

Transitional Fiscal Period Ended March 31, 2022 (FY2022) (July 2021 to March 2022)

Results of Operations

Explanatory Material

June 8, 2022

HOPE, INC.

[6195]

Group Corporate Philosophy

**Providing new value to citizens
through local governments,
and promoting growth of the company
and its people**

Company name HOPE, INC.

Established Feb. 2005 (fiscal year-end: Mar.)

Representative Takayasu Tokitsu, CEO

Securities code 6195 (listed on the TSE-Growth/FSE Q-Board on Jun. 15, 2016)

Employees
(consolidated) 156 (as of the end of Mar. 2022, including temporary employees)

Business Services created specifically for local governments
(Group companies: JICHITAI AD, INC. (Advertising Business), JICHITAI WORKS, INC. (Jichitai Works Business))

Head office MG Yakuin Building 1-14-5, Yakuin, Chuo-ku, Fukuoka, Japan

History	Feb. 2005 Founded	Mar. 2021 Announced participation in the private-sector trainee program of the city of Shijonawate in Osaka prefecture
	Jun. 2006 Launched SMART RESOURCE SERVICE	Jun. 2021 Launched SMART FR CONSULTING SERVICE Launched the Jichitai Works Free Name Card service
	Sep. 2013 Launched SMART CREATION SERVICE “Machilet”	Sep. 2021 Announced actions for ending negative equity
	Jul. 2014 Launched “Machihiro,” an app that connects local governments and local residents	Oct. 2021 Announced launch of “akisol” comprehensive platform for solving abandoned house problems Started a service using an SMS to assist local governments with pandemic safety and response operations
	Aug. 2014 Started B-to-G solutions business	Nov. 2021 Announced the opening of Jichitai Design Consultation office
	Jun. 2016 Listed on TSE-Mothers and FSE Q-Board	Dec. 2021 Transitioned to a holding company structure using a divestiture
	Dec. 2017 Issued the first edition of “Jichitai Works”	Mar. 2022 A subsidiary HOPE ENERGY, INC. started bankruptcy proceedings Changed the fiscal year end from June to March
	Mar. 2018 Registered as an electricity retailer and launched “GENEWAT”	
	May 2020 Started Jichitai Works HAXSH	
	Oct. 2020 Established a wholly owned subsidiary HOPE ENERGY, INC.	

Significant Events

I. FY2022 Financial Highlights

II. Topics

III. FY2023 Outlook

IV. Business Environment and Growth Strategies

V. Appendices

- Two significant events occurred in March 2022 that had a major impact on the operations of the HOPE Group.

■ HOPE ENERGY, INC. (the Energy Business) started bankruptcy proceedings

- On March 25, 2022, the Tokyo District Court started bankruptcy proceedings for HOPE ENERGY, INC..

Upcoming effects

- HOPE ENERGY, INC. was no longer a subsidiary of HOPE, INC. as of March 25 because the decision to begin bankruptcy proceedings. Although HOPE ENERGY, INC. was not included in the consolidated financial statements as of March 31, 2022, the consolidated income statement includes this company for the period between July 1, 2021 and March 25, 2022.
- Sales in the fiscal year ending in March 2023 are expected to be far below prior fiscal years because the Energy Business, which can no longer continue to operate, accounted for approximately 90% of sales.

■ Change of Fiscal Year End to March

- The fiscal year end has been changed from June to March in accordance with partial amendments to the Articles of Incorporation approved by shareholders at an extraordinary shareholders meeting held on March 24, 2022.

Upcoming effects

- The fiscal period that ended in March 2022 was a nine-month transitional period from July 1, 2021 to March 31, 2022.
- The probation period (improvement period) for ending negative equity will now end on March 31, 2023, which is the new fiscal year end.

(Reference) For more information, see the press release (Japanese version only) dated Mar. 22, 2022 about the subsidiary's bankruptcy (<https://ssl4.eir-parts.net/doc/6195/tdnet/2097827/00.pdf>) and about the press release (Japanese version only) dated Mar. 24, 2022 about the change of fiscal year end (<https://ssl4.eir-parts.net/doc/6195/tdnet/2098626/00.pdf>)

I. FY2022 Financial Highlights

Start of consolidated financial statements

- HOPE, INC. changed from non-consolidated to consolidated financial statements beginning with the second quarter of the fiscal year ended in Jun. 2021.
- This presentation has both consolidated and non-consolidated financial information.
- Numbers are rounded down and percentages are rounded up or down to the first decimal place.
- Some documents referenced in the following pages are in Japanese version only.

Response to COVID-19

■ Started a COVID-19 Response Team

Monitors health of employees and makes preparations for responses to outbreaks.

■ Established a teleworking infrastructure

Created an environment that facilitates teleworking for a broad range of tasks.

■ Online activities and no outings for business

As a rule, the internet is used for all meetings with people outside the company.

Effect on business operations

■ Advertising (JICHITAI AD, INC.) / Jichitai Works Business (JICHITAI WORKS, INC.)

No significant effect at this time, but some companies may start to reduce their advertising activities.

There is also a risk that financial difficulties at advertisers may delay payments for some receivables or make it impossible to collect some receivables.

• Comparisons are between the nine-month periods that ended on March 31, 2021 and 2022.

FY2022 Results (consolidated/transitional nine-month period)

Sales were up 97.1% from one year earlier to an all-time high
The operating profit was ¥(16,651) million

■ Net sales

¥35,630 million (up 97.1% YoY)

■ Operating profit

¥(16,651) million (¥(7,276) million in 3Q FY2021)

Advertising Business (JICHITAI AD, INC.)

Sales have been stable through
measures for the proper size of this
business

■ Net sales

¥935 million (down 9.2% YoY)

■ Segment profit

¥101 million (up 22.6% YoY)

Energy Business (HOPE ENERGY, INC.)

No submission of bids for new contracts
after 2Q. HOPE ENERGY, INC. started
bankruptcy proceedings on March 25, 2022

■ Net sales

¥34,459 million (up 103.6% YoY)

■ Segment profit

¥(16,416) million (¥(7,122) million in 3Q FY2021)

Jichitai Works Business (JICHITAI WORKS, INC.)

Sales and earnings growth due to an
increase in B-to-G solutions orders

■ Net sales

¥223 million (up 90.4% YoY)

■ Segment profit

¥37 million (up 175.4% YoY)

*For FY2022, the nine-month period between Jul. 1, 2021 and Mar. 31, 2022, except the Energy Business (HOPE ENERGY, INC.) which is until Mar. 25, 2022.

FY2022 consolidated Income Statement Highlights (Vs. cumulative 3Q FY2021)



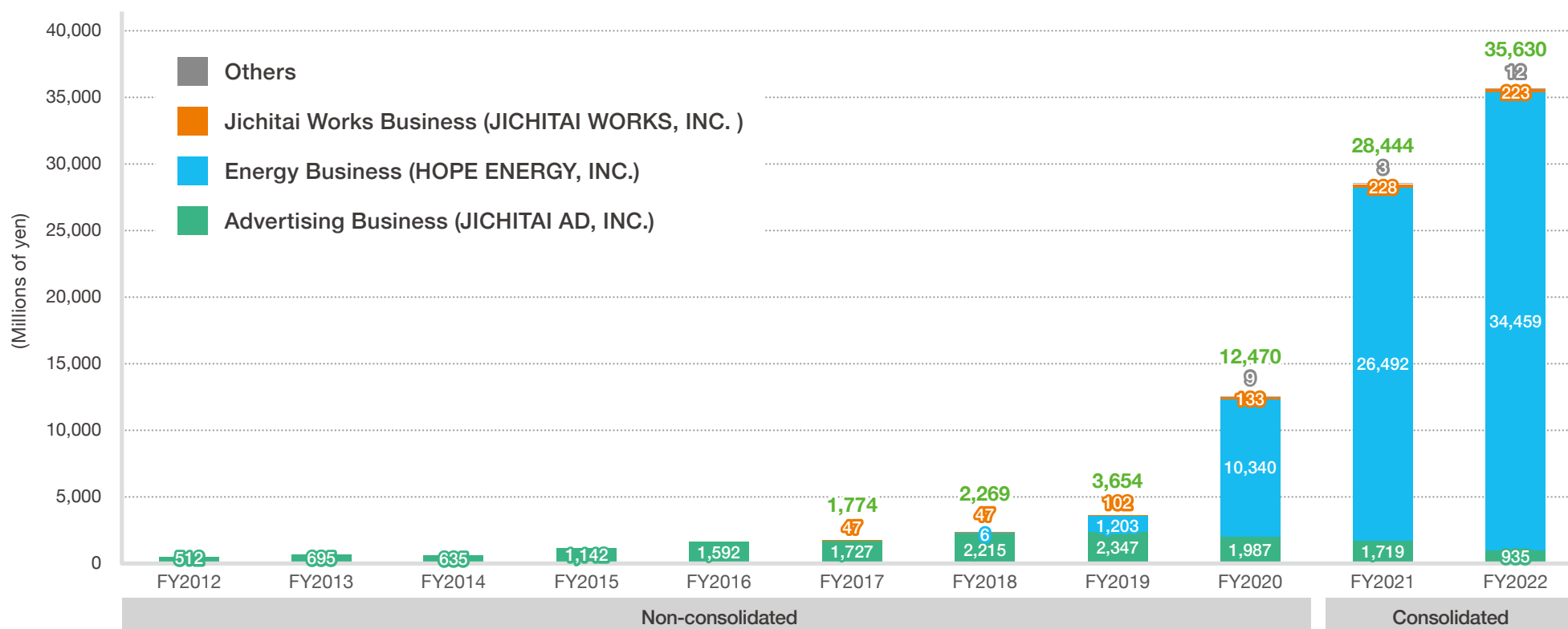
(Millions of yen)	Cumulative 3Q FY2021		FY2022		
	Results	Comp.	Results	Comp.	YoY change
Net sales	18,073	—	35,630	—	+97.1%
Gross profit	(6,547)	(36.2)%	(15,790)	(44.3)%	—
SG&A expenses	729	4.0%	861	2.4%	+18.1%
Operating profit	(7,276)	(40.3)%	(16,651)	(46.7)%	—
Ordinary profit	(7,295)	(40.4)%	(16,731)	(47.0)%	—
Profit attributable to owners of parent	(7,313)*	(40.5)%	(19,730)	(55.4)%	—

*For FY2021, the sum of quarterly profit attributable to owners of parent for the first three quarters

*For FY2022, the nine-month period between Jul. 1, 2021 and Mar. 31, 2022, except the Energy Business (HOPE ENERGY, INC.) which is until Mar. 25, 2022.

Consistent Sales Growth

- This page shows the growth of business segment sales.
- Sales increased rapidly between FY2019 and FY2022 because of the start of the Energy Business (HOPE ENERGY, INC.).

