Financial Results for 3Q 2024

WealthNavi Inc.
November 14, 2024

Mission

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



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Highlights of 3Q 2024 results

AuM[1]

JPY1.25T

（QoQ ▲JPY22bn）

Number of users[1,2]

416K

（QoQ +8K）

Number of “Robo-NISA” users[1,2]

108K

（QoQ +6K）

ARR[3]

JPY11.0Bn

（YoY +28.4%）

Operating revenue (1-3Q)

JPY8,117Mn

（YoY +37.7%）

Operating profit (1-3Q)

JPY523Mn

（YoY -1.2%）

1 As of September 30, 2024. AuM as of October 31, 2024 was 1.34 trillion yen
2 “Users” refers to a customer who has AuM of 1 yen or more
3 **A**nnual **R**ecurring **R**evenue. Calculated by multiplying monthly recurring revenue (Monthly Recurring Revenue, “MRR”) before deducting revenue sharing in September 2024 by 12

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3Q 2024 financial highlights

3Q 2024 business highlights

Forecast for full-year 2024

Appendices

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Our investment for growth accelerated in 3Q

- Steady growth in operating revenue despite significant market turbulence
- Invested in product development and IT infrastructure for anticipated rapid growth, resulting in increase in personnel and real estate related expenses
- Increased advertising expenses from 2Q, but continued to focus on its efficiency

Financial results

JPY millions

	3Q FY2024					1-3Q FY2024		
	Actuals	2Q FY2024		3Q FY2023		Actuals	1-3Q FY2023	
		Actuals	QoQ	Actuals	YoY		Actuals	YoY
Operating revenue	**2,894**	**2,745**	**+5.4%**	**2,183**	**+32.5%**	**8,117**	**5,893**	**+37.7%**
-) Revenue sharing	312	298	+4.6%	234	+33.1%	879	639	+37.6%
-) Transaction-linked expenses	284	294	-3.6%	238	+19.2%	856	673	+27.1%
-) Personnel expenses	745	704	+5.7%	485	+53.5%	2,043	1,378	+48.2%
-) Real estate related expenses, etc.	595	482	+23.3%	296	+100.5%	1,394	822	+69.6%
Operating profit excluding advertising expenses	**956**	**963**	**-0.7%**	**927**	**+3.1%**	**2,943**	**2,379**	**+23.7%**
-) Advertising expenses	788	697	+13.1%	587	+34.3%	2,420	1,850	+30.8%
Operating profit	**168**	**266**	**-36.8%**	**340**	**-50.6%**	**523**	**529**	**-1.2%**

Note: Fractions of one million yen are rounded down

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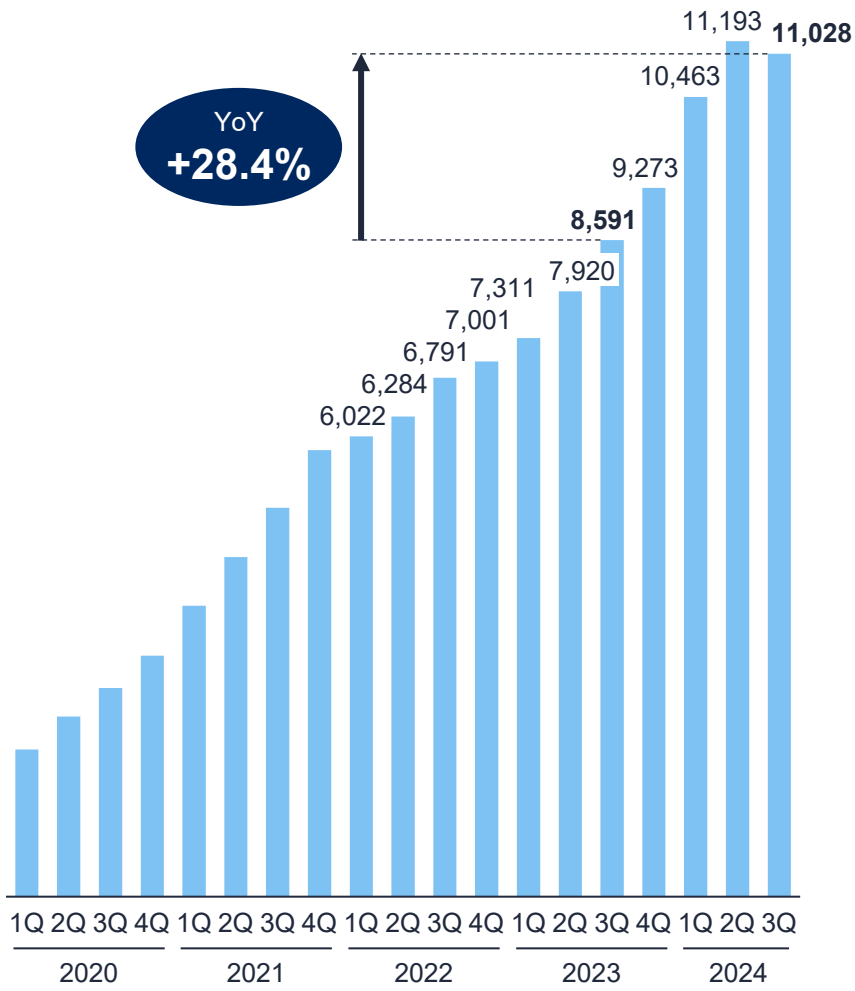
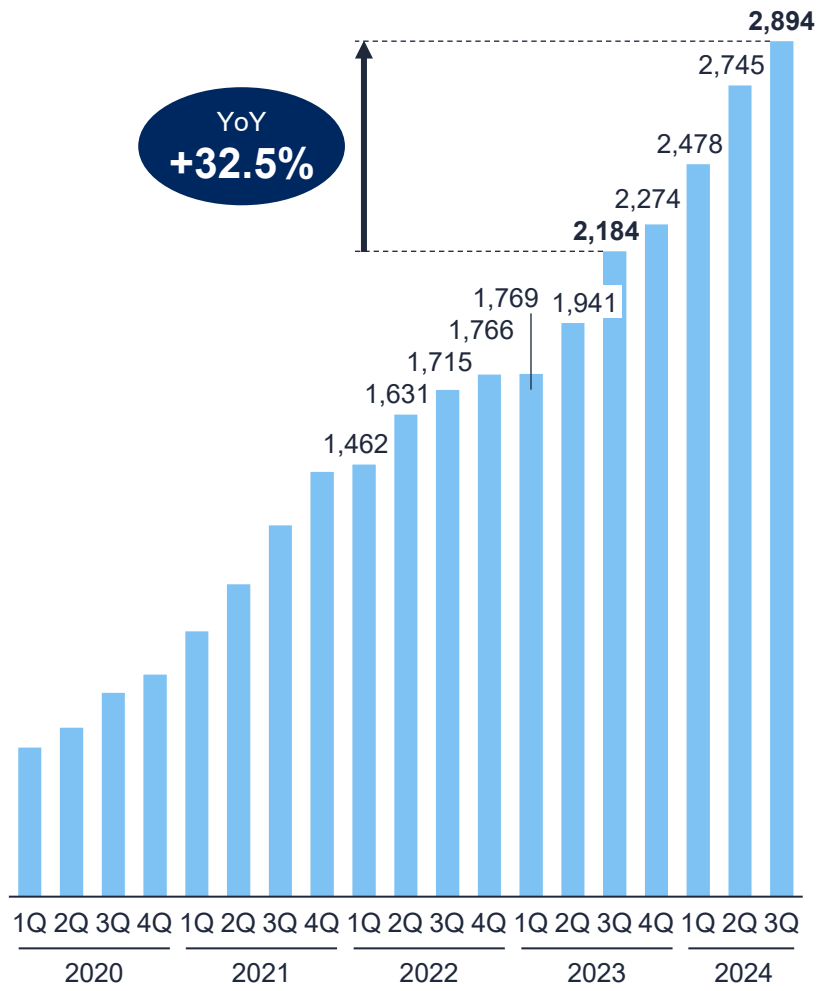
ARR affected by a turbulent market temporarily

ARR
Quarterly; JPY millions



Operating revenue
Quarterly; JPY millions



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

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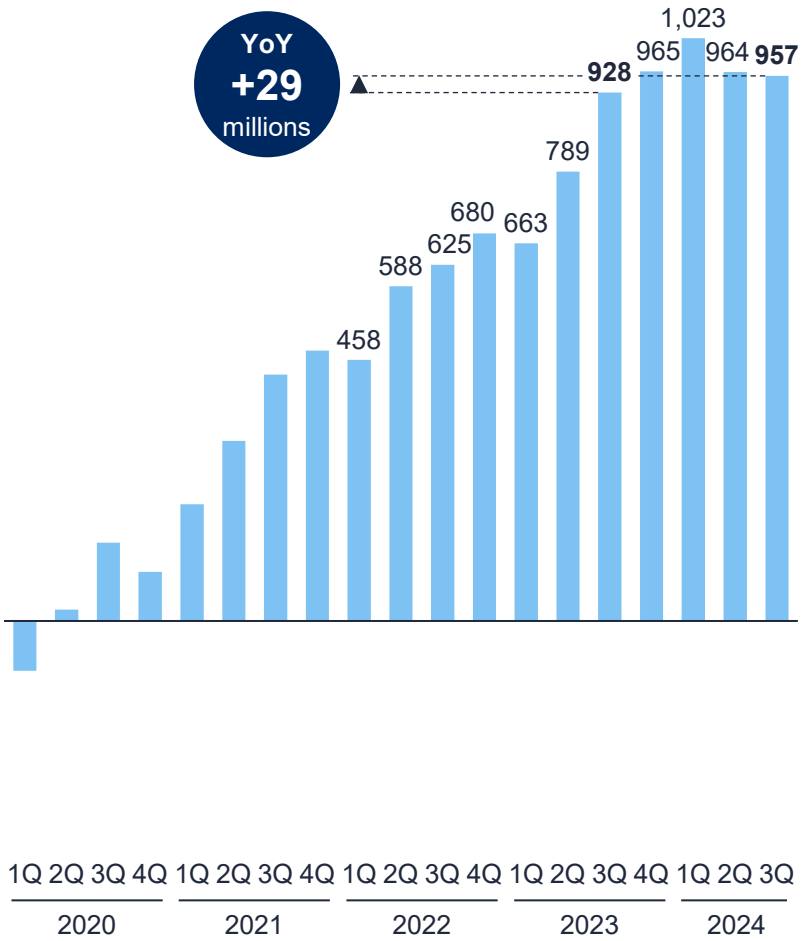
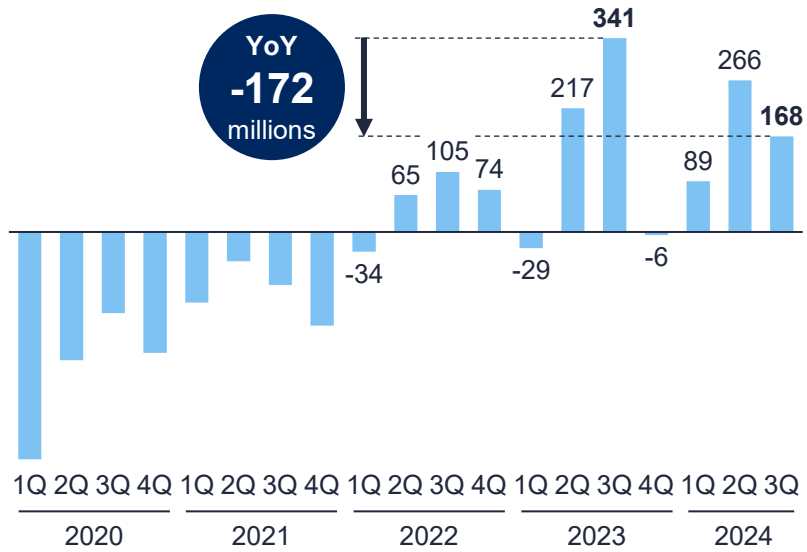
Operating profit excluding advertising expenses flatlined due to investment aimed at future growth

Operating profit excluding advertising expenses
Quarterly; JPY millions



Operating profit
Quarterly; JPY millions



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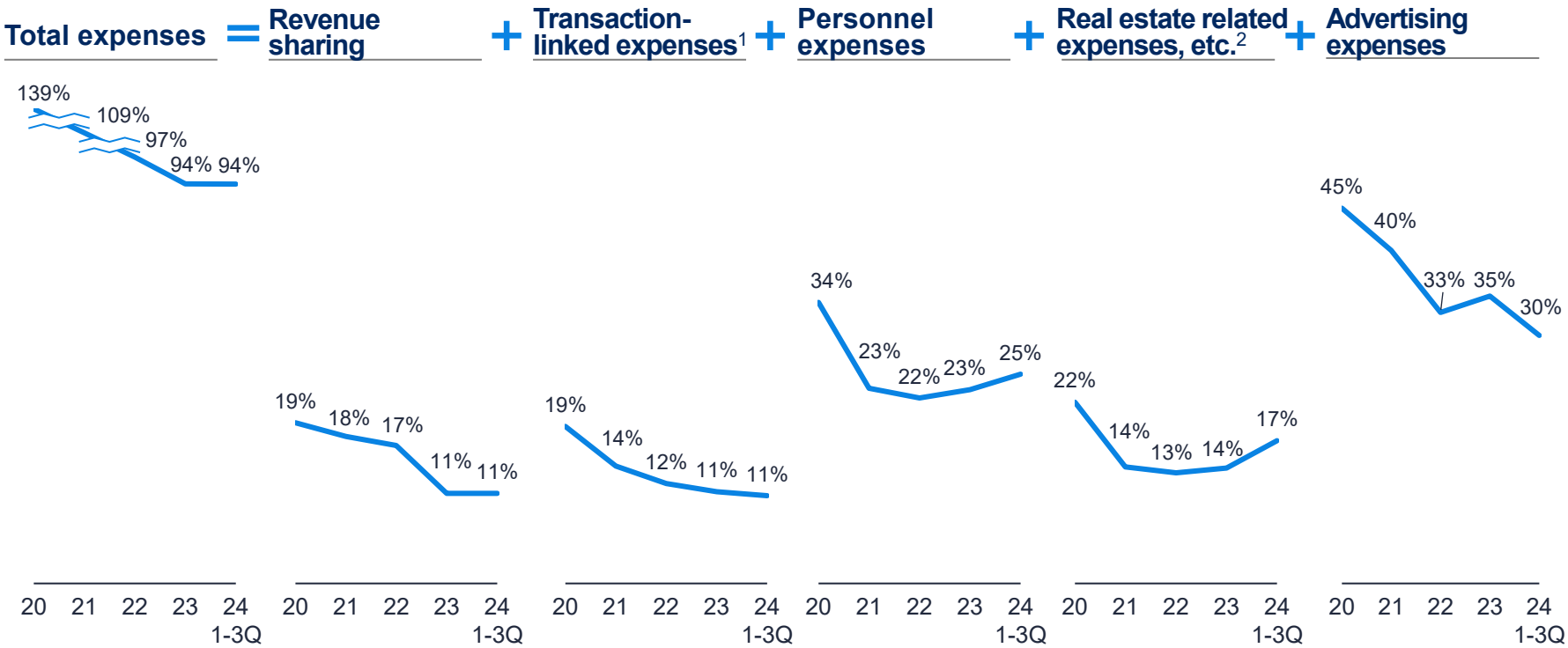
Proactively invested for long-term growth

- Personnel expenses and real estate related expenses increased as a result of investing in the development of the MAP, new services and IT infrastructure to drive future growth
- Office relocation caused a temporary rise in the real estate related expenses
- Intensive advertising for New NISA launch completed in 1Q, and we resumed an aggressive, yet disciplined approach in 2Q

Operating revenue ratio



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.

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Financial statements

Income statements

Quarterly; JPY millions

	2021				2022				2023				2024		
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Operating revenue	**897**	**1,056**	**1,256**	**1,436**	**1,461**	**1,630**	**1,714**	**1,766**	**1,768**	**1,941**	**2,183**	**2,274**	**2,478**	**2,745**	**2,894**
-) Revenue sharing	158	192	222	248	258	283	311	238	192	211	234	245	268	298	312
-) Transaction-linked expenses	153	163	165	173	201	193	196	198	213	221	238	228	277	294	284
-) Personnel expenses	238	248	277	325	350	342	372	400	441	451	485	525	592	704	745
-) Real estate related expenses, etc.	143	135	158	214	192	223	209	248	257	267	296	310	316	482	595
Operating profit excluding advertising expenses	**204**	**316**	**432**	**474**	**458**	**587**	**625**	**680**	**662**	**788**	**927**	**964**	**1,023**	**963**	**956**
-) Advertising expenses	328	367	525	639	492	523	520	606	691	571	587	970	934	697	788
Operating profit	**(123)**	**(51)**	**(93)**	**(164)**	**(34)**	**64**	**105**	**74**	**(28)**	**217**	**340**	**(5)**	**88**	**266**	**168**
Operating revenue ratio															
-) Revenue sharing	18%	18%	18%	17%	18%	17%	18%	13%	11%	11%	11%	11%	11%	11%	11%
-) Transaction-linked expenses	17%	15%	13%	12%	14%	12%	11%	11%	12%	11%	11%	10%	11%	11%	10%
-) Personnel expenses	27%	24%	22%	23%	24%	21%	22%	23%	25%	23%	22%	23%	24%	26%	26%
-) Real estate related expenses, etc.	16%	13%	13%	15%	13%	14%	12%	14%	15%	14%	14%	14%	13%	18%	21%
Operating profit excluding advertising expenses	**23%**	**30%**	**34%**	**33%**	**31%**	**36%**	**36%**	**39%**	**37%**	**41%**	**42%**	**42%**	**41%**	**35%**	**33%**
-) Advertising expenses	37%	35%	42%	44%	34%	32%	30%	34%	39%	29%	27%	43%	38%	25%	27%
Operating profit	**-14%**	**-5%**	**-7%**	**-11%**	**-2%**	**4%**	**6%**	**4%**	**-2%**	**11%**	**16%**	**-0%**	**4%**	**10%**	**6%**

Note: Fractions of one million yen are rounded down

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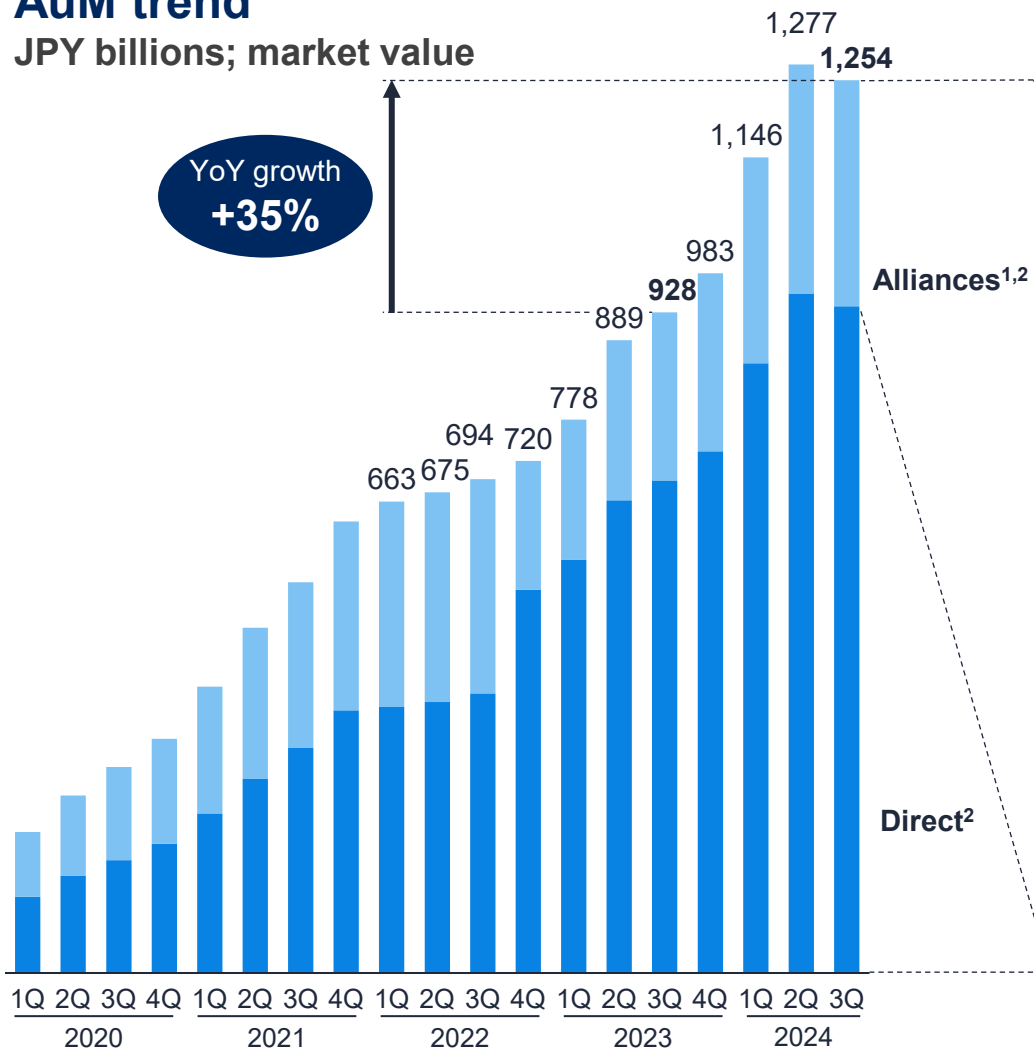
Both direct and alliance channels drive AuM growth

AuM trend

JPY billions; market value



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
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
北國おまかせ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

Note: AuM as of October 31, 2024 was 1.34 billion yen

1 Channels available as of September 30, 2024

2 The business alliances with SBI Securities and SBI Neomobile Securities terminated in November 2022, and with the Chukyo Bank in June 2024. AuM through them are included in "Alliance" until the termination of the business alliances and included in "Direct" afterwards.

