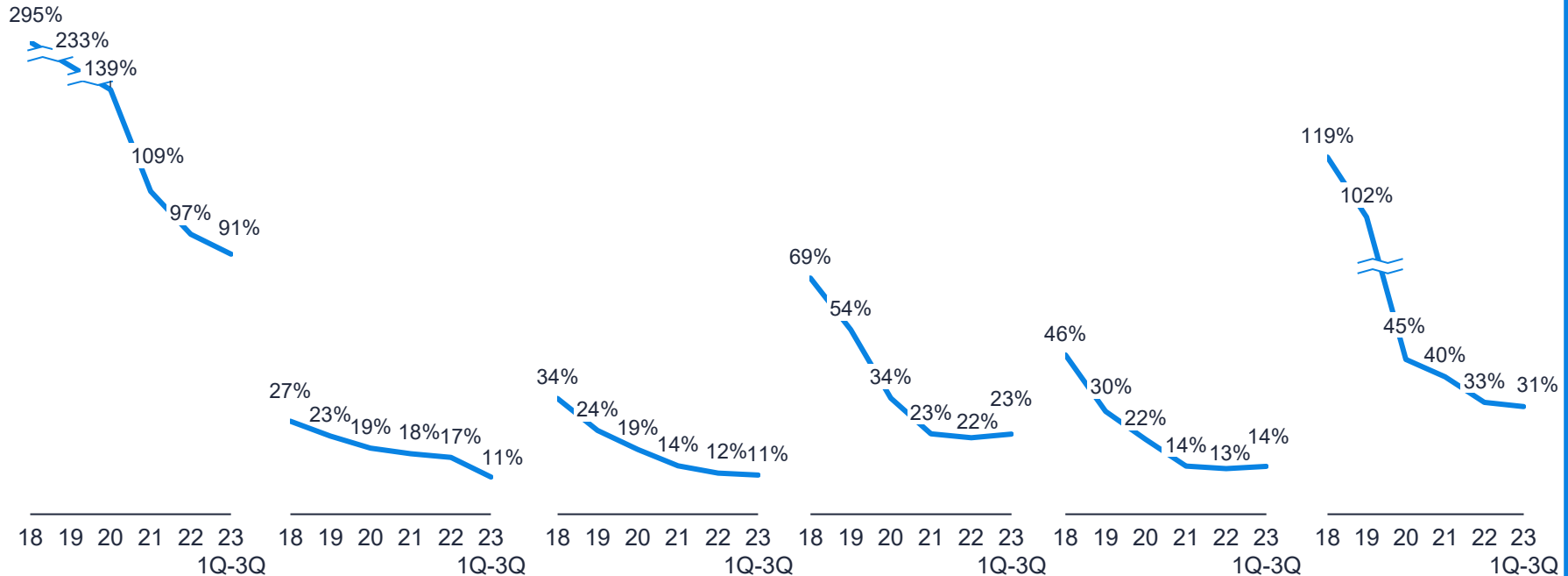


Cost structure improved while investing for growth

- Revenue sharing: improved due to the end of business alliances with two SBI companies
- Transaction-linked expenses: remained unchanged from 2Q
- Personnel expenses: increased with new hires for business expansion
- Real estate related expenses: increased primarily because of recruitment expenses
- Advertising expenses: remained at a high level, but efficiency improved in 3Q

Operating revenue ratio

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



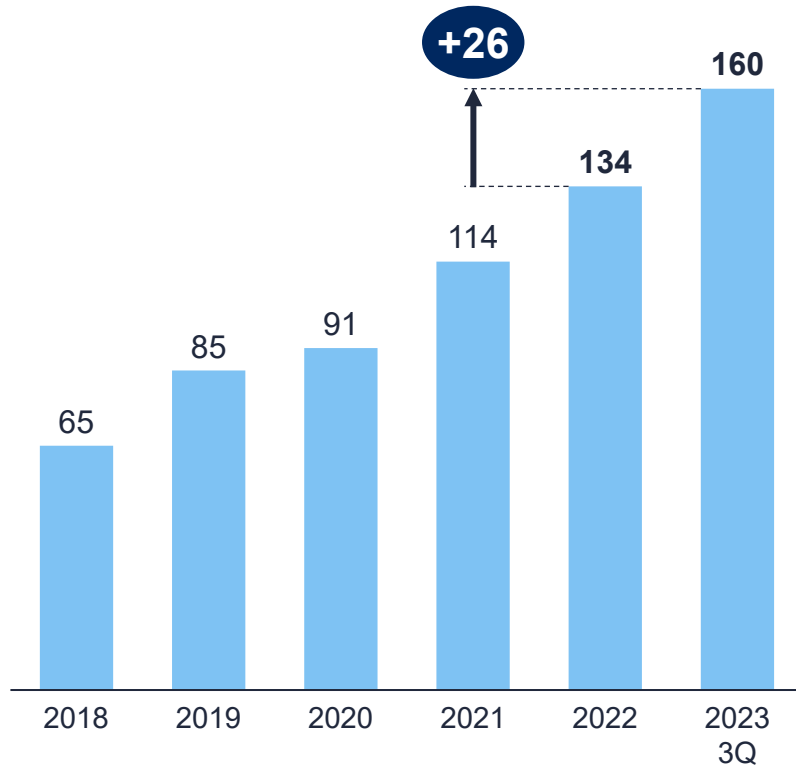
1 "Transaction-related expenses" include account opening expenses, deposit/recurring/withdrawal fees, etc.

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

Recruiting across functions to accelerate growth

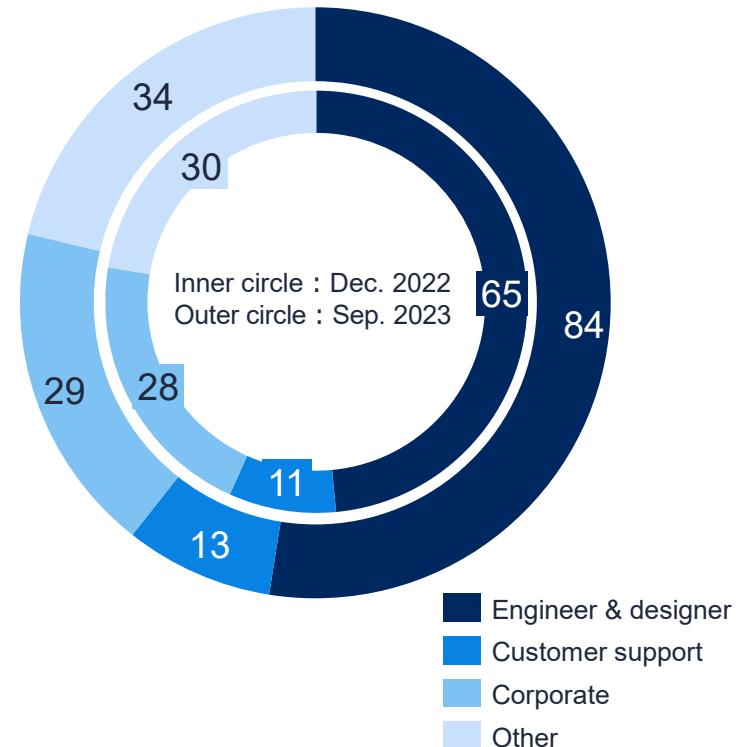
- Continued to strengthen the recruitment of engineers & designers to accelerate initiatives for New NISA as well as to develop new businesses

Number of employees



Breakdown of full-time staff by function

As of Dec. 2022 and Sep. 2023



Financial statements

Income statements

Quarterly; JPY millions

	2020				2021				2022				2023		
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Operating revenue	504	571	689	751	897	1,056	1,256	1,436	1,461	1,630	1,714	1,766	1,768	1,941	2,183
-) Revenue sharing	109	114	122	139	158	192	222	248	258	283	311	238	192	211	234
-) Transaction-linked expenses	125	108	118	122	153	163	165	173	201	193	196	198	213	221	238
-) Personnel expenses	224	209	186	228	238	248	277	325	350	342	372	400	441	451	485
-) Real estate related expenses, etc.	131	118	123	175	143	135	158	214	192	223	209	248	257	267	296
Operating profit excluding advertising expenses	(87)	19	137	86	204	316	432	474	458	587	625	680	662	788	927
-) Advertising expenses	312	244	280	298	328	367	525	639	492	523	520	606	691	571	587
Operating profit	(399)	(224)	(142)	(212)	(123)	(51)	(93)	(164)	(34)	64	105	74	(28)	217	340

Operating revenue ratio

-) Revenue sharing	22%	20%	18%	18%	18%	18%	18%	17%	18%	17%	18%	13%	11%	11%	11%
-) Transaction-linked expenses	25%	19%	17%	16%	17%	15%	13%	12%	14%	12%	11%	11%	12%	11%	11%
-) Personnel expenses	45%	37%	27%	30%	27%	24%	22%	23%	24%	21%	22%	23%	25%	23%	22%
-) Real estate related expenses, etc.	26%	21%	18%	23%	16%	13%	13%	15%	13%	14%	12%	14%	15%	14%	14%
Operating profit excluding advertising expenses	-17%	3%	20%	11%	23%	30%	34%	33%	31%	36%	36%	39%	37%	41%	42%
-) Advertising expenses	62%	43%	41%	40%	37%	35%	42%	44%	34%	32%	30%	34%	39%	29%	27%
Operating profit	-79%	-39%	-21%	-28%	-14%	-5%	-7%	-11%	-2%	4%	6%	4%	-2%	11%	16%

Note: Fractions of one million yen are rounded down

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No change in earnings forecast for 2023

- Our goal is to maximize mid/long-term free cash flow. To this end, we continue to invest proactively to fully realize our growth potential
- Our top priority for 2023 is to upgrade Robo-NISA to align with New NISA, which will start in January 2024
- We keep the full-year earnings forecast unchanged at this moment though we have made remarkable progress in 1-3Q. We plan to accelerate marketing activities for New NISA in 4Q, and continue to make proactive growth investments to build a multi-service platform

		<u>Actual</u> 2023 1-3Q	<u>Forecast</u> 2023 full-year	<u>Actual</u> 2022 full-year
Operating revenue		JPY 5,894 million Progress: 76%	JPY 7,717 million YoY: +17%	JPY 6,573 million YoY: +41%
Operating profit		JPY 529 million Progress: 245%	JPY 216 million YoY: +3%	JPY 210 million YoY: N/A
AuM (Reference)	Market value	JPY 928.4 billion Progress: 104%	JPY 891.2 billion ¹ YoY: +24%	JPY 719.7 billion YoY: +13%
	Book value	JPY 753.2 billion Progress: 97%	JPY 777.0 billion YoY: +20%	JPY 650.2 billion YoY: +25%

¹ Gap between market value and book value is fixed at the level of the end of April 2023 or 114.2 billion yen

Key assumptions and progress

- On track
- At risk
- Immediate action needed

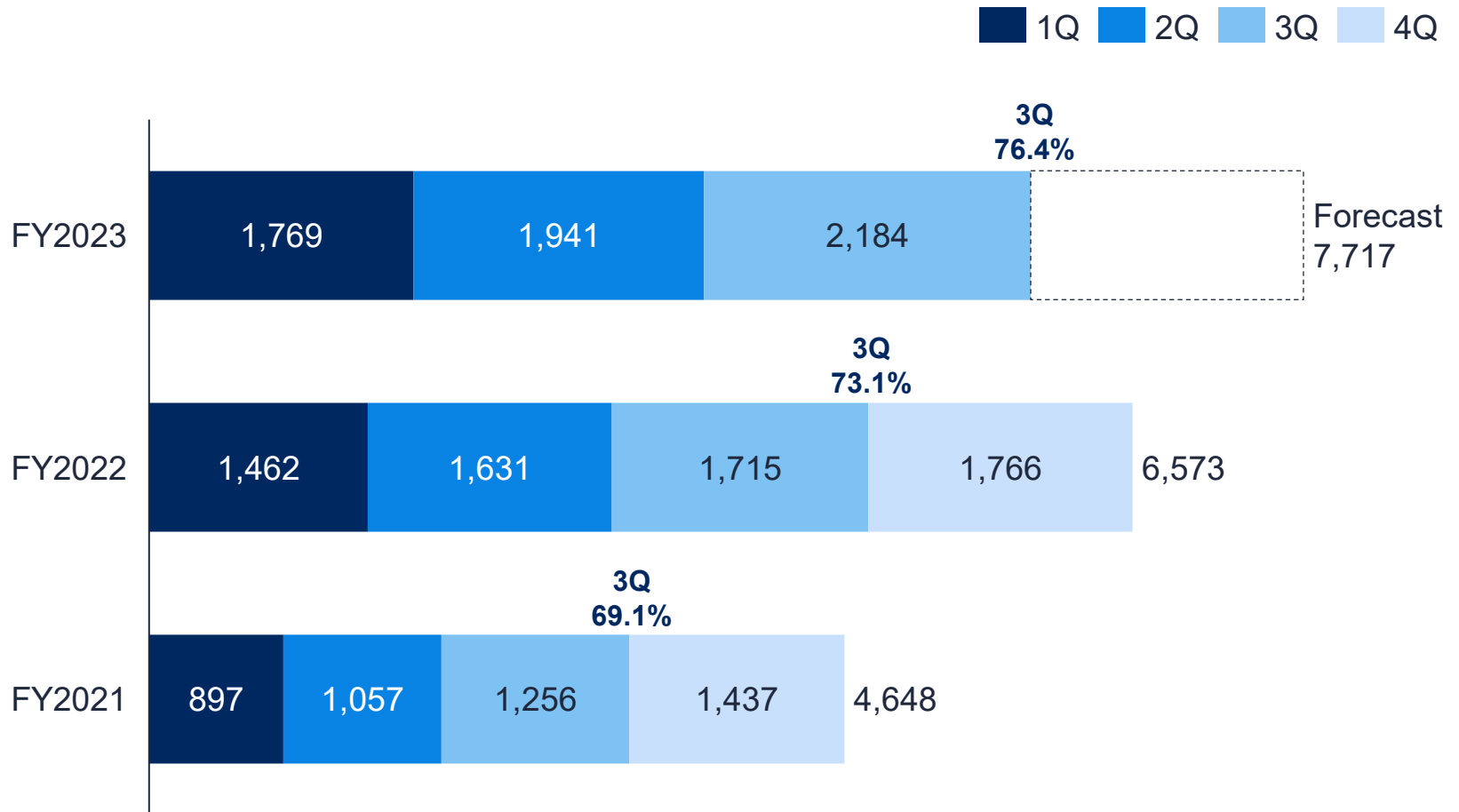
	Key assumptions as of May 12, 2023	Progress to date
Operating revenue	<ul style="list-style-type: none"> • Continues aggressive, yet disciplined, advertising aiming to acquire new users and enhance brand awareness <hr style="border-top: 1px dashed #ccc;"/> <ul style="list-style-type: none"> • Works together with the existing partners to start promoting New NISA and to shift assets from bank deposits 	<ul style="list-style-type: none"> ■ • Increased users by 13K in 3Q as a result of improved brand awareness through marketing activities and lower market volatility <hr style="border-top: 1px dashed #ccc;"/> <ul style="list-style-type: none"> ■ • Prepared to launch New Robo-NISA with existing partners • Reached a basic agreement on business with Rakuten Group companies¹ on September 25 • Aims to provide investment advisory services replicating “WealthNavi” to approximately 9.3 million Rakuten Securities users² • Plans to start offering it in spring 2024 as the first mutual fund product for WealthNavi
Operating profit	<ul style="list-style-type: none"> • Accelerates marketing activities on New Robo-NISA in 4Q <hr style="border-top: 1px dashed #ccc;"/> <ul style="list-style-type: none"> • Increases the number of employees to 164 at the year end, adding 30 people ✓ Continues to hire actively to accelerate the growth of existing business, to align with New NISA, and to develop a multi-service platform 	<ul style="list-style-type: none"> ■ • Announced the detailed product design of New Robo-NISA on August 10, and plan to accelerate marketing in 4Q 2023 <hr style="border-top: 1px dashed #ccc;"/> <ul style="list-style-type: none"> ■ • Increased FTEs by 26 in 1-3Q while continued to fortify talent density

