

Summary of Non-consolidated Financial Results  
for the Year Ended December 31, 2023  
[Japanese GAAP]



February 14, 2024

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 hold annual general shareholders' meeting: March 26, 2024  
 Scheduled date to commence dividend payments: -  
 Scheduled date to file Securities Report: March 26, 2024  
 Preparation of supplementary materials on financial results: Yes  
 Holding of financial results briefing: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

1. Non-consolidated financial results for the year ended December 31, 2023 (from January 1, 2023 to December 31, 2023)

(1) Non-consolidated operating results

(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	%
Fiscal year ended December 31, 2023	8,167	24.3	8,121	24.4	523	149.6	519	142.5	375	29.5
December 31, 2022	6,573	41.4	6,529	41.2	209	-	214	-	289	-

	Basic earnings per share	Diluted earnings per share	Return on equity	Ordinary profit/total assets	Operating profit/operating revenue
	Yen	Yen	%	%	%
Fiscal year ended December 31, 2023	7.65	7.50	3.2	1.8	6.4
December 31, 2022	6.07	5.79	2.8	0.8	3.2

(Reference) Equity in earnings (losses) of affiliates: Fiscal year ended December 31, 2023 - million yen  
 Fiscal year ended December 31, 2022 - million yen

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	million yen	million yen	%	Yen
December 31, 2023	32,237	12,158	37.7	245.70
December 31, 2022	25,964	10,980	42.3	226.98

(Reference) Equity: As of December 31, 2023 12,158 million yen As of December 31, 2022 10,980 million yen

(3) Cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Fiscal year ended	million yen	million yen	million yen	million yen
December 31, 2023	3,023	(488)	703	18,144
December 31, 2022	(3,117)	(207)	616	14,858

## 2. Cash dividends

	Dividends per share					Total dividends	Dividend payout ratio	Ratio of dividends to net assets
	First quarter end	Second quarter end	Third quarter end	Fiscal year end	Total			
Fiscal year ended December 31, 2022	yen -	yen 0.00	yen -	yen 0.00	yen 0.00	million yen -	% -	% -
December 31, 2023	-	0.00	-	0.00	0.00	-	-	-
Fiscal year ending December 31, 2024 (Forecast)	-	0.00	-	0.00	0.00		-	

## 3. Non-consolidated earnings forecast for the fiscal year ending December 31, 2024 (from January 1, 2024 to December 31, 2024)

The Company does not disclose earnings forecast for the fiscal year ending December 31, 2024, as it is difficult to reasonably calculate. Please refer to page 3 of the attached materials 1. Overview of operating results and others (4) Future outlook for details.

### \* Notes

#### (1) Changes in accounting policies, changes in accounting estimates, and restatement

- (i) Changes in accounting policies in accordance with changes in accounting standards, etc.: Yes
- (ii) Changes in accounting policies due to other reasons than (i): None
- (iii) Changes in accounting estimates: None
- (iv) Restatement: None

#### (2) Number of shares issued (common shares)

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

As of December 31, 2023	49,490,339 shares
As of December 31, 2022	48,377,671 shares

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

As of December 31, 2023	5,598 shares
As of December 31, 2022	835 shares

##### (iii) Average number of shares during the period

Fiscal year ended December 31, 2023	49,055,715 shares
Fiscal year ended December 31, 2022	47,704,079 shares

\* The non-consolidated financial results are not subject to review by certified public accountants or an audit corporation.

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

Please note that the Company does not disclose the earnings forecasts for the fiscal year ending December 31, 2024, due to the difficulty in making reasonably accurate projections. Please refer to (4) Future outlook in 1. Overview of operating results and others on page 3 of Attached Materials.