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

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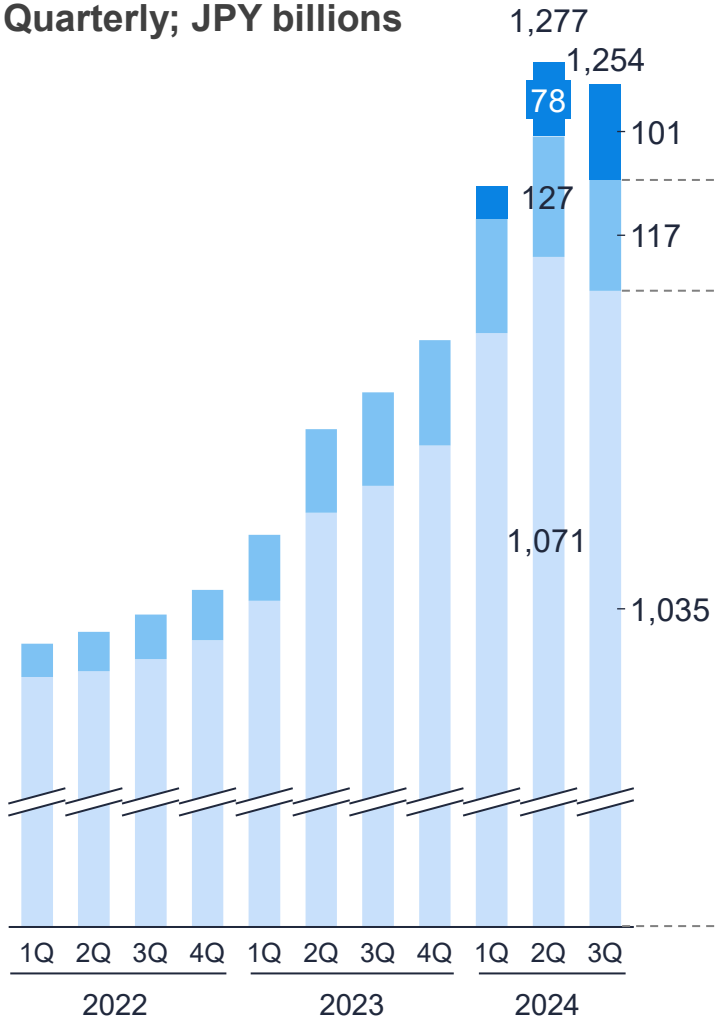
AuM of New NISA showed consistent growth

AuM trend of “Robo-NISA”

Quarterly; JPY billions



Type of accounts	Service launch	Management fee[1]	Annualized take rate[3]
New NISA	Jan. 2024	0.63-1%[2]	0.77%
NISA	Feb. 2021	1%	0.93%
Taxable accounts	Jul. 2016	1%	

1 The annual management fee is 1% of the ETF portion of the AuM (1.1% including tax), and 0.5% (0.55% including tax) for the portion exceeding JPY 30 million
For managed account services with a hybrid of online and face-to-face support, the annual management fee is 1.5% (1.65% including tax), and 1.0% (1.1% including tax) for the portion exceeding JPY 30 million

2 The annual fee is 0% for “Installment allowance. ”For “Growth allowance,” they are 1% for risk tolerance levels 4 and 5, and 0.9%, 0.8% and 0.7% for levels 3, 2, and 1, respectively

3 Calculated based on fee received and the ETF portion of AuM between Jan. and Sep. 2024

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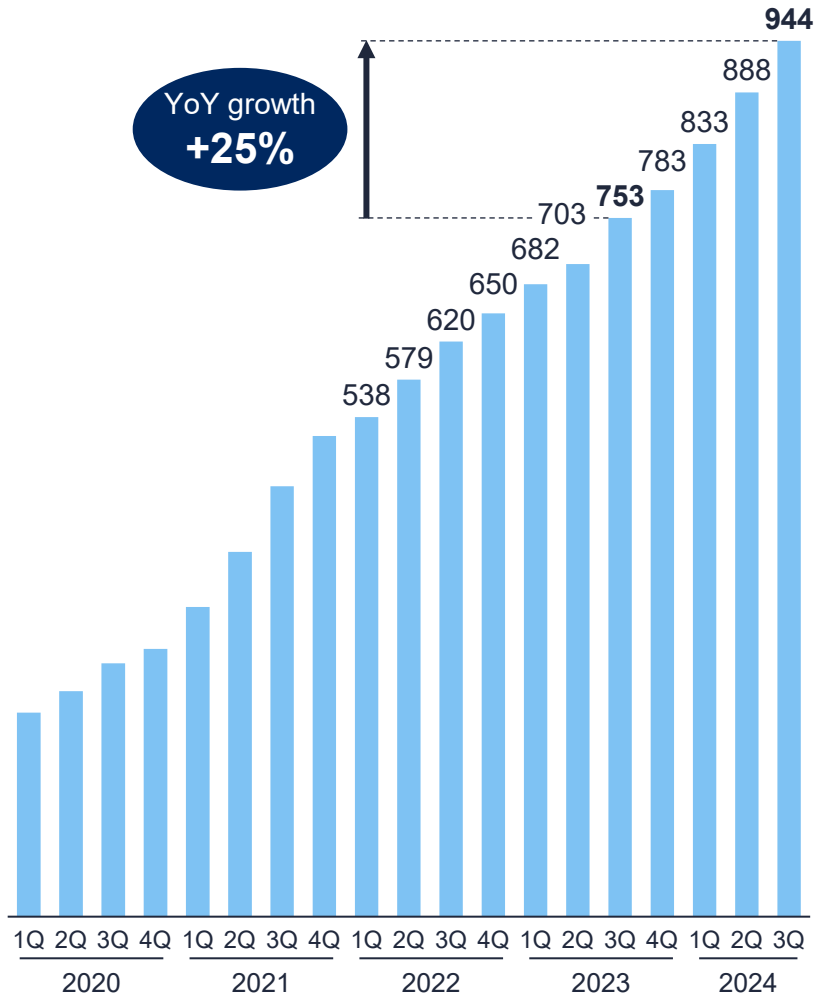
Steady growth of book-value AuM and user base

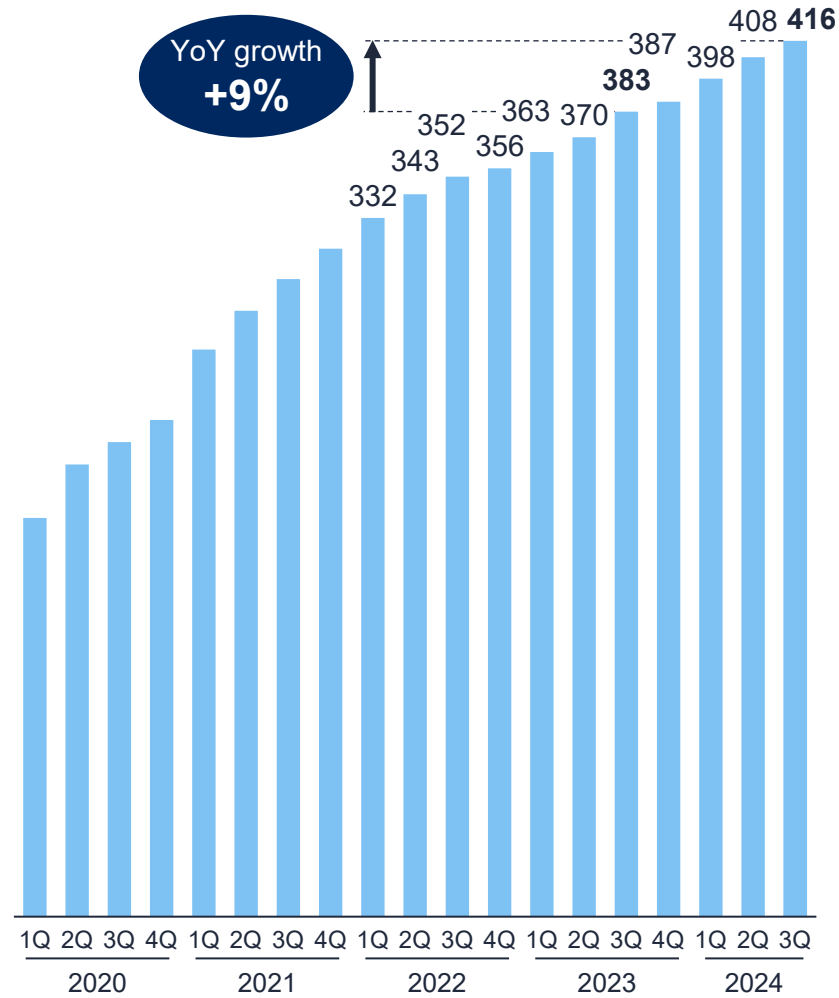
Book-value AuM

JPY billions, book value



Number of users

Thousands



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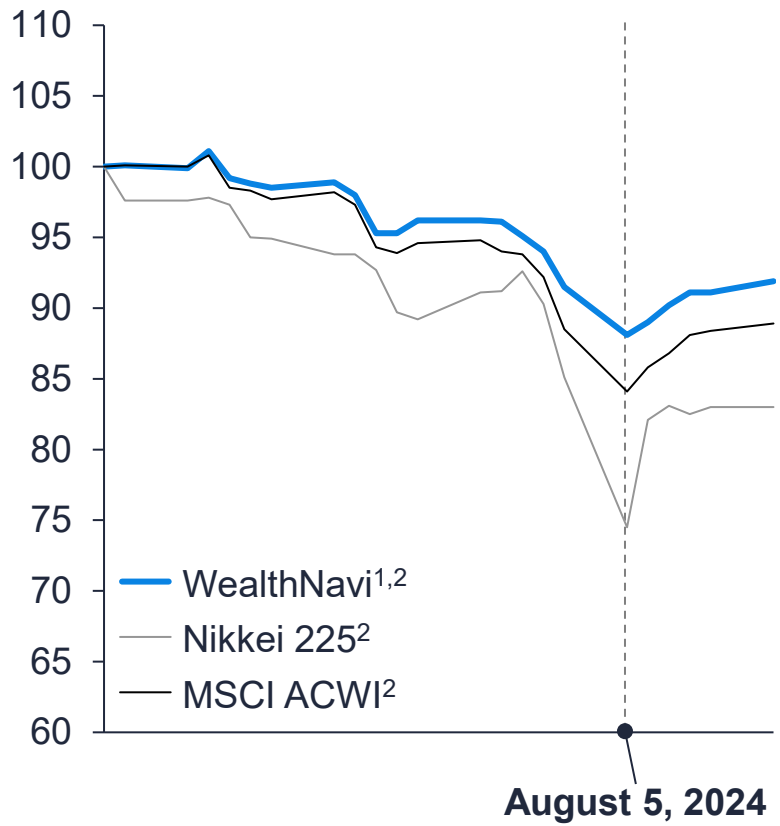
99.5% of users continued to use WealthNavi despite Nikkei's historic plunge on August 5

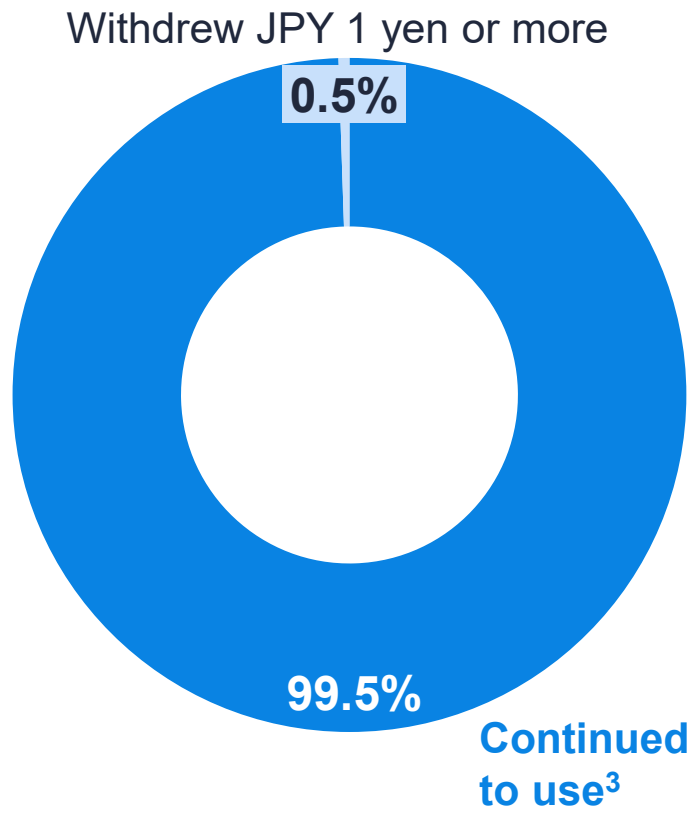
Changes in WN and major indices

From July 11 to August 12, 2024
July 11, 2024 = 100



User behavior

August 5, 2024



1 Shows the average investor return of 5 risk tolerance levels, from level 1 to level 5. Annual fee of 1% (1.1% including tax) excluding cash is deducted from the daily return
2 Shows total return, and JPY-denominated return for MSCI ACWI
3 "Continue to use" means that there is an ETF balance on August 5, 2024, and there is no withdrawal in part or in whole on the day. Approximately 0.52% of users have made withdrawals

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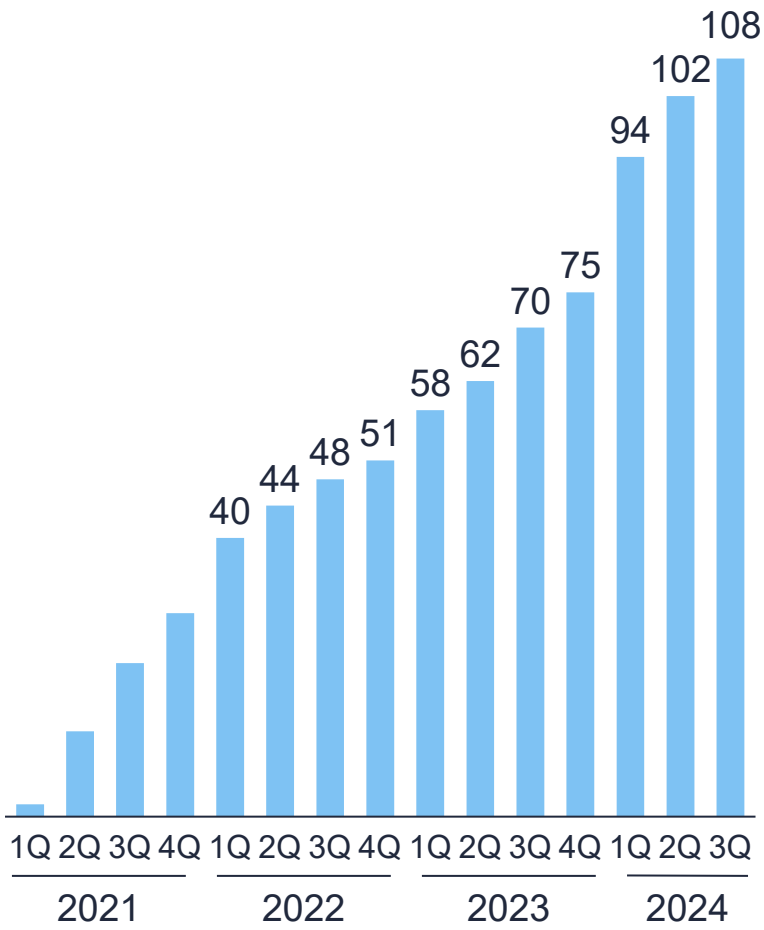
Robo-NISA contributes to AuM growth

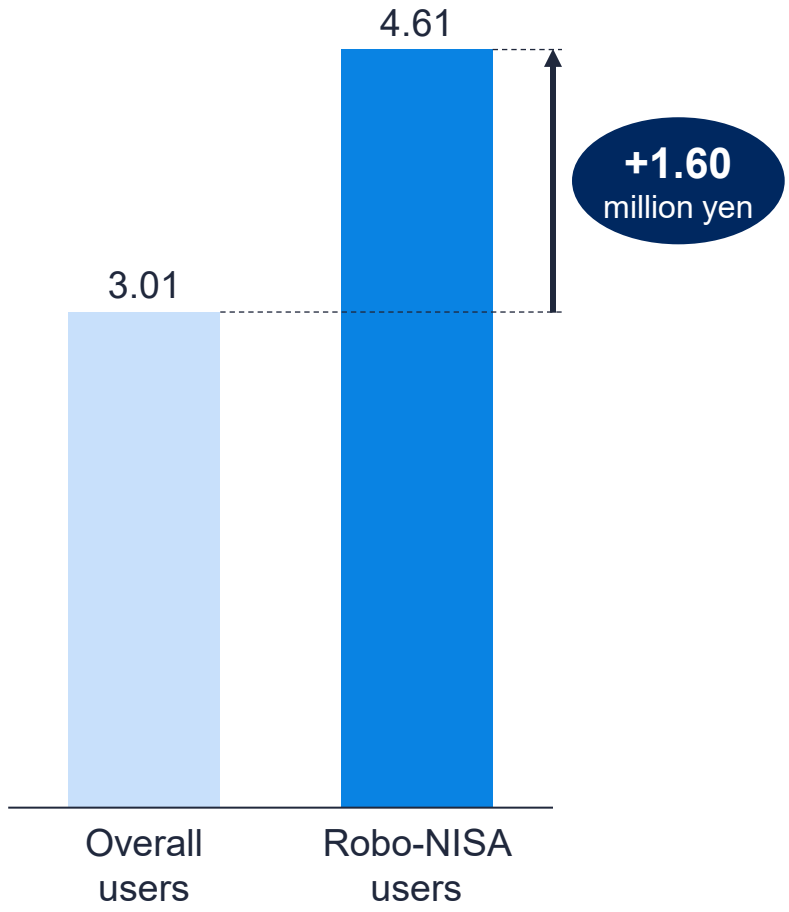
Number of “Robo-NISA” users

Quarterly; thousands



AuM per user[1,2]