¹ Rakuten Group companies denote Rakuten Securities and Rakuten Investment Management
² As of the end of June 2023

Steady progress toward earnings forecast

Progress to operating revenue forecast

FY2021-FY2023; JPY millions



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

JPY694Bn (Sep. 30, 2022) **▶** JPY928Bn (Sep. 30, 2023)

+34%

Number of users

352K (Sep. 30, 2022) **▶** 383K (Sep. 30, 2023)

+9%

Net AuM Retention¹

120%+ (Sep. 30, 2022) **▶** 120%+ (Sep. 30, 2023)

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 September 2023) (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%



68%

(Sep. 30, 2022)

(Sep. 30, 2023)

Average monthly automated deposit³

JPY44K



JPY45K

(Sep. 30, 2022)

(Sep. 30, 2023)

Average monthly churn rate⁴

<1%



<1%

(Sep. 30, 2022)

(Sep. 30, 2023)

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 September 2023)

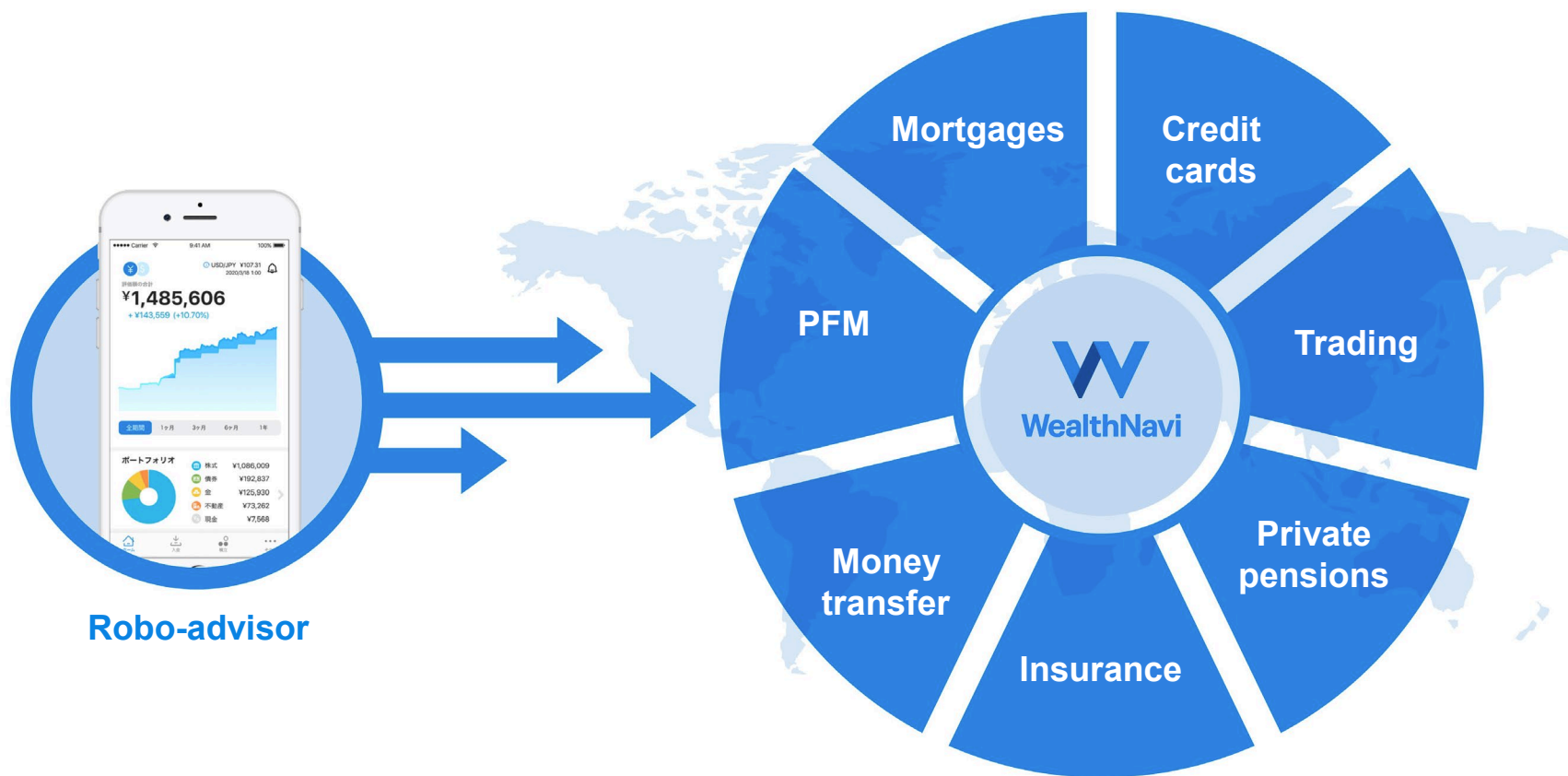
(Initial AuM + Automated deposits for 1 year + Additional manual deposits for 1 year – Withdrawal for 1 year) / Initial AuM

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 September 2023)

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

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New “Robo-NISA” will be launched in January 2024 in full alignment with New NISA

全自動で全面対応

新 NISA

2024年1月スタート

W WealthNavi



※画面はイメージです。

New NISA will start in January 2024

New NISA, which integrates the existing two NISA programs and has enhanced tax benefits, will start in January 2024

 Robo-NISA's coverage

	General NISA	or	Installment NISA	New NISA (starting in 2024)		
				“Growth allowance”	and/or	“Installment allowance”
Eligible products	<ul style="list-style-type: none"> Stocks, mutual funds and ETFs 		<ul style="list-style-type: none"> Registered mutual funds and ETFs 	<ul style="list-style-type: none"> Stocks, mutual funds and ETFs 		<ul style="list-style-type: none"> Registered mutual funds and ETFs
Annual investment allowance	<ul style="list-style-type: none"> JPY 1.2M 		<ul style="list-style-type: none"> JPY 0.4M 	<ul style="list-style-type: none"> JPY 2.4M 		<ul style="list-style-type: none"> JPY 1.2M
Total investment allowance	<ul style="list-style-type: none"> JPY 6M 		<ul style="list-style-type: none"> JPY 8M 	<ul style="list-style-type: none"> JPY 12M 		<ul style="list-style-type: none"> JPY 18M
				<p>{ JPY 18M in total }</p>		
Maximum period of tax exemption	<ul style="list-style-type: none"> 10 years 		<ul style="list-style-type: none"> 20 years 	<p>{ Permanent }</p>		

Note: “NISA” stands for the “Nippon Individual Savings Account,” a tax exemption program for small investments

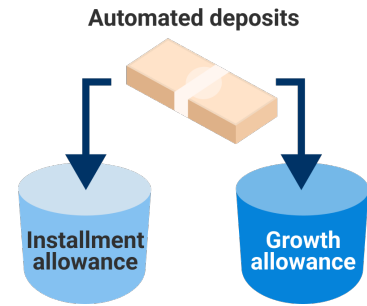
New “Robo-NISA” will provide enhanced benefits

Key benefits of New “Robo-NISA”

1

Full alignment with New NISA

Manage both “installment allowance” and “growth allowance” within a New NISA account automatically¹



2

Reduce risk with optimal asset allocation

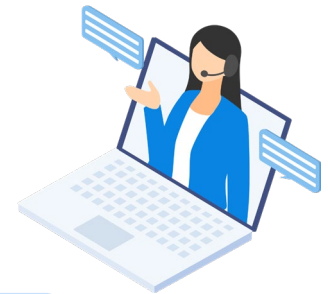
Build a globally diversified portfolio with NISA and taxable accounts managed holistically and automatically



3

Help users engage in long-term investment

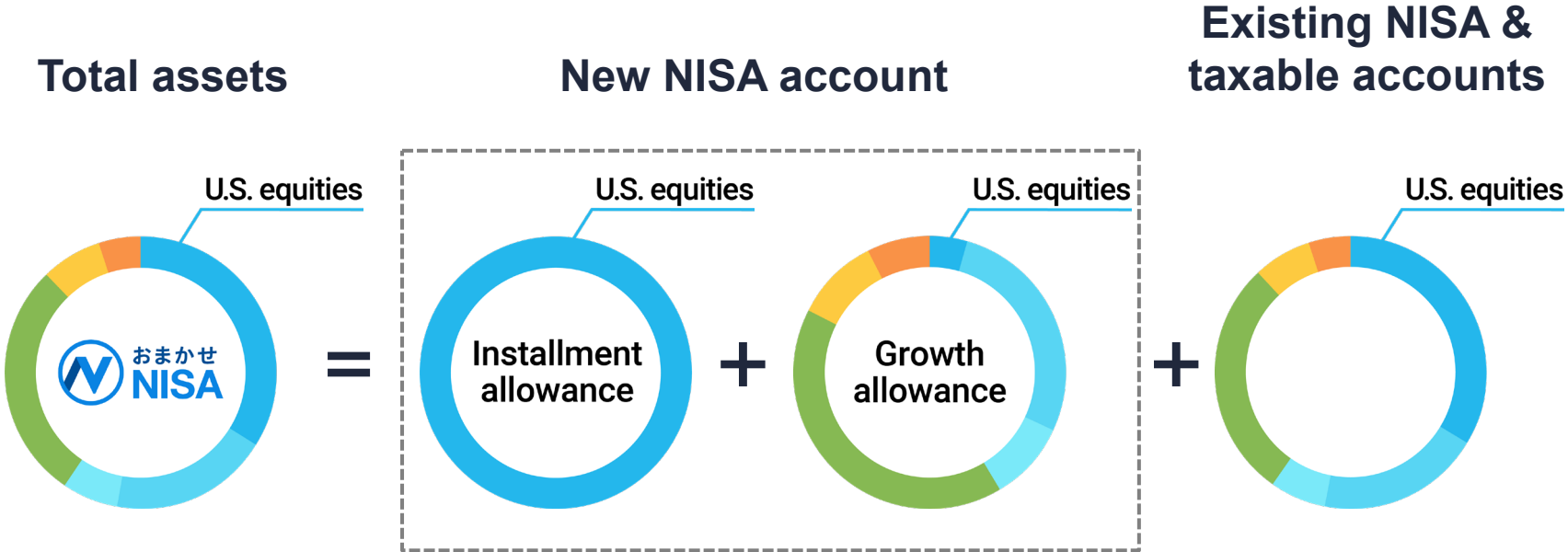
Support long-term investment leveraging NISA’s benefits through seminars and regular columns. Also provide 1-on-1 online support



New Robo-NISA will be launched in January 2024

¹ Users need to sign up for automated deposit plan to invest in “installment allowance,” or all investment is to be allocated in “growth allowance”

Build a globally diversified portfolio with NISA and taxable accounts managed holistically



Manage a globally diversified portfolio holistically

Lower fee level to promote New “Robo-NISA”