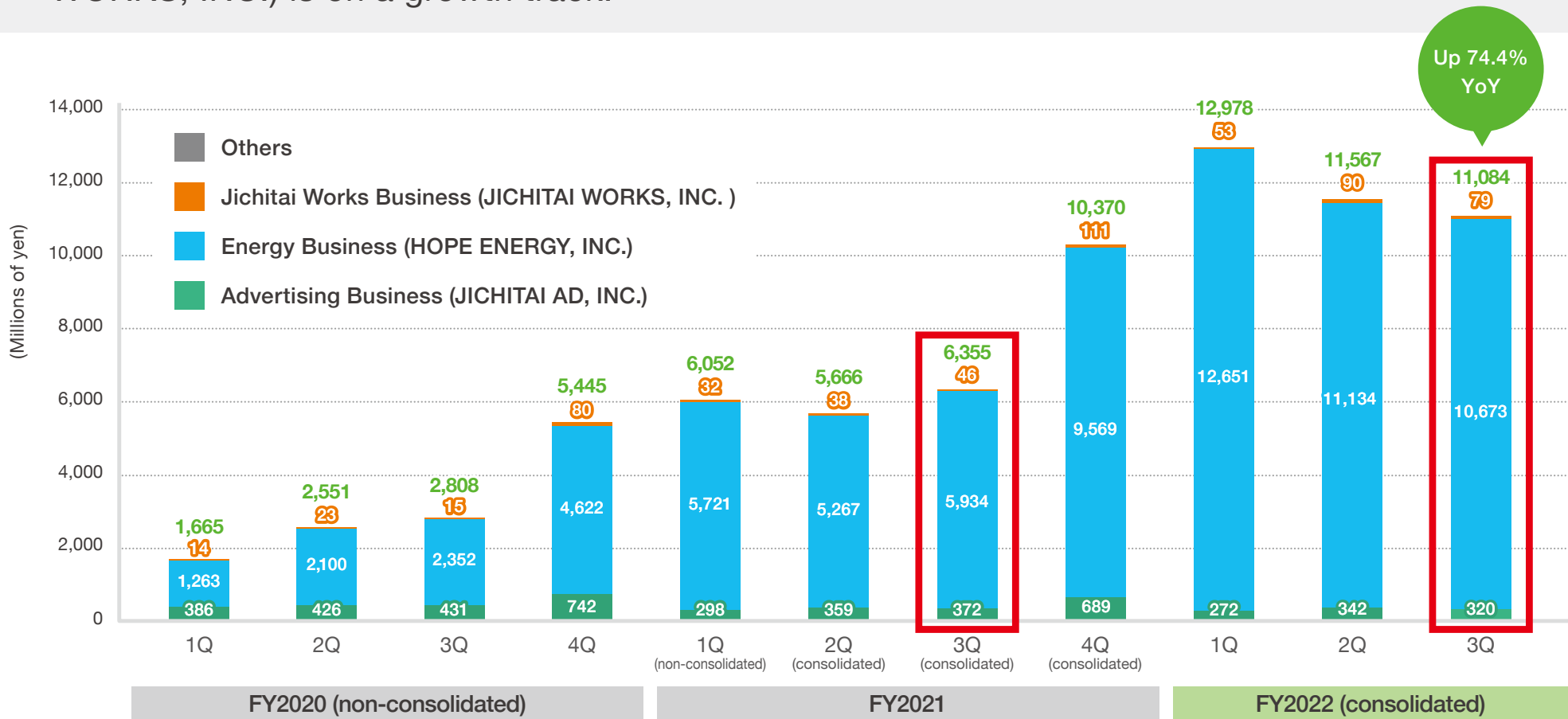


*For FY2022, the nine-month period between Jul. 1, 2021 and Mar. 31, 2022, except the Energy Business (HOPE ENERGY, INC.) which is until Mar. 25, 2022.

*For more information about figures for FY2021, see the news release dated Aug. 24, 2021 concerning corrections to consolidated financial results for the fiscal year ended Jun. 30, 2021.

<https://ssl4.eir-parts.net/doc/6195/tdnet/2019249/00.pdf>

- In the first quarter of FY2022, we stopped submitting bids for local government electricity supply contracts in the Energy Business (HOPE ENERGY, INC.). We are continuing to supply based on existing contracts.
- Sales of the Advertising (JICHITAI AD, INC.) are stable and Jichitai Works Business (JICHITAI WORKS, INC.) is on a growth track.



*For FY2022, the nine-month period between Jul. 1, 2021 and Mar. 31, 2022, except the Energy Business (HOPE ENERGY, INC.) which is until Mar. 25, 2022.

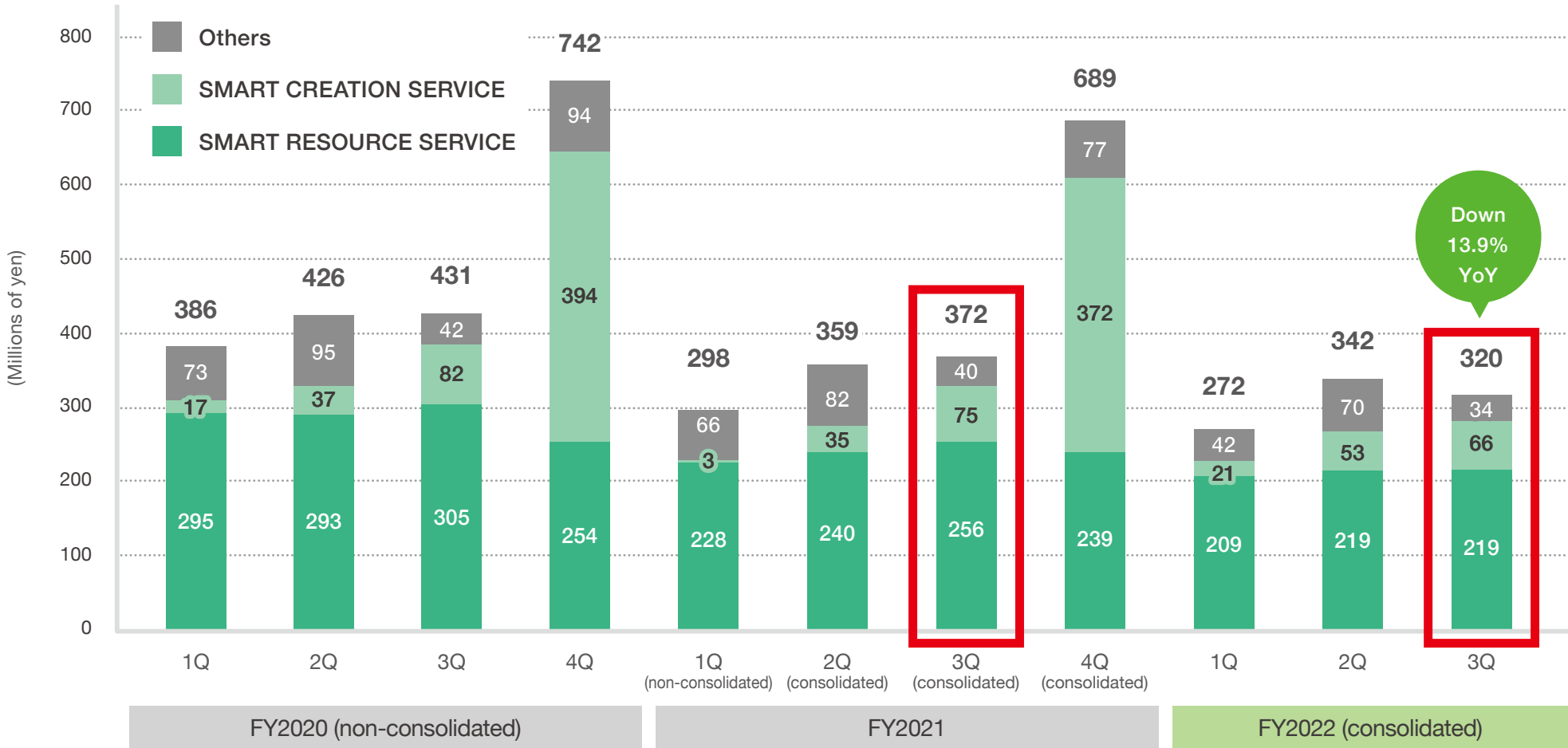
- As in the 2Q of FY2022, the extremely high cost of electricity on the Japan Electric Power Exchange (JEPX) from January to March 2022 had a severe impact on the Energy Business (HOPE ENERGY, INC.) in the third quarter.

(Millions of yen)	FY2020 (non-consolidated)				FY2021				FY2022 (consolidated)		
	1Q	2Q	3Q	4Q	1Q (non-consolidated)	2Q (consolidated)	3Q (consolidated)	4Q (consolidated)	1Q	2Q	3Q
Advertising Business (JICHITAI AD, INC.)	(4)	13	51	244	(2)	25	59	245	7	46	47
Energy Business (HOPE ENERGY, INC.)	19	79	149	808	762	(371)	(7,513)	197	(41)	(6,802)	(9,572)
Jichitai Works Business (JICHITAI WORKS, INC.)	(2)	2	(3)	42	5	7	1	44	8	27	1
Others	(2)	(1)	0	(7)	(9)	(8)	(8)	(21)	(23)	(22)	(22)
Adjustments (corporate expenses)	(66)	(76)	(74)	(150)	(68)	(80)	(75)	(85)	(77)	(105)	(122)
Total	(56)	16	122	937	686	(427)	(7,535)	381	(126)	(6,856)	(9,668)

*Standards for the allocation of corporate expenses were revised to more accurately show segment earnings. As a result, segment earnings and corporate expenses have changed beginning with 1Q FY2020. The new standards have no effect on total earnings.

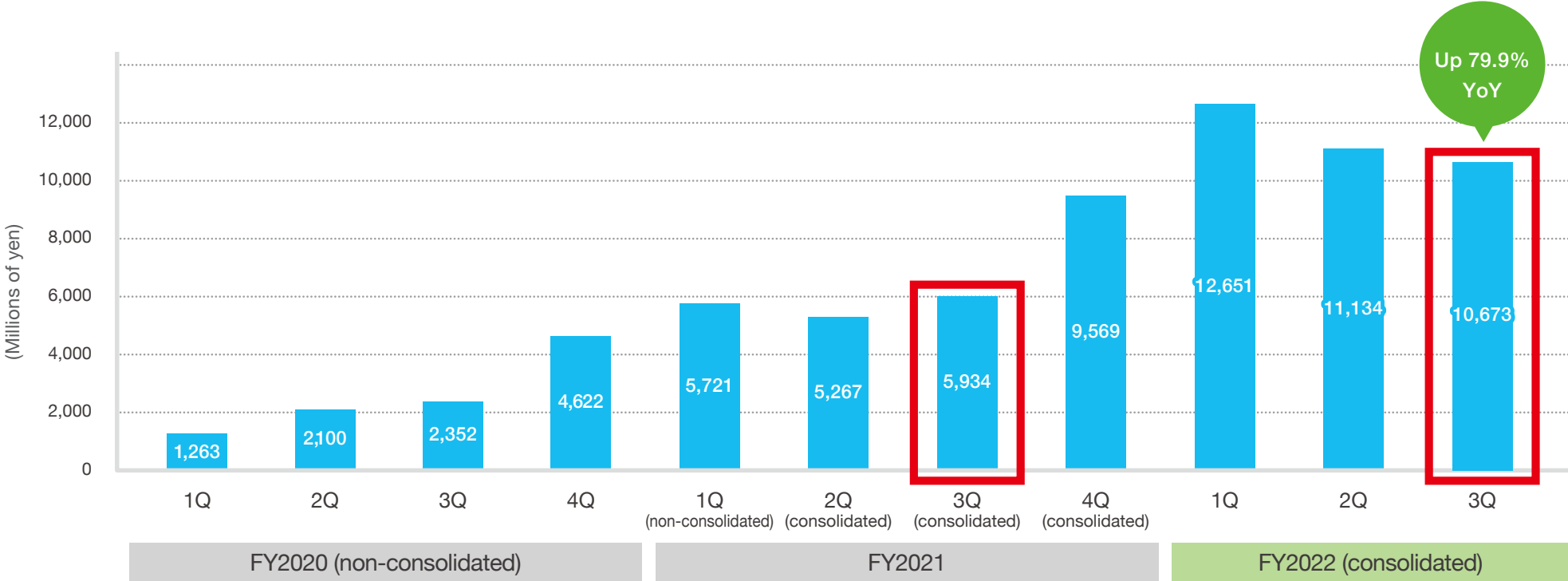
*For FY2022, the nine-month period between Jul. 1, 2021 and Mar. 31, 2022, except the Energy Business (HOPE ENERGY, INC.) which is until Mar. 25, 2022.