JPY million; Sep. 2024



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

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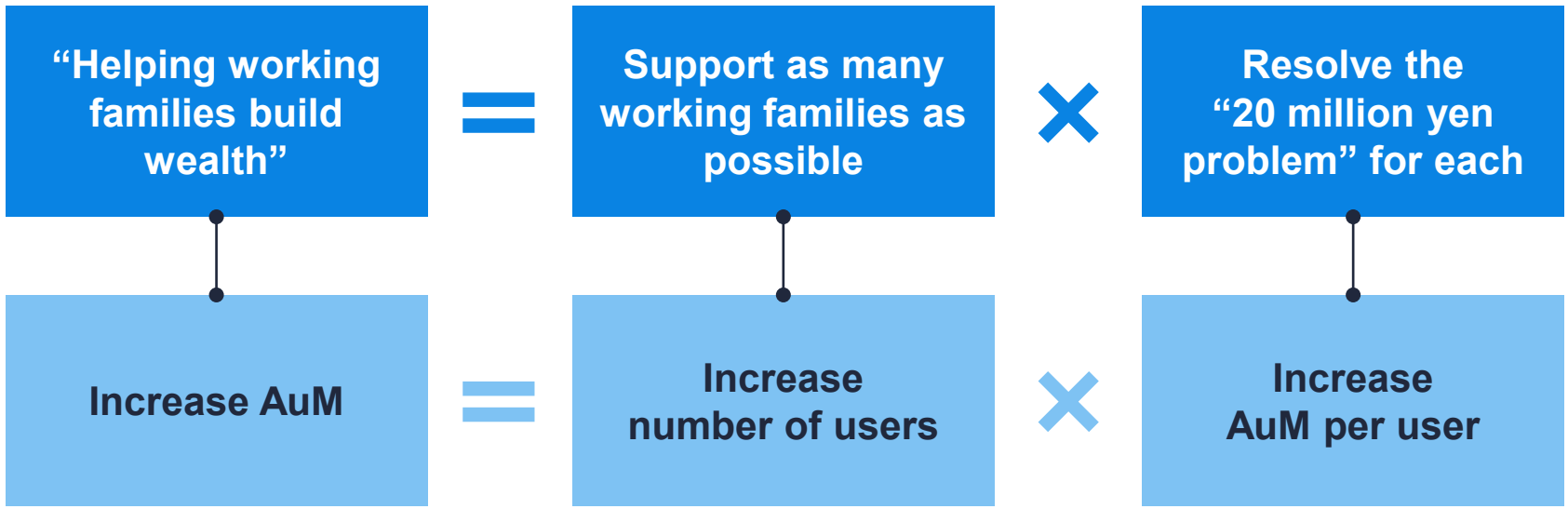
KPIs set to achieve our mission “Helping working families build wealth”



AuM

Total

JPY928.4Bn ▶ **JPY1.25T**

NISA accounts

JPY98.9Bn ▶ **JPY218.8Bn**

（Sep. 30, 2023） （Sep. 30, 2024）

Number of users

Total

383K ▶ **416K**

“Robo-NISA” users

70K ▶ **108K**

（Sep. 30, 2023） （Sep. 30, 2024）

AuM per user

All users

JPY2.43Mn ▶ **JPY3.01Mn**

“Robo-NISA” users

JPY3.81Mn ▶ **JPY4.61Mn**

（Sep. 30, 2023） （Sep. 30, 2024）

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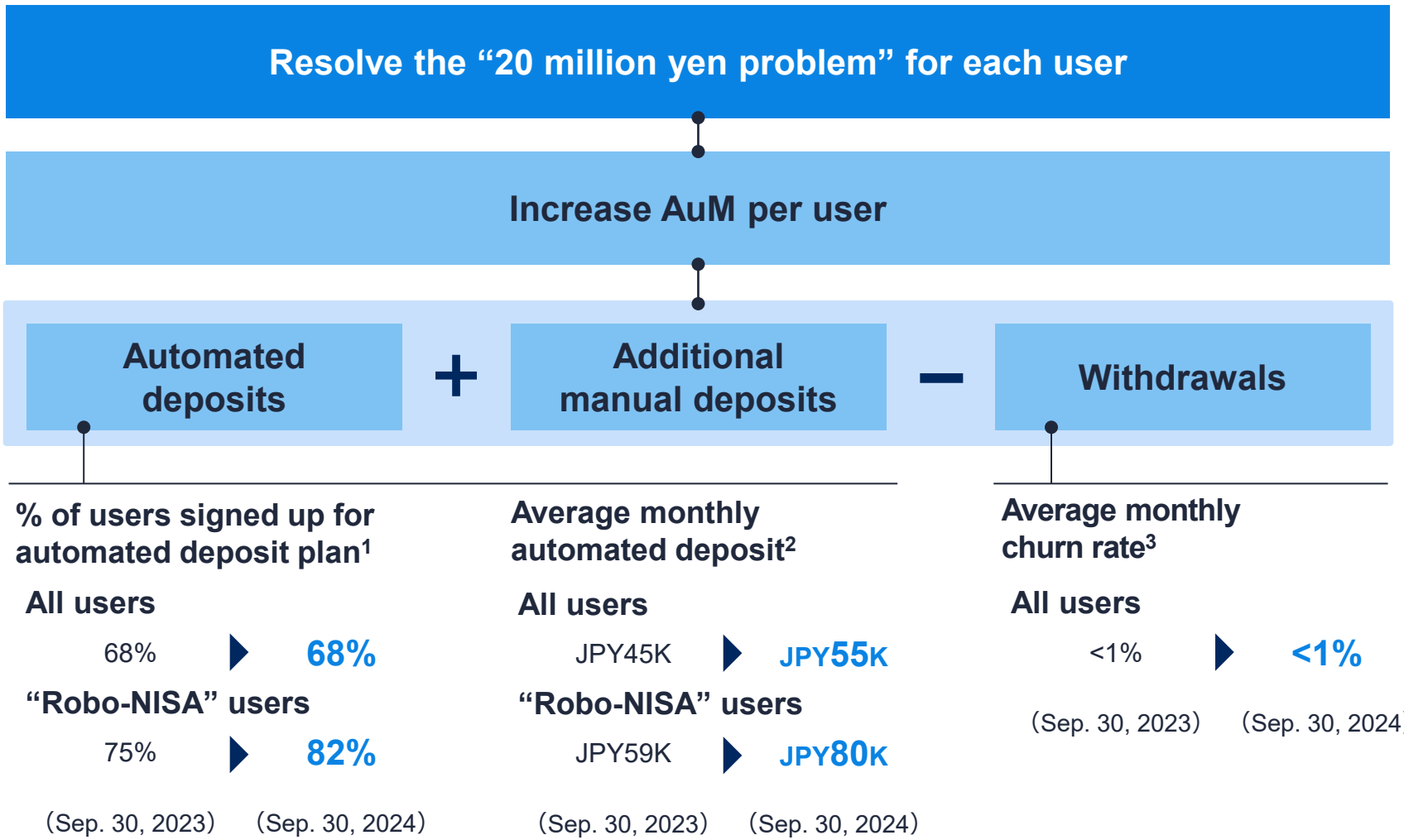
WealthNavi aims to help working families resolve their “20 million yen problem”



1 % of WealthNavi accounts with the recurring deposits among % of WealthNavi accounts with a positive ETF balance
2 Average monthly automated deposit through WealthNavi’s automated deposit plan
3 % of users who go from a positive ETF balance to no ETF balance (monthly, total average from July 2016 to September 2024)

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Growth momentum of “WealthNavi R” carries on

Service launch

May 13, 2024

AuM[1]

JPY2,519Mn

Number of users[1]

10,238

AuM per user[1]

JPY0.25Mn

1 As of September 30, 2024

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No change in earnings forecast for 2024

- 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
- We reallocated resources from New NISA launch to building a multi-service platform. We plan to launch the Money Advisory Platform[1] (“MAP”) overarching the robo-advisor and new services in 2025
- Although we have made better-than-expected progress in 1-3Q, we do not change the full-year earnings forecast since the financial market, which directly affects our operating revenue, is hard to predict. In addition, we plan to continue investment in the MAP and new services and expect a one-time expense for office relocation in 4Q

		Actual **2024 1-3Q**	**Forecast** **2024 full-year**	Actual 2023 full-year
Operating revenue		**JPY 8,118 million** **Progress: 73%**	**JPY 11,187 million** **YoY: +37.0%**	JPY 8,168 million YoY: +24.3%
Operating profit		**JPY 523 million** **Progress: 99%**	**JPY 531 million** **YoY: +1.4%**	JPY 524 million YoY: +149.6%
AuM (Reference)	Market value	JPY 1.25 trillion Progress: 93%	JPY 1.35 trillion[2] YoY: +37.1%	JPY 983.3 billion YoY: +36.6%
	Book value	JPY 943.9 billion Progress: 94%	JPY 1.01 trillion YoY: +28.7%	JPY 782.9 billion YoY: +20.4%

1 “Money Advisory Platform” Intends to provide customers with holistic financial advice and solutions based on various customer data, aiming to offer the best customer experience
2 Gap between market value and book value is fixed at the level of the end of July 2024 or 340.2 billion yen, and USD/JPY is fixed at 150.38 yen

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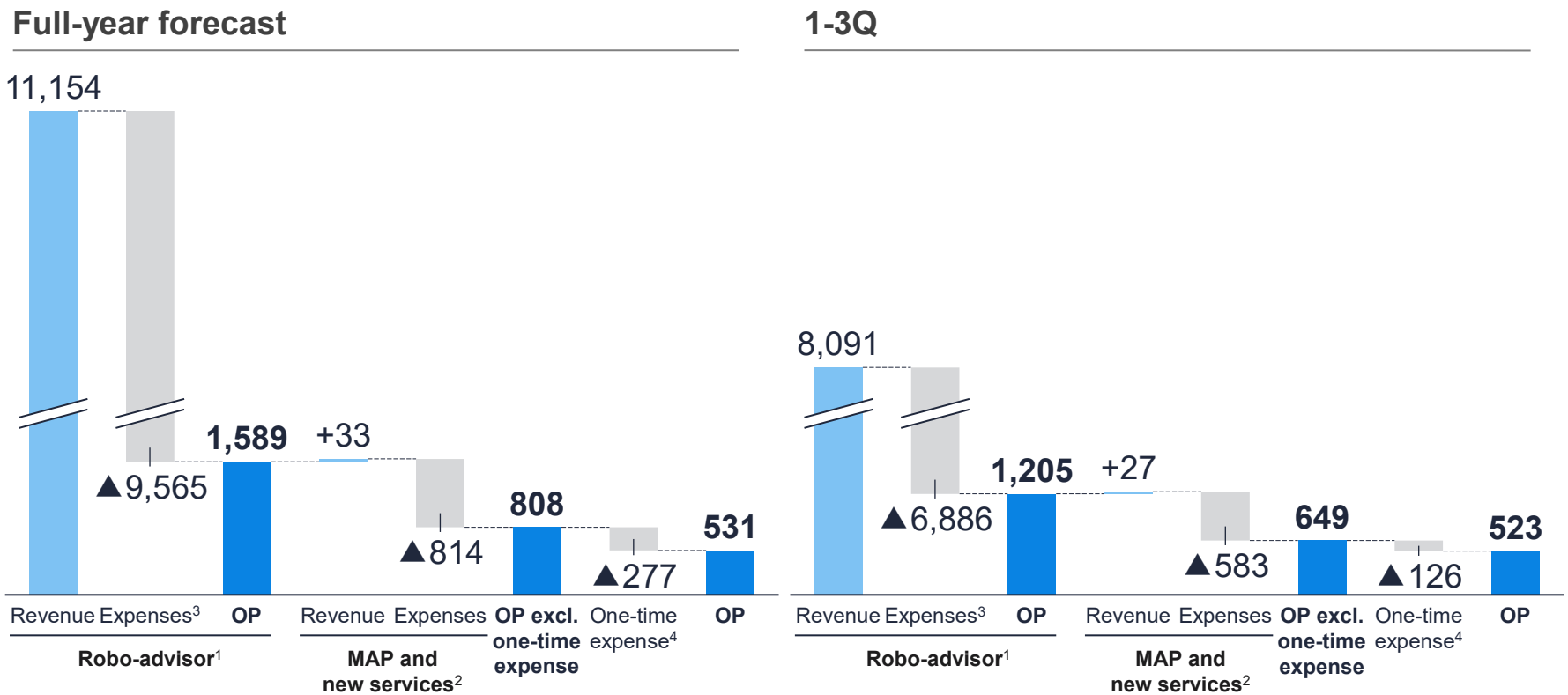
Steady progress toward earnings forecast

- Operating profit for 1-3Q reached 99% of our full-year forecast because we spent less than initially planned on advertising in 3Q due to high market volatility
- Other expenses including expenses for new services and office relocation were on track

Progress to operating revenue forecast

JPY millions



1 Robo-advisor represents the business related to the robo-advisor "WealthNavi"
2 Map / new business represents all businesses other than "WealthNavi," including MAP, insurance service, "WealthNavi R" (mutual fund), and "Wealth Guide" (online media)
3 Includes company-wide expenses such as personnel expenses of corporate division, office rent, IT-related expenses and hiring-related expenses
4 Refers to office relocation costs

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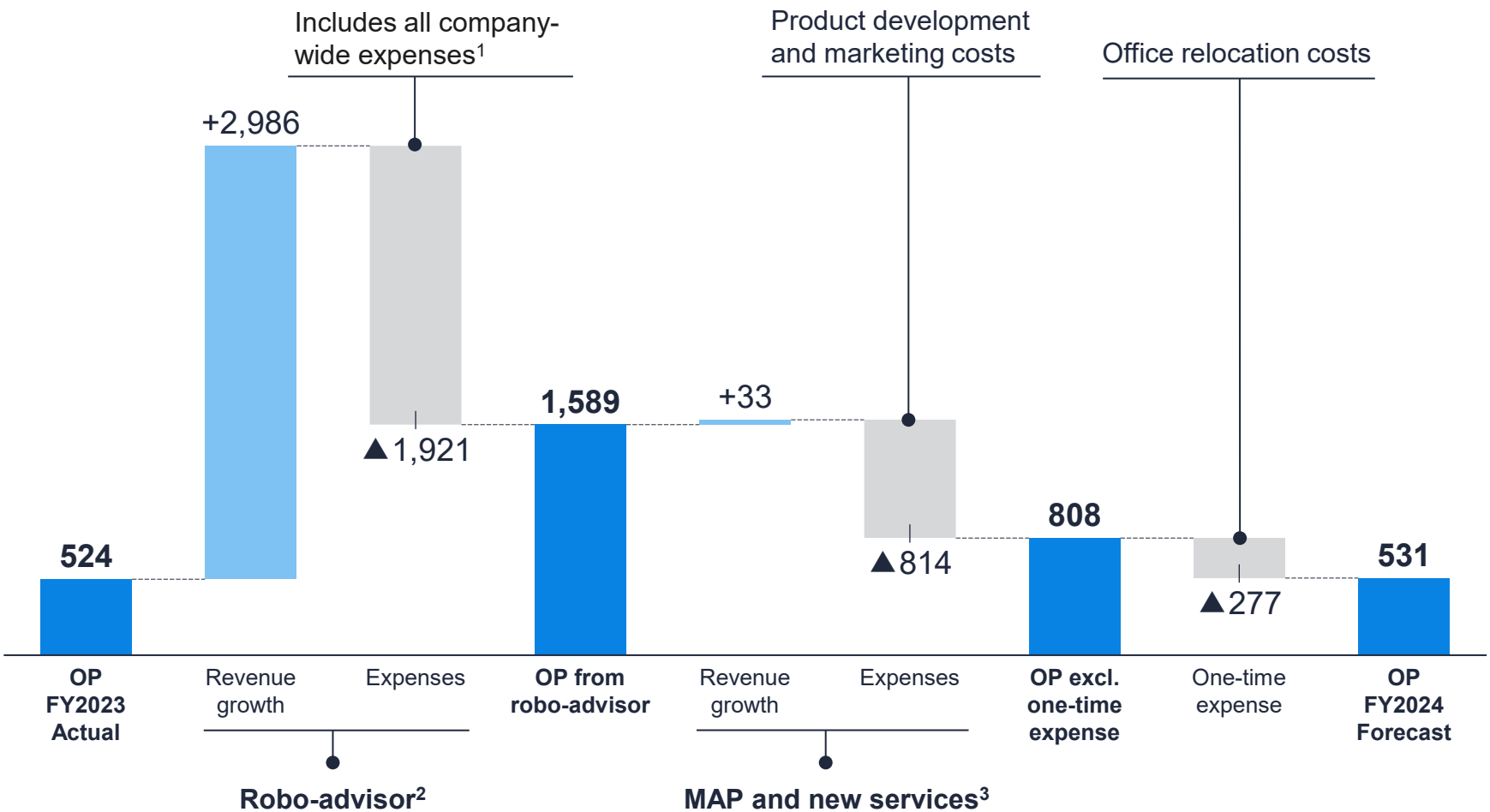
(Reference) Full-year operating profit forecast

Operating profit

Forecast for FY2024; JPY millions



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On track to launch the MAP in 2025

On track
At risk
Immediate action needed

	Initiatives announced on Feb. 14	Progress to date / Initiatives in 4Q
Money Advisory Platform (MAP)	• Launch the MAP in 2025	On track with product development of the MAP to launch it in 2025
Wealth management	• Develop new functions and improve user experience	Launched new function in April[1] and more new function in pipeline Plan to enhance system and data capability for business expansion
	• Strengthen marketing and branding	Extra marketing for New NISA launch completed in 1Q, and returned to aggressive, yet disciplined approach in 2Q
	• Joint marketing with MUFG Bank	Started joint marketing in 3Q, and plan to enhance it in 4Q and beyond to accelerate user acquisition
New services	• Develop new services, and launch at least one new service in 2024	Launched the insurance service on May 7 and is refining it to achieve product-market fit Launched “WealthNavi R” on May 13 Released a financial education website for working families on July 22
Others	• Add 45-50 FTEs	Added 26 FTEs in 1-3Q

Note: “Money Advisory Platform” Intends to provide customers with holistic financial advice and solutions based on various customer data, aiming to offer the best customer experience
1 The new function includes the enhancement of “Sale & Repurchase,” which enables to shift assets from taxable accounts to NISA accounts, and “Auto Deposit Preset,” which enables to sign up for automated deposit during the account opening process

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Capital and business alliance with MUFG Bank

Overview of Robo-advisor and new services

“Robo-NISA”

Market landscape

Company overview and financial data

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Capital and business alliance with MUFG Bank (1)

WealthNavi and MUFG are committed to helping individuals and families build wealth and thereby enhancing our corporate value.