Management fee of New NISA with automated deposits

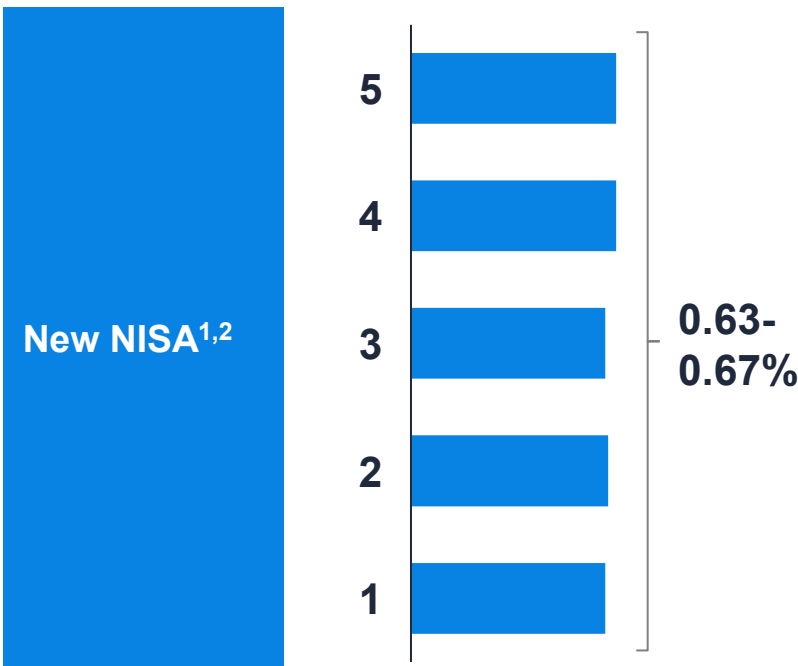
By risk tolerance level; annual; excludes consumption tax

xx%

xx%

Management fees

Management fees



Allocation of automated deposits

Installment allowance

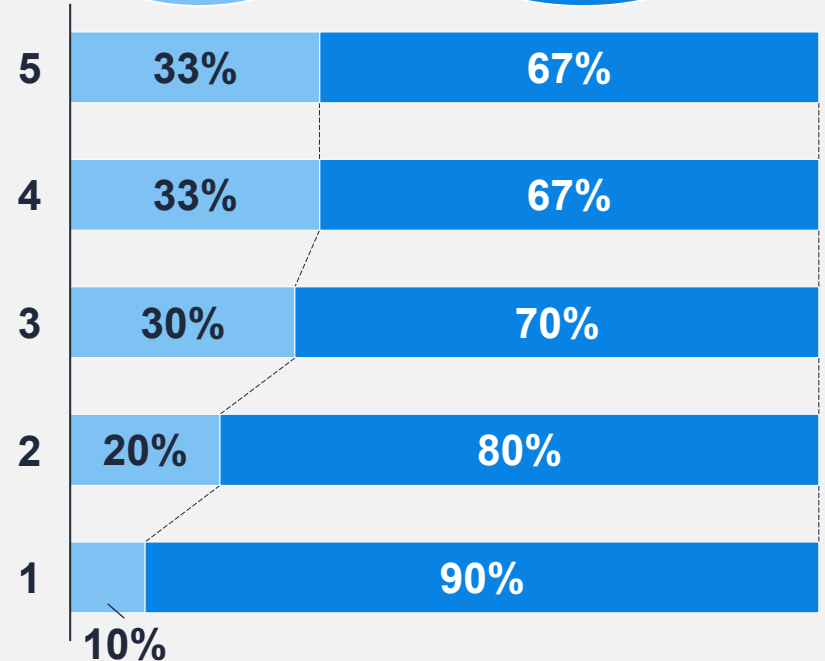
U.S. equities

0%

Growth allowance

All asset classes including U.S. equities

0.7-1%



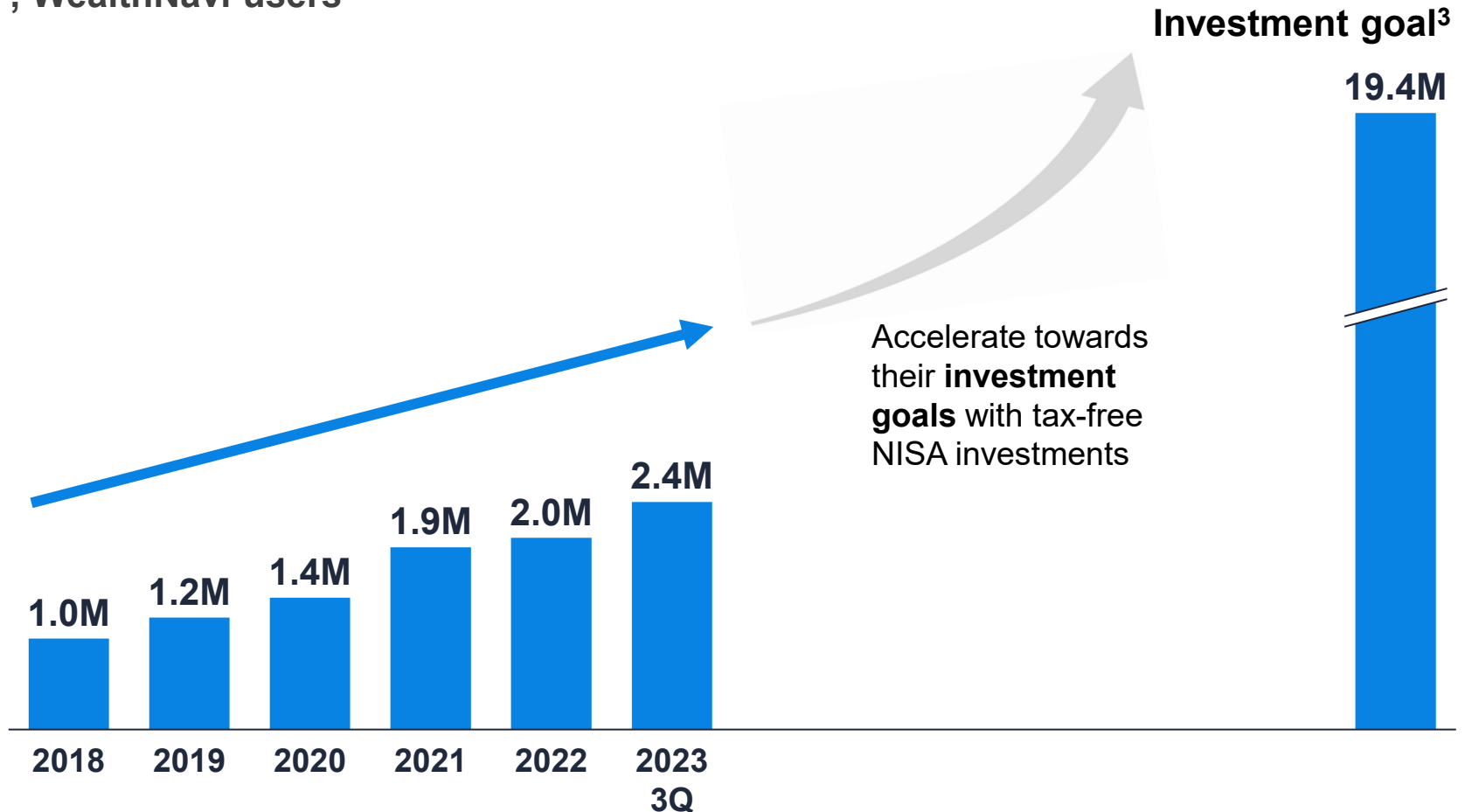
Note: Management fees of “Growth allowance” for risk tolerance level 3, 2, and 1 will be lowered to 0.9%, 0.8% and 0.7% respectively

1 The annual fee of the portion exceeding JPY 30 million is 0.5%

2 Assumes that investment will be made only through automated deposits and that the AuM weights of “installment allowance” and “growth allowance” remain unchanged

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

Average AuM and investment goal^{1,2}
JPY; WealthNavi users

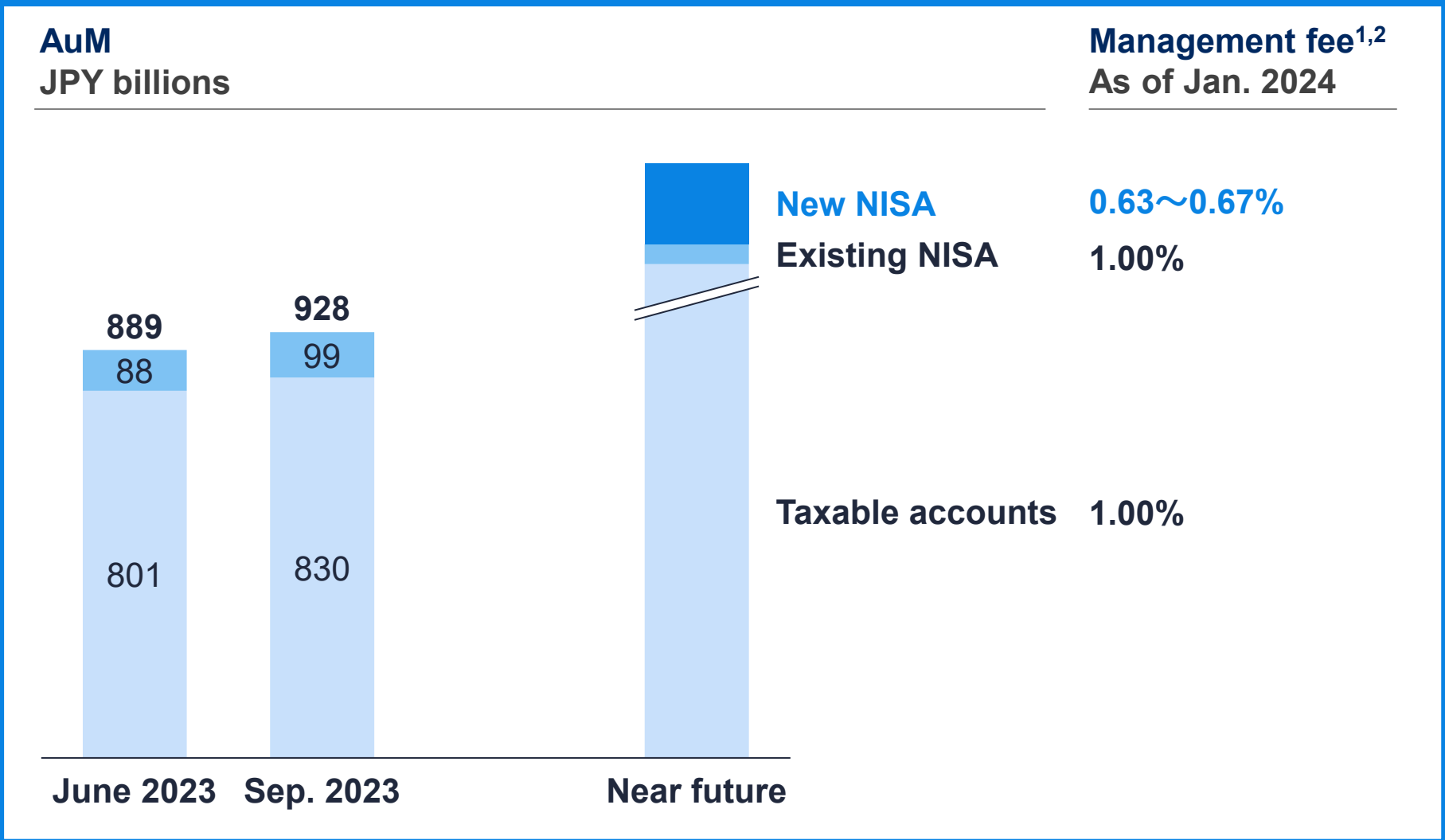


1 As of end of each year

2 Excluding users with AuM of 1 billion yen and above

3 Average of investment goals set by WealthNavi's life-planning tool as of September 30, 2023

AuM growth in New NISA and taxable accounts is expected to accelerate our topline growth



1 Assumes that investment will be made only through automated deposits and that the AuM weights of "installment allowance" and "growth allowance" remain unchanged
 2 Annual management fee excluding consumption tax of the direct channel. The annual fee of the portion exceeding JPY 30 million is 0.5% (0.55% including tax)

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Appendices

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.



**Sumito
Togo**

After working at McKinsey & Company Inc. Japan and Google, Sumito joined free Co., Ltd. in 2013, where he served as Director and COO, Director and CFO, and then as Director and CPO since October 2022. He graduated from the Graduate School of Engineering, the University of Tokyo.



**Maki
Ogawa**

Maki is a Chief Analyst, Executive Officer and General Manager at the Financial Market Research Department of Sony Financial Holdings (currently Sony Financial Group), after working at First National Bank of Chicago, J.P. Morgan, and Citibank (currently SMBC Trust Bank).



**Akira
Enomoto¹**

Akira worked in various positions including ALM Director Tokai Bank (currently MUFG Bank). 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
Matsuno²**

After working at Morgan Stanley Japan Securities, 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 FINMAC. She graduated from the Faculty of Law, the University of Tokyo.



**Sachihiko
Fujimoto²**

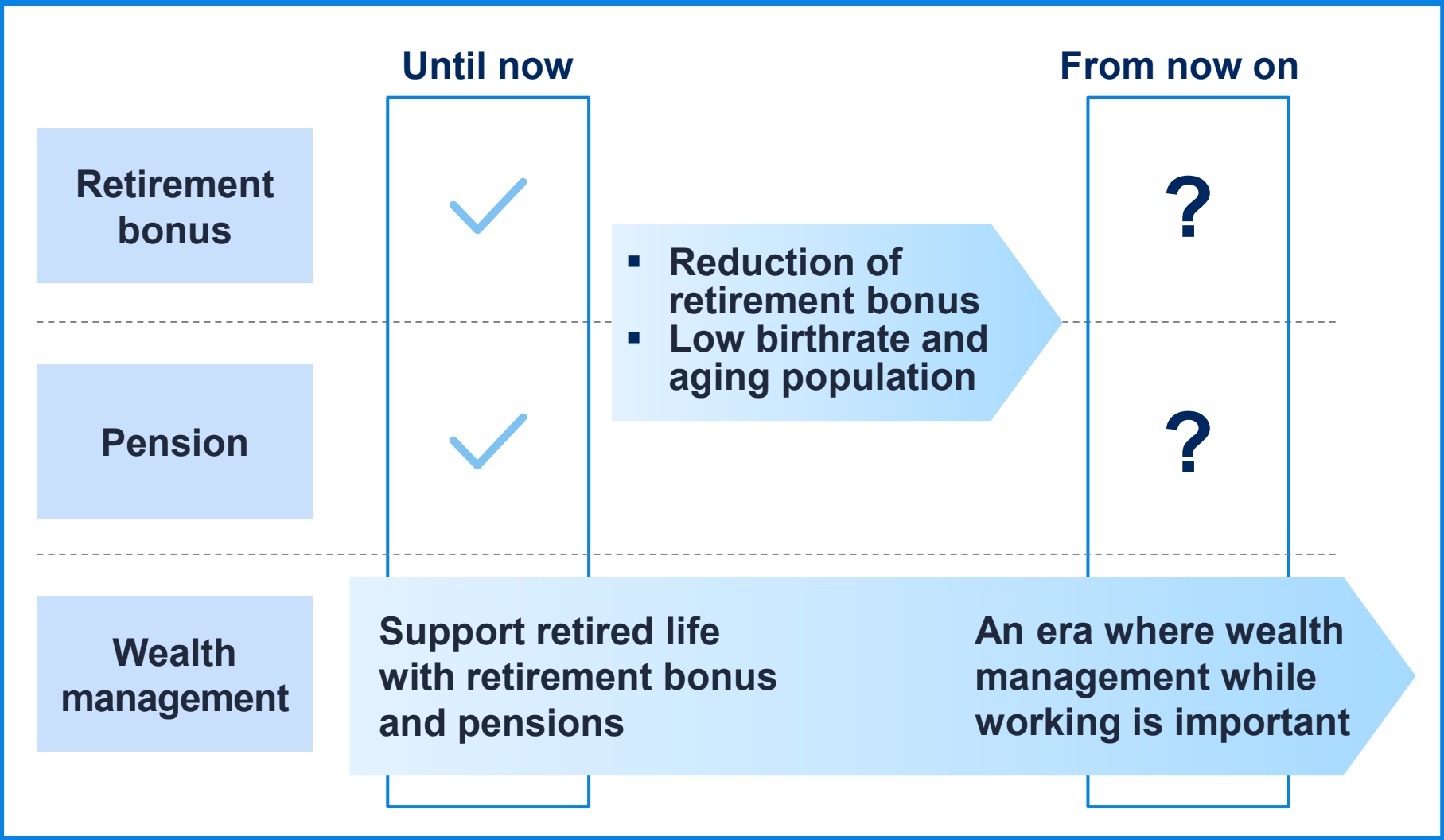
After working for the Tokai Bank (currently MUFG Bank), he joined Chuo Shinko Audit Corporation and Chuo Coopers & Lybrand International Tax Office (currently PwC Tax Japan) where he served as Partner and Director of the Finance Department. He is a CPA and Tax Accountant and holds a Master's degree in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