## Attached Materials

### Table of contents

1. Overview of operating results and others.....	2
(1) Overview of operating results .....	2
(2) Overview of financial position .....	2
(3) Overview of cash flows.....	3
(4) Future outlook .....	3
2. Basic policy for the selection of accounting standards.....	3
3. Non-consolidated financial statements and significant notes .....	4
(1) Balance sheets .....	4
(2) Statements of income .....	6
(3) Statements of changes in equity .....	7
(4) Statements of cash flows .....	8
(5) Notes to financial statements.....	9
(Notes on premise of going concern) .....	9
(Change in accounting policies).....	9
(Segment information, etc.).....	9
(Per share information) .....	9
(Significant subsequent events).....	10

## 1. Overview of operating results and others

### (1) Overview of operating results

During the fiscal year ended December 31, 2023, the global economy has been stable despite interest rate hike by central banks, and it seems that the global tightening cycle is near the peak. The domestic economy, despite the impact of inflation, remains on a gradual recovery path backed by an increase in real wages and a boost in consumption from foreign visitors.

Under such circumstances, the Company has actively worked on to expand the functions of its fully automated robo-advisor “WealthNavi” and to increase the number of its alliance partners. The Company has also engaged in advertising activities including TV promotions, hiring talent to drive its business, and enhancing security measures.

Regarding the functionality expansion of “WealthNavi,” the Company started offering “Robo-NISA” to customers at the age of 18 and 19 years old in response to the revision to Japan’s Civil Code to lower the legal age of adulthood from 20 to 18. It also lowered the minimum investment threshold from 100,000 yen to 10,000 yen in order to set the bar low for initial investment for direct users in February. In April, the Company enabled new users to start using “WealthNavi” with the recurring deposit plan and lowered its investment threshold to 10,000 yen for a part of alliance users. In addition, it started offering “Robo-NISA” to users of “TAIKO Navi” in April, and it enabled “WealthNavi for AEON Bank” users to make automated deposits by AEON Cards in June. Furthermore, the Company prepared to launch New “Robo-NISA” in full alignment with New NISA which started in January 2024.

The Company enhanced its business activities with new alliance partners. It launched “WealthNavi for ORIX Bank” in February and “WealthNavi for Toho Bank” in April. Moreover, the Company, Rakuten Securities and Rakuten Investment Management reached basic agreement on business alliance in September. The three companies collaborate aiming to provide Rakuten Securities users investment and investment advisory services replicating “WealthNavi” with a mutual fund scheme.

As for the advertising activities, the Company has launched a new TV commercial starring Sawako Fujima in June aiming to improve brand awareness as well to as reach more potential customers who consider starting wealth management. The Company also resumed in-person seminars in addition to regular online seminars. In October, the Company held our first open meeting with “WealthNavi” users, which turned out to be very interactive.

As a result, as of December 31, 2023, there were 387 thousand users (increased from 356 thousand users from a year ago) and assets under management totaled 983.3 billion yen (increased from 719.7 billion yen a year ago).

The Company recorded 95 million yen of extraordinary losses associated with trading losses for the third quarter of the current fiscal year. The excess buy orders were executed on July 5, which included the unexecuted buy orders placed on July 3 when stock markets closed early in the U.S., and the excess position was booked on the Company’s account. The trading losses were mainly incurred with the adverse market movements in the process of unwinding the position.

Consequently, for the fiscal year ended December 31, 2023, the operating revenue was 8,167 million yen (up 24.3% year-over-year), and the net operating revenue after deducting financial expenses of 46 million yen from the total operating revenue was 8,121 million yen (up 24.4% year-over-year). The selling, general, and administrative expenses were 7,597 million yen (up 20.2% year-over-year), resulting in an operating profit excluding advertising expenses of 3,344 million yen (up 42.2% year-over-year), an operating profit of 523 million yen (up 149.6% year-over-year), an ordinary profit of 519 million yen (up 142.5% year-over-year), and a quarterly net profit of 375 million yen (up 29.5% year-over-year).

### (2) Overview of financial position

#### (Assets)

Total assets as of December 31, 2023 were 32,237 million yen, increased by 6,273 million yen from the end of the previous fiscal year. This was mainly due to increase in cash and deposits by 4,004 million yen through deposits from customers and stock option execution and in cash segregated as deposits for customers by 2,300 million yen.