On February 14, 2024, WealthNavi and MUFG Bank executed an agreement on capital and business alliance. Under this agreement, we will combine WealthNavi's outstanding product development capabilities and MUFG's large customer base and product lineup in order to:

- Promote WealthNavi's robo-advisor service including "Robo-NISA"
- Develop the Money Advisory Platform to provide holistic financial advice and solutions for each customer



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Capital and business alliance with MUFG Bank (2)

Business alliance	**Robo-advisor business** ● Promotes WealthNavi's robo-advisor service including "Robo-NISA" in 2024 **Money Advisory Platform (MAP)** ● Collaborates to plan and develop the MAP in 2024 ● Launches the MAP in 2025, followed by the gradual extension of the service scope
Capital alliance	**To issue 9,110,000 shares (18.41%) by the TPA to MUFG Bank, resulting in MUFG Bank becoming the second largest shareholder with 15.55% of outstanding shares** ● Estimated amount of net proceeds: JPY 15,431 million **To nominate one candidate designated by MUFG Bank as an outside director at the Annual General Meeting of Shareholders scheduled for March 26, 2024** **To become an equity method affiliate of MUFG Bank upon the TPA and the approval of the nomination at the AGM**
Use of proceeds	**The proceeds of JPY 15,431 millions is to be used for robo-advisor and the MAP** ● Marketing of the robo-advisor: JPY 3,000 million ● Planning, development and operation of the MAP as well as system and data infrastructure enhancement: JPY 4,000 million ● Marketing of the MAP: JPY 3,000 million ● M&A and capital and business alliances: JPY 5,431 million

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We aim to promote robo-advisor service and provide MAP with MUFG Bank

Robo-advisor	**Promotes WealthNavi's robo-advisor service including "Robo-NISA"** ● Enhances collaboration for referral of customers who need fully automated asset management services to "WealthNavi for MUFG Bank," leveraging MUFG Bank's customer base ● Accelerates customer acquisition through such actions as guiding users of MUFG Bank Direct to "WealthNavi for MUFG Bank" and including "WealthNavi for MUFG Bank" in MUFG's loyalty program ● Potential collaboration with other MUFG group companies
Money Advisory Platform	**Intends to provide customers with holistic financial advice and solutions based on various customer data, aiming to offer the best customer experience.** ● Collaborates to develop and launch the Money Advisory Platform; plans to launch the service in 2025, followed by the extension of the service scope in a phased manner ● Provides independent and holistic financial advice throughout customers' lifetime considering their life events ● Provides the Money Advisory Platform services to "MUFG Bank Direct" users and, potentially, users who visit MUFG Bank branches ● Enhances collaboration with MUFG group companies through such action as including the Money Advisory Platform in MUFG's loyalty program

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Our goal is to provide a holistic financial advice tailored for each user

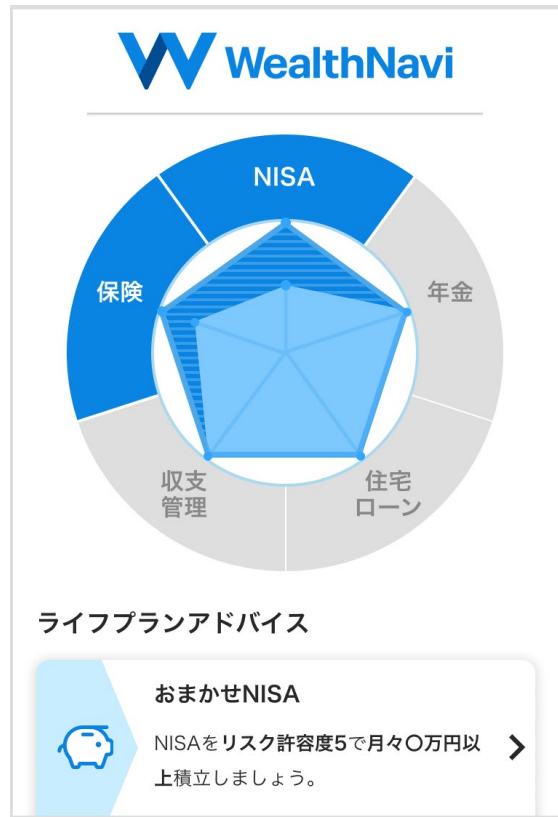
Supports individuals and families, including 9.6 million MUFG web and app users

Risk assessment based on various customer data

Independent, holistic and tailored financial advice with regular review of products and services







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Concept of the Money Advisory Platform



- Risk assessment based on various customer data
- Independent and holistic financial advice tailored to each customer
  - Sample advice: Combination of investment in NISA account for own retirement and insurance to support family in case of contingencies
- Regular review of portfolio of financial products and services

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“Robo-NISA”

Market landscape

Company overview and financial data

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

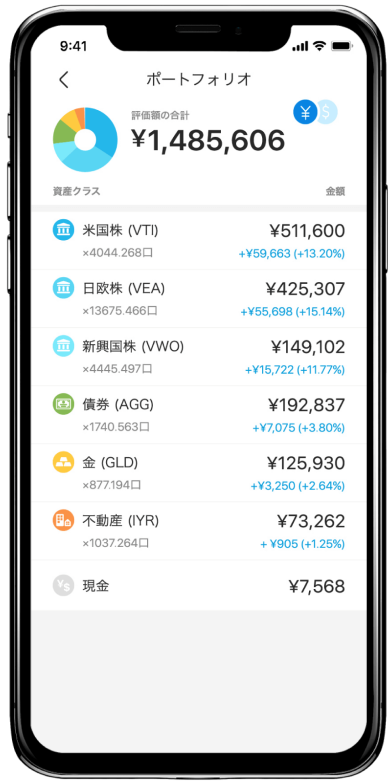
Risk tolerance assessment through **5 questions** and proposed **wealth management plan**



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

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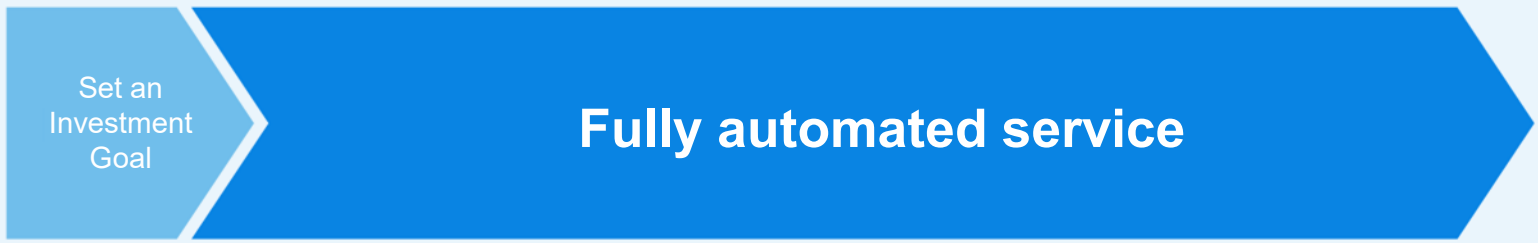
WealthNavi provides automated, end-to-end services

Traditional investment advice



WealthNavi



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

List of selected ETFs for each account / allowance

Asset class	Symbol	Taxable account	"Robo-NISA"	
			Installment allowance	Growth allowance
US equities	VTI	✓		✓
	IVV		✓	
DM equities	VEA	✓		✓
EM equities	VWO	✓		✓
Bonds[2]	AGG	✓		
	IAGG			✓
	TIP			
Gold[3]	IAU	✓		✓
	GLD			
Real estate	IYR	✓		✓

- **ETFs managed by Vanguard, BlackRock, and State Street[1]**
- **On average, 75% equities, 14% fixed income, 11% gold and REITs[1]**
- **Published the wealth management algorithm in a white paper (First in Japan: October 2016)**

1 As of September 30, 2024
2 For bond investment, purchases AGG for taxable account and IAGG for growth allowance. As for TIP, makes no new purchase and sells before AGG and IAGG in case of withdrawals and rebalancing
3 For gold investment, purchases IAU. As for GLD, makes no new purchase and sells before IAU in case of withdrawals and rebalancing

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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 （0.07-0.13%, annual rate）

An image of costs assuming the costs are borne by customers. Fees and ETF costs are % of AuM（As of September 2024）

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)

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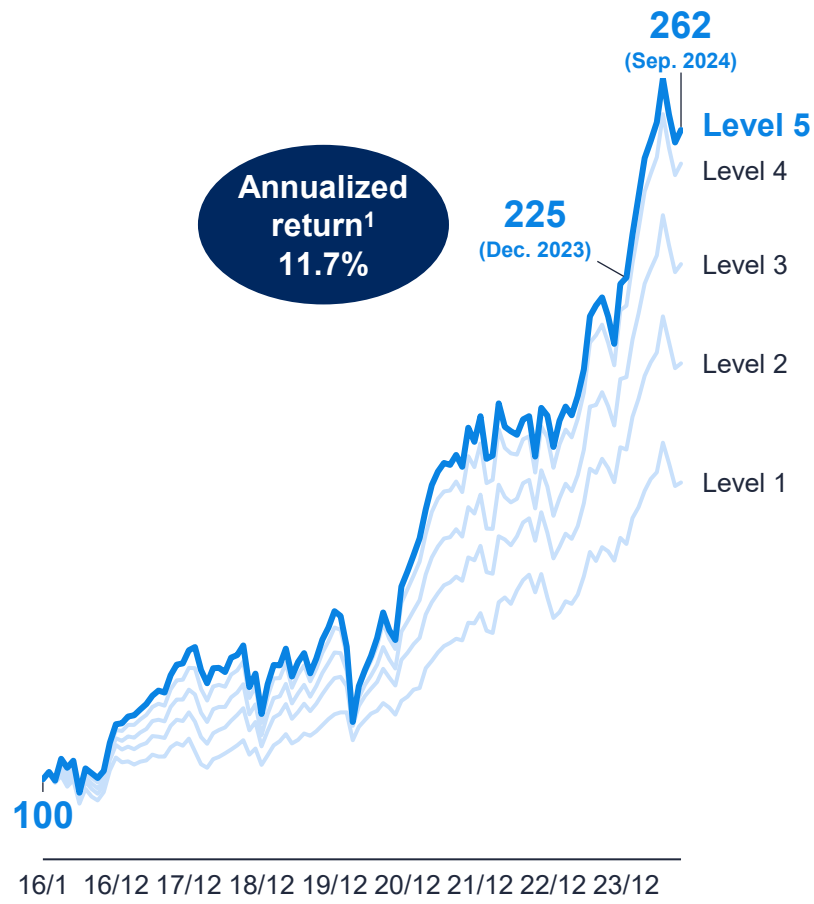
Favorable performance – positive to AuM growth

Portfolio performance by risk tolerance level

USD-denominated; after fee



JPY-denominated; after fee



1 Shows the annualized return of level 5, which 42% of users choose as of September 30, 2024

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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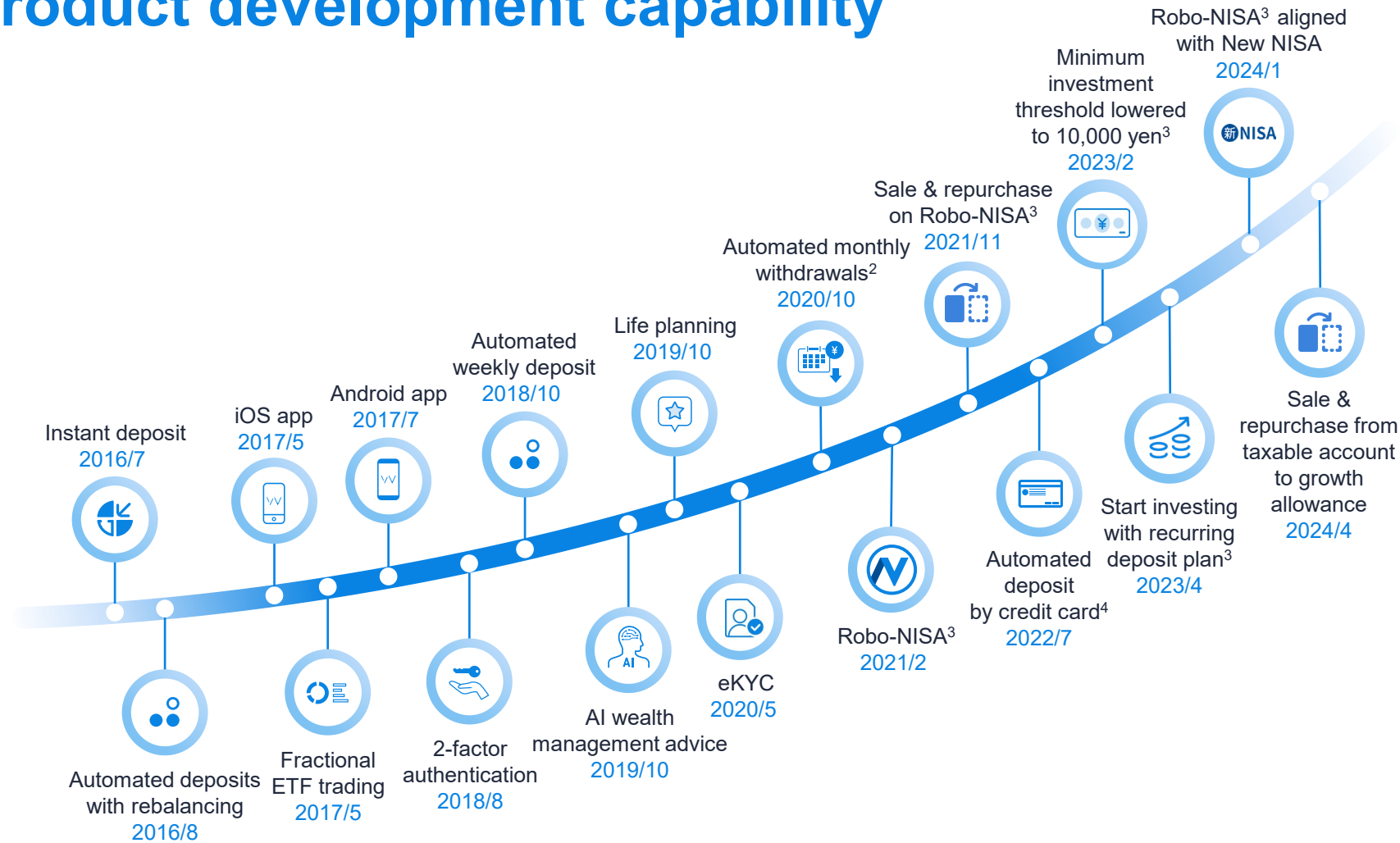
WealthNavi

Continuously releasing new functions with high product development capability



Note: Functions launched and provided as of September 30, 2024
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”

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WealthNavi

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

Video messages



Columns



Webinars





Approx. 404K participants[1]

1 Participants in our webinar from April 2020 to September 2024

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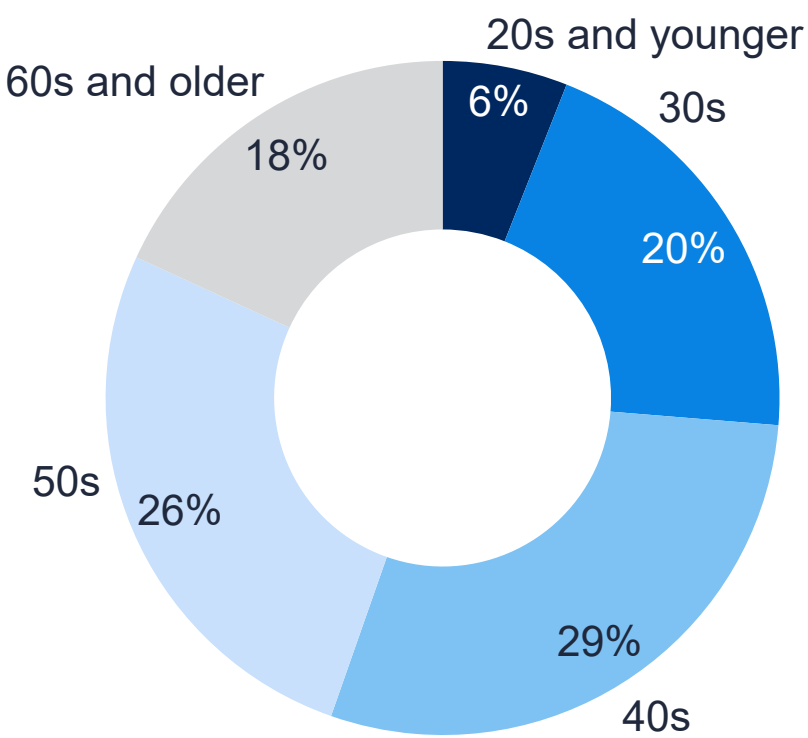
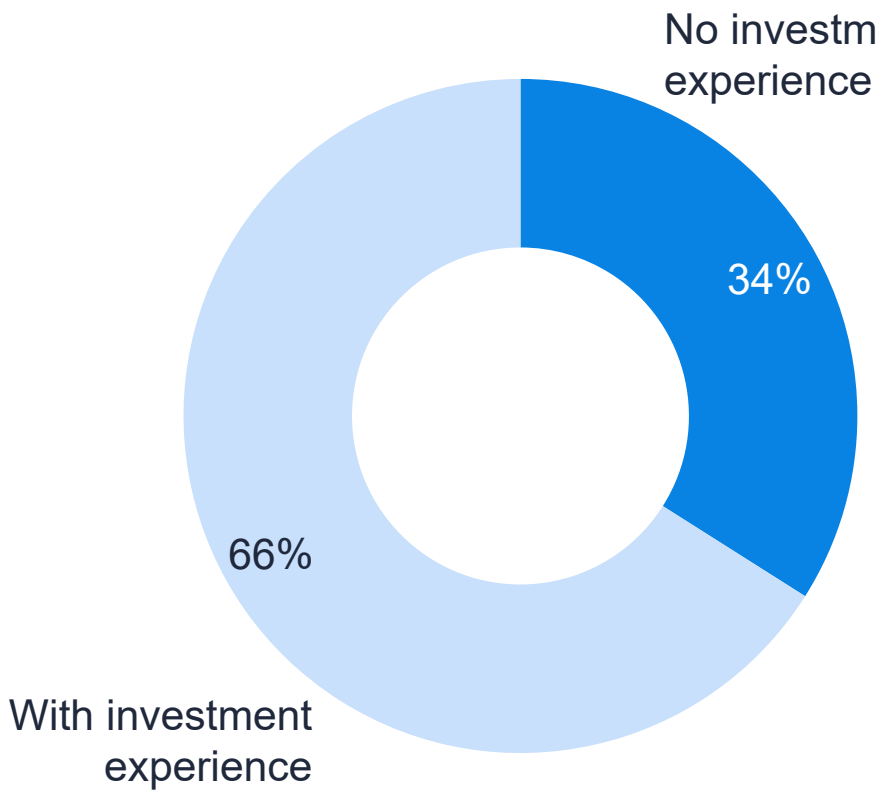
WealthNavi

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

% of users by age[1]



% of investment experience[2]



1 % of account holders by age as of September 30, 2024 (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, 2024 (rounded to the nearest whole number)

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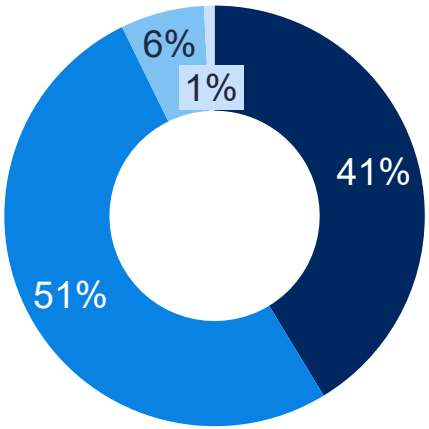
Vast majority of users are satisfied with WealthNavi, and intend to use it for a long period of time

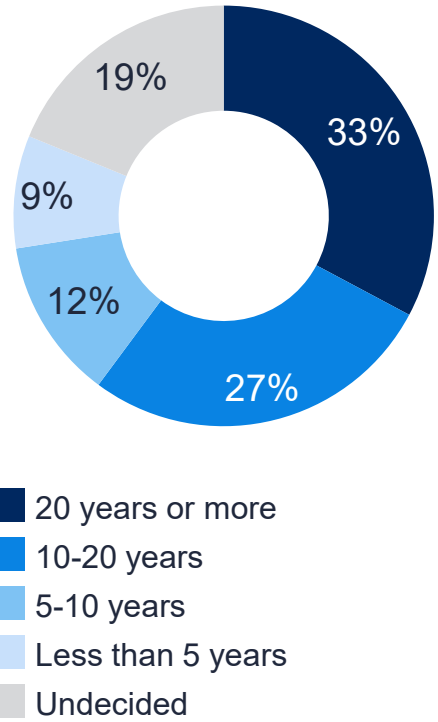
User satisfaction[1]

・93% of users are satisfied with WealthNavi



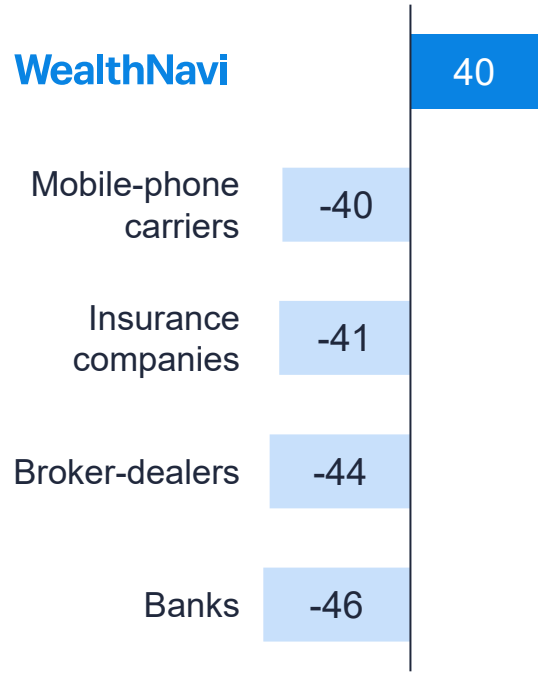
Expected years of use[2]