Independent Outside Directors

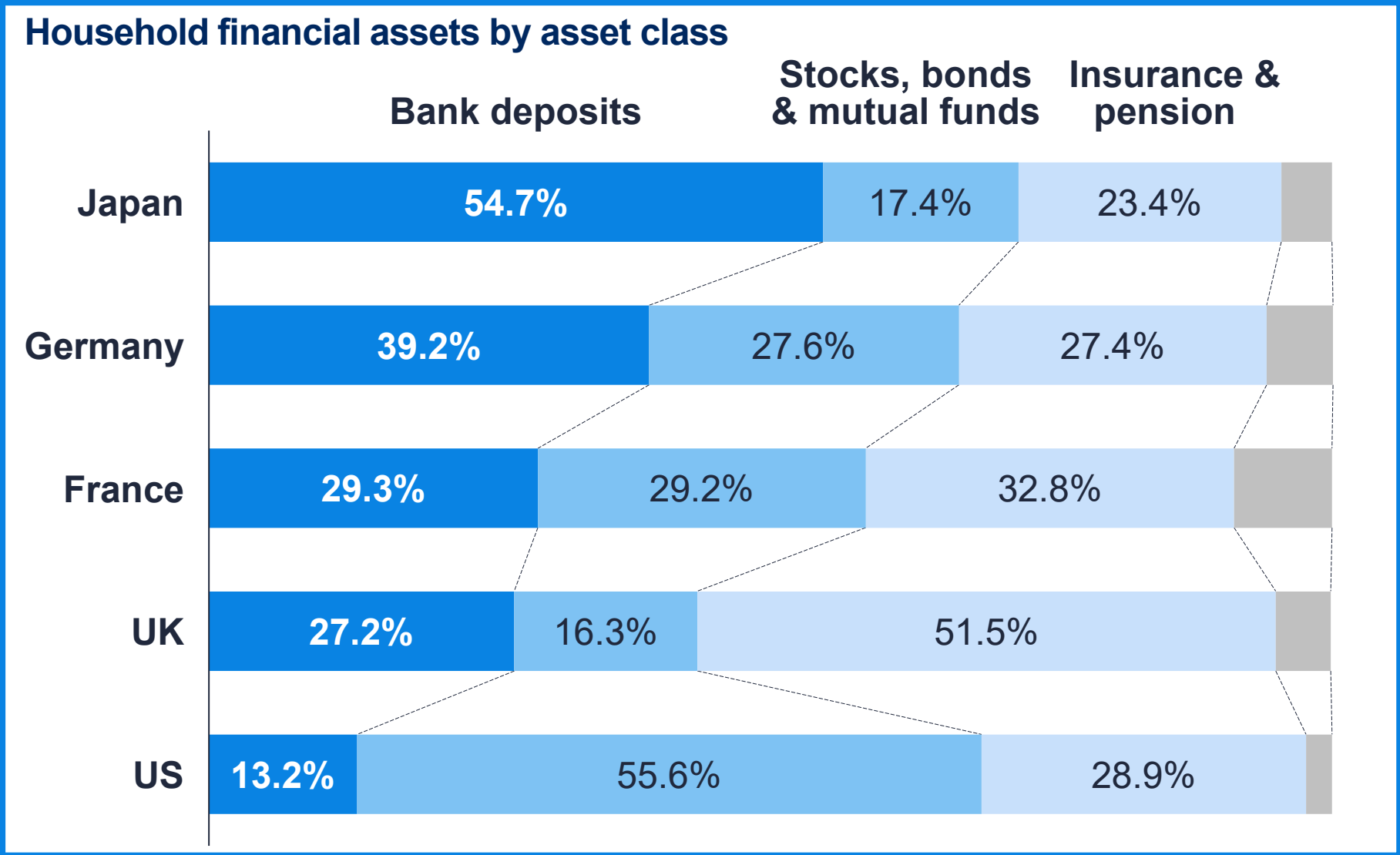
¹ Full-time Audit & Supervisory Committee Member

² Audit & Supervisory Committee Member

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



On the other hand, 54.7% 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 2021 (October 2022)

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



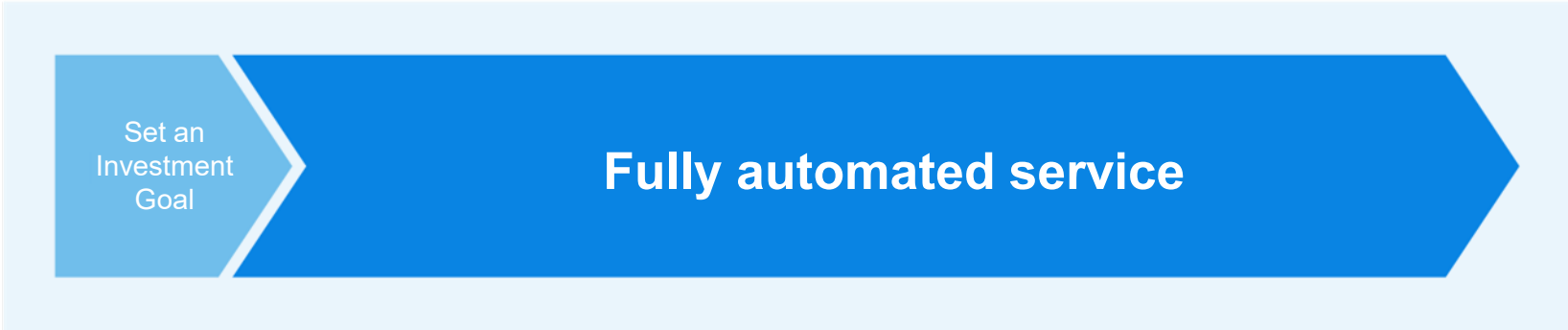
Daily performance tracking in JPY/USD



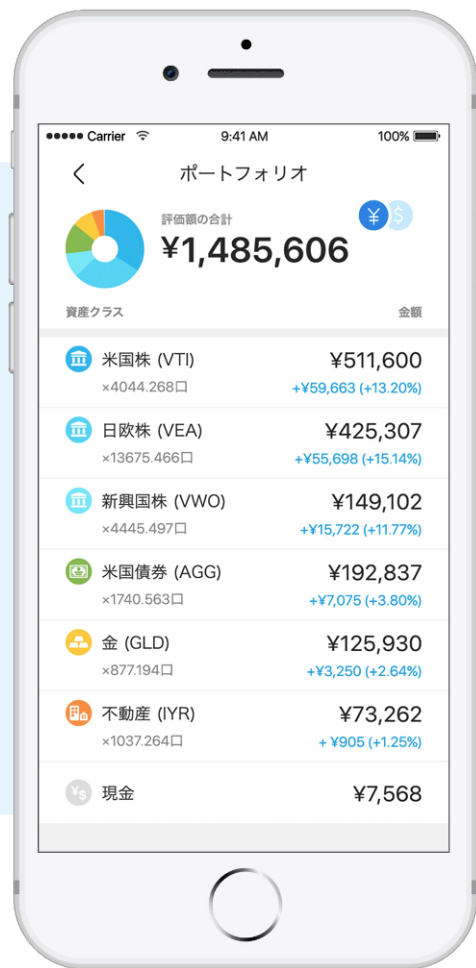
Note: The picture is an image

WealthNavi provides automated, end-to-end services

Traditional investment advice



WealthNavi allows customers to make diversified investments in more than 12,000 securities in about 50 countries around the world through selected ETFs



3 Vanguard ETFs, 4 BlackRock ETFs and 1 State Street ETF^{1,2}

On average, 74% equities, 15% fixed income, 11% gold and REITs¹

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

¹ As of September 30, 2023

² Reviews investment selection for customer portfolio annually. Added IAU (iShares Gold Trust) as an ETF for gold investment in October 2022 considering its ETF expense ratio

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 September 2023)

1 Simple

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

2 No commission

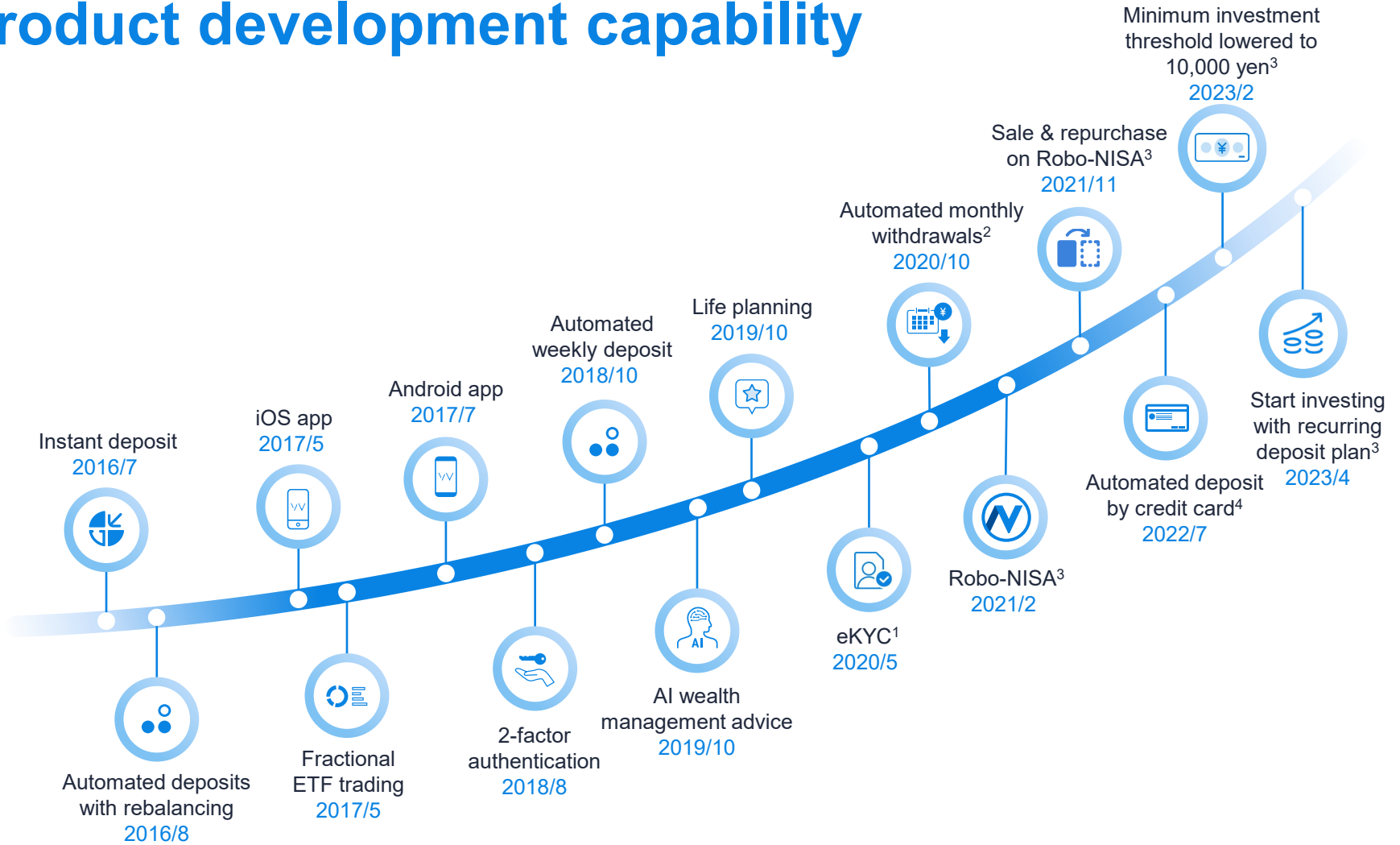
Fee structure that aligns interest between users and WealthNavi

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)

Continuously releasing new functions with high product development capability



Note: Functions launched and provided as of September 30, 2023.

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

2 Only for users of "Hokkoku Omakase Navi"

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

4 Only for users of "WealthNavi for AEON Card" and "WealthNavi for AEON Bank"

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. 347K participants¹

¹ Participants in our webinar from April 2020 to September 2023

Ranked No.1 robo-advisor for user satisfaction for 3 consecutive years (2021-2023)