#### (Liabilities)

Total liabilities as of December 31, 2023 were 20,079 million yen, increased by 5,095 million yen from the end of the previous fiscal year. This was mainly due to an increase in deposits received from customers by 4,833 million yen.

#### (Net assets)

Total net assets as of December 31, 2023 were 12,158 million yen, increased by 1,177 million yen from the end of the previous fiscal year. This was mainly due to an increase in share capital of 401 million yen and an increase in legal capital surplus of 401

million yen due to shares issued upon the exercise of stock options and restricted shares, and an increase in retained earnings of 375 million yen due to the recording of a net profit.

### (3) Overview of cash flows

Cash and cash equivalents (hereinafter, “funds”) were 18,144 million yen as of December 31, 2023. Cash flows during the fiscal year ended December 31, 2023 and their causes are as follows.

(Cash flows from operating activities)

Funds generated in operating activities were 3,023 million yen (3,117 million yen used in the previous fiscal year). This is mainly due to an increase in deposits received by 4,833 million yen, 424 million yen in profit before income taxes and an increase in cash segregated as deposits from customers by 2,300 million yen.

(Cash flows from investing activities)

Funds used in investing activities were 488 million yen (207 million yen used in the previous fiscal year). This is mainly due to the spending of 311 million yen for lease and guarantee deposits and 126 million yen to purchase intangible assets.

(Cash flows from financing activities)

Funds generated from financing activities were 703 million yen (616 million yen generated in the previous fiscal year). This is mainly due to the proceeds of 703 million yen from issuance of shares upon the exercise of stock options.

### (4) Future outlook

The Company started to provide New “Robo-NISA,” which is in full alignment with the new NISA program in January 2024. The new NISA program enhanced a lifetime investment allowance to 18 million yen and extended the tax-exempt period from up to 20 years to permanent. The Company set lower fee level for New NISA accounts to promote New “Robo-NISA.” It is expected that New NISA may spur the investment wave in Japan, but it is difficult to predict the growth of users and AuM.

As described in “Announcement Regarding Capital and Business Alliance with MUFG Bank, Ltd., Issuance of New Shares through Third-Party Allotment, and Change in Major Shareholder and Other Affiliates” published on February 14, 2024, the Company has concluded a Capital and Business Alliance with MUFG Bank, Ltd (“MUFG Bank”). Through the collaboration with MUFG Bank, the Company is committed to accelerate helping working families build wealth and to contribute to the shift from savings to investment trend in Japan by offering services tailored to each customer over the medium- to long-term.

It is expected that the Capital and Business Alliance will help the Company enhance its corporate value. However, the actual impact on the Company’s business results for the fiscal year ending December 31, 2024, has not yet been determined. Any matter requiring disclosure during the two parties’ discussions on details of the alliance will be disclosed promptly.

Under such circumstances, the Company does not disclose earnings forecast for the fiscal year ending December 31, 2024, at this moment. The Company shall promptly announce when reasonable calculation is possible. Please note that the Company expects to announce the forecast with the 1Q earnings at the earliest.

## 2. Basic policy for the selection of accounting standards

The Company prepares its financial statements based on Japanese GAAP. While considering circumstances concerning the adoption of International Financial Reporting Standards (IFRS), the Company will make continuous effort to improve its organizational system to respond appropriately.

### 3. Non-consolidated financial statements and significant notes

#### (1) Balance sheets

(Units: Thousands of yen)