- Sales and earnings have been stable due to measures to achieve the proper size of this business.
- The goal is a carefully planned resumption of growth to make this a profit-generating business.



*FY2022 is the nine-month period that ended in Mar. 2022.

- All electricity supply activities were terminated in late March 2022.
- HOPE ENERGY, INC. has filed for bankruptcy and is now managed by a court-appointed administrator.



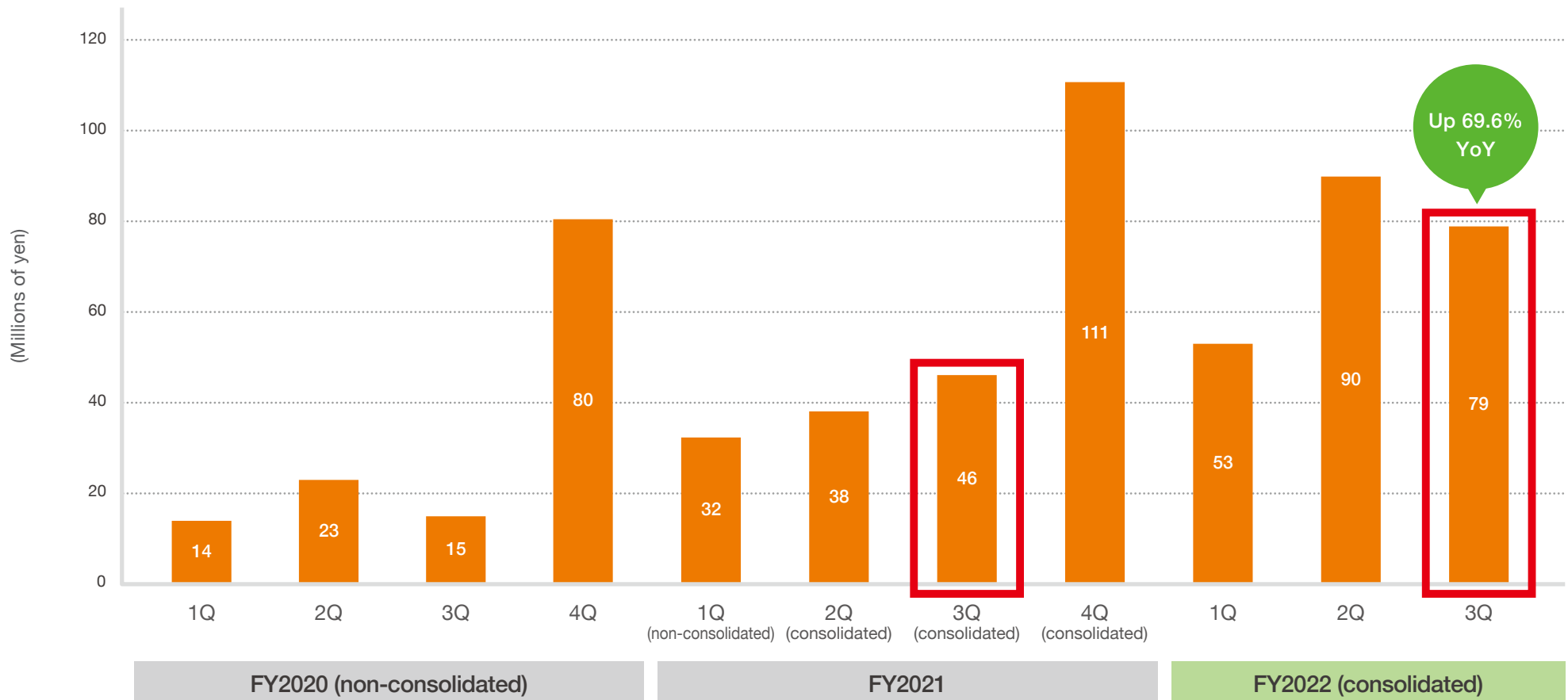
Winning Bids

*As of confirmation of result of bids

	1Q (Jul.-Sep.)	2Q (Oct.-Dec.)	3Q (Jan.-Mar.)	4Q (Apr.-Jun.)	Total
FY2019	Not disclosed	Not disclosed	Not disclosed	Not disclosed	142
FY2020*	70	96	337	77	580
FY2021*	177	201	426	55	859
FY2022*	39	0	0	—	39

*FY2022 is the nine-month period that ended in Mar. 2022.

- Consistently high levels of Jichitai Works advertisements and B-to-G solution orders
- Sales in the nine-month FY2022 were about the same (about ¥220 million) as in FY2021, which was a 12-month period.



*The first issue of Jichitai Works magazine was Dec. 22, 2017 and the magazine's new design and format started in Jun. 2020.

*FY2022 is the nine-month period that ended in Mar. 2022.

Consolidated Balance Sheet Highlights

- Decline in receivables and payables because of the removal of HOPE ENERGY, INC. from consolidation. However, there is still a special account for shares resulting from reorganization that was recognized when the spinoff to establish HOPE ENERGY, INC. took place.

(Millions of yen)	2Q FY2022 (As of Dec. 31, 2021)		FY2022 (As of Mar. 31, 2022)		
	Results	Comp.	Results	Comp.	Change
Cash and deposits	2,144	20.2%	917	64.0%	(1,227)
Accounts receivable-trade	7,673	72.2%	168	11.7%	(7,505)
Inventories	226	2.1%	219	15.3%	(7)
Current assets	10,419	98.1%	1,347	94.0%	(9,072)
Non-current assets	205	1.9%	85	6.0%	(119)
Total assets	10,624	100.0%	1,432	100.0%	(9,191)
Accounts payable-trade	16,732	157.5%	256	17.9%	(16,476)
Short-term borrowings	950	8.9%	200	14.0%	(750)
Current portion of long-term borrowings	316	3.0%	164	11.5%	(152)
Current liabilities	18,210	171.4%	949	66.2%	(17,261)
Bonds payable	100	0.9%	100	7.0%	—
Long-term borrowings	361	3.4%	1,139	79.5%	+778
Special account for shares arising from restructuring	—	—	4,846	338.2%	+4,846
Non-current liabilities	461	4.3%	6,086	424.8%	+5,624
Total liabilities	18,672	175.7%	7,035	491.0%	(11,637)
Total net assets	(8,047)	(75.7%)	(5,602)	(391.0%)	+2,445
Total liabilities and net assets	10,624	100.0%	1,432	100.0%	(9,191)

*For more information about special account, please refer to the section “1. Overview of Results of Operations, (2) Financial Position” of the attachments of consolidated financial results for the fiscal year ended Mar. 31, 2022.

- The HOPE ENERGY, INC. bankruptcy, change in the fiscal year and other events have altered the initial plan for ending negative equity.
- The goal is to restore financial soundness through the prudent growth of business operations and development of new services as well as strategic alliances with business partners and many other equity financing activities.

■ Activities for profitability

- The Advertising Business (JICHITAI AD, INC.) and Jichitai Works Business (JICHITAI WORKS, INC.) are profitable and will continue to focus on measures to remain profitable.
- To create more value in our businesses, we will consider forming strategic alliances with business partners.

■ Progress with measures for ending negative equity

- We will consider many opportunities and methods for equity financing in order to procure the funds required to return to positive equity.

(Reference) For more information, see the news releases dated Jun.8, 2022 concerning change in plans to end negative equity, and dated Sep. 27, 2021 concerning actions for ending negative equity (Japanese version only). <https://ssl4.eir-parts.net/doc/6195/tdnet/2026961/00.pdf>

II. Topics

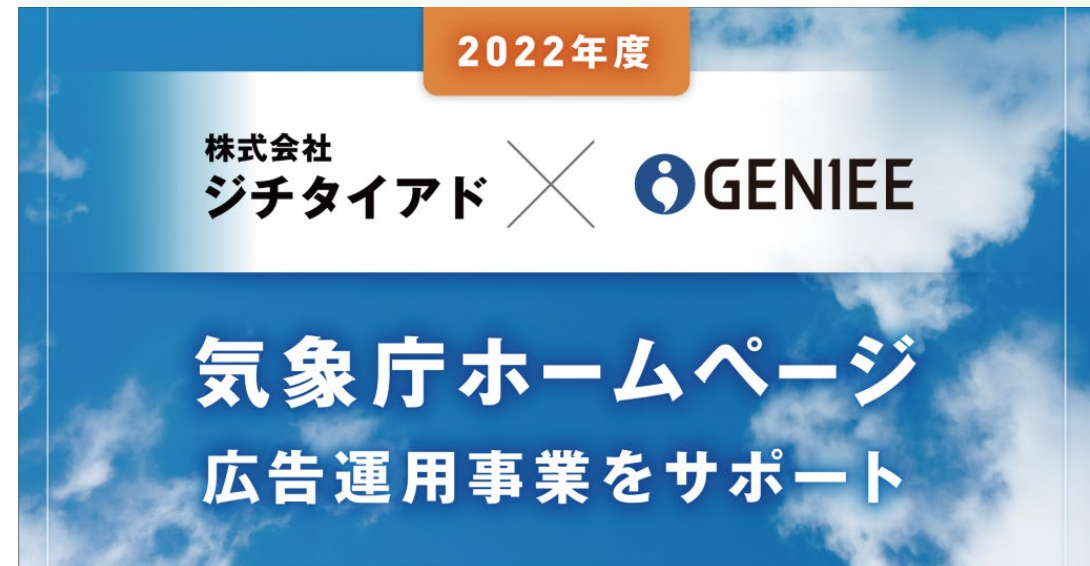
- JICHITAI AD, INC. continued to provide support services for advertisements on the Japan Meteorological Agency website in FY2022

■ Purpose

- We use our own system for the support of the placement of advertisements on the Japan Meteorological Agency website.
- We plan to sell this support service to local governments too.

■ Outline

- Service: Japan Meteorological Agency website advertisement operation business
- Advertisement placements: April 2022 to March 2023



(Reference) More information is in the Mar. 16, 2022 press release titled “Support in FY2022 for Advertising on the Japan Meteorological Agency website by JICHITAI AD, INC., Operator of the HOPE Group Advertising Business; Using HOPE, INC.’s own advertisement distribution system as in the previous year” (Japanese version only)
<https://ssl4.eir-parts.net/doc/6195/tdnet/2096787/00.pdf>

- JICHITAI WORKS, INC. issued Volume 18 of Jichitai Works, a magazine for government employees, on March 1, 2022.
- The number of magazines issued was increased from about 70,000 to about 115,000 and distribution was expanded beyond local government employees to include elected members of city and other municipal councils.

Purpose

- Distribution was expanded to further raise awareness of this magazine and reinforce its importance in the public sector. The goal is to continue increasing public-private sector collaboration and ties between local governments.