全自動の資産運用サービス「ウェルスナビ」

3年連続
満足度総合 **No.1**



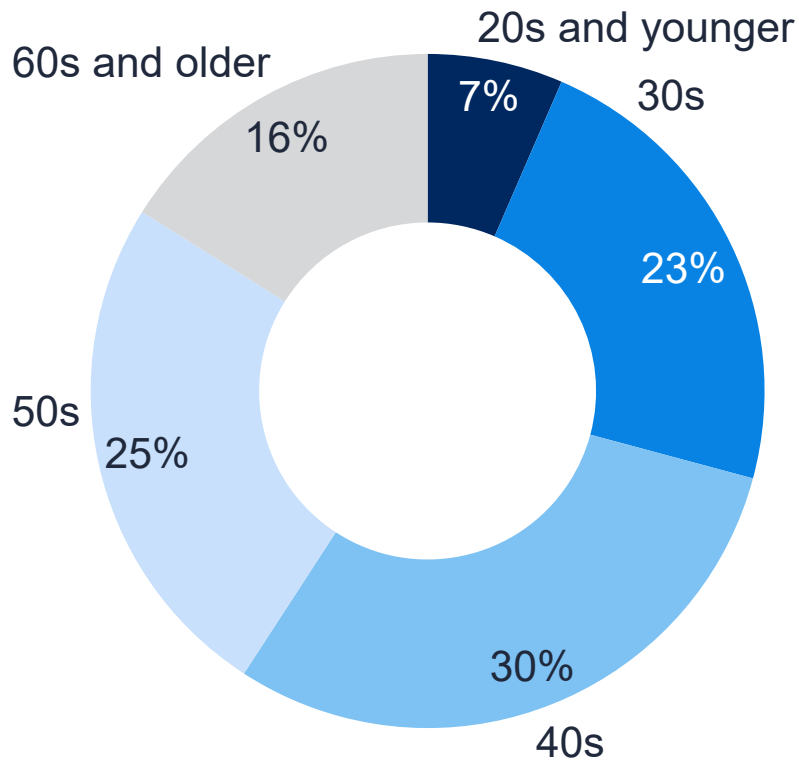
2023年 オリコン顧客満足度®調査 ロボアドバイザー 第1位



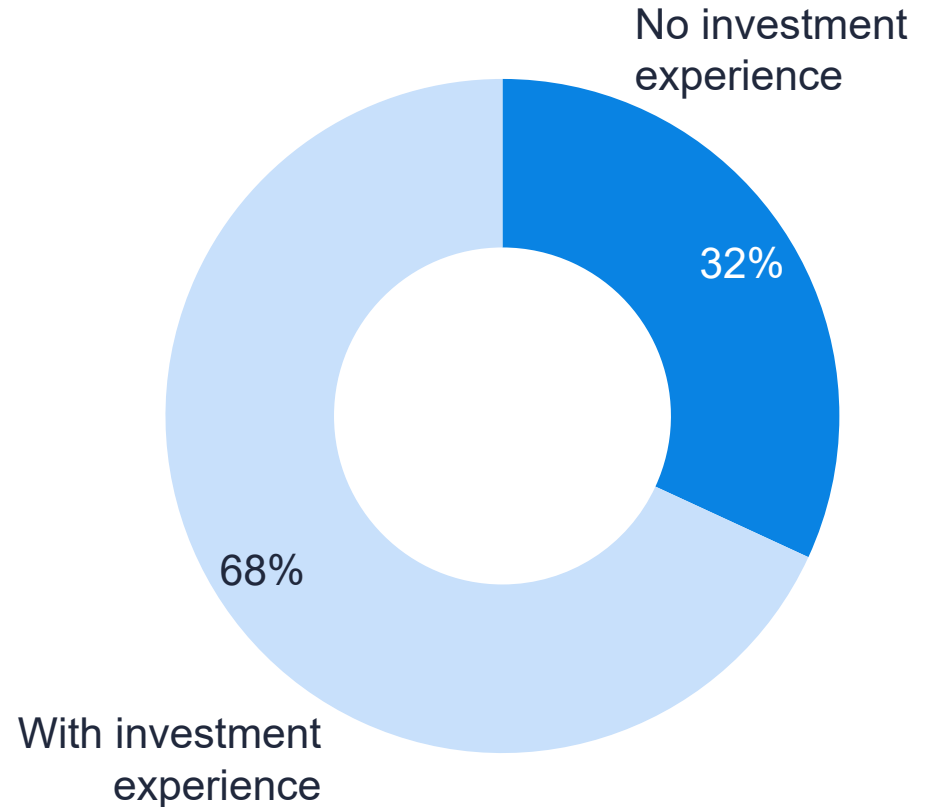
Note: Based on "2023 ORICON Customer Satisfaction Survey Robo-Advisor" conducted by oricon ME Inc.

Most of users are working families, and about 30% have no investment experience

% of users by age¹



% of investment experience²



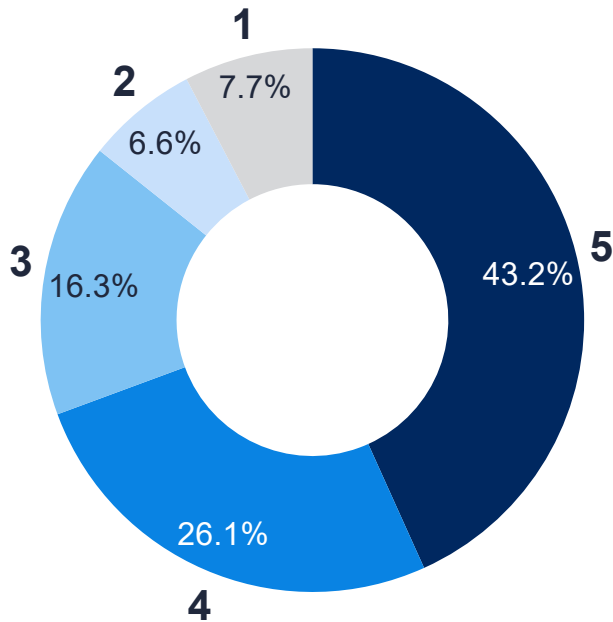
¹ % of account holders by age as of September 30, 2023 (rounded to the nearest whole number)

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 September 30, 2023 (rounded to the nearest whole number)

Most users have an equity-oriented portfolio

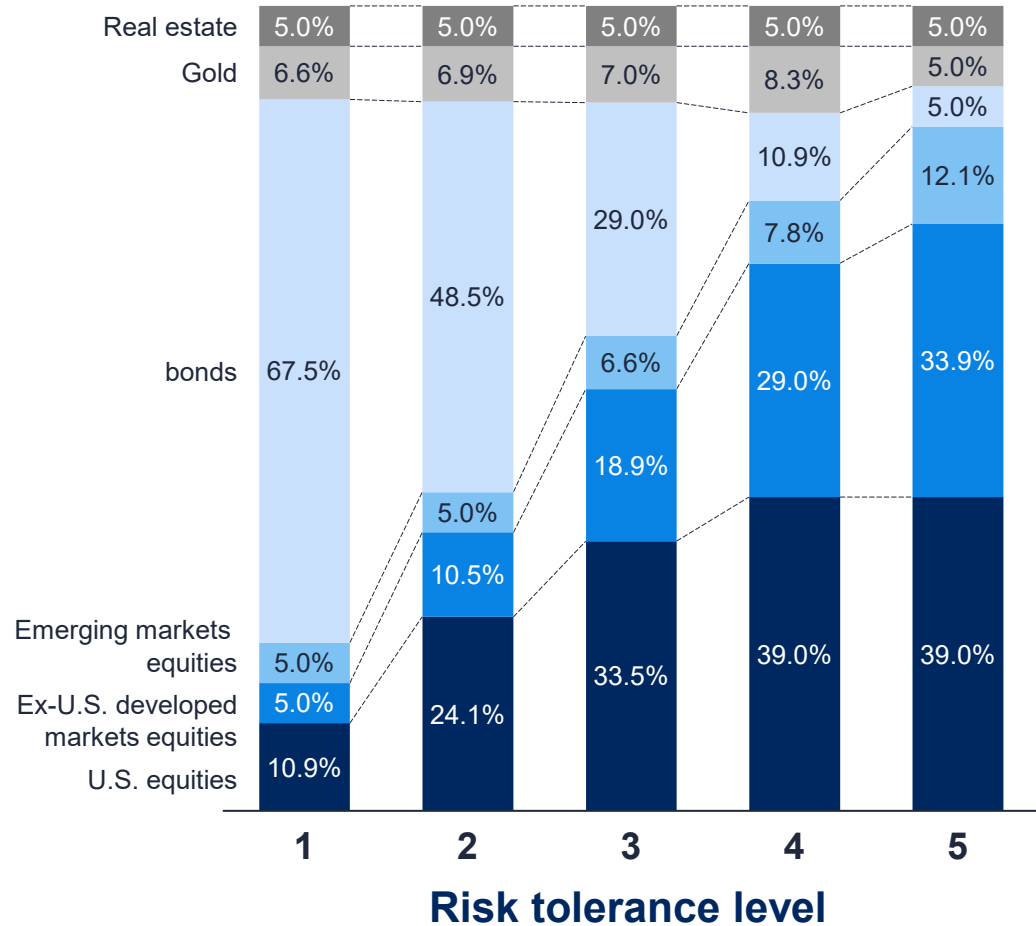
Risk tolerance levels

% of users; as of September 2023¹



Asset allocation of target portfolios

As of October 2023²



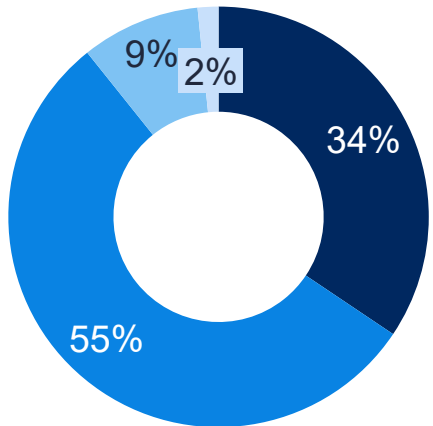
¹ The percentage represents the ratio of users' selection (rounded off to two decimal places). "Risk tolerance level" indicates the degree of uncertainty which a user is willing to accept. The higher risk tolerance level contains the higher risk-return characteristics

² WealthNavi's White Paper, updated in October 2023

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

User satisfaction¹

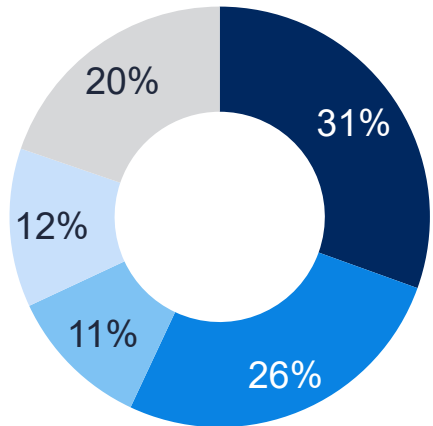
•89% of users are satisfied with WealthNavi



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

Expected years of use²

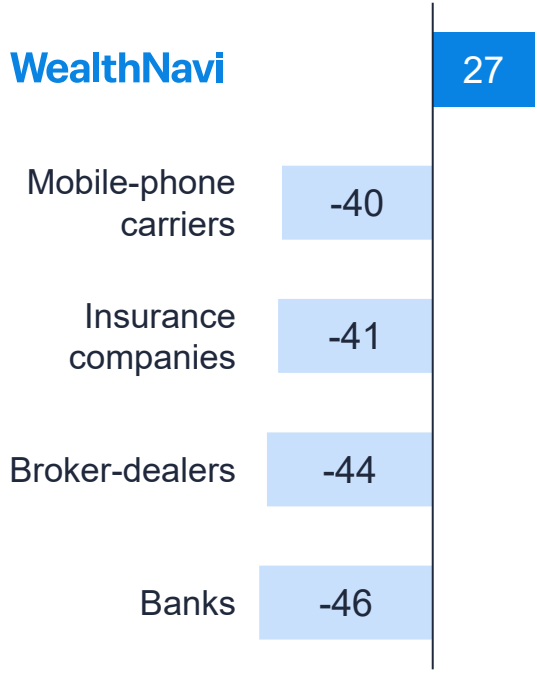
•57% intend to use for 10 years or more



- 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



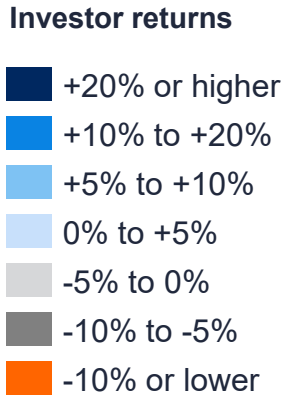
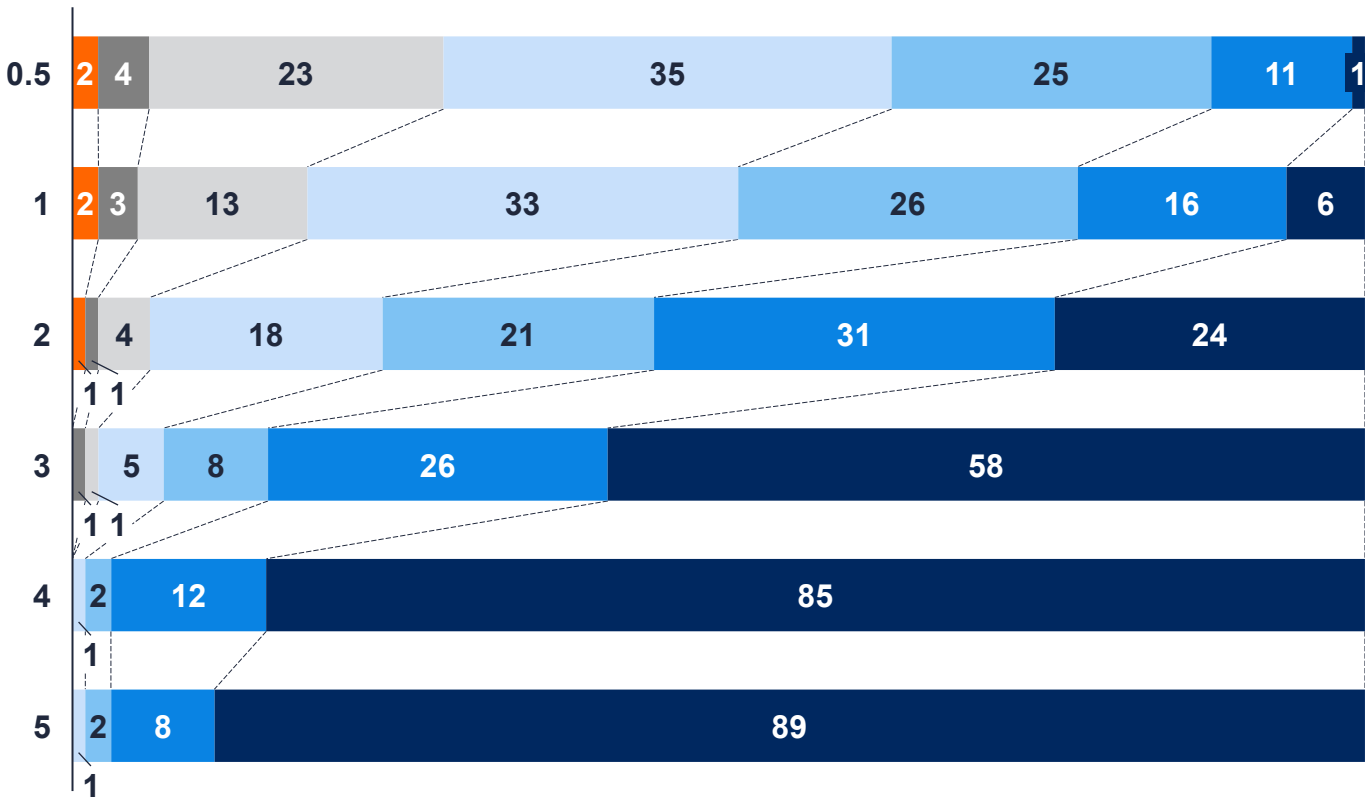
¹ Based on the answer to the question "Please rate your satisfaction with WealthNavi" in the questionnaire conducted by WealthNavi in October 2023
² Based on the answer to the question "How long do you plan to use WealthNavi?" in the questionnaire conducted by WealthNavi in October 2023. The result is 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 October 2022 to September 2023. NPS of other services are from the Financial Service Authority's "Customer awareness survey on sales of risk-bearing financial products" in August 2019