	As of December 31, 2022	As of December 31, 2023
<b>Assets</b>		
Current assets		
Cash and deposits	12,382,566	16,387,398
Cash segregated as deposits	9,800,000	12,100,000
Cash segregated as deposits for customers	9,800,000	12,100,000
Trading products	144	314
Trade date accrual	387	-
Advances paid	2,184	8,436
Advance payments	4,000	5,100
Prepaid expenses	159,777	204,626
Accounts receivable - other	6,197	7,505
Accrued income	642,424	846,925
Deposits paid	2,476,107	1,756,730
Other current assets	542	657
<b>Total current assets</b>	<b>25,474,331</b>	<b>31,317,694</b>
Noncurrent assets		
Property, plant, and equipment		
Buildings	145,043	147,454
Equipment	91,387	113,910
Accumulated depreciation	(132,710)	(181,420)
<b>Total property, plant, and equipment</b>	<b>103,720</b>	<b>79,944</b>
Intangible assets		
Software	82,884	99,423
Software in progress	14,768	97,591
Trademark right	800	650
<b>Total intangible assets</b>	<b>98,452</b>	<b>197,664</b>
Investments and other assets		
Lease and guarantee deposits	140,587	451,792
Long-term prepaid expenses	28,283	50,814
Deferred tax assets	118,877	139,586
<b>Total investments and other assets</b>	<b>287,748</b>	<b>642,193</b>
<b>Total noncurrent assets</b>	<b>489,921</b>	<b>919,802</b>
<b>Total assets</b>	<b>25,964,253</b>	<b>32,237,497</b>

(Units: Thousands of yen)

	As of December 31, 2022	As of December 31, 2023
<b>Liabilities</b>		
Current liabilities		
Trade date accrual	-	120
Deposits received	12,703,639	17,537,254
Accounts payable - other	560,626	792,712
Accrued expenses	122,259	151,499
Income taxes payable	97,156	97,698
Total current liabilities	13,483,681	18,579,285
Noncurrent liabilities		
Long-term loans payable	1,500,000	1,500,000
Total noncurrent liabilities	1,500,000	1,500,000
Total liabilities	14,983,681	20,079,285
<b>Net assets</b>		
Shareholders' equity		
Share capital	3,564,603	3,965,784
Capital surplus		
Legal capital surplus	8,579,368	8,980,550
Other capital surplus	45,690	45,690
Total capital surplus	8,625,058	9,026,240
Retained earnings		
Other retained earnings		
Retained earnings brought forward	(1,208,980)	(833,702)
Total retained earnings	(1,208,980)	(833,702)
Treasury stock	(110)	(110)
Total shareholders' equity	10,980,571	12,158,212
Total net assets	10,980,571	12,158,212
Total liabilities and net assets	25,964,253	32,237,497

## (2) Statements of income

(Units: Thousands of yen)

	Fiscal year ended December 31, 2022	Fiscal year ended December 31, 2023
Operating revenue		
Fee received	6,471,404	8,063,045
Net trading income	76,231	64,911
Financial revenue	5,843	13,152
Other operating revenue	19,991	26,813
Total operating revenue	6,573,470	8,167,922
Financial expenses	44,044	46,467
Net operating revenue	6,529,425	8,121,455
Selling, general, and administrative expenses		
Trading-related expenses	3,736,485	4,277,811
Personnel expenses	1,466,211	1,904,127
Real estate expenses	327,715	394,003
Office expenses	436,355	525,039
Depreciation	79,706	92,210
Taxes and dues	93,562	101,232
Other	179,575	303,357
Total selling, general, and administrative expenses	6,319,611	7,597,783
Operating profit	209,814	523,672
Non-operating income	8,590	4,590
Non-operating expenses		
Stock issuance expenses	2,308	2,866
Amortization of restricted stock remuneration	1,208	5,724
Other	621	142
Total non-operating expenses	4,138	8,733
Ordinary profit	214,266	519,529
Extraordinary losses		
Non-recurring losses	-	* 95,062
Total extraordinary losses	-	95,062
Profit before income taxes	214,266	424,467
Income taxes - current	43,455	69,898
Income taxes - deferred	(118,877)	(20,708)
Total income taxes	(75,422)	49,190
Profit	289,689	375,277



## (3) Statements of changes in equity

Fiscal year ended December 31, 2022

(Units: Thousands of yen)

	Share capital	Capital surplus		
		Legal capital surplus	Other capital surplus	Total capital surplus
Balance at beginning of current period	3,237,925	8,252,690	45,690	8,298,380
Changes during period				
Issuance of new shares	326,678	326,678		326,678
Profit				
Purchase of treasury stock				
Total changes during period	326,678	326,678		326,678
Balance at end of current period	3,564,603	8,579,368	45,690	8,625,058