Outline

- The staff of Jichitai Works write articles with exclusive and valuable information about activities involving issues concerning health, child raising, disaster readiness, education and other activities of local governments. This magazine, which is distributed at no charge, makes this information available to government workers and elected officials at local governments throughout Japan.



(Reference) More information is in the Mar. 1, 2022 press release titled “Announcement of Volume 18 of Jichitai Works Magazine with Many Hints and Ideas for Government Employees.”
(Japanese version only) <https://ssl4.eir-parts.net/doc/6195/tdnet/2091458/00.pdf>

III. FY2023 Outlook

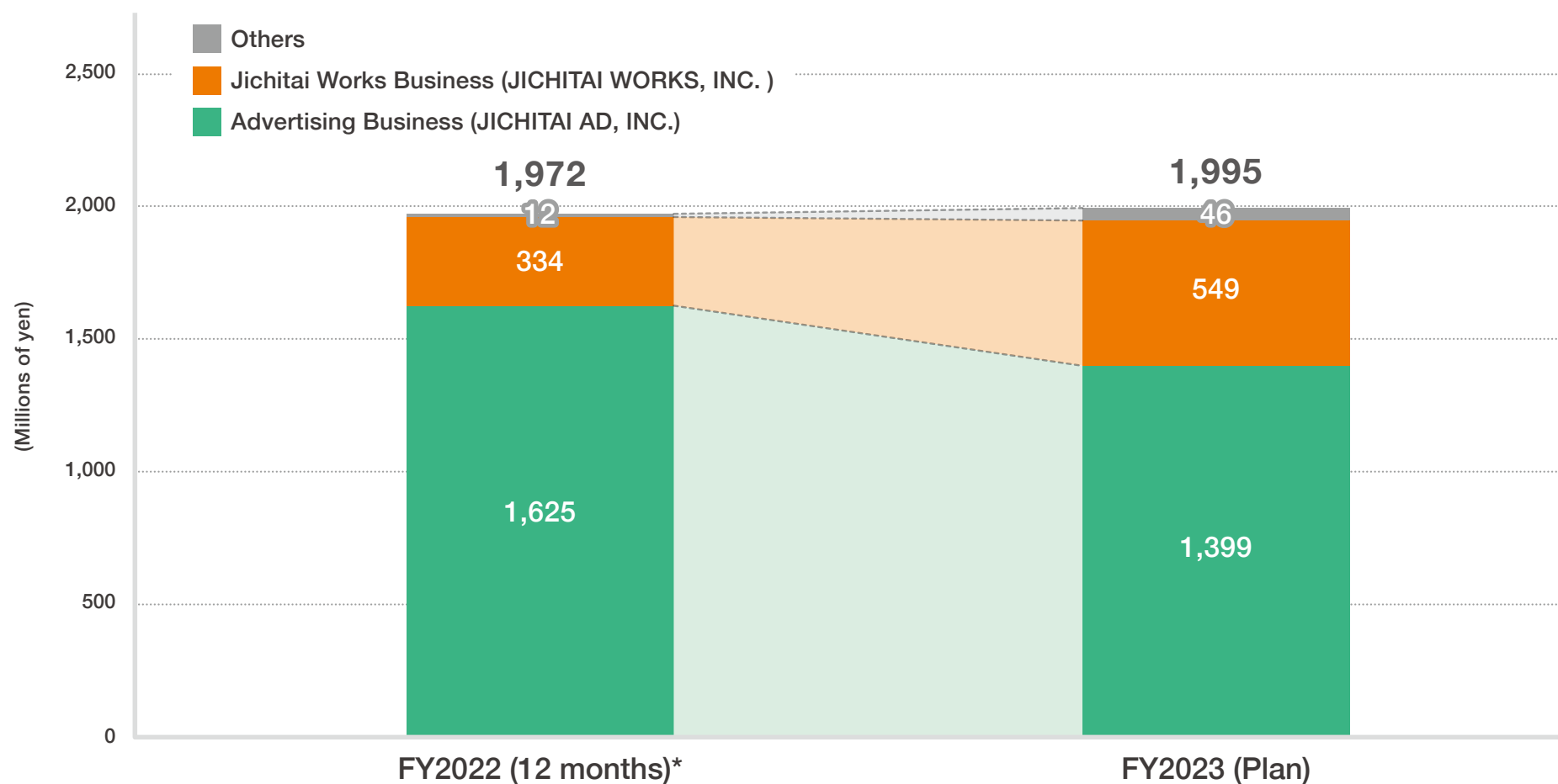
- A big decline in sales is expected in FY2023 because of the termination of the Energy Business. However, earnings are expected to improve, primarily in the Advertising Business and Jichitai Works Business.

	FY2021	FY2022	FY2023
(Millions of yen)	Results	Results	Plan
Net sales	28,444	35,630	1,995
Gross profit	(5,841)	(15,790)	1,087
SG&A expenses	1,053	861	961
Operating profit	(6,895)	(16,651)	126
Ordinary profit	(6,935)	(16,731)	105
Profit attributable to owners of parent	(6,978)	(19,730)	76
Net income per share	(1,109.09)yen	(1,952.73)yen	6.80yen

(Reference) For more information about figures for FY2021, see the news release dated Aug. 24, 2021 concerning corrections to consolidated financial results for the fiscal year ended Jun. 30, 2021
<https://ssl4.eir-parts.net/doc/6195/tdnet/2022430/00.pdf>

*For FY2022, the nine-month period between Jul. 1, 2021 and Mar. 31, 2022, except the Energy Business (HOPE ENERGY, INC.) which is until Mar. 25, 2022.

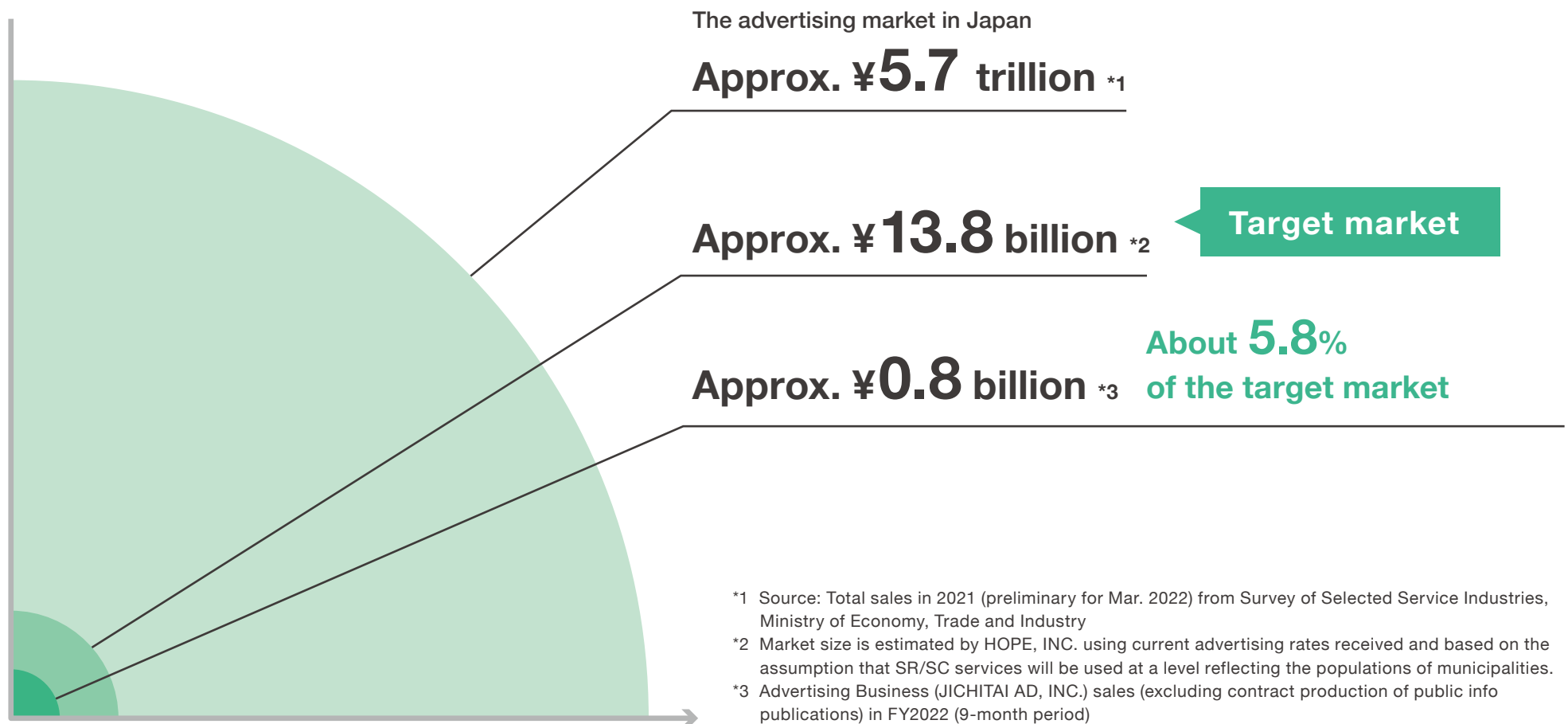
- The business segment sales plan is as follows.
- Sales in FY2023 are expected to fall sharply because of the termination of the Energy Business.



*To facilitate year-to-year comparisons, FY2022 is the 12-month period that ended in Mar. 2022 and the Energy Business has been excluded.

IV. Business Environment and Growth Strategies

- HOPE, INC. created a new market with its Advertising Business, the company’s original activity, and has provided advertising services to local governments for about 17 years.
- HOPE, INC.’s share of this market is about 5.8% in FY2022.

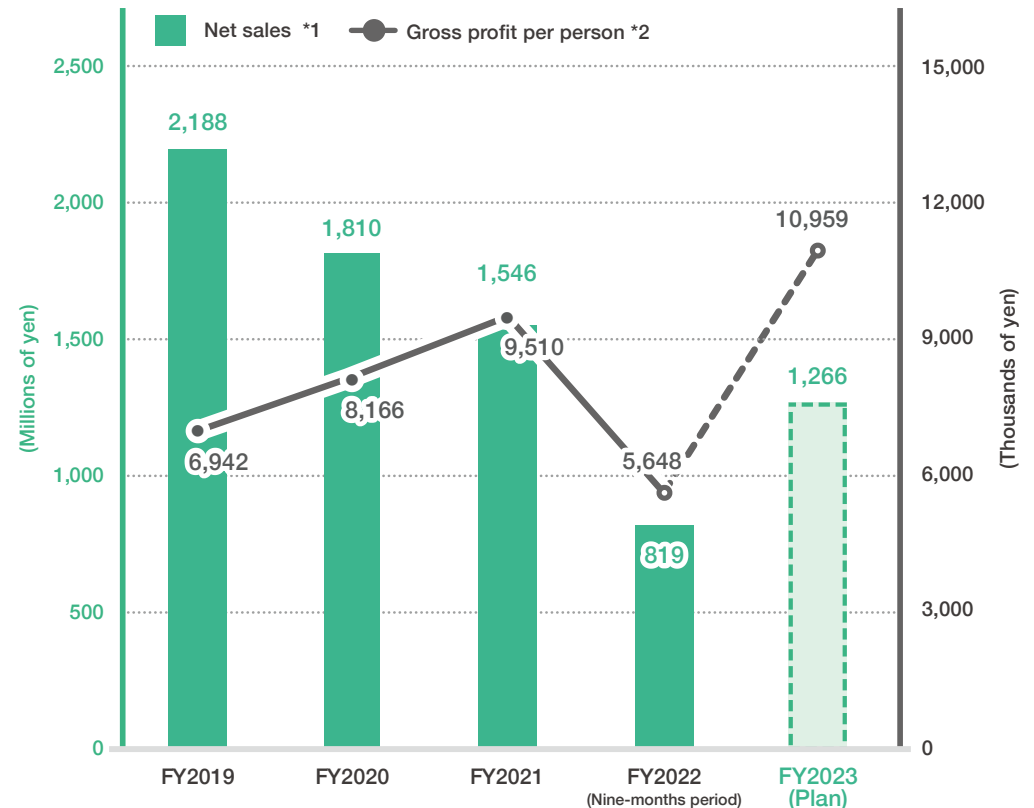


- Shift from “rightsizing” to a “carefully planned return to growth”
- Continue to raise productivity per employee and aim for steady growth as a profit-generating business

Strategies for a Mature Market

- HOPE, INC. already has more than 5.8% of the local government ad market in Japan with annual revenue of about ¥13.8 billion.
→ The goal is a higher profit margin rather than sales growth.
- Reduce the seasonality of this business to build a stronger profit structure by cutting expenses and raising efficiency.
- To increase profitability, improve productivity with measures targeting the new performance indicator of gross profit per person
- Gross profit per employee was low in FY2022 because this nine-month transitional period did not include the April-June quarter, which usually has the highest sales and earnings of every year.