・More than 60% intend to use for 10 years or more



NPS[3]

・WealthNavi has a high score compared to mobile-phone careers 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 2024
2 Based on the answer to the question “How long do you plan to use WealthNavi?” in the questionnaire conducted by WealthNavi in October 2024. 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 2023 to September 2024. NPS of other services are from the Financial Service Authority’s “Customer awareness survey on sales of risk-bearing financial products” in August 2019

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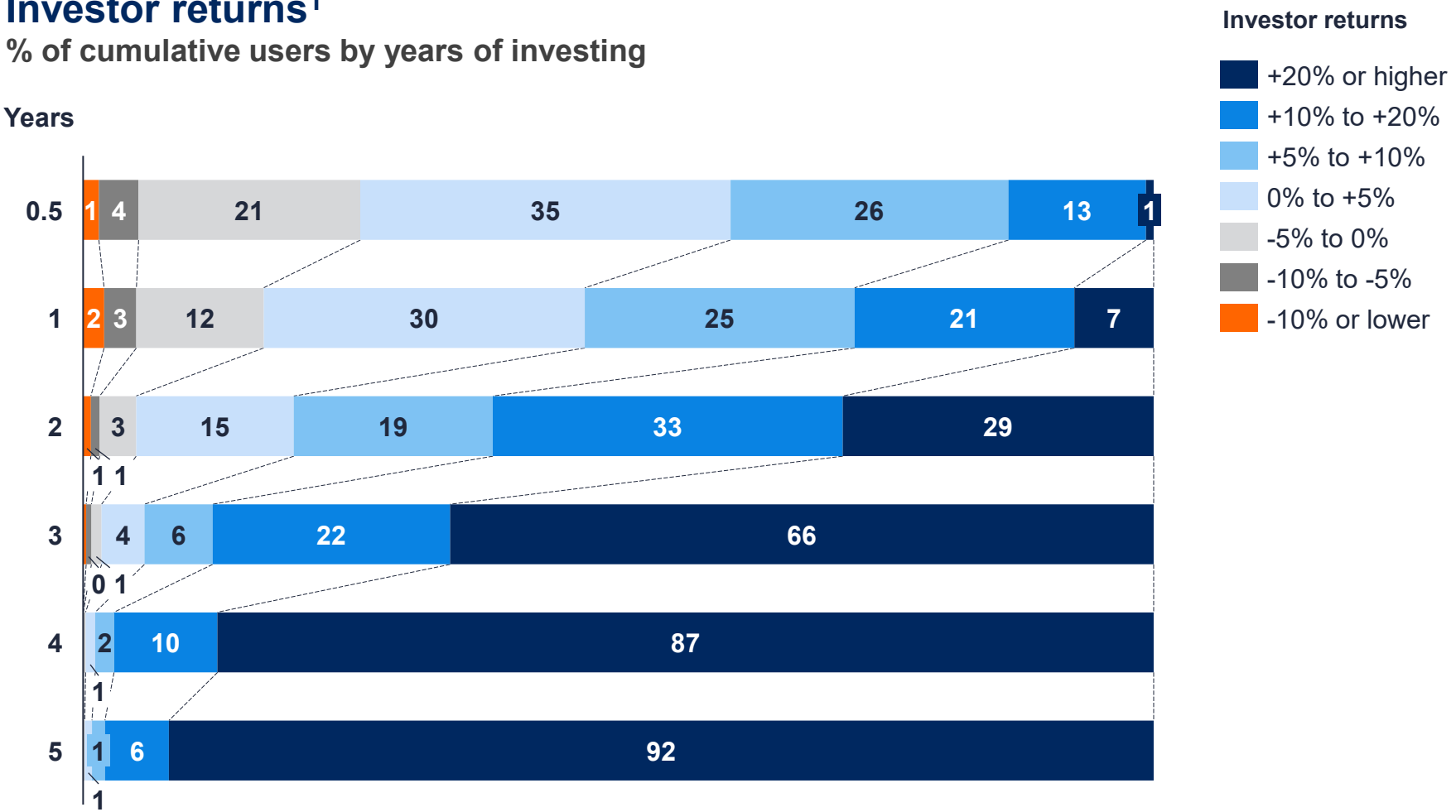
Actual investor returns show that long-term users of WealthNavi enjoy higher, more stable returns

Investor returns[1]

% of cumulative users by years of investing



1 As of September 30, 2024

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

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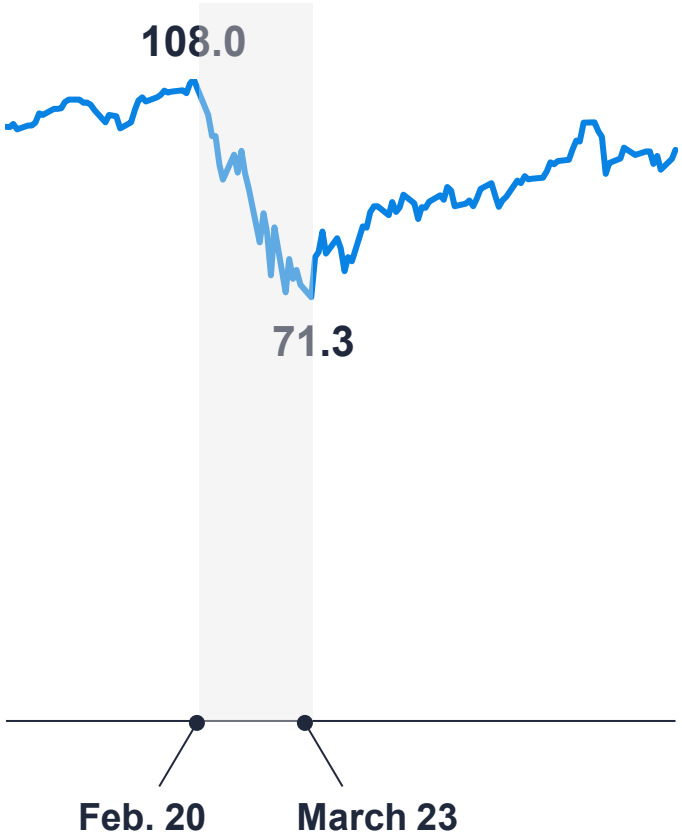
WealthNavi

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

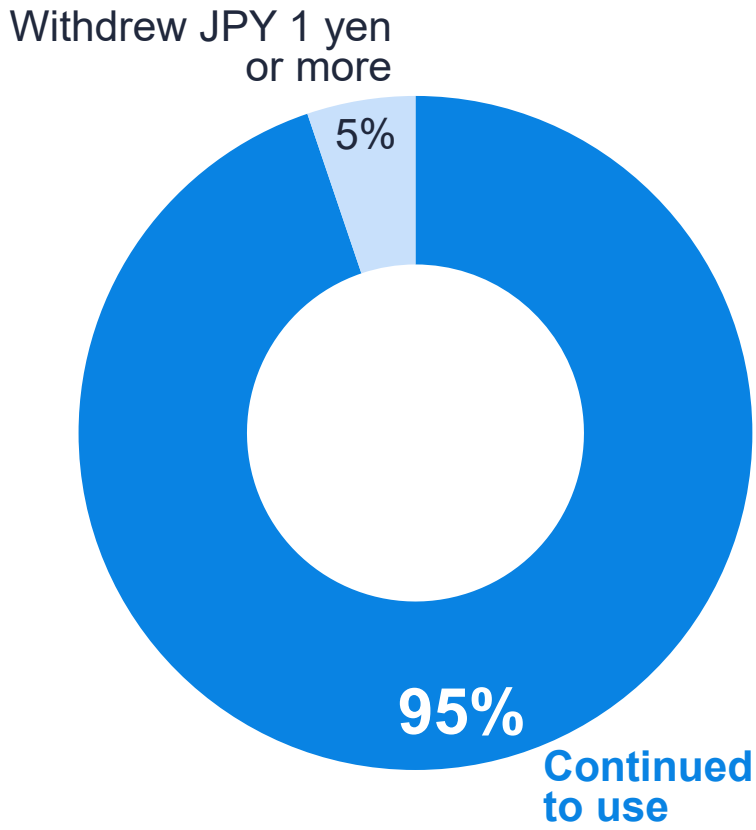
Changes in the S&P 500 Index

End of 2019 = 100



User behavior

From February 20 to March 23, 2020



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

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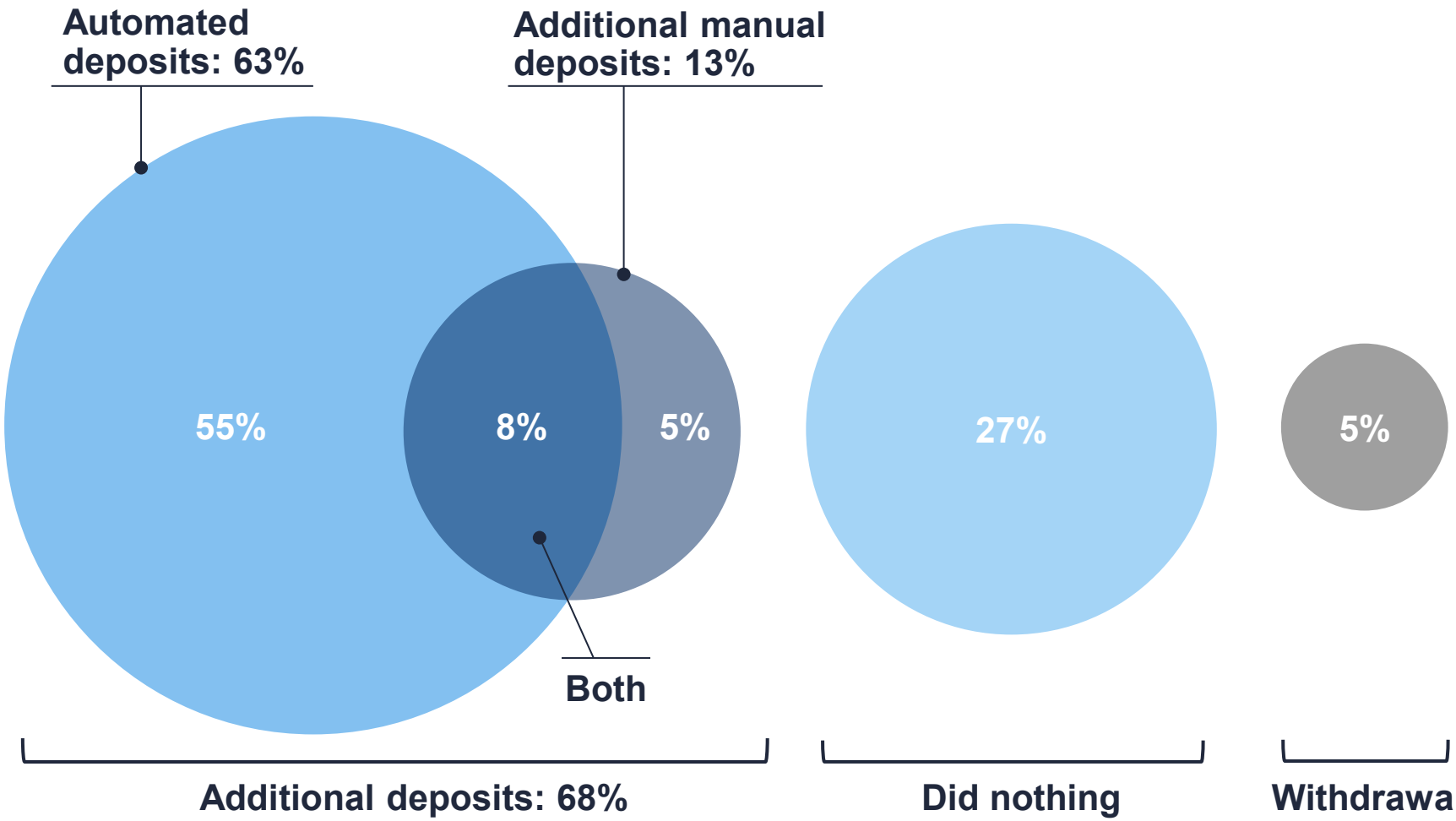
68% of users added funds to WealthNavi accounts

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)

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Launched an insurance advisory service on May 7

- Launched as a cornerstone piece of the Money Advisory Platform which will be released in 2025
- Aims to assist working families in selecting and reviewing an optimal life insurance policy[1,2]
- Enables users to manage financial risk holistically through various life stages by combining life insurance and NISA investments



Note: “Money Advisory Platform” Intends to provide customers with holistic financial advice and solutions based on various customer data, aiming to offer the best customer experience
1 WealthNavi mediates life insurance contracts between users and life insurance companies as an insurance agency
2 The service is initially provided to the existing users of “WealthNavi,” and then to a wider range of users in the near future

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Online insurance advisory service

Key features

1

Estimates coverage needed

Life plan simulator estimates coverage needed to protect families, based on a 3-minute online questionnaire

2

Tailored recommendation for each user[1]

Proposes a suitable, straight-forward policy from the insurance products carefully chosen by WealthNavi

3

Review coverage and policies regularly

Reminds users to review their coverage needs as their life stages and financial conditions change, proposing new policies as needed





Note: The picture is an image
1 WealthNavi mediates life insurance contracts between users and life insurance companies as an insurance agency

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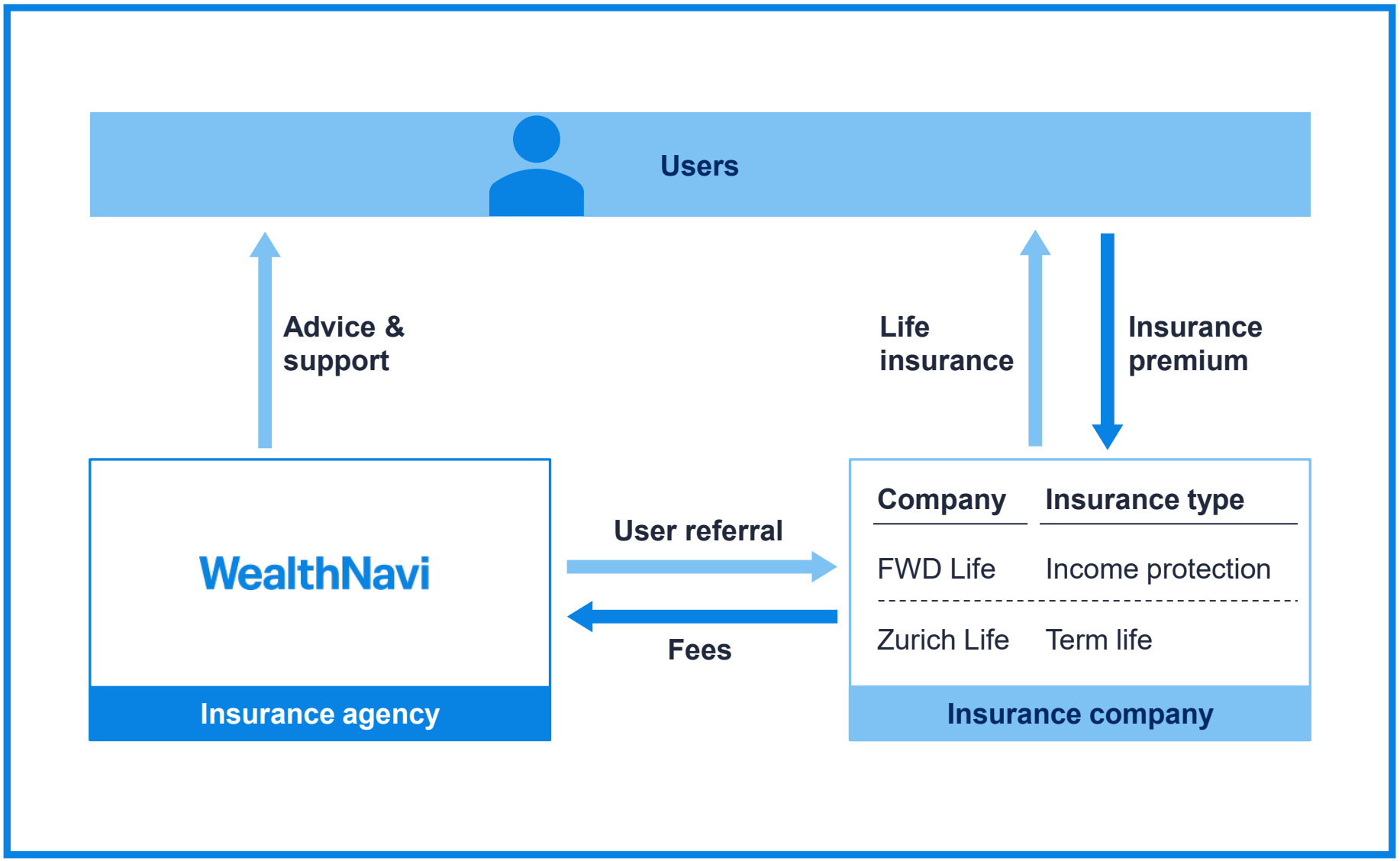
WealthNavi suggests an optimal insurance policy to users and receives referral fees



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Launched “WealthNavi R” on May 13

Key features of “WealthNavi R”

1

“WealthNavi” on Rakuten platform

Employes 5 dedicated mutual funds advised by WealthNavi and managed by Rakuten and replicate WealthNavi’s UI/UX on Rakuten

2

Eligible for New NISA on Rakuten

Provide tax-free, NISA investment opportunities for Rakuten Security users with efficient, bespoke mutual funds

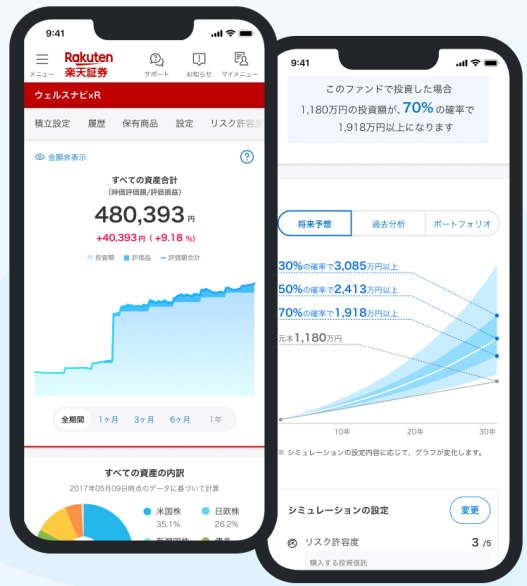
3

Benefits from the Rakuten Ecosystem

Users can make automated deposits using Rakuten Cards and Rakuten Cash while also earning Rakuten Points