	Retained earnings		Treasury stock	Total shareholders' equity	Total net assets
	Other retained earnings	Total retained earnings			
	Retained earnings brought forward				
Balance at beginning of current period	(1,498,669)	(1,498,669)	(17)	10,037,619	10,037,619
Changes during period					
Issuance of new shares				653,356	653,356
Profit	289,689	289,689		289,689	289,689
Purchase of treasury stock			(93)	(93)	(93)
Total changes during period	289,689	289,689	(93)	942,952	942,952
Balance at end of current period	(1,208,980)	(1,208,980)	(110)	10,980,571	10,980,571

Fiscal year ended December 31, 2023

(Units: Thousands of yen)

	Share capital	Capital surplus		
		Legal capital surplus	Other capital surplus	Total capital surplus
Balance at beginning of current period	3,564,603	8,579,368	45,690	8,625,058
Changes during period				
Issuance of new shares	401,181	401,181		401,181
Profit				
Purchase of treasury stock				
Total changes during period	401,181	401,181		401,181
Balance at end of current period	3,965,784	8,980,550	45,690	9,026,240

	Retained earnings		Treasury stock	Total shareholders' equity	Total net assets
	Other retained earnings	Total retained earnings			
	Retained earnings brought forward				
Balance at beginning of current period	(1,208,980)	(1,208,980)	(110)	10,980,571	10,980,571
Changes during period					
Issuance of new shares				802,362	802,362
Profit	375,277	375,277		375,277	375,277
Purchase of treasury stock					
Total changes during period	375,277	375,277		1,177,640	1,177,640
Balance at end of current period	(833,702)	(833,702)	(110)	12,158,212	12,158,212

## (4) Statements of cash flows

(Units: Thousands of yen)

	Fiscal year ended December 31, 2022	Fiscal year ended December 31, 2023
<b>Cash flows from operating activities</b>		
Profit before income taxes	214,266	424,467
Depreciation	79,706	92,210
Stock-based compensation	20,187	49,615
Loss on disposal of noncurrent assets	-	142
Decrease (increase) in cash segregated as deposits for customers	(800,000)	(2,300,000)
Decrease (increase) in trade date accrual	1,960	507
Interest and dividend income	(5,843)	(13,152)
Interest expenses	44,044	46,467
Decrease (increase) in advance payments	354	(1,100)
Decrease (increase) in prepaid expenses	(73,545)	(16,078)
Decrease (increase) in accounts receivables-others	(721)	441
Decrease (increase) in accrued income	(107,483)	(204,501)
Increase (decrease) in deposits received	(2,446,048)	4,833,614
Increase (decrease) in accounts payable-other	56,420	225,184
Increase (decrease) in accrued expenses	(11,710)	28,763
Other	(43,272)	(46,015)
Subtotal	(3,071,685)	3,120,569
Interest and dividend income received	2,985	11,362
Interest expenses paid	(44,537)	(45,991)
Income taxes paid	(3,800)	(62,419)
Cash flows from operating activities	(3,117,037)	3,023,521
<b>Cash flows from investing activities</b>		
Purchase of property, plant, and equipment	(105,553)	(33,949)
Purchase of intangible assets	(46,545)	(126,938)
Payments for lease and guarantee deposits	(43,261)	(311,204)
Other	(12,232)	(16,203)
Cash flows from investing activities	(207,592)	(488,295)
<b>Cash flows from financing activities</b>		
Proceeds from issuance of new shares	616,781	703,999
Others	(93)	-
Cash flows from financing activities	616,687	703,999
Effect of exchange rate change on cash and cash equivalents	65,204	46,229
Net increase (decrease) in cash and cash equivalents	(2,642,738)	3,285,455
Cash and cash equivalents at beginning of period	17,501,412	14,858,673
Cash and cash equivalents at end of period	14,858,673	18,144,129