Gross profit per person in the Advertising Business (JICHITAI AD, INC.)

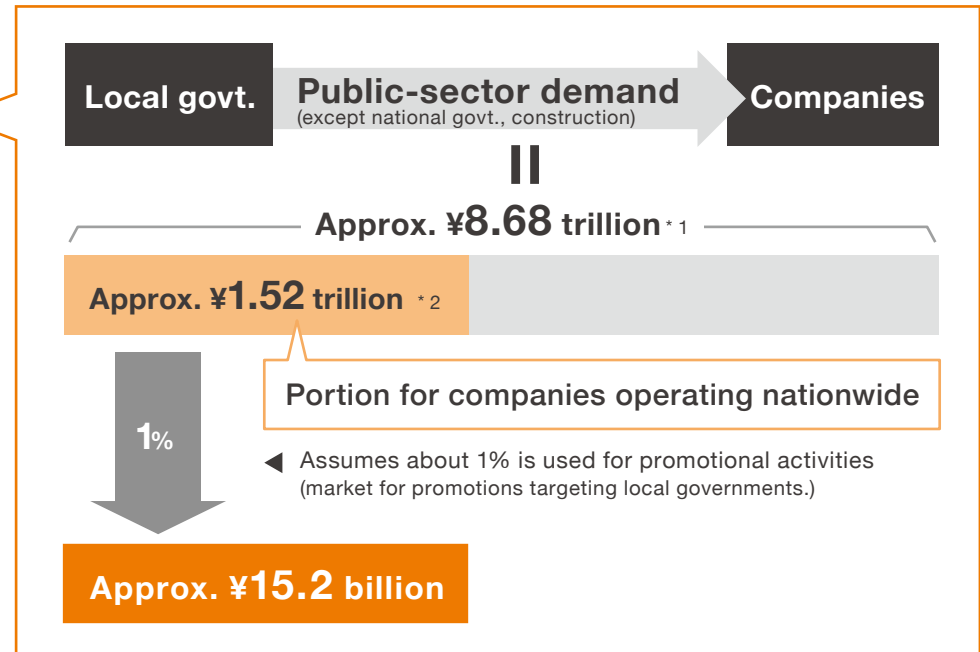
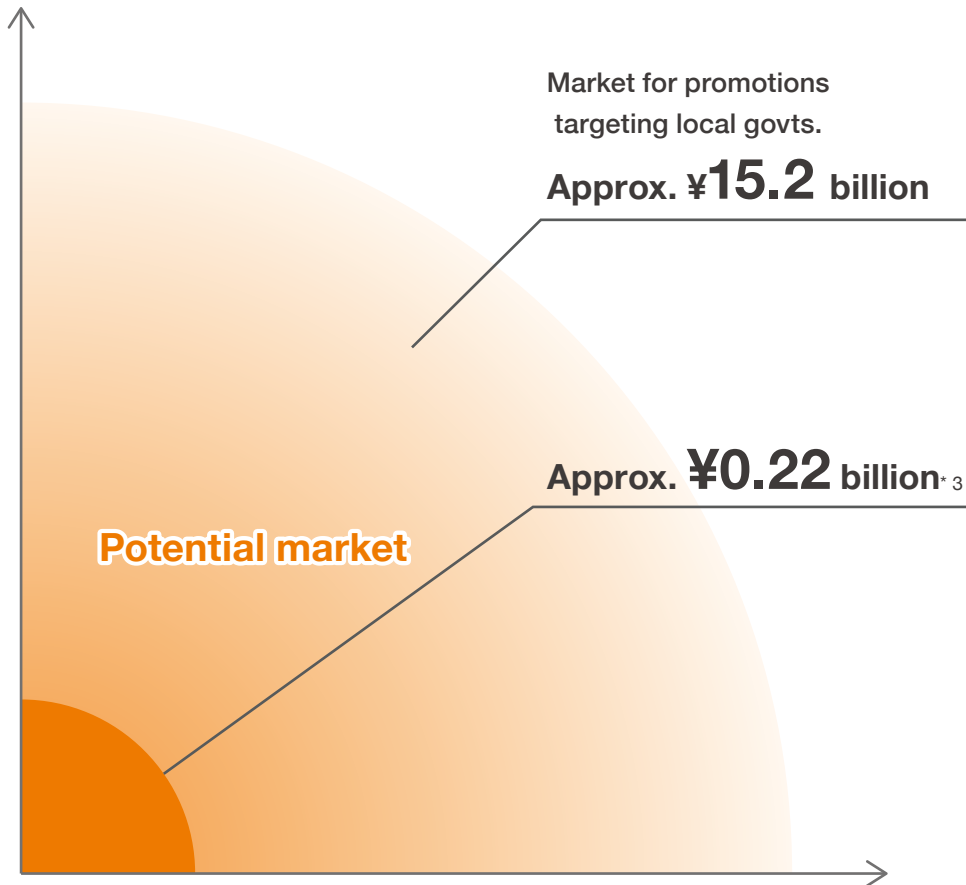


*1 Advertising business (JICHITAI AD, INC.) sales (excluding contract production of public information publications)

*2 Number of advertising employees (JICHITAI AD, INC.) is the average for every year and excludes advertisement designers

- Substantial public-sector demand and still considerable growth potential
- Most of the sales of the Jichitai Works Business (JICHITAI WORKS, INC.) are for services for companies that want to provide more of their products and services to local governments.

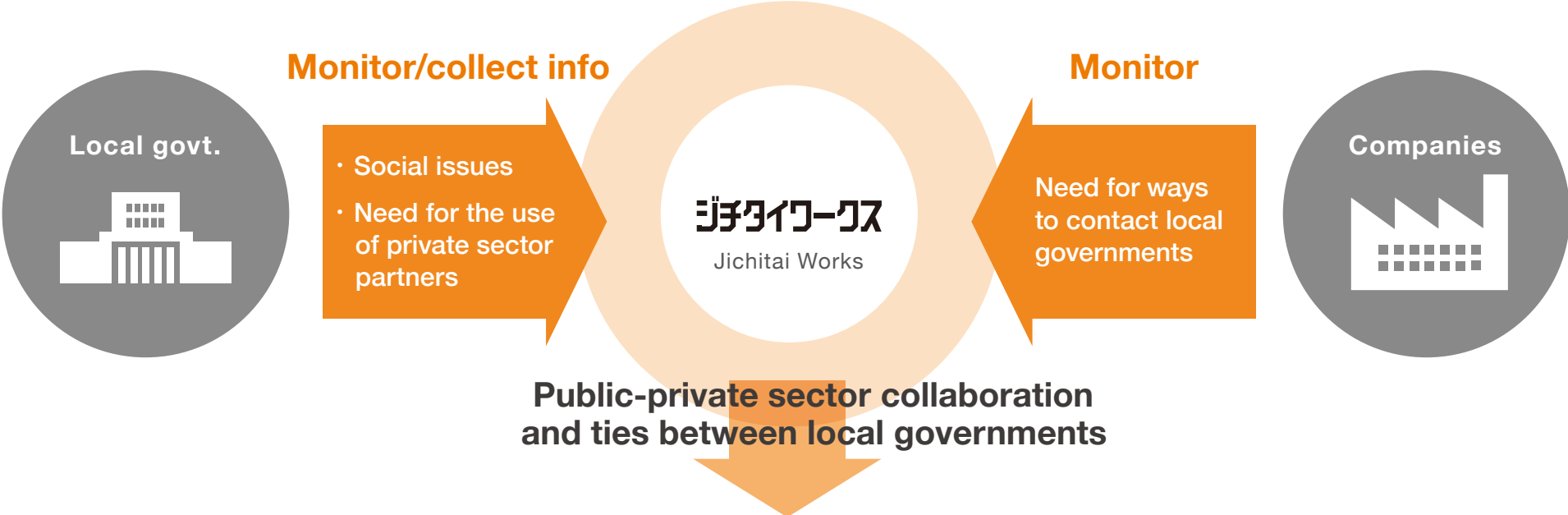
The market for promotions targeting local governments still has much more potential, including public-private sector matching and measures to become more competitive



*1 Calculated by HOPE, INC. using Summary of Guide to Contracts in the Public Sector – FY2018, The Small and Medium Enterprise Agency
 *2 HOPE, INC. estimates based on FY2018 Administrative Project Review, Ministry of Internal Affairs and Communications
 *3 FY2022 (nine-month period) Jichitai Works Business (JICHITAI WORKS, INC.) sales