Actual investor returns show that long-term users of WealthNavi enjoy higher, more stable returns

Investor returns

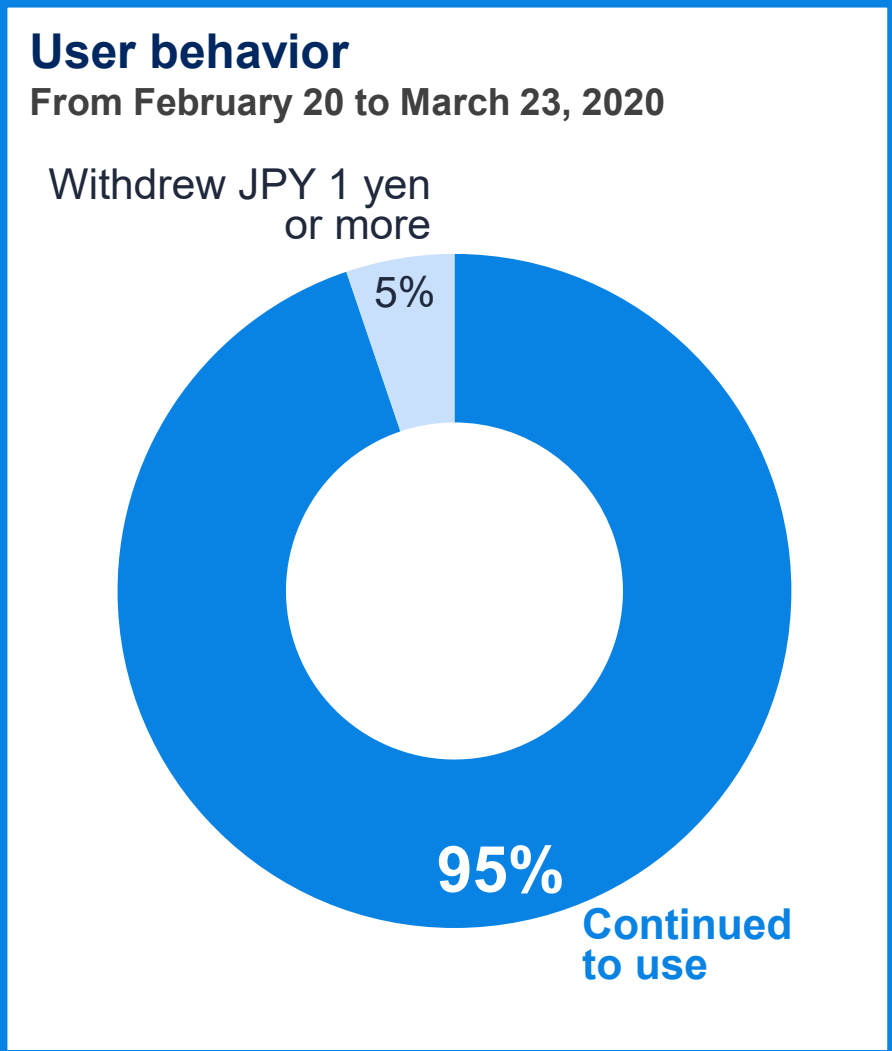
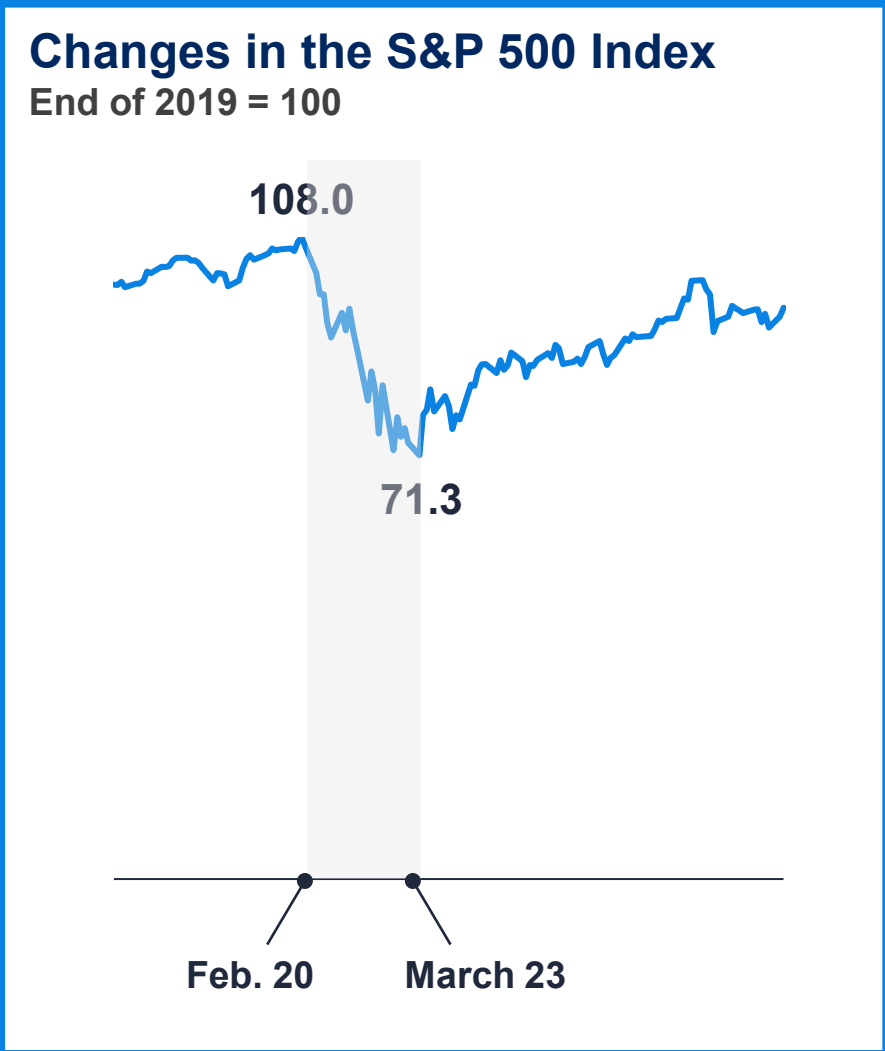
% of cumulative users by years of investing; as of September 2023

Years



Note: Calculated investor return of each user as months elapse since his/her first ETF purchase. Users who have no ETF balance as of the end of each month are excluded. Management fees charged by WealthNavi and ETF fees are deducted from investor returns. A user whose return to be 0% is categorized in a group with "0% to +5%." of return

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

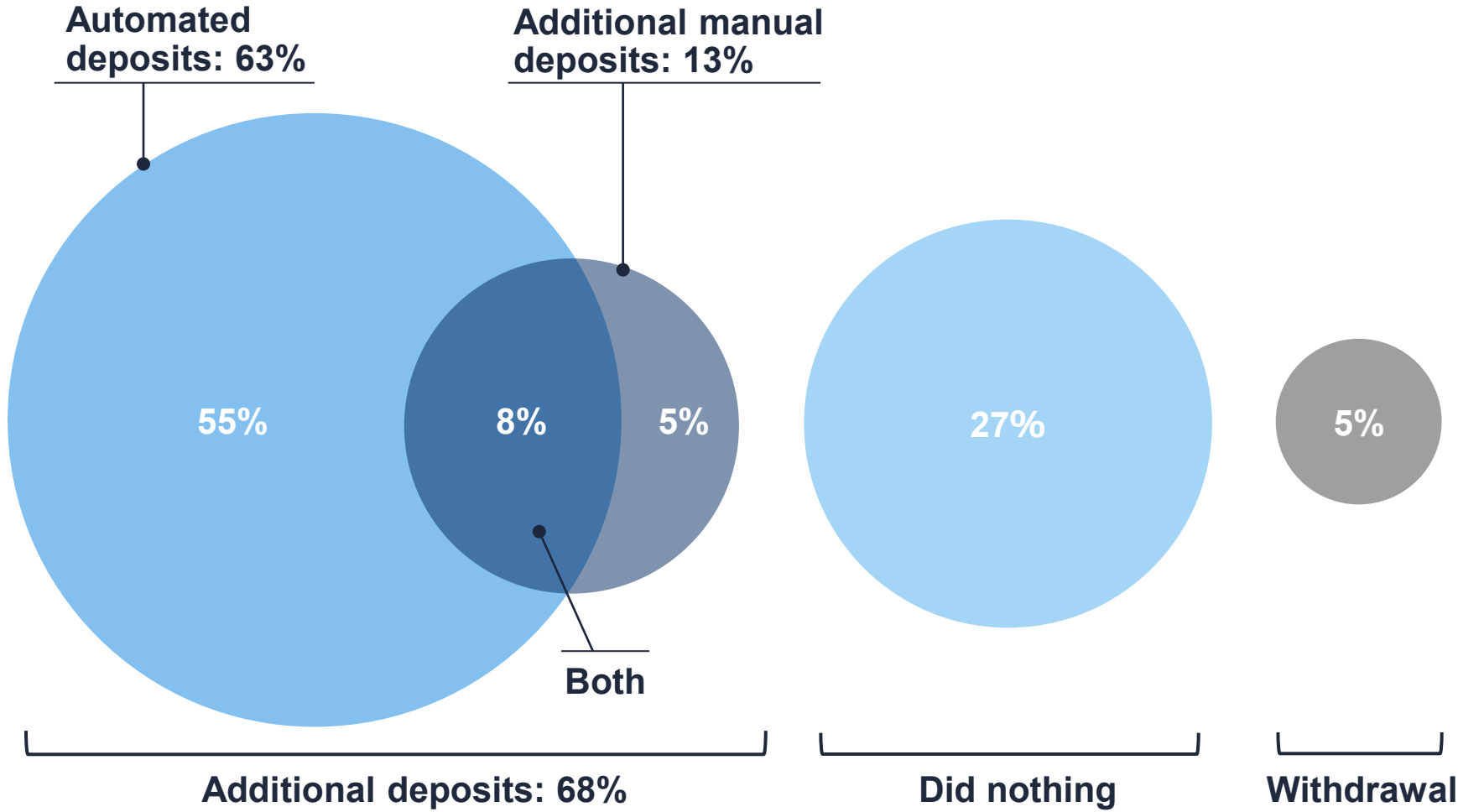


1 "Continue to use" means that there is an ETF balance on the first day of the above period and there is no withdrawal (1 yen or more) in part or in whole during the period

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 (1 yen or more)

WealthNavi targets working families, which have, in total, approx. JPY 760T of financial assets

Household financial assets by age and asset size



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

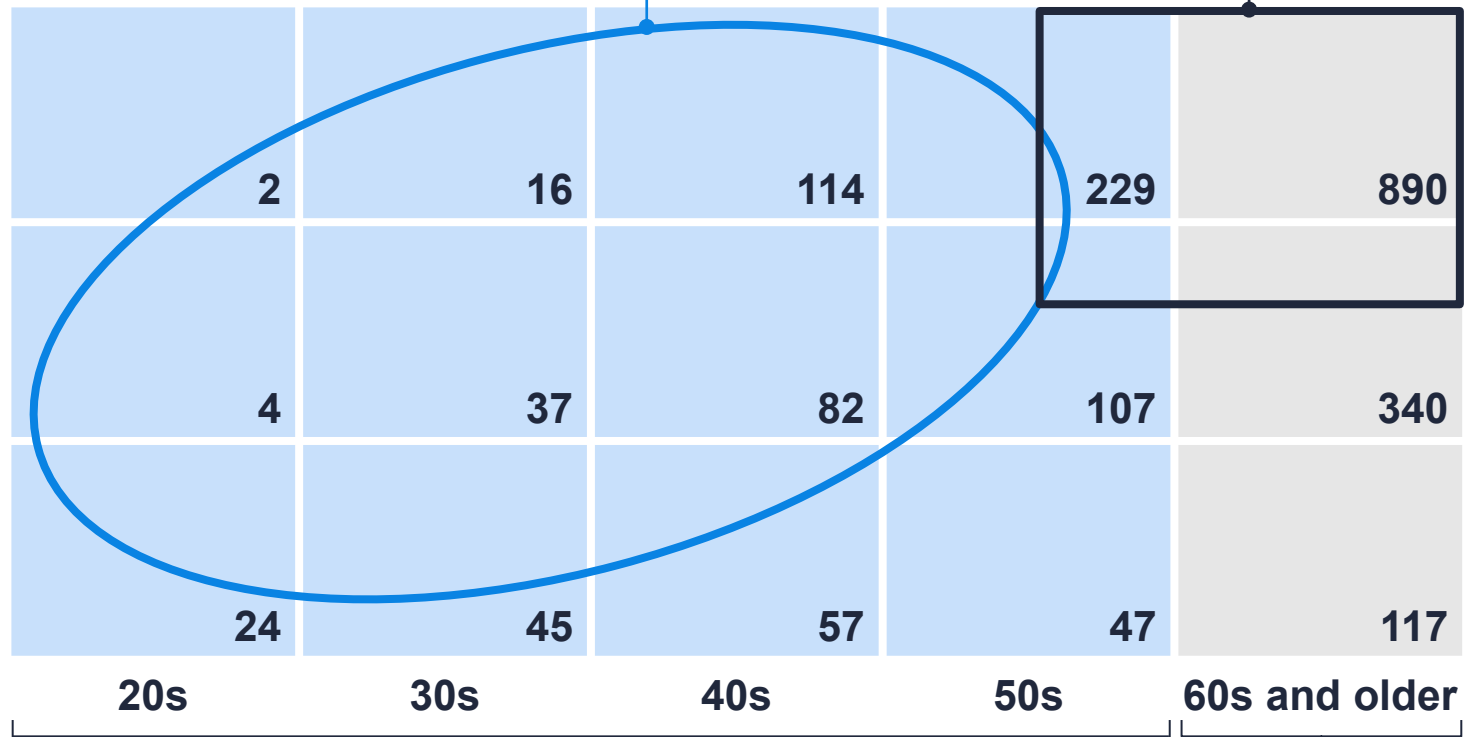
Primary target group of face-to-face channels for incumbent banks and securities

