

Mitsubishi UFJ Financial Group, Inc.
MUFG Bank, Ltd.
WealthNavi Inc.

MUFG Bank and WealthNavi Announce Capital and Business Alliance

Tokyo, February 14, 2024 --- MUFG Bank, Ltd. (President & CEO: Junichi Hanzawa, “MUFG Bank”), a consolidated subsidiary of Mitsubishi UFJ Financial Group, Inc. (President & Group CEO: Hironori Kamezawa, “MUFG”), today announced that it has executed an agreement on capital and business alliance (the “Capital and Business Alliance”) with WealthNavi Inc. (Representative Director & CEO: Kazuhisa Shibayama, “WealthNavi”).

In accordance with the Capital and Business Alliance, MUFG Bank will subscribe 9,110,000 shares of common stock of WealthNavi to be issued through a third party allotment (the “Third Party Allotment”) (equivalent to a 15.55% stake). Subsequently, MUFG Bank is planning to send one external director to the WealthNavi’s board of directors, subject to approval at the annual general shareholders’ meeting of WealthNavi, to ensure the Capital and Business Alliance proceeds smoothly. These transactions will make WealthNavi an equity method affiliate of MUFG Bank.

1. Purposes of and Reasons for the Capital and Business Alliance

MUFG, focusing on “digital transformation (DX)” as one of the key strategies highlighted in its Medium-term Business Plan, 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.

WealthNavi, operating with its mission of “Helping working families build wealth,” provides its fully automated robo-advisor “WealthNavi” 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, WealthNavi has released 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, WealthNavi now offers an enhanced service fully aligned with New NISA which started in January 2024. Based on these track records, WealthNavi is the top robo-advisor in Japan^[1] in terms of assets under management and number of users, with assets under management exceeding 1 trillion yen as of January 11, 2024. WealthNavi is also committed to building a personal financial platform, extending its services beyond asset management.

MUFG Bank and WealthNavi have made joint efforts to address customers' diversified asset building needs through their "WealthNavi for MUFG Bank" robo-advisor business alliance that provides enhanced services to MUFG Bank customers. Moreover, we have recognized that we need to 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 in order to continue being their financial service provider of choice, amid the Japanese government's policy changes and institutional reforms to promote Japan as a leading asset management center, such as its Doubling Asset-based Income Plan, as well as its decision to upgrade the NISA program and make it permanent. Therefore, MUFG Bank and WealthNavi 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.

Under this Capital and Business Alliance, MUFG Bank and WealthNavi reached an agreement on the development and provision of a Money Advisory Platform 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's wide-ranging customer base and product lineup and WealthNavi's 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. Particulars of the Capital and Business Alliance" below.

2. Particulars of the Capital and Business Alliance

(1) Details of the Business Alliance

MUFG Bank and WealthNavi 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, MUFG Bank and WealthNavi 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. MUFG Bank and WealthNavi 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 new customers for WealthNavi's robo-advisor business by guiding users of MUFG Bank Direct internet banking service to "WealthNavi for MUFG

Bank” and including “WealthNavi for MUFG Bank” in MUFG’s loyalty program

- Potential collaboration between WealthNavi and MUFG (including Mitsubishi UFJ Morgan Stanley Securities and au Kabucom Securities)

(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 WealthNavi’s advisory service at MUFG Bank branches
- More extensive and in-depth collaborations between WealthNavi and MUFG (Mitsubishi UFJ Morgan Stanley Securities, au Kabucom Securities, Mitsubishi UFJ Trust and Banking, Mitsubishi UFJ NICOS, etc.), such as including “WealthNavi for MUFG Bank” in MUFG’s loyalty program, to contribute to the shift from savings to investment trend in Japan

(2) Details of the Capital Alliance

In order to promote and enhance the effectiveness of the Capital and Business Alliance, MUFG Bank will acquire 9,110,000 WealthNavi common shares through a Third Party Allotment (a 15.55% stake, and 15.56% of voting rights; total acquisition value of 15,650,980,000 yen). The payment period of the Third Party Allotment is scheduled to start from March 4, 2024 and end on March 25, 2024.

For details of the Third Party Allotment, please refer to “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 by WealthNavi dated today.

(3) Dispatch of One Director

MUFG Bank and WealthNavi reached an agreement that MUFG Bank will nominate one director candidate of WealthNavi under the agreement on the Capital and Business Alliance. WealthNavi will submit a proposal regarding the appointment of directors including one candidate nominated by MUFG Bank as an external director to the 9th annual general shareholders’ meeting scheduled to be held in March 2024.

3. Profiles of the Alliance Partners

MUFG Bank

(1) Name	MUFG Bank, Ltd.
(2) Address	2-7-1, Marunouchi, Chiyoda-ku, Tokyo, Japan
(3) Representative title and name	President & CEO Junichi Hanzawa
(4) Business description	Financial and other ancillary businesses
(5) Capital	1,711,958 million yen
(6) Founded	August 15, 1919

WealthNavi

(1) Name	WealthNavi Inc.
(2) Address	2-22-3 Shibuya, Shibuya-ku, Tokyo, Japan
(3) Representative title and name	Representative Director & CEO Kazuhisa Shibayama
(4) Business description	Financial instruments business
(5) Capital	3,966 million yen
(6) Founded	April 28, 2015

4. Number of Shares Acquired by MUFG Bank Through Third Party Allotment (Including Acquisition Price), and Ownership Ratio Before and After MUFG Bank's Share Acquisition

(1) Number of shares owned before the acquisition	—
(2) Number of shares to be acquired	9,110,000 shares (Number of voting rights: 91,100) (Ownership percentage: 15.56%)
(3) Acquisition price	15,650,980,000 yen
(4) Number of shares owned after the acquisition	9,110,000 shares (Number of voting rights: 91,100) (Ownership percentage: 15.56%)

5. Future Prospects

(MUFG)

While the Capital and Business Alliance will not have a material impact on MUFG's consolidated business results for the fiscal year ending March 31, 2024, it is expected to contribute to enhancing MUFG's business performance over the medium-term. Any event that may have a significant impact on MUFG's consolidated business results will be disclosed promptly.

(WealthNavi)

It is expected that the Capital and Business Alliance will help WealthNavi enhance its corporate value and shareholder value; however, the actual impact on WealthNavi'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.

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

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