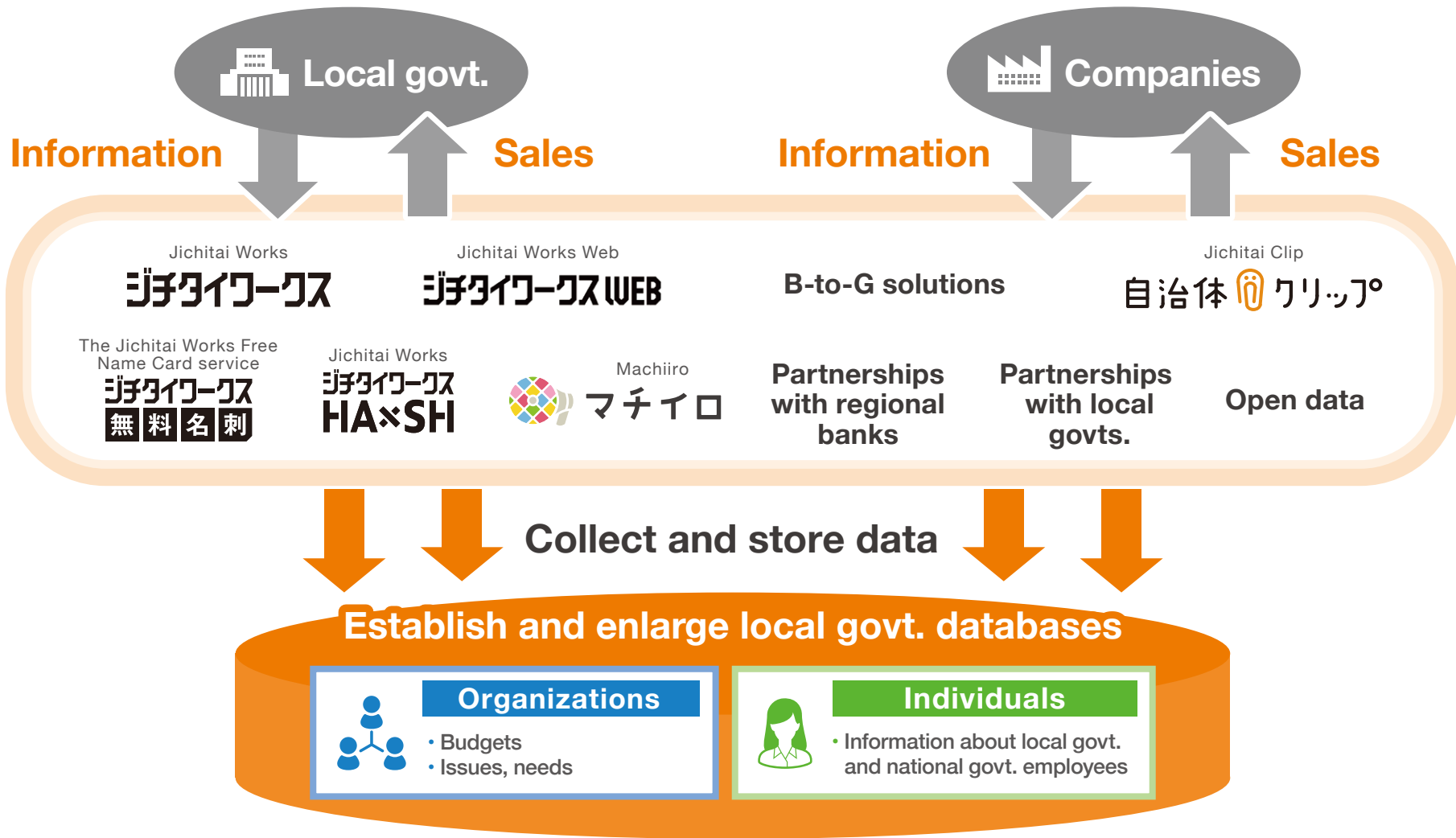
- Expand the B-to-G solutions business by targeting the consistently increasing need for services in the local government business sector.
- Increase opportunities for providing services for more sales growth.

Concept: Energizing “experiences and people” at local governments

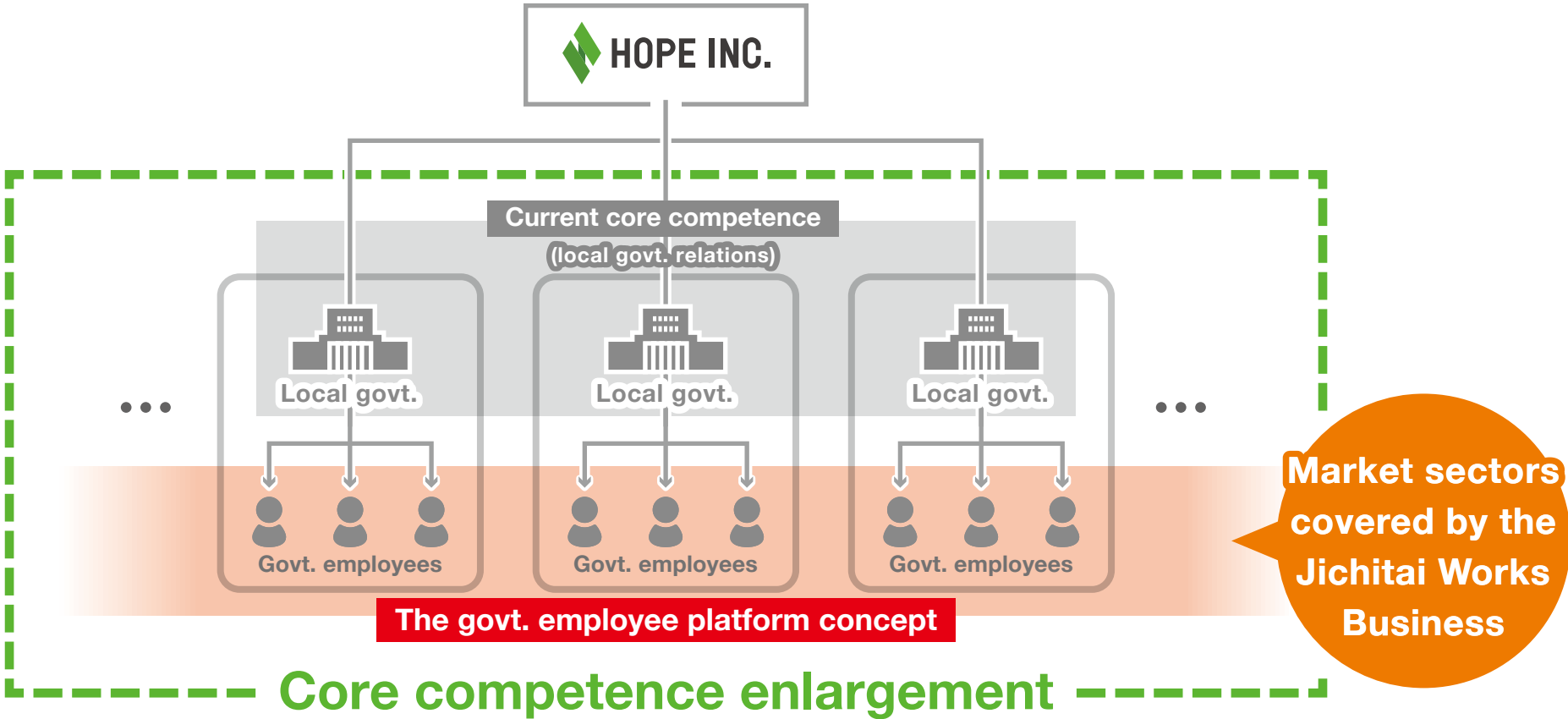


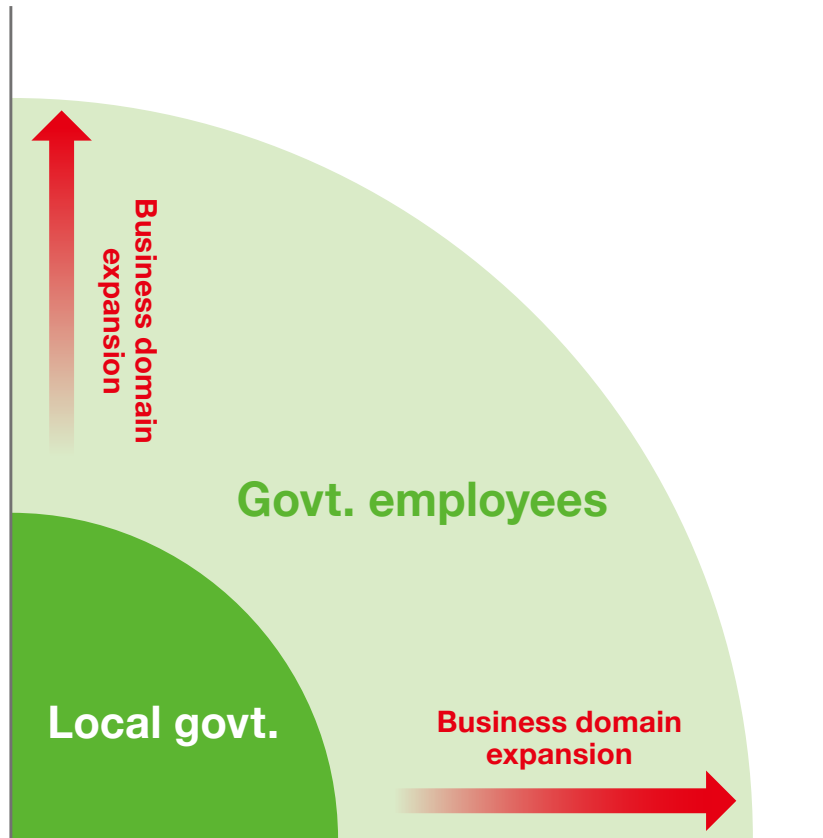
- Provide many types of services**
- Broad range of activities using the Jichitai Works brand
 - More matching by using the internet, telemarketing and other methods

Business strengthening, support and creation made possible by the local government database



- The government employee platform concept :
Enlarge business operations to cover the government employee sector in order to become the leader in businesses and services for local governments.
- The government employee sector will be a growing market for the Jichitai Works Business.





Use the enlargement of the core competence for the diversification of business activities in a domain expanded to include the government employee sector

Become the leader in businesses and services for local governments

- The medium-term plan will be revised because of the termination of the Energy Business in March 2022 and we also plan to review the 2020 VISION, which defines the long-term goals of the HOPE Group.
- We plan to start reexamining the plan and vision after the return to positive equity.

■ Premises

- The original medium-term plan and 2020 VISION (announced August 11, 2020) assumed that the Energy Business (HOPE ENERGY, INC.) would make a big contribution to sales and earnings.
- The plan and vision must be revised because of the termination of the Energy Business in March 2022.

■ Goals

- Build a stronger foundation for business operations to support the launch of new businesses while continuing to improve financial soundness.
- Expand and strengthen the business portfolio, including by starting new businesses, and establish and implement strategies for growth.
- The 2020 VISION is a long-term goal that looks ahead to 2030. There will be no change in this vision as an internal goal of the HOPE Group for continuing to pursue the long-term growth of corporate value.

■ Planned timing of revisions

- We are concentrating on making progress with the plan for ending negative equity and accomplishing this goal by the deadline.
- The medium-term plan and 2020 VISION will be revised after we return to positive equity.

(Reference) More information about the original medium-term plan is in the Aug. 11, 2020 press release titled “The HOPE NEXT 3 Medium-term Management Plan.” (Japanese version only)
<https://ssl4.eir-parts.net/doc/6195/tdnet/1873672/00.pdf>

V. Appendices

Advertising Business (JICHITAI AD, INC.)

SMARE RESOURCE SERVICE

Ads in public info publications,
banner ads, etc.

SMART CREATION SERVICE



etc.

Jichitai Works Business (JICHITAI WORKS, INC.)