XX Financial assets JPY trillions

JPY 30M or more

JPY 10-30M

Less than JPY 10M

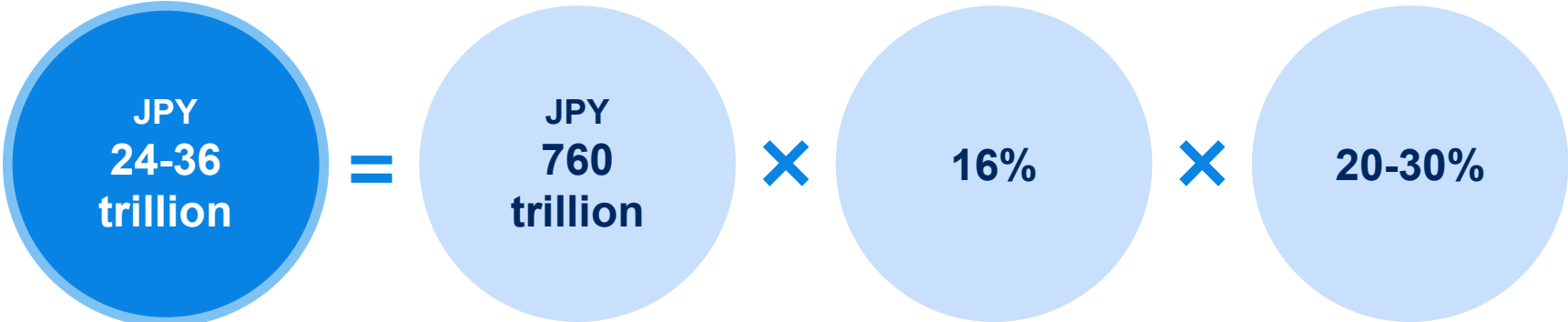


Approx. JPY 760T

Approx. JPY 1,350T

Source: WealthNavi analysis based on the Bank of Japan's "Japan's Flow of Funds Accounts, 2nd quarter of 2023", the Ministry of Internal Affairs and Communications' "Population, demographic statistics and household numbers based on the Basic Resident Registration, January 2023," and the Ministry of Internal Affairs and Communications' "Household Survey, 2019"

Robo-advisors' potential market estimated to be JPY 24-36 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 (55%→39%) over the next 10 years

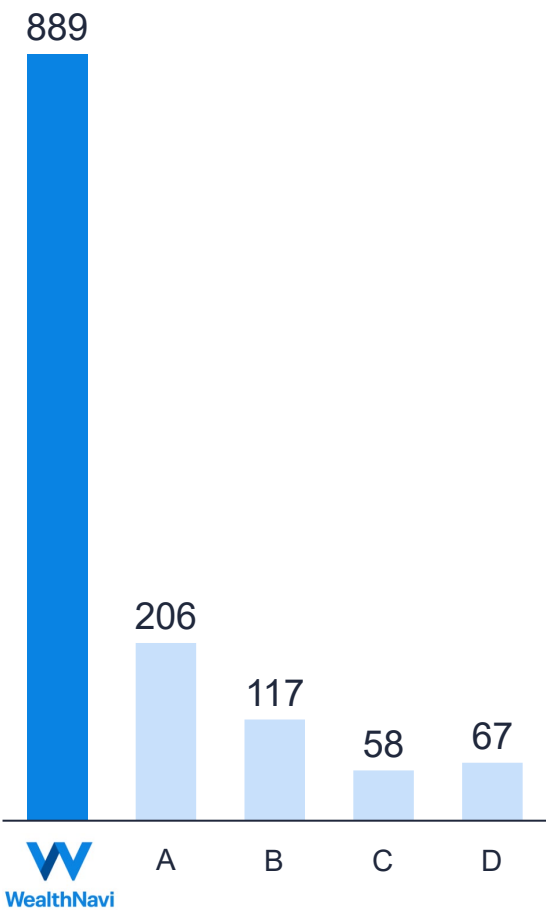
Assuming 20-30% of assets moving from deposits to investments are allocated to long-term investments

Source: WealthNavi analysis based on the Bank of Japan's "Japan's Flow of Funds Accounts, 2nd quarter of 2023", the Ministry of Internal Affairs and Communications' "Population, demographic statistics and household numbers based on the Basic Resident Registration, January 2023", the Ministry of Internal Affairs and Communications' "Household Survey, 2019," and OECD's "Household financial assets" as of the end of 2021

WealthNavi is the leading robo-advisor in Japan

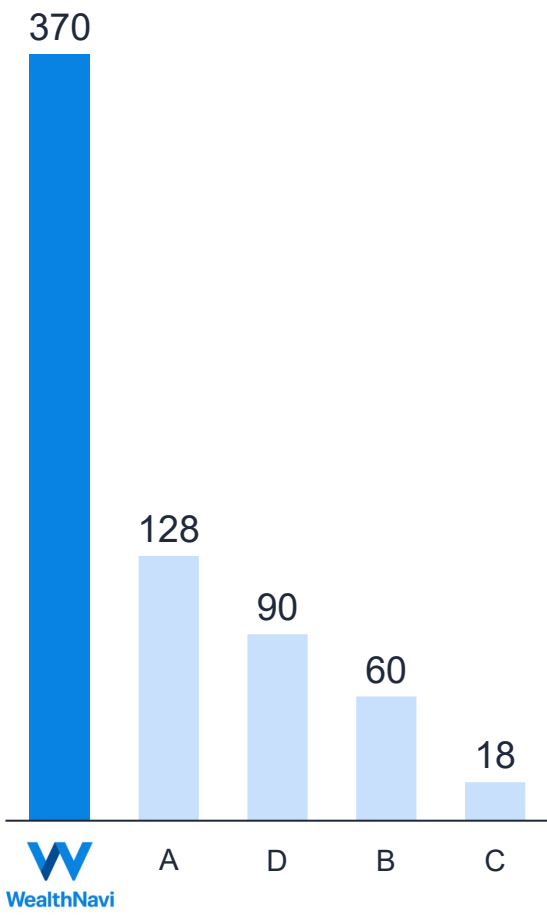
AuM

JPY billions; June 2023



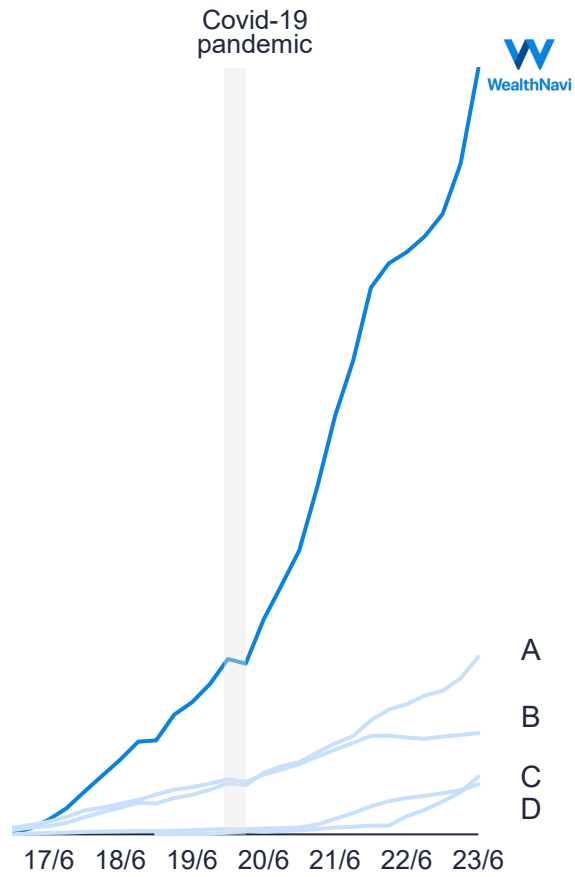
Number of users

Thousands; June 2023



AuM trend

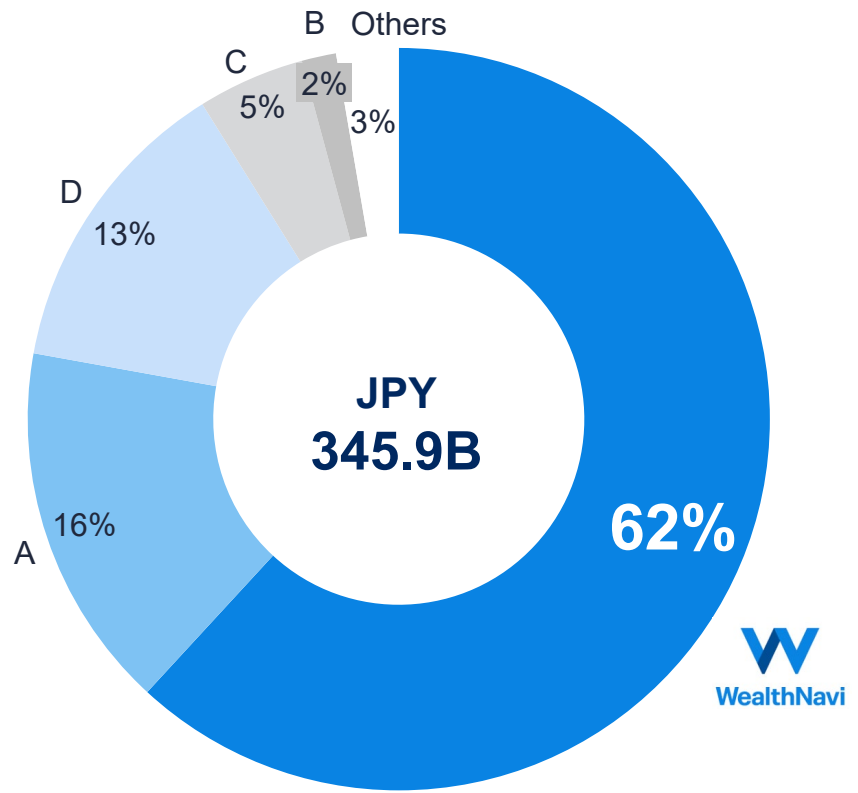
Dec. 2016 to June 2023



Source: WealthNavi analysis based on Japan Investment Advisers Association, "Contract Asset Status, September 2023". AuM of Company A to D include those under "discretionary investment business".

Distinct market leader – with 62% of total AuM growth of robo-advisors over a 12-month period

Increase in AuM of domestic robo-advisors
June. 2022 to June. 2023



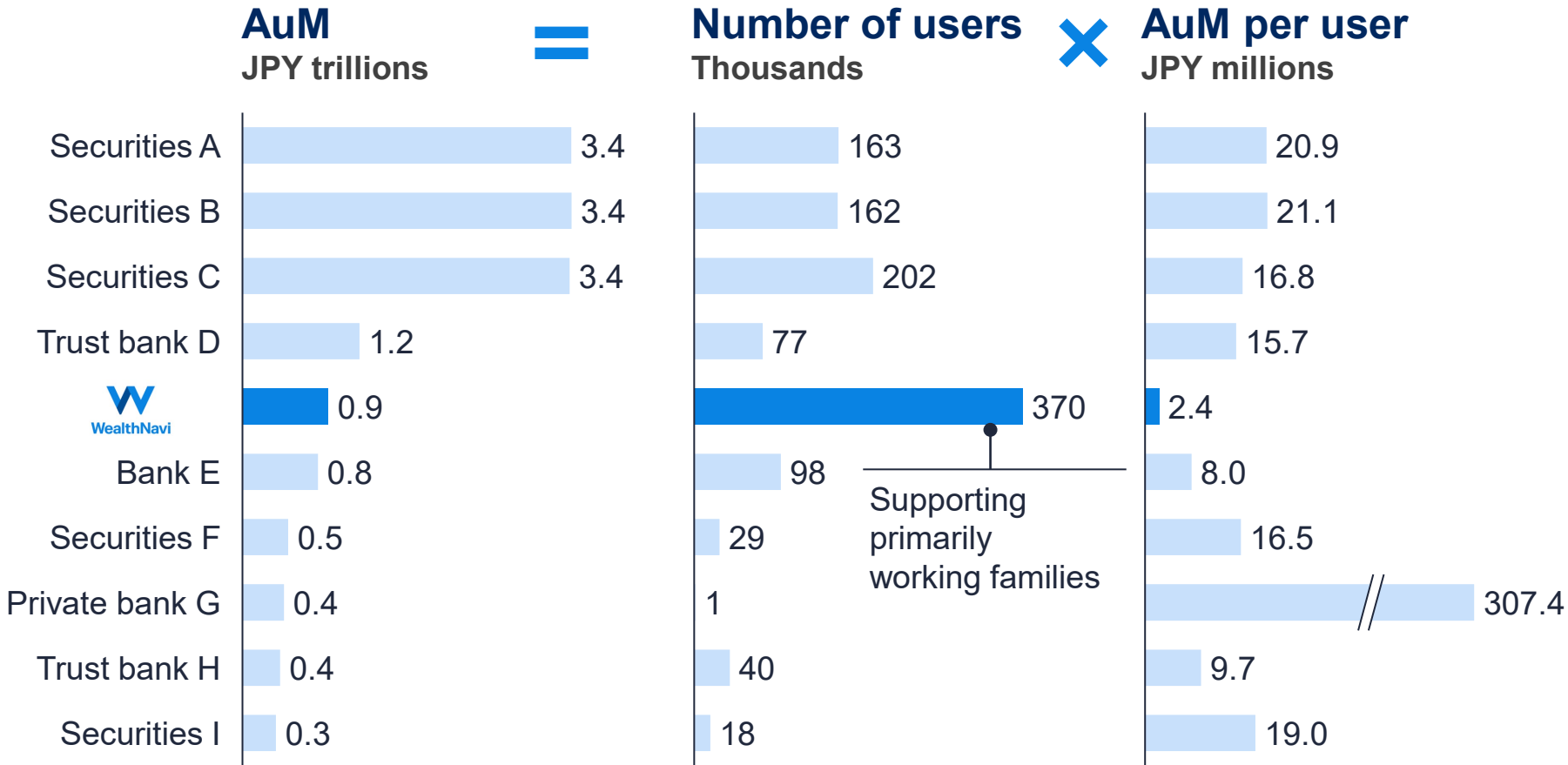
WealthNavi accounts for 62% of the total AuM growth of robo-advisors over a 12-month period to June 2023

Source: WealthNavi analysis based on Japan Investment Advisers Association's "Contract Asset Status, September 2023". AuM of Company A, B, C and D include those under "discretionary investment business."

