



February 25, 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 regarding introduction of the restricted share compensation plan

WealthNavi, Inc. (the “Company”) announces that the Board of Directors, at the Board of Directors’ meeting held on February 25, 2021, resolved to amend its executive compensation system and to introduce a restricted share compensation plan (hereinafter the “Plan”), and the agenda item concerning the Plan will be proposed at the Company’s annual general meeting of shareholders for the 6th fiscal year to be held on March 26, 2021 (hereinafter the “Shareholders’ Meeting”).

1. Purpose of and conditions to the introduction of the Plan

(1) Purpose of the introduction of the Plan

The Plan is to be implemented for the purpose of providing directors of the Company (including external directors: hereinafter “Eligible Directors”) and executive officers of the Company (together with Eligible Directors; hereinafter “Eligible Executive Members”) with incentives for the continuous improvement in corporate value of the Company and further advancing the sharing of value between Eligible Executive Members and shareholders of the Company.

(2) Conditions for the introduction of the Plan

Under the Plan, the Company will grant, as compensation, the monetary compensation receivables that will be contributed by executive directors of the Company to the payment for restricted stocks to be issued by the Company to the Eligible Directors; therefore, the introduction of the Plan is subject to the approval of such compensation at the Shareholders’ Meeting.

At the Company’s annual general meeting of shareholders for the 5th fiscal year held on March 27, 2020, approval was granted to cap the amount of compensation for directors of the Company at 100 million yen per year. At the Shareholders’ Meeting, the Company will make a proposal the introduction of the Plan and establishment of compensation concerning the Plan separate from the existing compensation limit.

2. Overview of the Plan

The Eligible Executive Members will pay-in all of the monetary (compensation) receivables granted by the Company under the Plan as property contributed in-kind and receive the Company’s common shares to be issued or disposed by the Company in exchange for the in-kind contribution.

The total amount of monetary compensation receivables to be granted to the Eligible Directors shall not exceed 25 million yen per year (of those, 5 million yen per year for external directors) besides the existing monetary receivables,

and the total number of the Company's common shares to be issued or disposed under the Plan shall not exceed 10,000 shares per year. (if, a stock split or a stock consolidation is conducted with respect to the shares of common stock of the Company, or any other event in which an adjustment of the total number of shares of common stock of the Company to be issued or disposed of as restricted stocks is required to be made, occurs, such total number of shares of common stock shall be adjusted within a reasonable range).

In order to achieve one of the goals of introducing the Plan, the sharing of corporate value between Eligible Executive Members and shareholders of the Company for the medium- to long-term, the restriction on stock transfer shall commence on the date of issuance of the restricted shares and remain in place until the retirement or resignation of the Eligible Executive Members from their position as director or other position defined by the Board of Directors. Specific timing and allocation of payment to the Eligible Executive Members will be resolved by the Board of Directors.

The paid-in amount per common share to be issued or disposed under the Plan shall be determined by the Board of Directors of the Company within a range that is not particularly advantageous to the Eligible Executive Members, based on the closing price of the Company's common shares on the Tokyo Stock Exchange on the business day prior to the resolution of the Board of Directors concerning the issuance or disposition thereof (or, if there is no closing price on that day, the closing price on the trading day immediately prior thereto).

In addition, for the purpose of the issuance or disposal of shares of common stock of the Company under the Plan, the Company and the Eligible Executive Members shall enter into a restricted share allotment agreement (hereinafter the "Allotment Agreement") that shall include mainly the following provisions.

- (1) the Eligible Executive Members shall not transfer, create a security interest on, or otherwise dispose of the common shares allotted pursuant to the Allotment Agreement for a predetermined period;
- (2) the Company shall acquire such allotted shares free of charge if certain events occur

(Supplementary Note)

Subject to approval of the agenda item concerning the restricted share compensation as proposed at the Shareholders' Meeting, the Company will allot restricted shares to the Company's employees.