## (5) Notes to financial statements

(Notes on premise of ongoing concern)

Not applicable

(Adoption of Accounting Standard for Fair Value Measurement)

Implementation Guidance on Accounting Standard for Fair Value Measurement (ASBJ Guidance No. 31, June 17, 2021) The following (hereinafter referred to as the “Implementation Guidance on Accounting Standard for Fair Value Measurement”) is applied from the beginning of the fiscal year under review, and in accordance with the transitional treatment stipulated in Paragraph 27-2 of the Implementation Guidance on Accounting Standard for Fair Value Measurement, the new accounting policies stipulated by the Implementation Guidance on Accounting Standard for Fair Value Measurement will be applied in the future. There is no impact on the annual financial statements.

(Reclassifications)

(Statements of income)

“Loss on amortization of restricted stock remuneration,” included in “Other” under non-operating expenses in the previous fiscal year, is presented separately from the current fiscal year due to an increase in its materiality. To conform to this change, the non-consolidated financial statements for the previous fiscal year are reclassified.

As a result, “Other” (1,829 thousand yen) under non-operating expenses presented in the previous fiscal year’s non-consolidated statements of income has been reclassified and divided into “Loss on amortization of restricted stock remuneration” (1,208 thousand yen) and “Other” (621 thousand yen).

(Notes on quarterly statement of income)

\* Non-recurring losses

The Company recorded non-recurring losses associated with trading losses. The excess buy orders were executed on July 5, which included the unexecuted buy orders placed on July 3 when stock markets closed early in the U.S., and the excess position was booked on the Company’s account. The trading losses were mainly incurred with the adverse market movements in the process of unwinding the position.

(Segment information, etc.)

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

(Significant subsequent events)

Not applicable

(Per share information)

	Fiscal year ended December 31, 2022	Fiscal year ended December 31, 2023
Net assets per share	226.98 yen	245.70 yen
Basic earnings per share	6.07 yen	7.65 yen
Diluted earnings per share	5.79 yen	7.50 yen

Note 1. The basis for calculating the net profit per share and diluted earnings per share are as follows.

Items	Fiscal year ended December 31, 2022	Fiscal year ended December 31, 2023
Net profit per share		
Net profit (thousands of yen)	289,689	375,277

Amount not attributable to common shareholders (thousands of yen)	-	-
Current net profit relating to common shares (thousands of yen)	289,689	375,277
Average number of common shares outstanding during the period (shares)	47,704,079	49,055,715
Diluted earnings per share		
Adjustment on net profit (thousands of yen)	-	-
Increase in common shares (shares)	2,344,132	967,893
Of which increase upon the exercise of stock options	2,344,132	967,893
Outline of dilutive shares excluded in the calculation of diluted earnings per share, as they have no dilution effect	-	-

(Significant subsequent events)

The Company's Board of Directors, at a meeting held on February 14, 2024, has resolved to enter into an agreement on capital and business alliance (the "Capital and Business Alliance") with MUFG Bank, Ltd. ("MUFG Bank" or the "Allottee"), a consolidated subsidiary of MUFG Financial Group, Inc. ("MUFG") (the "Capital and Business Alliance Agreement"), and to issue new shares (the "Shares") through third-party allotment to MUFG Bank pursuant to the Capital and Business Alliance Agreement (the "Third-Party Allotment"), the details of which are as described below. In order to facilitate the Capital and Business Alliance, the Company intends to nominate one candidate designated by MUFG Bank as an outside director candidate at the Annual General Meeting of Shareholders (scheduled to be held on March 26, 2024). As a result of the above, the Company will become an equity method affiliate of MUFG Bank, and there will be changes to the Company's major shareholder and other affiliates.