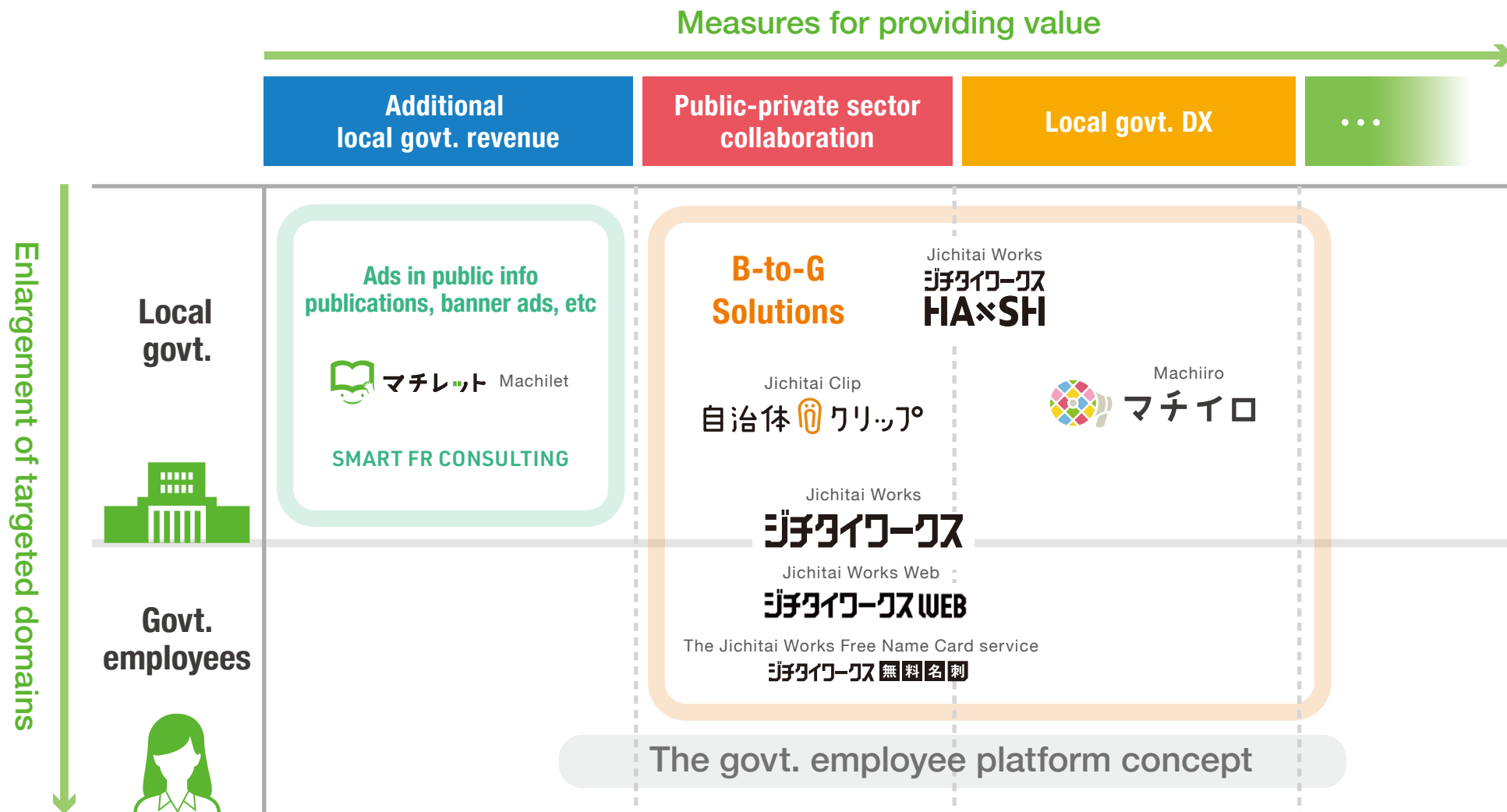
B-to-G Solutions



etc.

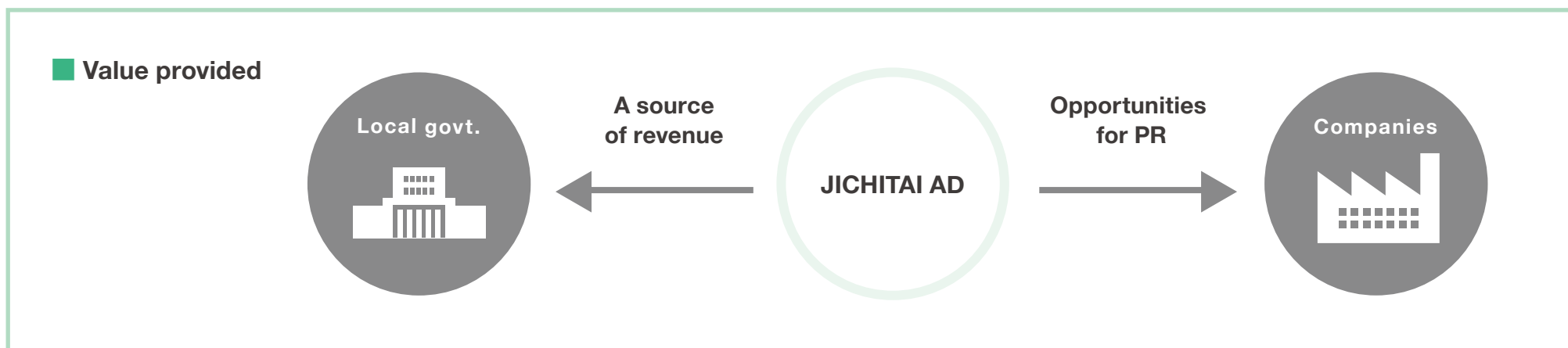
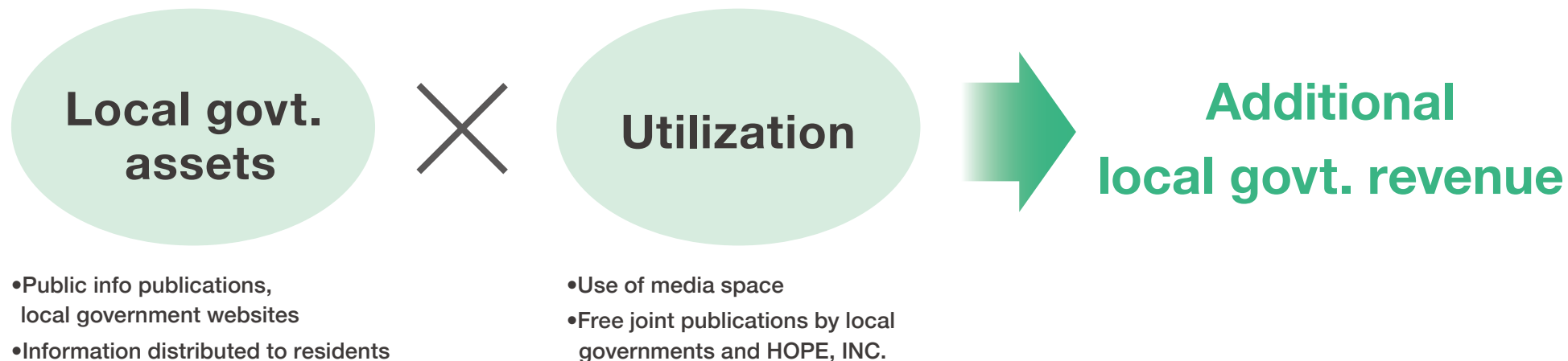
*Beginning with FY2020, Machihiro has been moved from the Jichitai Works segment to others.

- Enlarge every business domain and increase actions for the expansion of HOPE, INC.'s core competence.



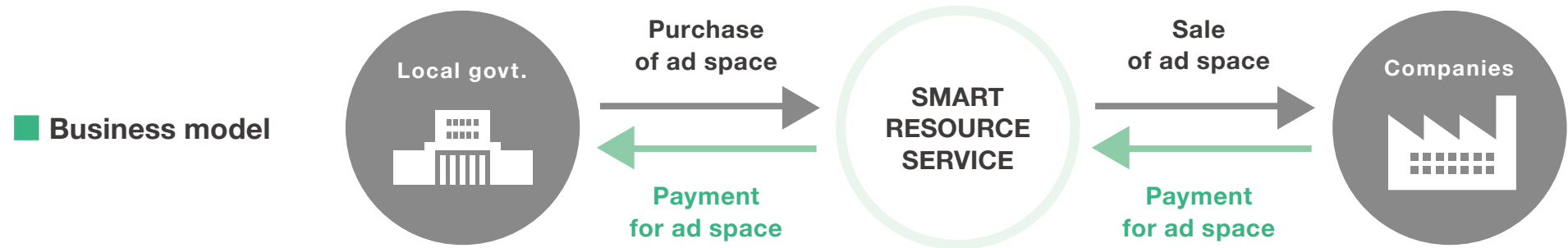
Group Corporate Philosophy

Providing new value to citizens through local governments



Local governments sell ad space in their publications

A new source of revenue for local governments



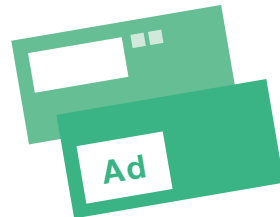
■ Examples of media



Public info publications



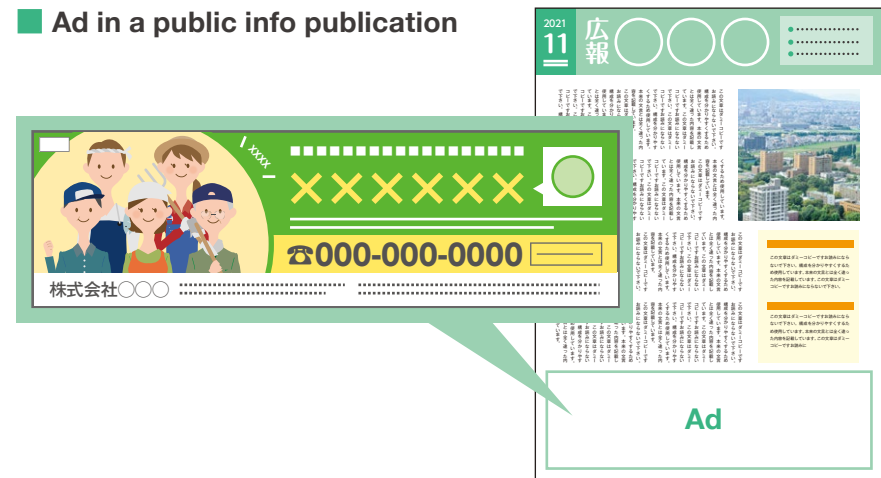
Website banner



Payslips for government employees

Others

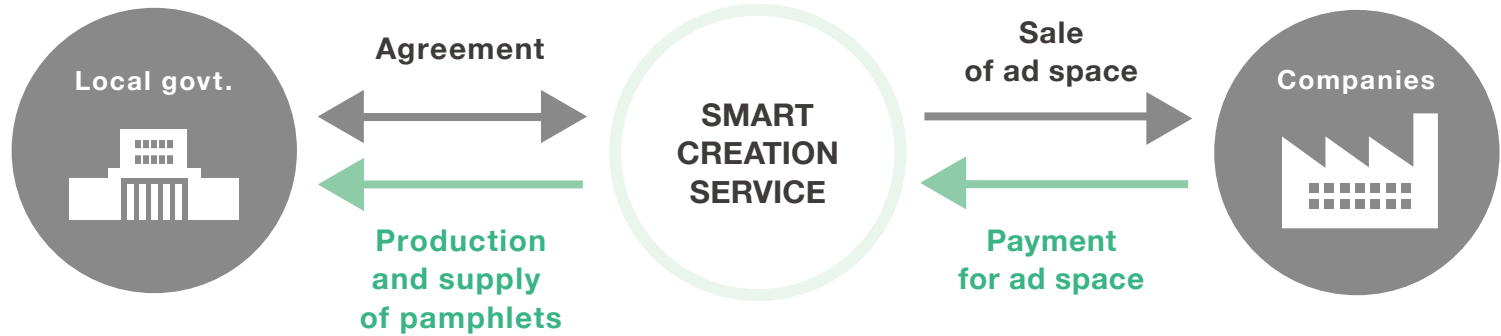
■ Ad in a public info publication



Production and supply of local government pamphlets for various fields with space for ads