＼ ウェルスナビの資産運用を楽天証券で！ ／

ウェルスナビ×R



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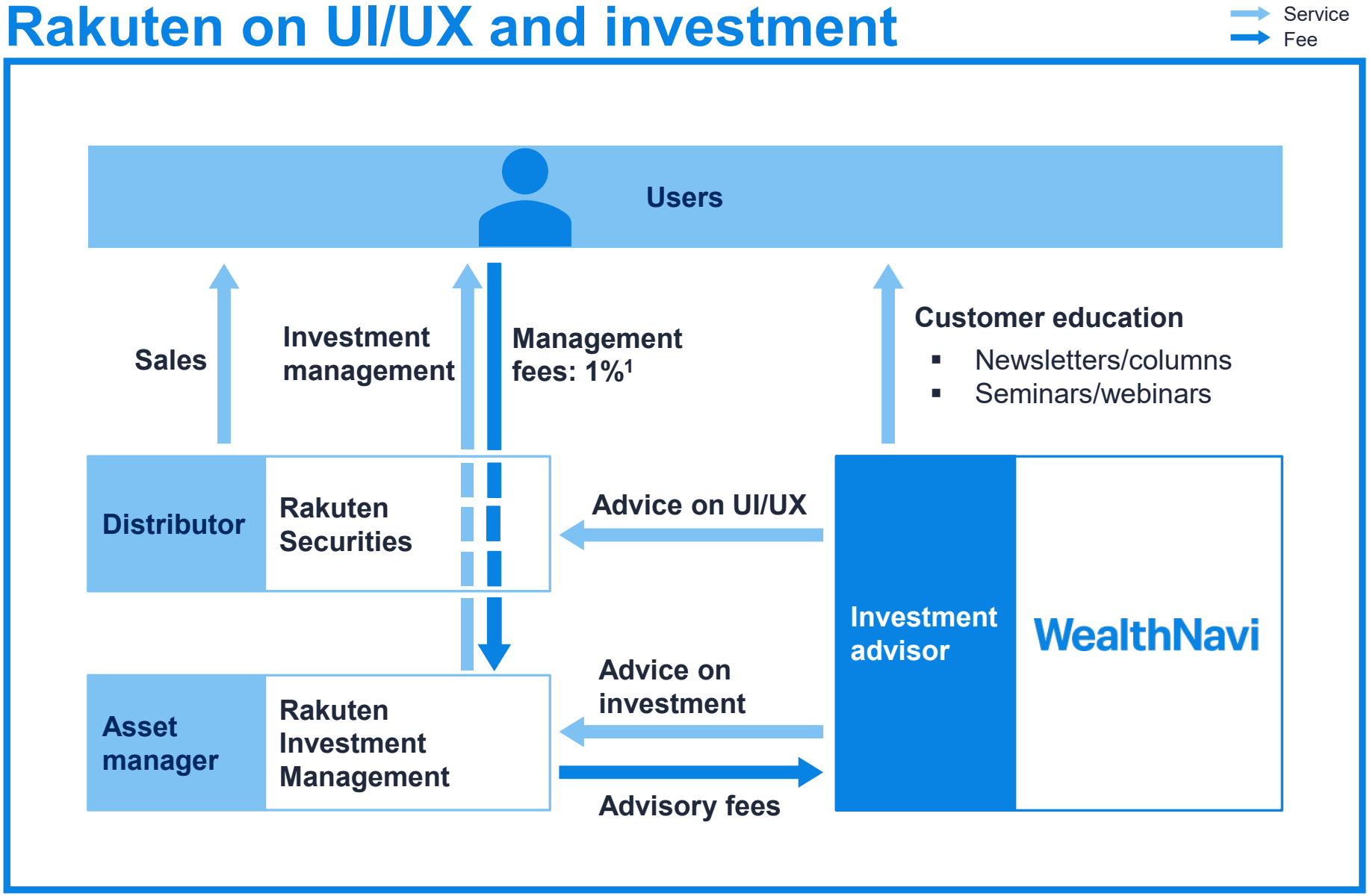
WealthNavi supports users and provides advice to Rakuten on UI/UX and investment



1 Annual management fee is 1% of AuM（1.1% including tax）

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Launched financial education service on July 22

Our new financial education service, “Wealth Guide,” helps working families improve their financial literacy

- Offers practical financial advice for busy working families through articles, case studies and tips
- Plans to deliver content tailored to each user’s age, family situation and financial needs



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New “Robo-NISA” has been 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

WealthNavi



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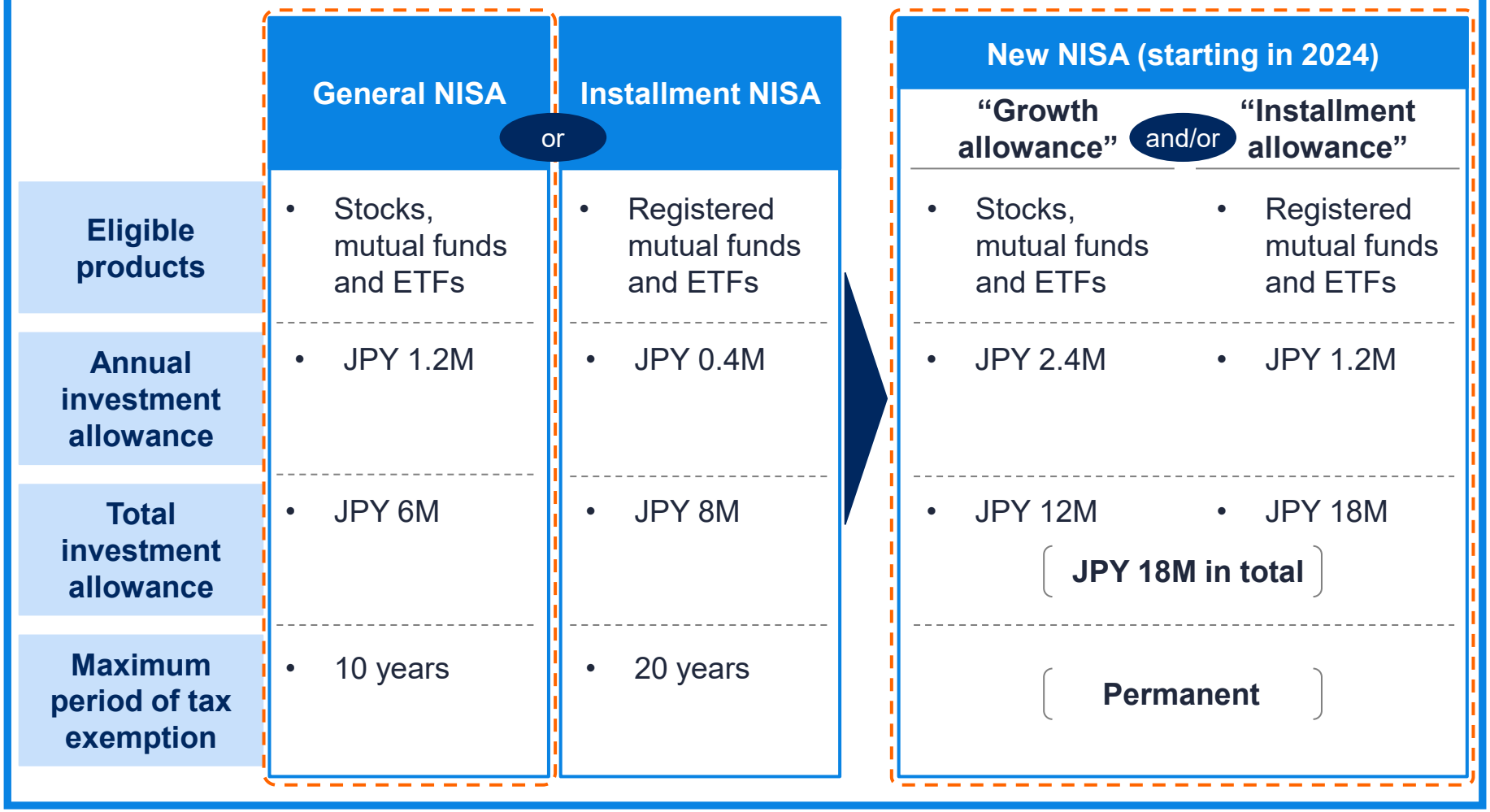
New NISA started in January 2024

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

Robo-NISA's coverage



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

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WealthNavi

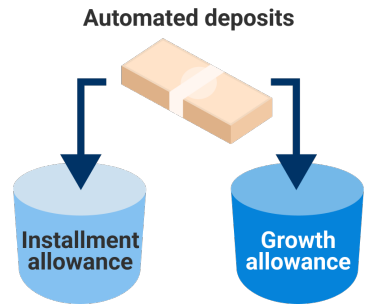
New “Robo-NISA” provides enhanced benefits

Key benefits of New “Robo-NISA”

1

Full alignment with New NISA

Manage both “installment allowance” and “growth allowance” within a New NISA account automatically[1]



2

Reduce risk with optimal asset allocation

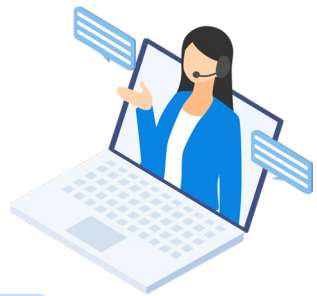
Build a globally diversified portfolio with NISA and taxable accounts managed holistically and automatically



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” was 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”

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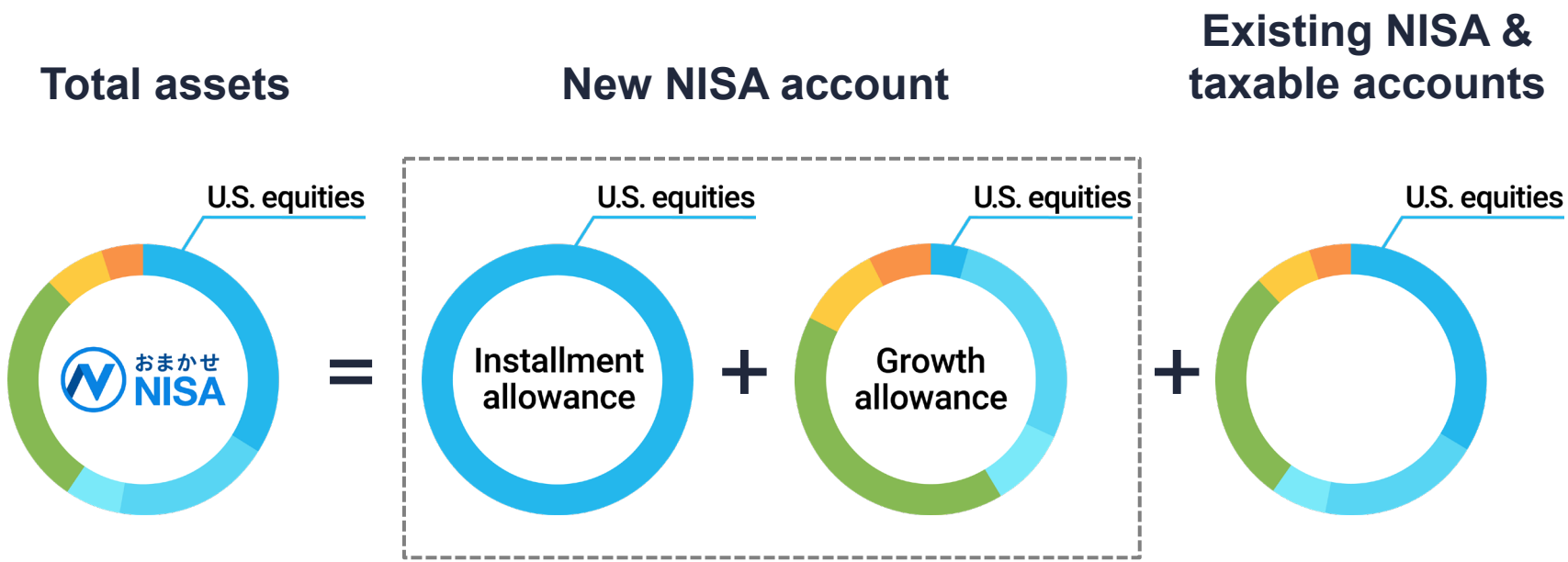
Build a globally diversified portfolio with NISA and taxable accounts managed holistically



Manage a globally diversified portfolio holistically

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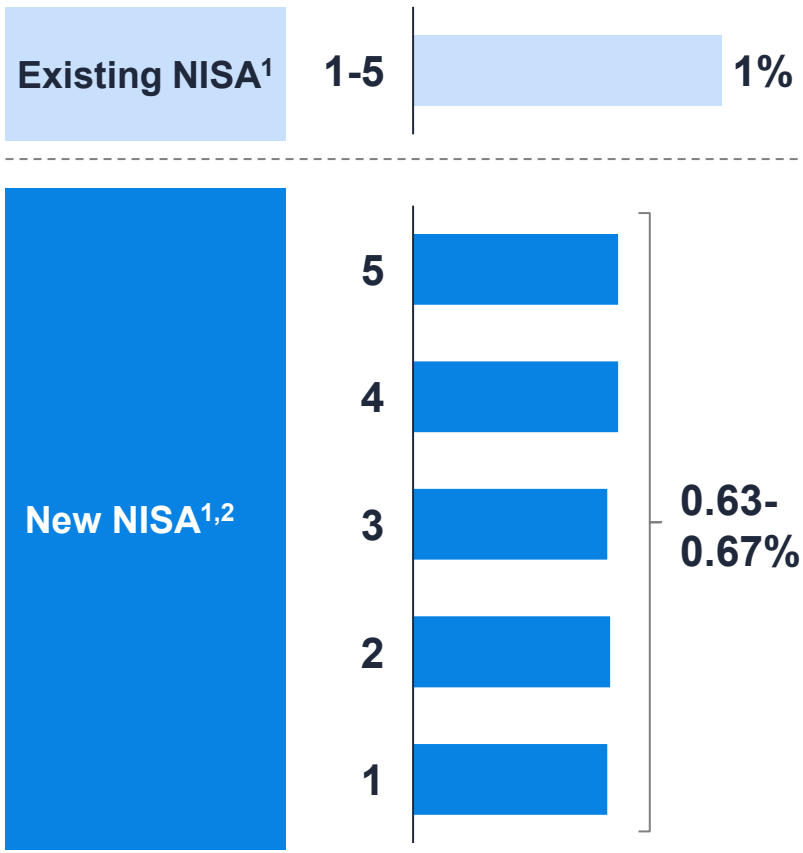
Lower fee level to promote New “Robo-NISA”

Management fee of New NISA with automated deposits

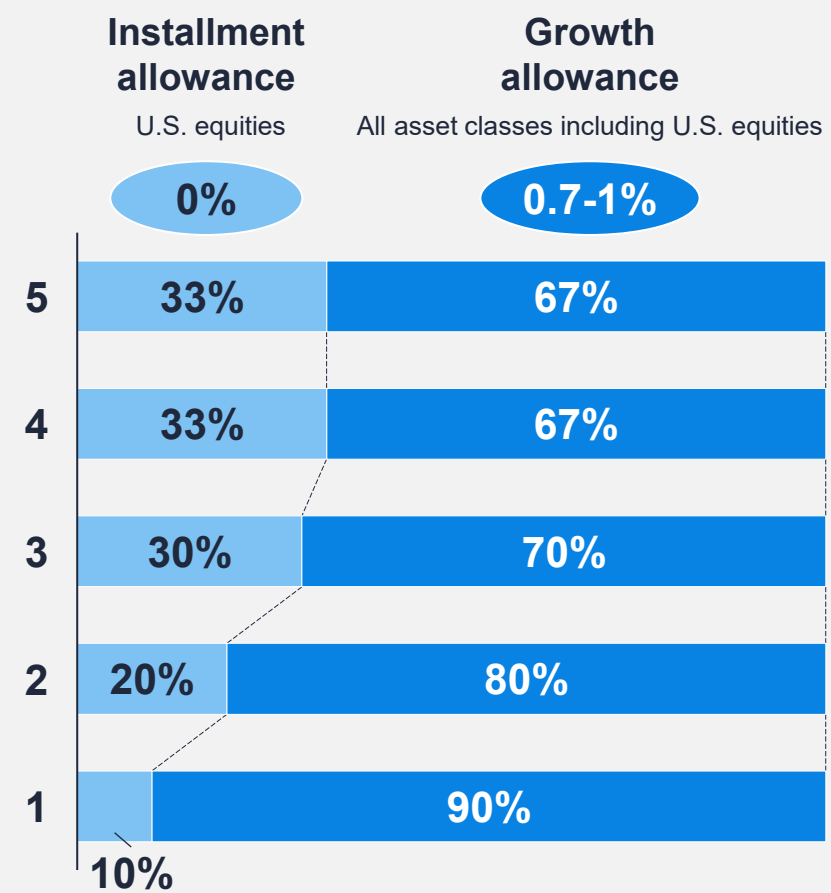
By risk tolerance level; annual; excludes consumption tax

xx% xx% Management fees

Management fees



Allocation of automated deposits



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

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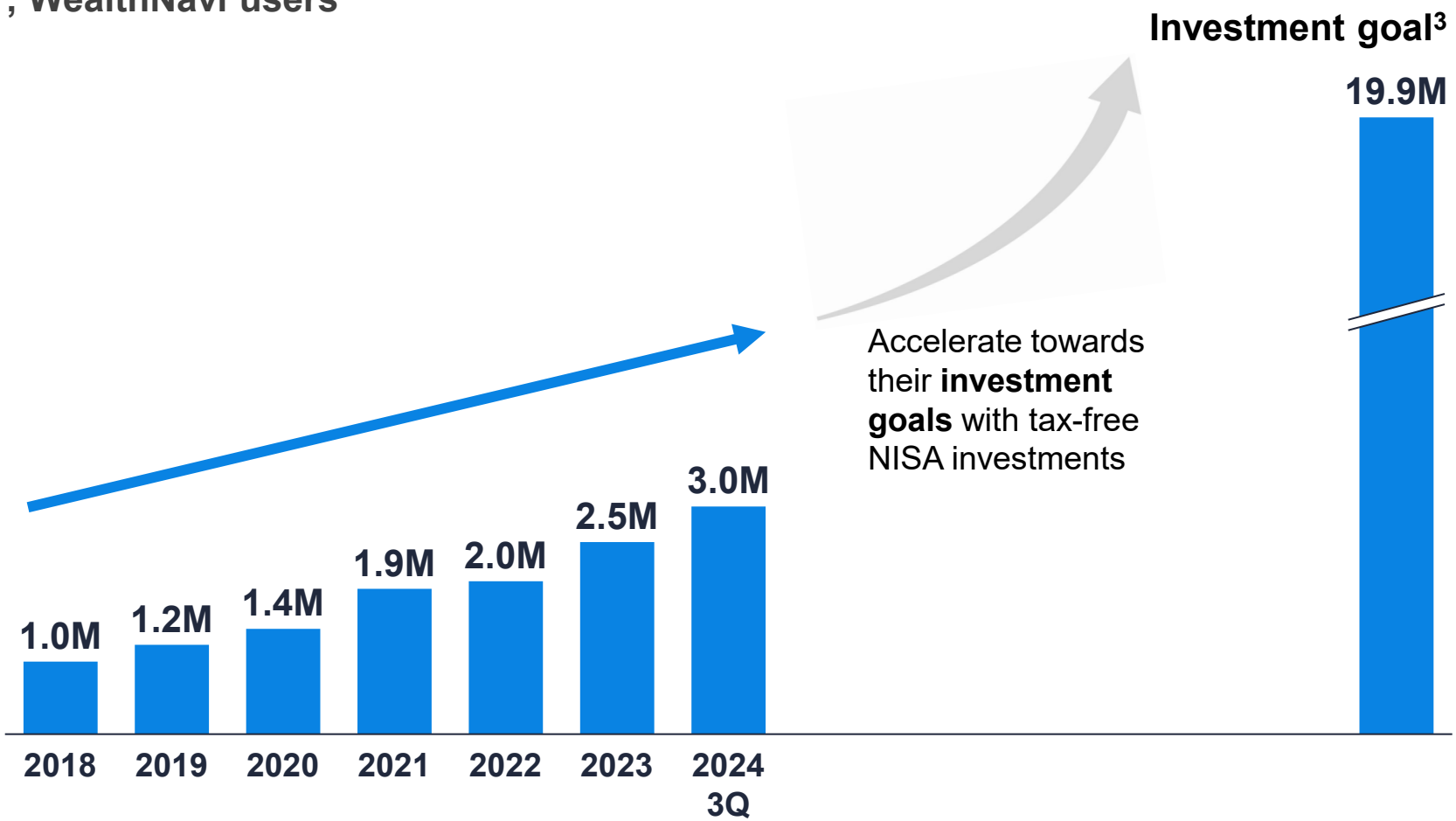
WealthNavi

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 WeathNavi's life-planning tool as of September 30, 2024

