

Note: This document is a translation of a part of the original Japanese version and provided for reference purposes only. In the event of any discrepancy between the Japanese original and this English translation, the Japanese original shall prevail.

June 16, 2021

To whom it may concern:

Company Name: WealthNavi Inc.
Representative: Kazuhisa Shibayama, Representative
Director and CEO
(Code Number: 7342 Tokyo Stock Exchange Mothers)
Inquiries: Gaku Hirose, Director, CFO
(TEL. 03-6632-4911)

Announcement that WealthNavi started offering “Robo-NISA”
through “WealthNavi for SBI Securities”

WealthNavi Inc. announces that on June 16, 2021, it started offering “Robo-NISA,” a feature leveraging tax exemption merits of NISA (Nippon Individual Savings Account, a tax exemption program for small investments) to users of “WealthNavi for SBI Securities,” a managed account service provided online jointly with SBI Securities Co., Ltd. Please refer to the attached for details.

Announcement that WealthNavi started offering “Robo-NISA” through “WealthNavi for SBI Securities”

WealthNavi Inc. (Head office: Shibuya-ku, Tokyo; Representative Director and CEO: Kazuhisa Shibayama; hereinafter, “the Company”), the provider of “WealthNavi,” the top Japanese robo-advisor (Note 1) in terms of assets under management and number of users, started offering “Robo-NISA,” a feature leveraging tax exemption merits of NISA (Nippon Individual Savings Account, a tax exemption program for small investments) to users of “WealthNavi for SBI Securities” on June 16, 2021.

Please note that users of “WealthNavi for SBI Securities” who are currently using a NISA account provided by SBI Securities Co., Ltd. cannot use “Robo-NISA” at the same time.

1. Outline of “Robo-NISA”

“Robo-NISA” is a feature that employs the tax exemption merits of the NISA and allows the wealth management of long-term investment with a globally diversified portfolio through “WealthNavi.” With this feature, regardless of the experience or knowledge of the customer, the customer will be able to build wealth for their future retired life while leveraging the NISA’s tax exemption merits.

2. Purpose and background for the release of “Robo-NISA”

An increasing number of working families have been considering wealth building for retirement because of the growing concerns of retirement bonuses and pensions. The NISA is an effective system for building wealth.

However, many people have been unable to utilize the NISA to date because of various reasons such as “I don’t know what type of products to purchase” and “It appears difficult without investment knowledge”, and expert advice is needed for those people to utilize the NISA. (Note 2)

By offering “Robo-NISA,” the Company will resolve problems faced by working families that have been unable to use the NISA to date citing various reasons, such as “I don’t know what type of products to purchase” and “It appears difficult without investment knowledge” and will continue to support working families build wealth for their future.

3. Features of “Robo-NISA”

Feature 1: Tax-free

Capital gains generated through investment (e.g., dividends, distributions, and sales proceeds) are typically subject to the individual income tax and local taxes of approximately 20% in total. Capital gains acquired from the “Robo-NISA” feature, which utilizes the NISA, are exempted from these taxes in Japan. (Note 3)

Feature 2: Automated diversified investments in more than 11,000 securities in about 50 countries

“Robo-NISA” automatically builds a portfolio with WealthNavi by combining assets, which is expected to provide the highest returns at a given level of risk based on the modern portfolio theory. The feature allows anyone to easily conduct the wealth management of long-term investment with a globally diversified portfolio while leveraging the tax exemption merits of the NISA.

Feature 3: All the difficult aspects can be managed holistically and automatically

Within an annual tax exemption cap set for the general NISA, “Robo-NISA” automatically performs the entire wealth management process from allocation of new contributions to NISA and taxable accounts to the selection and trading of securities, automated monthly deposits, and rebalancing. (Note 4)

[Risks and expenses relating to transactions in financial instruments]

There is risk of incurring a loss because of fluctuations in the interest rate, the value of currencies, quotations on the financial instruments market, and other indicators, as well as the risk of invested principal falling below par in relation to transactions in financial instruments.

When using “WealthNavi for SBI Securities,” please carefully read the pre-contract documents prior to executing the agreement.

Risks and expenses relating to transactions in financial instruments
(<https://www.wealthnavi.com/rule/01.html>).

Note 1. Morningstar’s research of specialist online operators based on the Japan Investment Advisers Association “Contact Asset Status, September 2020)–Wrap Accounts and Discretionary Accounts)” (as of December 2020).

Note 2. In the “2019 Questionnaire on Investment Trusts (Survey on NISA, iDeCo, and Other Programs) Summary of Survey Results” (The Investment Trusts Association, Japan), 17.0% of the total respondents cited “I don’t know what type of products to purchase” as the reason for not purchasing financial instruments through the NISA, whereas 18.1% of the respondents cited “It appears difficult without investment knowledge/I don’t have investment knowledge” as the reason for not opening a NISA.

Note 3. “Robo-NISA” uses a general NISA. An annual tax exemption cap of 1.2 million yen is set, and dividends and capital gains from investments in ETFs (Exchange Traded Funds) made through WealthNavi are exempt from the Japanese income tax and residents’ tax for up to five years.

Note 4. Except for when changing risk tolerance, assets in the NISA account will not be automatically sold in the process of rebalancing. The optimal asset balance will be maintained within the scope of not selling assets in the NISA account.

■Company Overview: WealthNavi Inc.

Name:	WealthNavi Inc.
Representative:	Kazuhisa Shibayama, Representative Director and CEO
Established:	April 28, 2015
Location:	9F. Shibuya Higashiguchi Bldg., 2-22-3 Shibuya, Shibuya-ku, Tokyo 150-0002 Japan
Capital:	1,761,471,125 yen *as of January 20, 2021
URL:	https://corp.wealthnavi.com/
Business activities:	Financial instruments business operator Director of the Kanto Finance Bureau (Financial Instruments Business) No. 2884
Memberships:	Japan Securities Dealers Association Japan Investment Advisers Association Japan Payment Service Association