1. Purpose and Reasons for the Capital and Business Alliance

MUFG forms a corporate group that includes commercial banks, trust banks and securities companies, as well as credit card companies, consumer finance companies and asset management companies under its umbrella ("MUFG Group") and provides a variety of financial services by uniting top-class companies in major financial sectors. Focusing on "digital transformation (DX)" as one of the key strategies highlighted in its Medium-term Business Plan since fiscal year 2021, MUFG has enhanced contact points for digital services for all its customers and promoted digitalization in its products and services. MUFG can offer tailored proposals according to each customer's life events, based on an enhanced data platform and applications integrated among group companies, with the aim of providing group-wide support for customers throughout their lives, illustrating the importance of the "lifetime value" concept.

The Company, operating with its mission of "Helping working families build wealth," provides its fully automated robo-advisor "WealthNavi" online to build and maintain a long-term, globally diversified portfolio to build wealth for a more comfortable retirement. Since the launch of its service in July 2016, we have continued to release a series of new functions based on its capabilities in product development. After launching "Robo-NISA," a tax-free managed account service using NISA (Nippon Individual Savings Account, a tax-exempt small investment program in Japan) account in February 2021, the Company now offers an enhanced service fully aligned with New NISA which started in January 2024. Based on these track records, the Company is the top robo-advisor in Japan (Note 1) in terms of assets under management and number of users, with assets under management exceeding 1 trillion yen as of January 11, 2024. The Company is also committed to building a personal financial platform, extending its services beyond asset management.

In Japan, it is expected to accelerate the shift from savings to investment backed by the increasing demand for asset building from working families and the enhanced regulatory support including the upgrade of the NISA program. However, competition among financial institutions, including the provision of services that meet the needs of customers, has been intensifying. In order to continue being their financial service provider of choice, we believe it is necessary to understand our customers and offer services tailored to each customer over the medium- to long-term and provide supportive solutions to solve our customers' diversifying challenges related to asset management-related issues.

The Company and MUFG Bank have made joint efforts to address customers' diversified asset building needs through their "WealthNavi for MUFG Bank" robo-advisor that was launched in November 2020 to provide enhanced services to MUFG Bank customers. Moreover, based on the recognition of the issues above, the Company and MUFG Bank have held a series of talks about potential collaborations beyond the framework of the existing business alliance, with the aim of further evolving services and offering greater added value to individual customers' asset building.

Therefore, under this Capital and Business Alliance, the Company and MUFG Bank reached an agreement on the development and provision of a Money Advisory Platform ("MAP") to solve customers' financial issues throughout their lifetime, as well as promoting use of its robo-advisor services and "Robo-NISA," through a combination of MUFG Group's wide-ranging customer base and product lineup and our outstanding capabilities in agile planning and product development. We are determined to make contributions to individuals' sound asset building and pursue the enhancement of both parties' corporate value by executing the strategy stated in "2. Details of the Capital and Business Alliance" below.

(Note 1) Calculated by the Company, based on the Japan Investment Advisors Association's "Statistical Release on Asset Under Management (Latest Version) (as of End of September 2023)"

## 2. Details of the Capital and Business Alliance

The Company and MUFG Bank will, combine the strengths of both parties to accelerate support for asset building in the retail market mainly consisting of working families and to offer services tailored to each customer over the medium- to long-term, with the aim of contributing to Japanese individuals' sound asset building.

Specifically, the Company and MUFG Bank will strengthen their existing collaboration in the robo-advisor business including "Robo-NISA," and will additionally join hands in developing and providing the Money Advisory Platform, which will include services related to not only asset management but also others, such as life insurance, pensions, financial education, and housing loans. The main elements are as follows, and the Company and MUFG Bank are planning to enhance and upgrade our service lineup in a phased manner, with the launch of enhanced collaboration in robo-advisor services and start of development of the Money Advisory Platform by the end of 2024, followed by the latter's release in 2025.

(Robo-advisor business)

- Enhanced collaboration for referral of more customers who need fully-automated asset management services to "WealthNavi for MUFG Bank", leveraging MUFG Bank's customer base
- Initiatives to attract and acquire customers for the Company's robo-advisor business "WealthNavi for MUFG Bank", by guiding users of MUFG Bank Direct internet banking service to "WealthNavi for MUFG Bank" and including "WealthNavi for MUFG Bank" in MUFG Group's loyalty program
- Potential collaboration between the Company and MUFG Group (including Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. and au Kabucom Securities Co., Ltd.)