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WealthNavi

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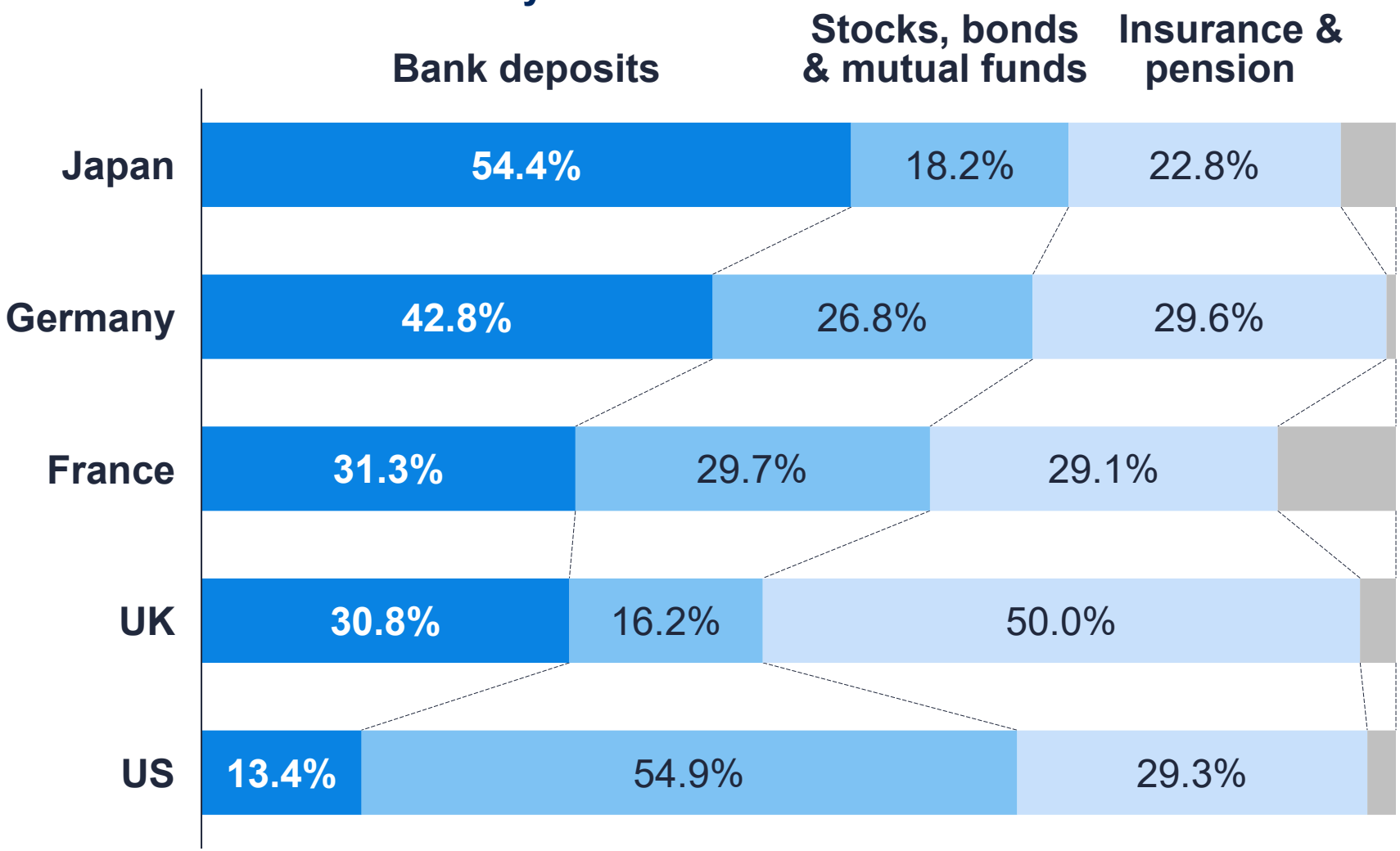
54.4% of Japanese household financial assets are concentrated in bank deposits

Household financial assets by asset class



Source: WealthNavi analysis based on OECD's "Household financial assets" as of the end of 2022 (January 2024)

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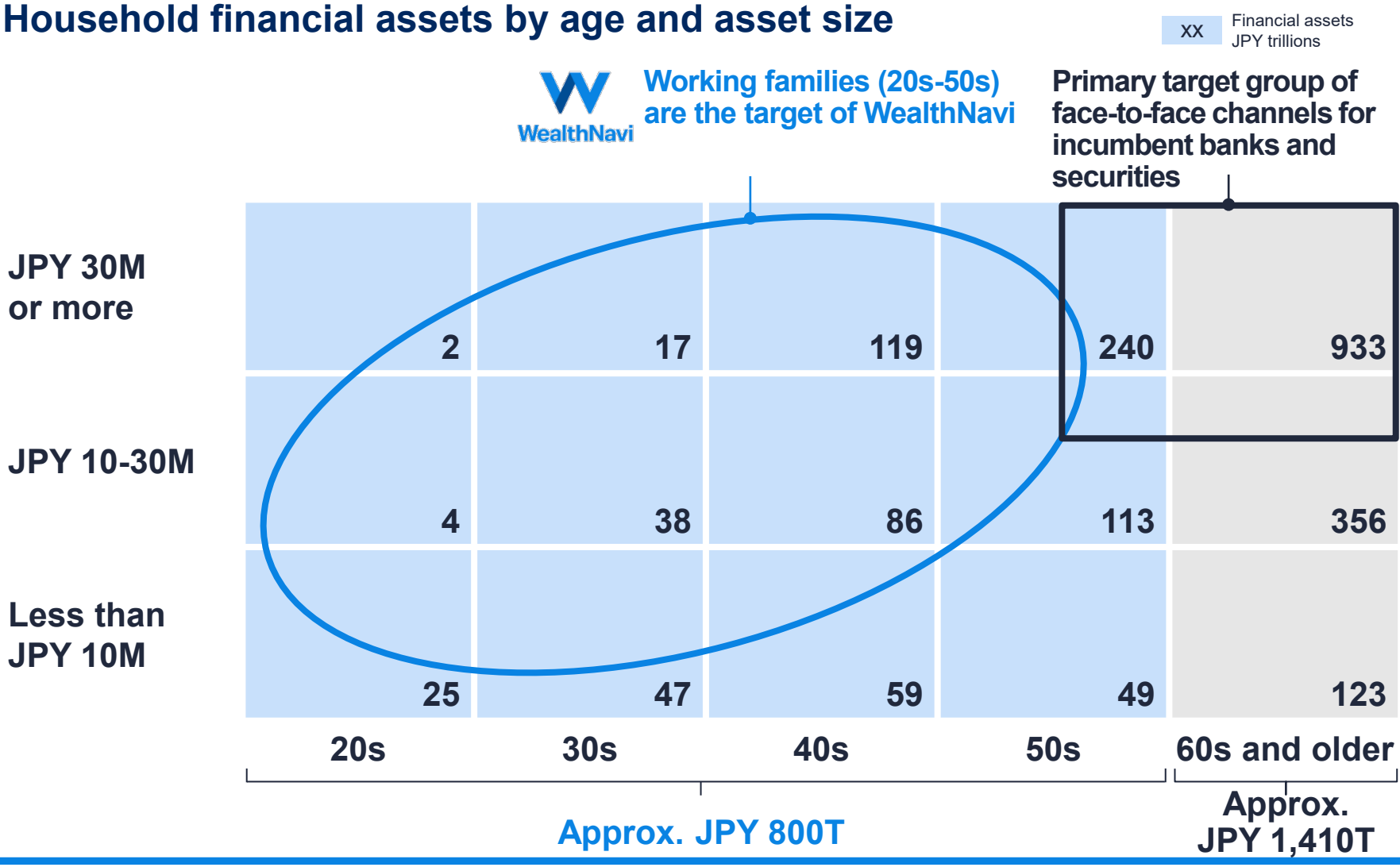
WealthNavi

WealthNavi targets working families, which have, in total, approx. JPY 800T of financial assets

Household financial assets by age and asset size



Source: WealthNavi analysis based on the Bank of Japan's "Japan's Flow of Funds Accounts, 2nd quarter of 2024", the Ministry of Internal Affairs and Communications' "Population, demographic statistics and household numbers based on the Basic Resident Registration, January 2024," and the Ministry of Internal Affairs and Communications' "Household Survey, 2019"

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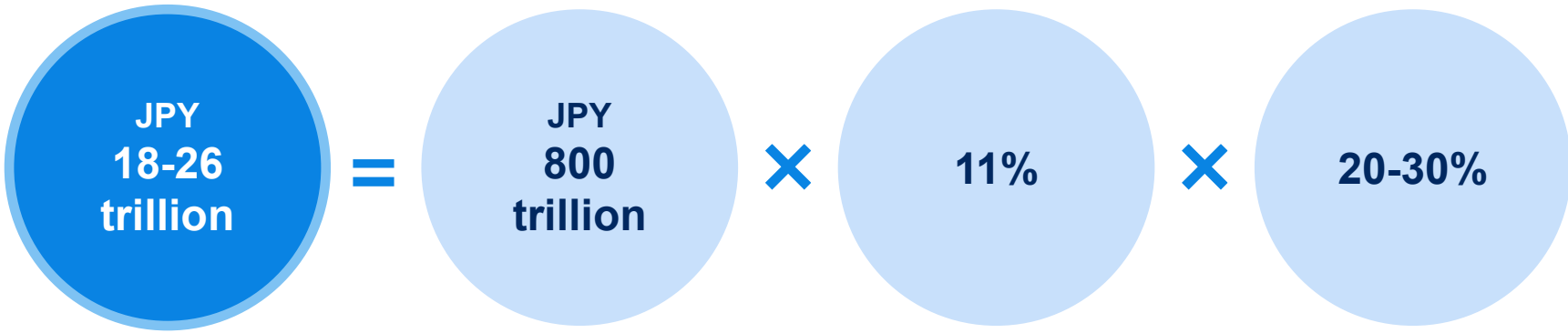
Robo-advisors' potential market estimated to be JPY 18-26 trillion over the next 10 years as working families accelerate wealth building for retired life



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 (54%→43%) 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 2024", the Ministry of Internal Affairs and Communications' "Population, demographic statistics and household numbers based on the Basic Resident Registration, January 2024", the Ministry of Internal Affairs and Communications' "Household Survey, 2019," and OECD's "Household financial assets" as of the end of 2022

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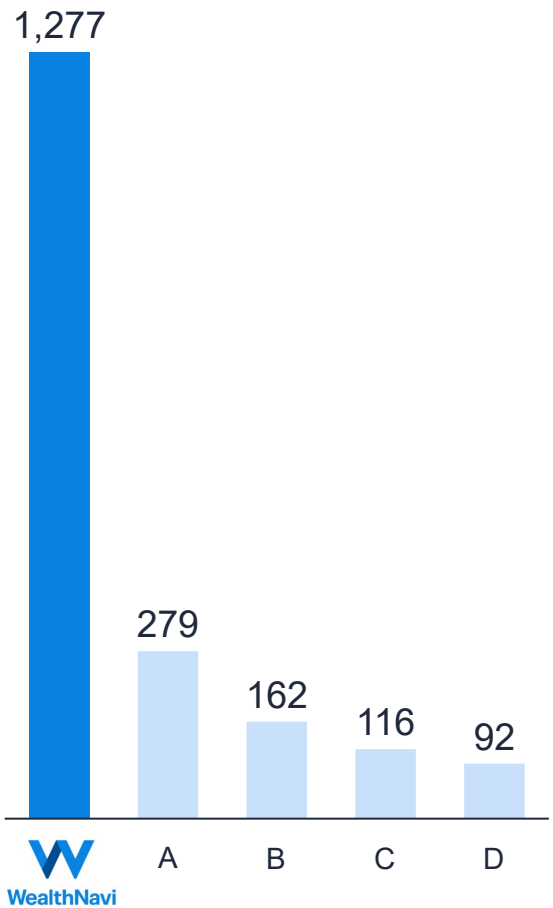
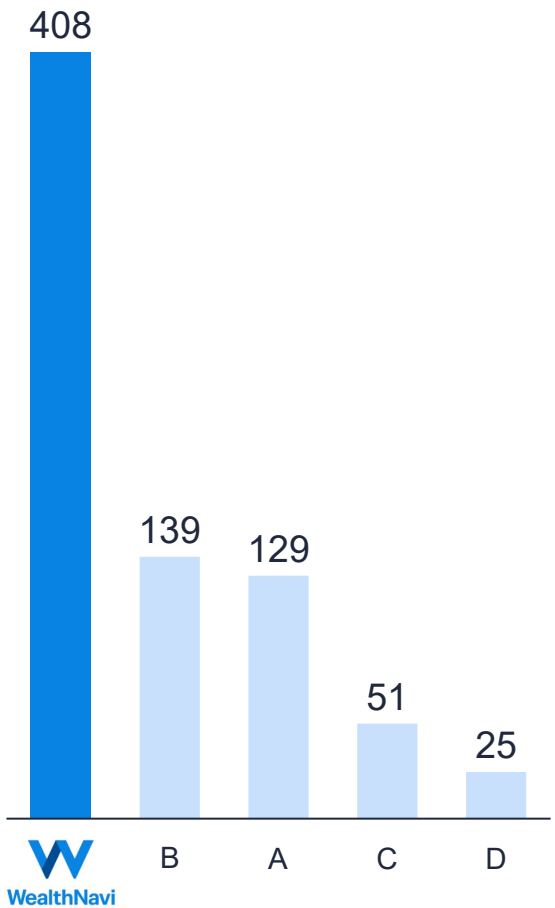
WealthNavi is the leading robo-advisor in Japan

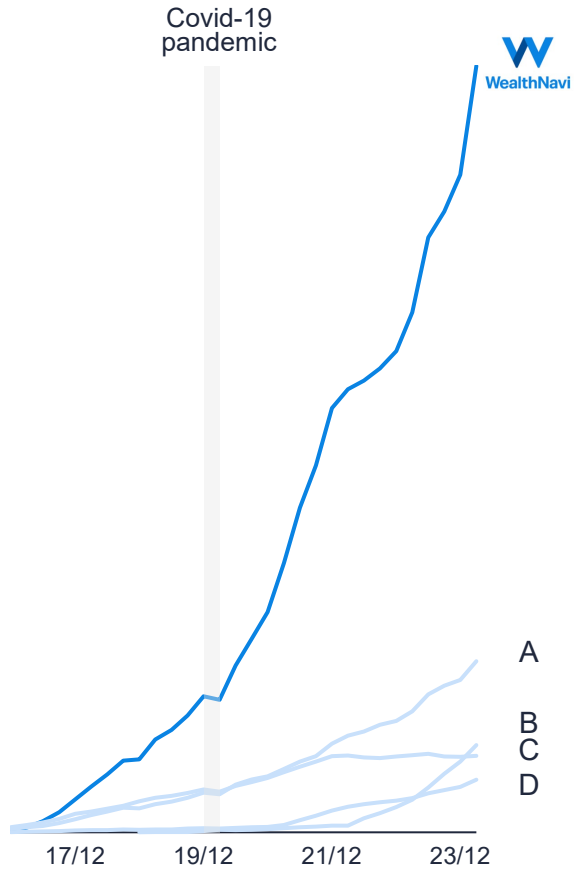
AuM
JPY billions; June 2024



Number of users
Thousands; June 2024



AuM trend
Dec. 2016 to June 2024



Source: WealthNavi analysis based on Japan Investment Advisers Association, “Contract Asset Status, September 2024”. AuM of Company A to D include those under "discretionary investment business".

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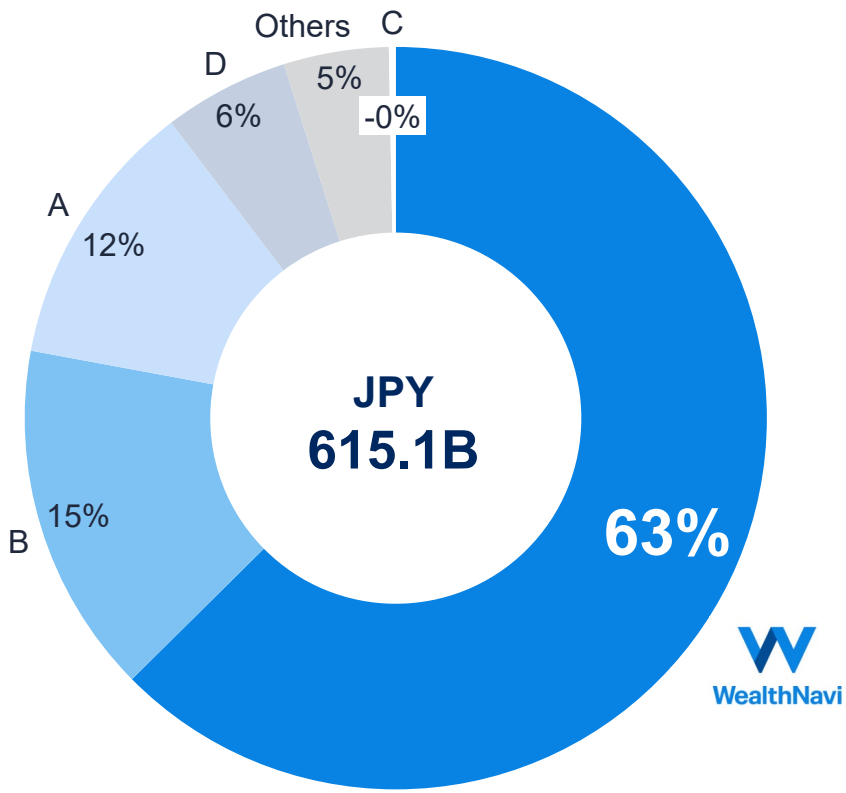
Distinct market leader – with 63% of total AuM growth of robo-advisors over a 12-month period

Increase in AuM of domestic robo-advisors

June 2023 to June 2024



WealthNavi accounts for 63% of the total AuM growth of robo-advisors over a 12-month period to June 2024

Source: WealthNavi analysis based on Japan Investment Advisers Association's "Contract Asset Status, September 2024". AuM of Company A, B, C and D include those under "discretionary investment business."