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

Top 10 managed account services in Japan ranked by AuM

As of June 2023



Source: WealthNavi analysis based on websites of the companies listed as "wrap account" managers on Japan Investment Advisers Association, "Contract Asset Status, September 2023"

“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

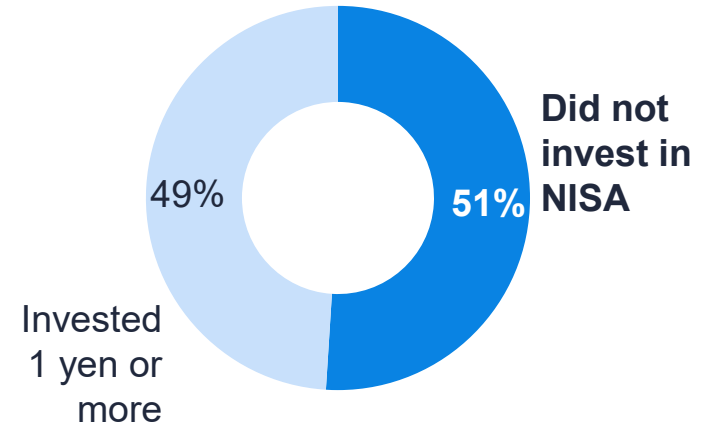
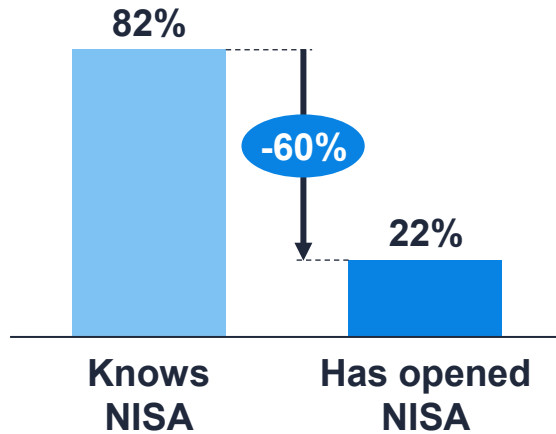
¹ “Robo-NISA” utilizes general NISA, not monthly (“Tsumitate”) NISA. Up to JPY 1.2M can be invested in a NISA account every year for up to 5 years, and capital gains and dividends on investments in the NISA account are exempt from Japanese individual income tax and local taxes for up to 5 years

NISA isn't widely used despite its wide recognition

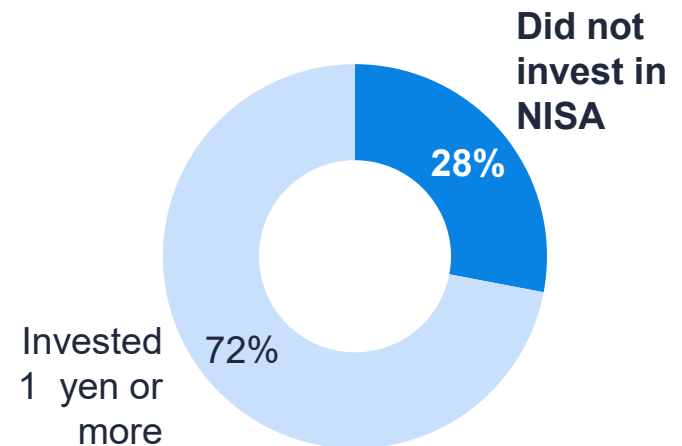
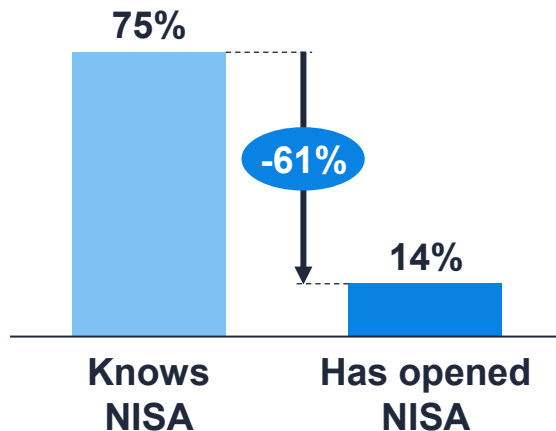
Most people know about NISA, but most have not opened NISA accounts¹

Nearly half of NISA accounts were dormant in 2021²

General NISA



Installment NISA

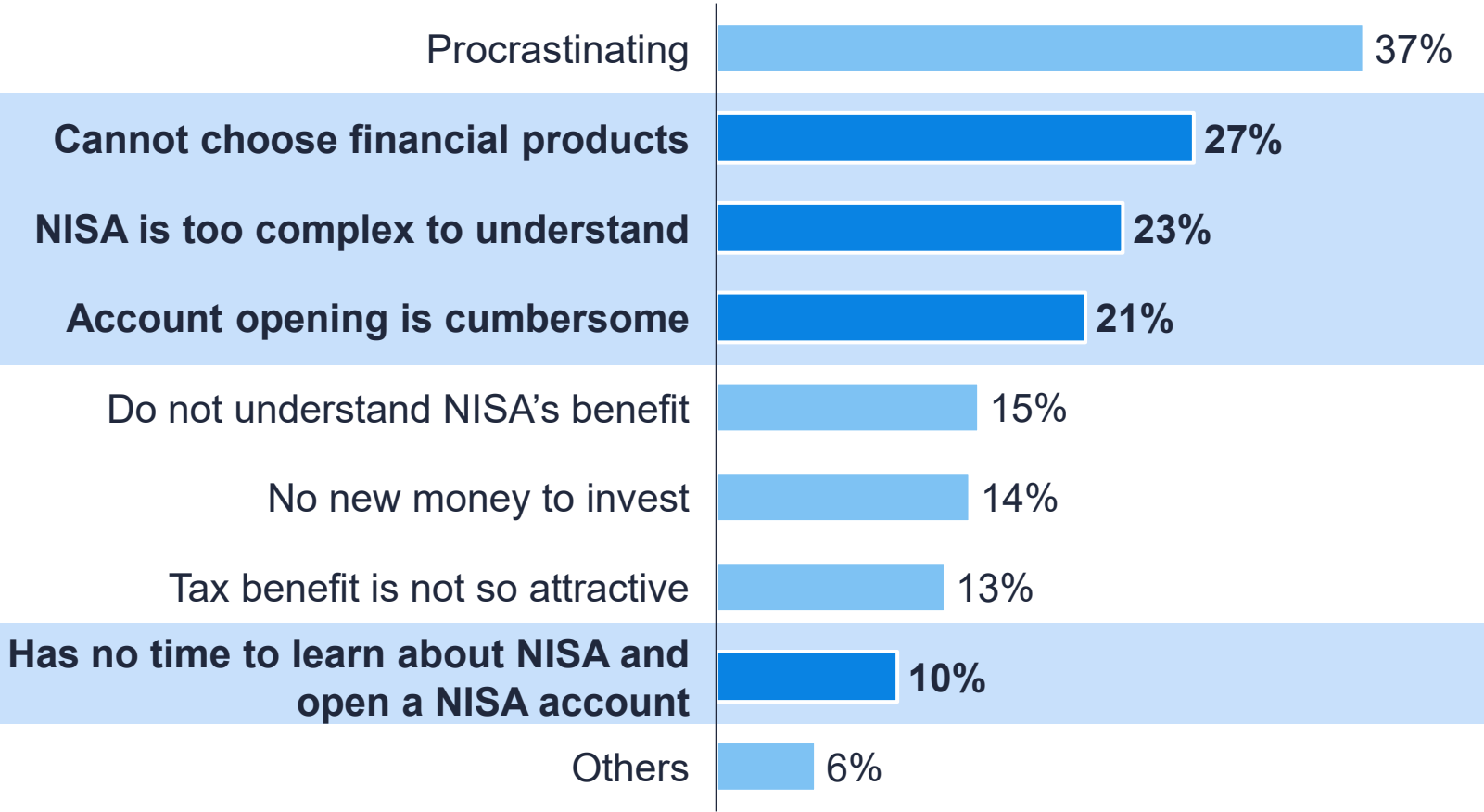


¹ WealthNavi analysis based on the Investment Trusts Association, "Report of survey on mutual funds in 2022 – NISA, iDeCo, etc."

² WealthNavi analysis based on FSA, "Research of activities in NISA accounts as of the end of 2021"

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

Maintaining strong balance sheets for growth

Balance sheets

3Q 2023; JPY millions



Balance sheets and cash flows

Balance sheets

JPY millions

	2021	2022	2023 3Q
Current assets	27,129	25,474	27,758
Cash and bank deposits	10,039	12,382	17,181
Cash segregated as deposits	9,000	9,800	9,300
Deposits paid	7,461	2,476	265
Other current assets	627	815	1,010
Non-current assets	247	489	569
Total assets	27,377	25,964	28,327
Current liabilities	15,839	13,483	14,811
Deposits received	15,149	12,703	14,097
Other current liabilities	689	780	713
Non-current liabilities	1,500	1,500	1,500
Long-term loan payable	1,500	1,500	1,500
Total liabilities	17,339	14,984	16,311
Share capital	3,237	3,564	3,901
Capital surplus	8,298	8,625	8,962
Retained earnings	(1,498)	(1,208)	(847)
Treasury stock	(0)	(0)	(0)
Total net assets	10,037	10,980	12,016

Note: Fractions of one million yen are rounded down

Statement of cash flows

JPY millions

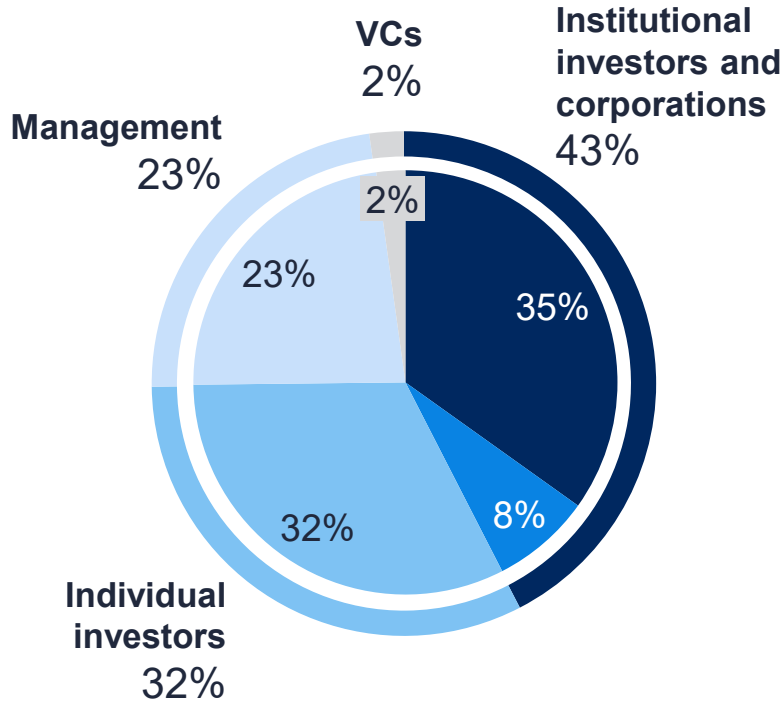
	2021	2022	2023 1Q-3Q
Cash generated by/(used in) operating activities	3,384	(3,117)	2,081
Cash generated by/(used in) investing activities	(23)	(207)	(126)
Cash generated by financing activities	4,052	616	588
Effect of exchange rate changes on cash and cash equivalents	(1)	65	46
Net increase in cash and cash equivalents	7,411	(2,642)	2,589
Cash and cash equivalents at beginning of period	10,089	17,501	14,858
Cash and cash equivalents at end of period	17,501	14,858	17,447

Details of operating cash flows

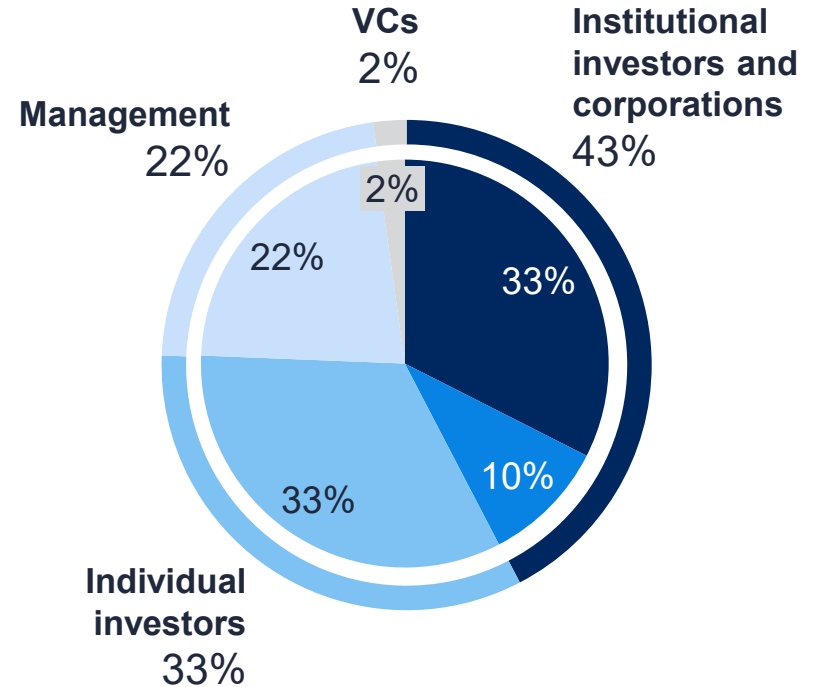
Cash generated by/(used in) operating activities	3,384	(3,117)	2,081
-) Decrease / (increase) in cash segregated as deposits for customers	(4,390)	(800)	500
-) Increase / (decrease) in deposits received	8,074	(2,446)	1,394
Cash generated by/(used in) operating activities adjusted by items relating to cash deposited by customers	(300)	129	187

Ownership of individual investors increased

As of December 31, 2022





As of June 30, 2023



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

Our engagement in promoting sustainability

- Identified our material issues, and disclosed our initiatives as well as related data in 2022
- Promoting sustainability along with maximizing our long-term corporate value

		Material issues	Contribution to UN SDGs
What we do	Helping working families	<ul style="list-style-type: none"> • Promoting wealth management for working families • Enhancing digital accessibility to financial services • Encouraging financial literacy 	    
	Empowering local communities	<ul style="list-style-type: none"> • Partnering with regional financial organizations to mitigate the digital divide • Supporting digitalization of regional financial organizations 	 
How we do it	Diversity & openness	<ul style="list-style-type: none"> • Hiring and integrating talents with diverse backgrounds • Supporting talent development of our employees • Encouraging women's advancement • Promoting work-life balance for a diverse workforce 	  
	Operating steadily for the long term	<ul style="list-style-type: none"> • Enhancing corporate governance • Ensuring compliance • Improving risk management • Strengthening security 	  



Helping working families build wealth

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