(Money Advisory Platform)

The Money Advisory Platform is intended to provide customers with optimal advice on financial products based on algorithms and collected customer data on their age, family structure, and PFM (personal financial management), aiming to offer the best customer experience.

- Development and service launch of the Money Advisory Platform through joint planning and discussion
- Provision of advice from a neutral standpoint, throughout customers' lifetimes according to their specific circumstances, with a scope that will be extended in a phased manner from asset management to life insurance, pensions, financial education, housing loans, etc.
- Cross-selling to MUFG Bank Direct internet banking service users and potential utilization of the Company's advisory service at MUFG Bank branches
- More extensive and in-depth collaborations between WealthNavi and MUFG Group (Mitsubishi UFJ Morgan Stanley

Securities Co., Ltd., au Kabucom Securities Co., Ltd., Mitsubishi UFJ Trust and Banking Corporation, Mitsubishi UFJ NICOS Co., Ltd., etc.), such as including “WealthNavi for MUFG Bank” in MUFG Group’s loyalty program, to contribute to the shift from savings to investment trend in Japan.

Under the Capital and Business Alliance Agreement, it is also stipulated that the Company shall own the intellectual property rights and all other related rights arising in relation to the Money Advisory Platform developed by the Company in collaboration with MUFG Bank in the course of the Capital and Business Alliance (provided, however, that prior approval from MUFG Bank shall be required when licensing the Money Advisory Platform to certain financial group competitors of the MUFG Group) and that MUFG Bank shall obtain prior approval from the Company if MUFG Bank transfers the Shares or acquires additional shares and other securities of the Company.

### 3. Schedule of the Capital and Business Alliance

(1) Resolution Date of the Board of Directors	February 14, 2024
(2) Execution date of the Capital and Business Alliance Agreement	February 14, 2024
(3) Payment period for the Third-Party Allotment (Note)	From March 4, 2024 to March 25, 2024 (scheduled)
(4) Date of the Annual General Meeting of Shareholders	March 26, 2024 (scheduled)

(Note) The Third-Party Allotment is subject to the conditions such as that the Securities Registration Statement under the Financial Instruments and Exchange Act has become effective and that MUFG Bank obtains the necessary approvals and licenses from the relevant authorities (including completion of procedures under the Banking Act and the Act on Prohibition of Private Monopolization and Maintenance of Fair Trade) for the implementation of the Third-Party Allotment (the “Conditions Precedent”). However, as the timing for obtaining such approvals and licenses from the relevant authorities cannot be determined, the payment period has been set.

### 4. Outline of the Third-Party Allotment

(1) Payment period (Note)	From March 4, 2024 to March 25, 2024 (scheduled)
(2) Number of shares to be newly issued	9,110,000 shares
(3) Issue price	JPY 1,718 per share
(4) Amount of fund to be raised	JPY 15,650,980,000 (estimated amount of net proceeds: JPY 15,430,980,000)
(5) Method of offering or allotment (Allottee)	All new shares are allocated to MUFG Bank through a third-party allotment.
(6) Use of funds to be raised	(i) Marketing expenses to expand the customer base in the robo-advisor business: JPY 3,000 million (ii) Funds for planning, development and operation of the Money Advisory Platform as well as system and data infrastructure enhancement: JPY 4,000 million (iii) Marketing expenses to expand the customer base in the Money Advisory Platform: JPY 3,000 million (vi) Funds for future M&A and capital and business alliance to enhance the Money Advisory Platform: JPY 5,431 million

(7) Others	The Third-Party Allotment is subject to the effectiveness of the securities registration statement filed under the Financial Instruments and Exchange Act of Japan.
------------	---

(Note) The Third-Party Allotment is subject to the satisfaction of the Conditions Precedent. However, as the timing for obtaining approvals and licenses from the relevant authorities cannot be determined, the payment period has been set.