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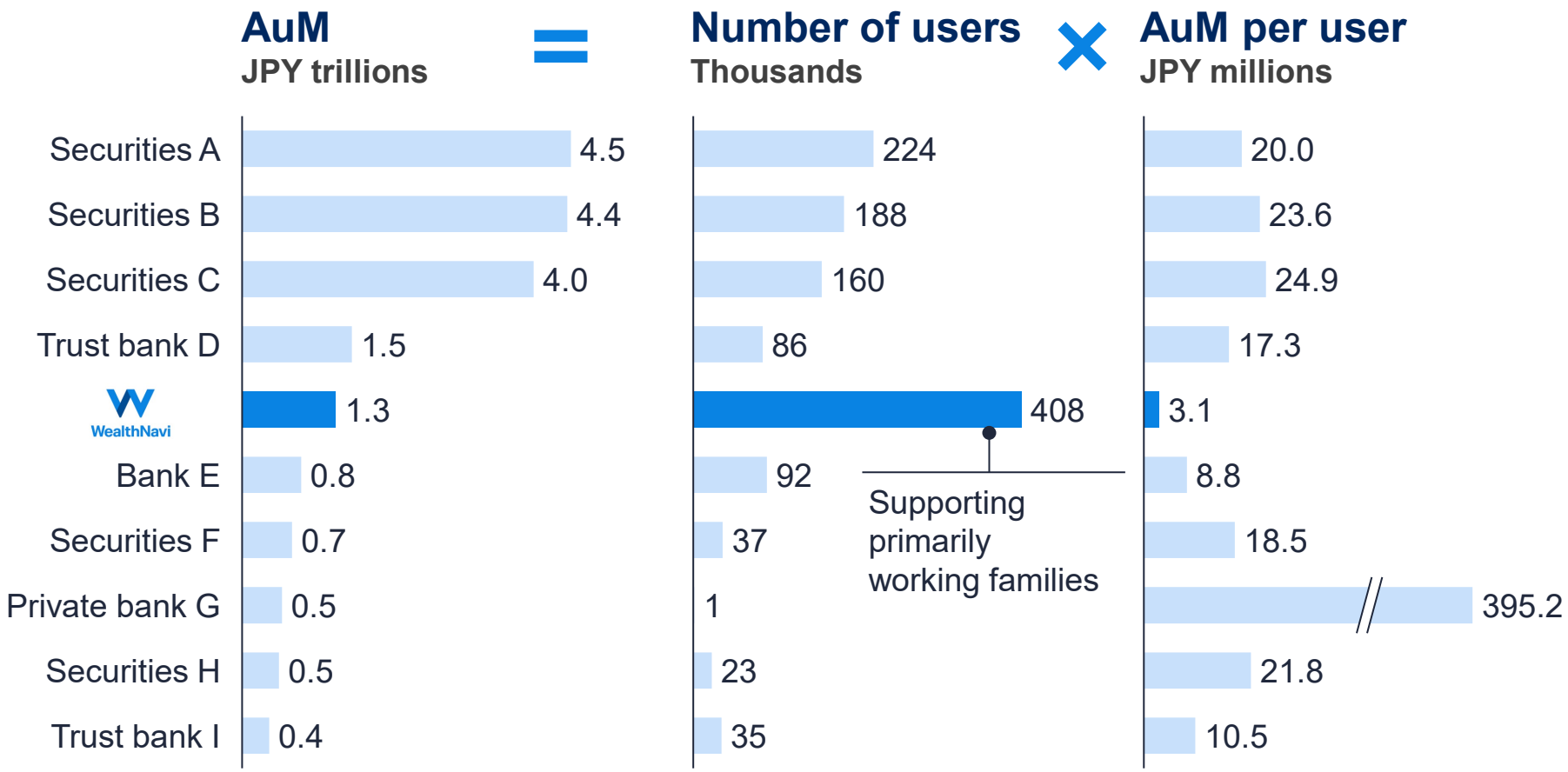
Unlike other major managed account services, WealthNavi focuses on supporting working families

Top 10 managed account services in Japan ranked by AuM

As of June 2024



Source: WealthNavi analysis based on websites of the companies listed as “wrap account” managers on Japan Investment Advisers Association, “Contract Asset Status, September 2024”

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Agenda

3Q 2024 financial highlights

3Q 2024 business highlights

Forecast for full-year 2024

Appendices

Capital and business alliance with MUFG Bank

Overview of Robo-advisor and new services

“Robo-NISA”

Market landscape

Company overview and financial data

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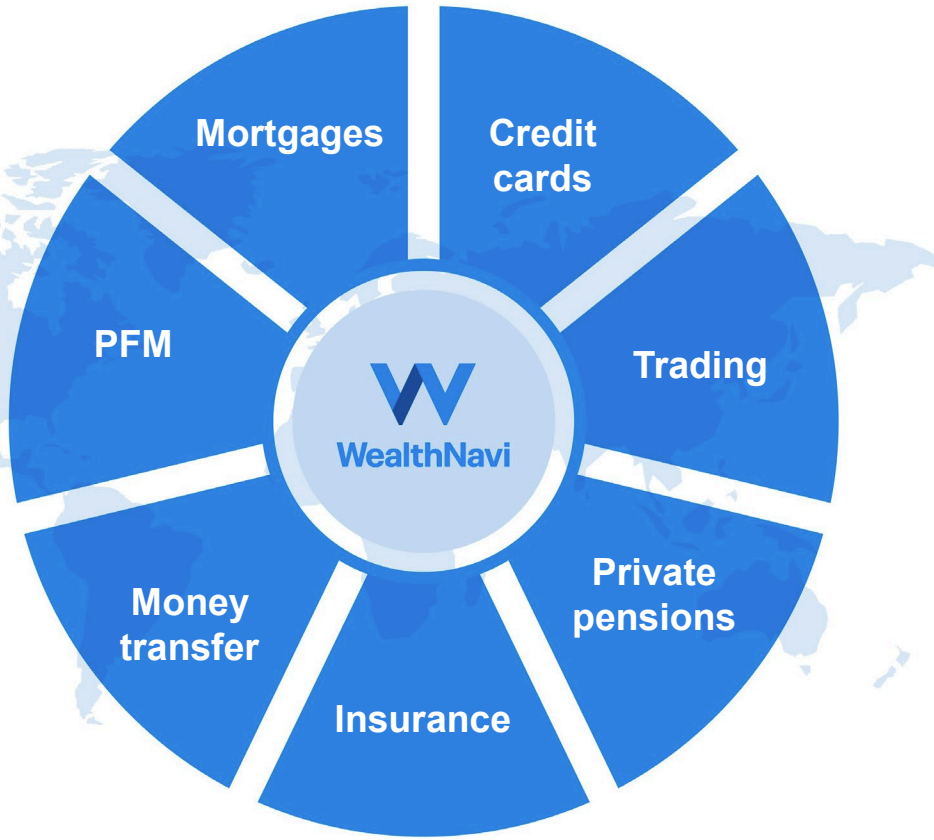
Aspiration to become a personal finance platform



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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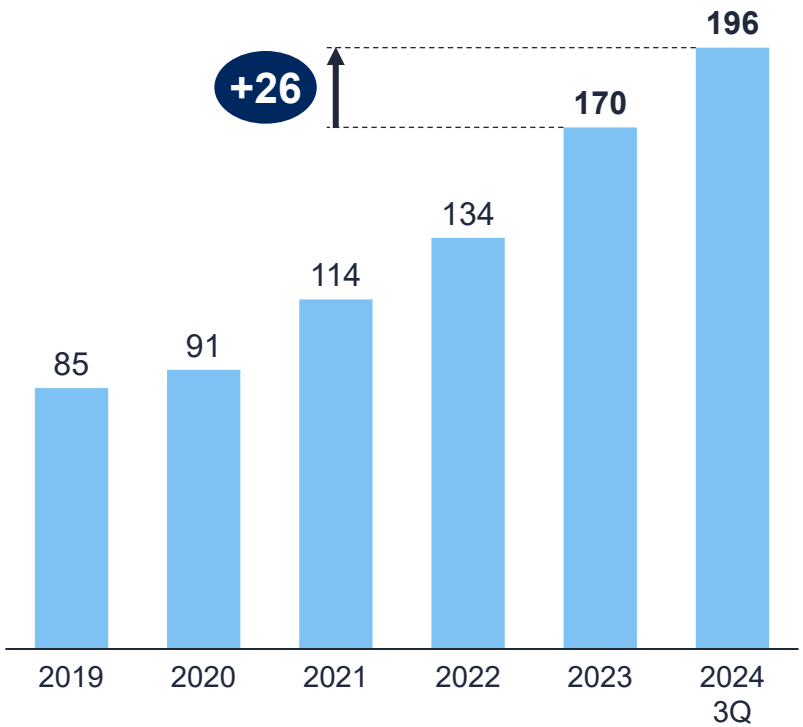
Continuing hiring to accelerate growth

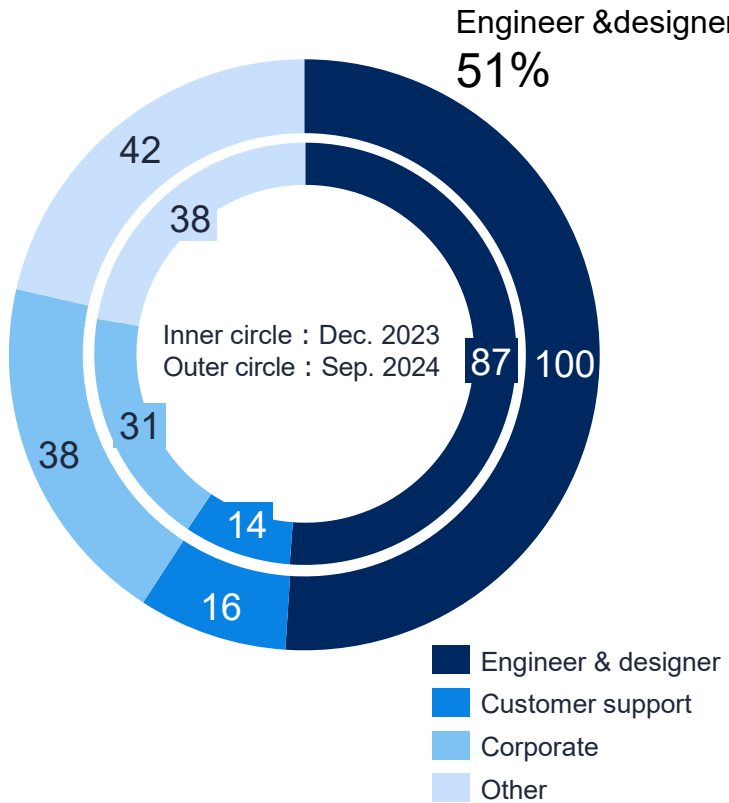
- Increased by 2 FTEs in 1Q, 18 in 2Q and 6 in 3Q
- Continued to strengthen the recruitment of engineers & designers to accelerate robo-advisor business as well as to plan and develop the Money Advisory Platform and other new businesses

Number of employees



Breakdown of full-time staff by function

As of Dec. 2023 and Sep. 2024



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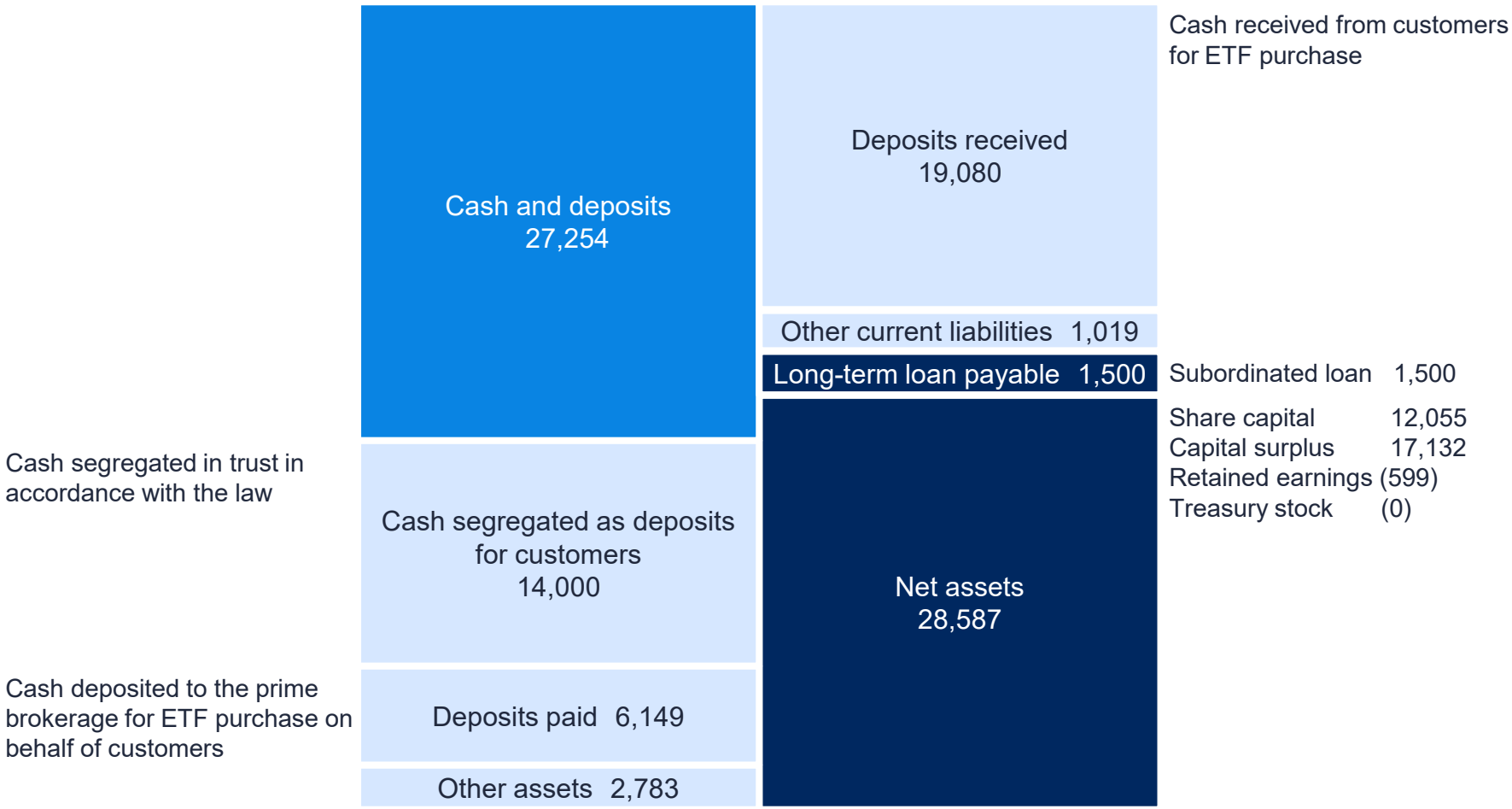
Maintaining strong balance sheets for growth

Balance sheets

3Q 2024; JPY millions



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Balance sheets and cash flows

Balance sheets
JPY millions

	2022	2023	2024 3Q
Current assets	25,474	31,317	48,966
Cash and bank deposits	12,382	16,387	27,254
Cash segregated as deposits	9,800	12,100	14,000
Deposits paid	2,476	1,756	6,149
Other current assets	815	1,073	1,562
Non-current assets	489	919	1,221
Total assets	**25,964**	**32,237**	**50,187**
Current liabilities	13,483	18,579	20,099
Deposits received	12,703	17,537	19,080
Other current liabilities	780	1,042	1,019
Non-current liabilities	1,500	1,500	1,500
Long-term loan payable	1,500	1,500	1,500
Total liabilities	**14,983**	**20,079**	**21,599**
Share capital	3,564	3,965	12,055
Capital surplus	8,625	9,026	17,132
Retained earnings	(1,208)	(833)	(599)
Treasury stock	(0)	(0)	(0)
Total net assets	**10,980**	**12,158**	**28,587**

Statement of cash flows
JPY millions

	2022	2023	2024 1-3Q
Cash generated by/(used in) operating activities	(3,117)	3,023	(231)
Cash generated by/(used in) investing activities	(207)	(488)	(347)
Cash generated by financing activities	616	703	15,835
Effect of exchange rate changes on cash and cash equivalents	65	46	30
Net increase in cash and cash equivalents	(2,642)	3,285	15,259
Cash and cash equivalents at beginning of period	17,501	14,858	18,144
Cash and cash equivalents at end of period	**14,858**	**18,144**	**33,403**

Details of operating cash flows

Cash generated by/(used in) operating activities	**(3,117)**	**3,023**	**(231)**
-) Decrease / (increase) in cash segregated as deposits for customers	(800)	(2,300)	(1,900)
-) Increase / (decrease) in deposits received	(2,446)	4,833	1,542
Cash generated by/(used in) operating activities adjusted by items relating to cash deposited by customers	**129**	**489**	**125**

Note: Fractions of one million yen are rounded down

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Our engagement in promoting sustainability

- Identified our material issues and disclosed on the sustainability page of our corporate website along with the related data
- Promoting sustainability along with maximizing our long-term corporate value

Material issues			Contribution to UN SDGs
What we do	**Helping working families**	• Promoting wealth management for working families • Enhancing digital accessibility to financial services • Encouraging financial literacy	
	Empowering local communities	• Partnering with regional financial organizations to mitigate the digital divide • Supporting digitalization of regional financial organizations	
How we do it	**Diversity & openness**	• 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	• Enhancing corporate governance • Ensuring compliance • Improving risk management • Strengthening security	

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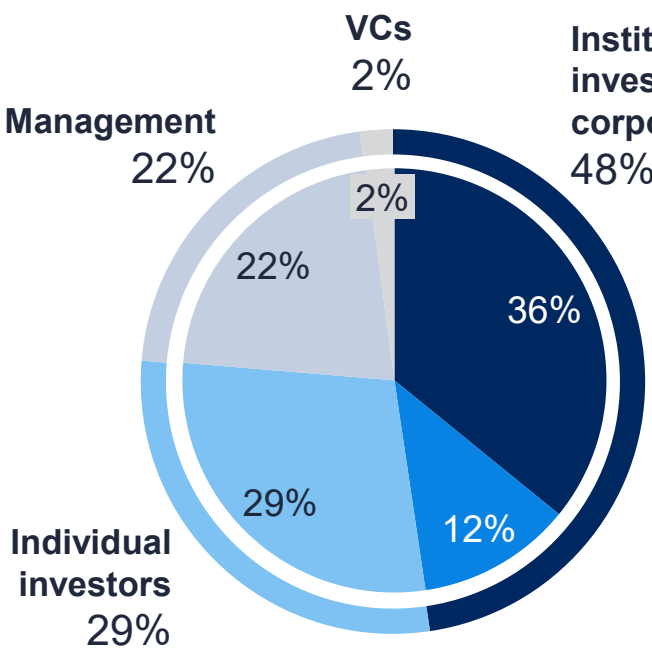
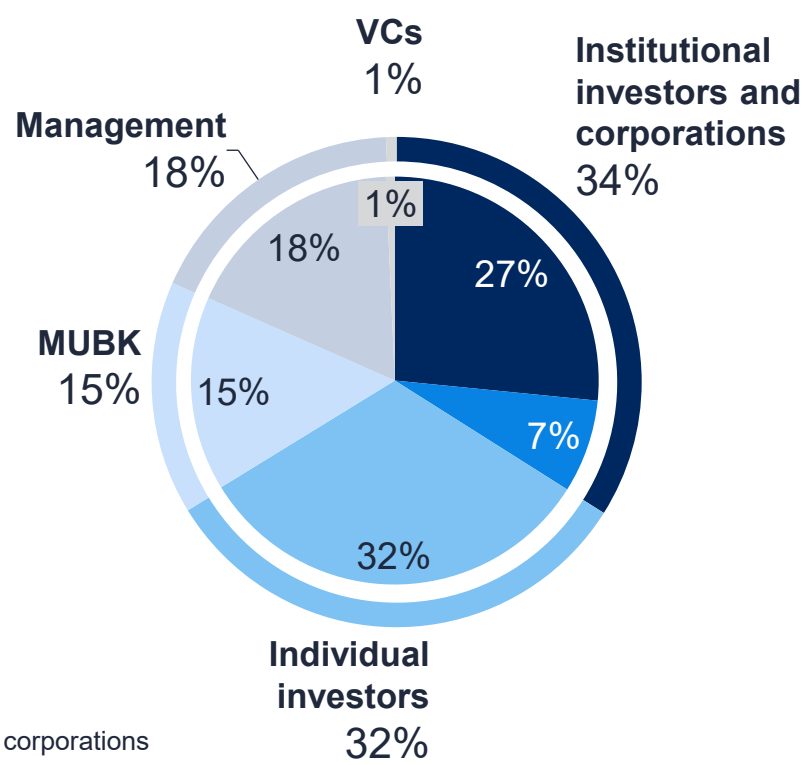
Issued new shares to MUFG Bank in March 2024

As of December 31, 2023



As of June 30, 2024



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

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Management team (1)

		Name	Background
Directors		Founder and CEO **Kazuhisa Shibayama**	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.
		Director, COO **Takuya Ota**	Takuya joined WealthNavi in 2022 after serving as the Marketing Director at Johnson & Johnson Consumer Company, and the Sales Director and the Head of Educational Business Division for (Junior) High School Students at Benesse Corporation. He graduated from Keio University, earned an MBA in Finance from Hitotsubashi University, and obtained a Ph.D from Waseda University.

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Management team (2)

		Name	Background
Outside Directors		Sumito Togo[1]	After working at McKinsey & Company Inc. Japan and Google, Sumito joined freee Co., Ltd. In 2013, where he served as Director and COO, Director and CFO, and then as Director and CPO until September 2024. He graduated from the Graduate School of Engineering, the University of Tokyo.
		Maki Ogawa[1]	Maki is a Chief Analyst and Executive Officer 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).
		Hideto Ito	After joining Tokai Bank (currently MUFG Bank), Hideto served as Chief Manager of various divisions. In 2016, he was appointed as General Manager of MUFG Collaboration Division of MUMSS. He has served as Executive Officer of MUFG, MUSHD and MUMSS since 2019 and then as Managing Executive Officer of the three companies since 2023. He has also been an Outside Director of au Kabucom Securities.
		Akira Enomoto[1,2]	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 Matsuno[1,2]	After working at Morgan Stanley Japan Securities, she became of 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 Fujimoto[1,2]	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.

1 Independent Directors
2 Audit & Supervisory Committee Member

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Helping working families build wealth

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