Free joint production of pamphlets with even more useful info

Business model



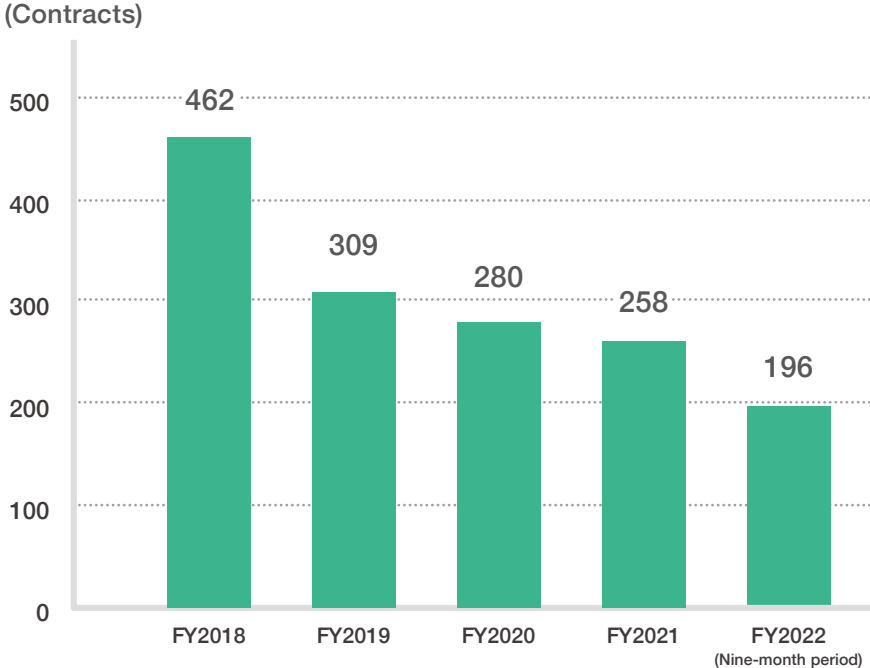
Examples of pamphlets



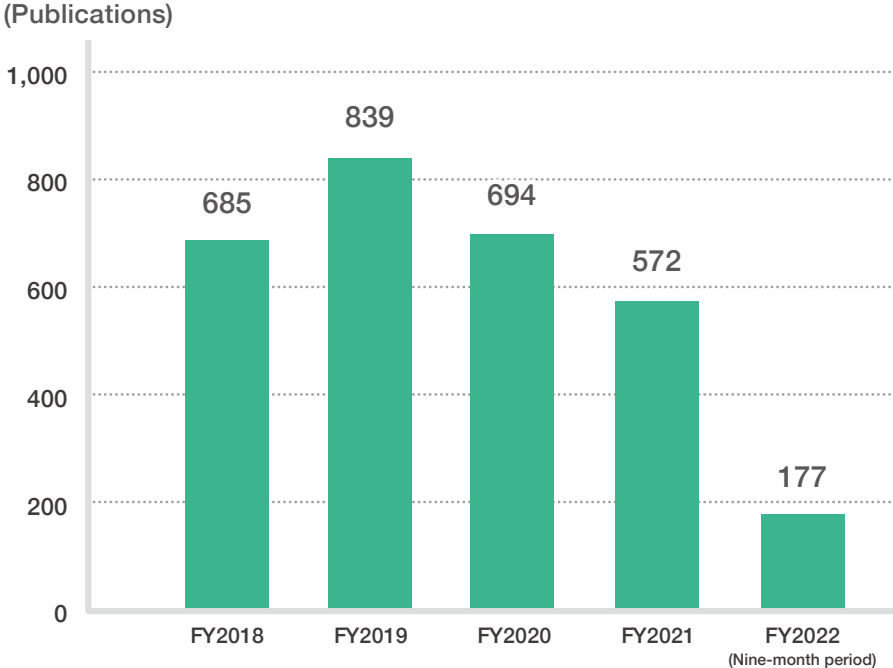
Ad in a pamphlet (child care information)



SMART RESOURCE SERVICE



SMART CREATION SERVICE (Machilet)



*For two or more different contracts with the same local government, each contract is counted separately.
 *The SMART CREATION SERVICE includes conventional pamphlets (Machilet) as well as Clear File and other special publications issued in each fiscal year. A revised definition is used for the actual number of these publications from FY2018 and these figures have been revised accordingly.

SMART FR CONSULTING SERVICE

Two local governments are using this new service that was launched in July 2021.

(Reference) For more information, see the news release dated Jul. 29, 2021 concerning the start of providing this new consulting service for Fukuoka city (Japanese version only).
<https://ssl4.eir-parts.net/doc/6195/tdnet/2005240/00.pdf>

SMART RESOURCE SERVICE

1 Bids used to purchase products

- Big swings in bids (cost of purchases)
- Risk of inability to purchase a sufficient volume due to bids of other companies, etc.

2 Seasonal nature of purchases and inventory risk

- Most SMART RESOURCE SERVICE purchases are single transactions for an entire year (Apr. to Mar.), resulting in risk for holding large inventories
- The highest volume of bids is between January and March, which is prior to the start of the new fiscal year in April.

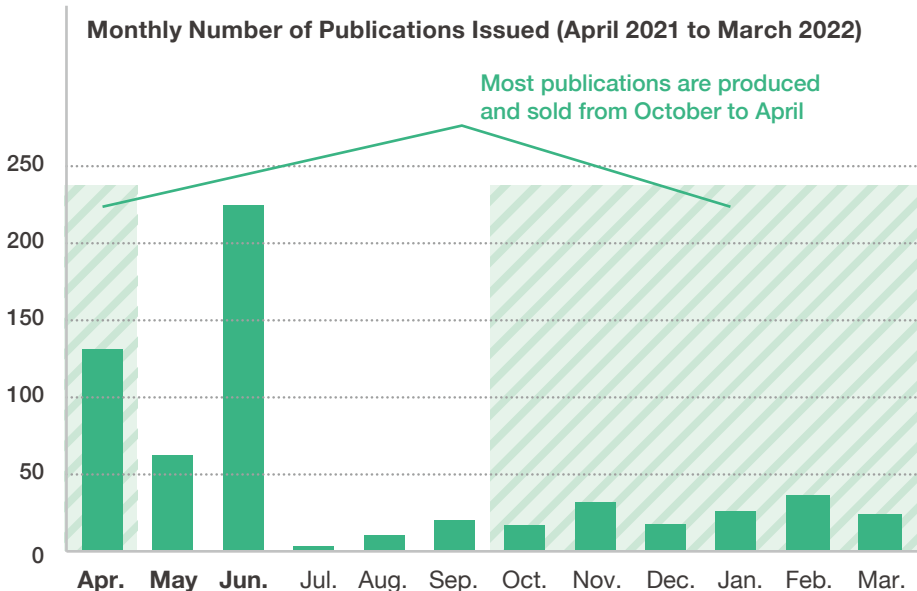
SMART CREATION SERVICE (Machilet)

1 Most production and sales at the same time of the year

The production and sales period starts after signing contracts with local governments

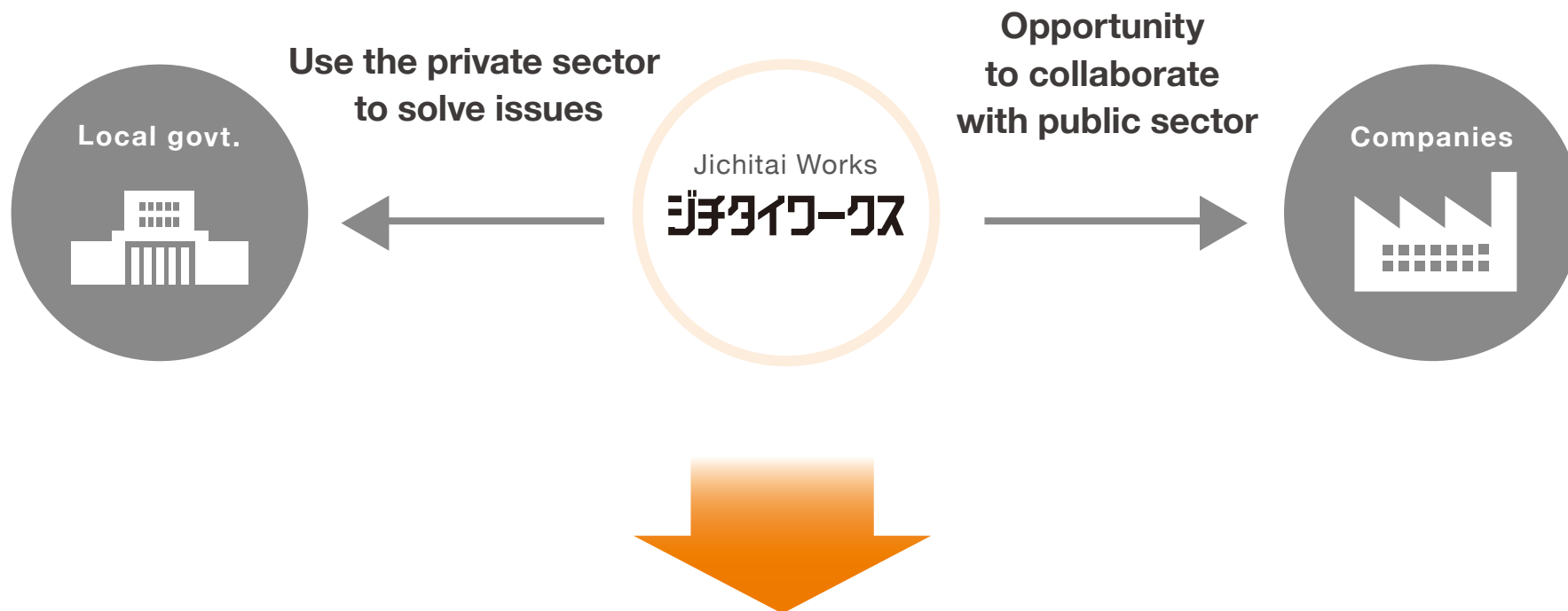
2 Large pct. of sales in the first quarter

About 70% of publications are issued between Apr. and Jun.
 ► Most sales and cost of sales are recorded in the first quarter



Group Corporate Philosophy

Providing new value to citizens through local governments



Public-private sector collaboration

- Use of advertisements to monetize publications
- Starting in FY2022, increased to three the types of publications with all advertisements by a single advertiser; selling these publications as a B-to-G solution
- Beginning with Volume 18 (issued March 2022), the number of magazines has been increased from 70,000 to 115,000 and distribution to local government council members has started.

Owned media
 with useful info and ideas
 for the jobs of local
 government employees



■ Jichitai Works (Standard edition) 《Issued six times every year》



1 One of the largest circulations in Japan

A comprehensive info magazine for local government employees and local assembly member; circulation of up to 115,000, one of the largest in Japan in this category

2 Extensive coverage

Distributed at no charge to 1,788 municipalities and all 47 prefectural government

3 Upgrading sharing of knowledge

Magazines include examples of innovative ideas, a variety of know-how and other content for improving government services throughout Japan

■ Jichitai Works Additional Issues/Jichitai Works PICKS/Jichitai Works INFO. 《Issued as needed》

Publications with a single advertiser. Layout created specifically for each advertiser; three types depending on the number of pages

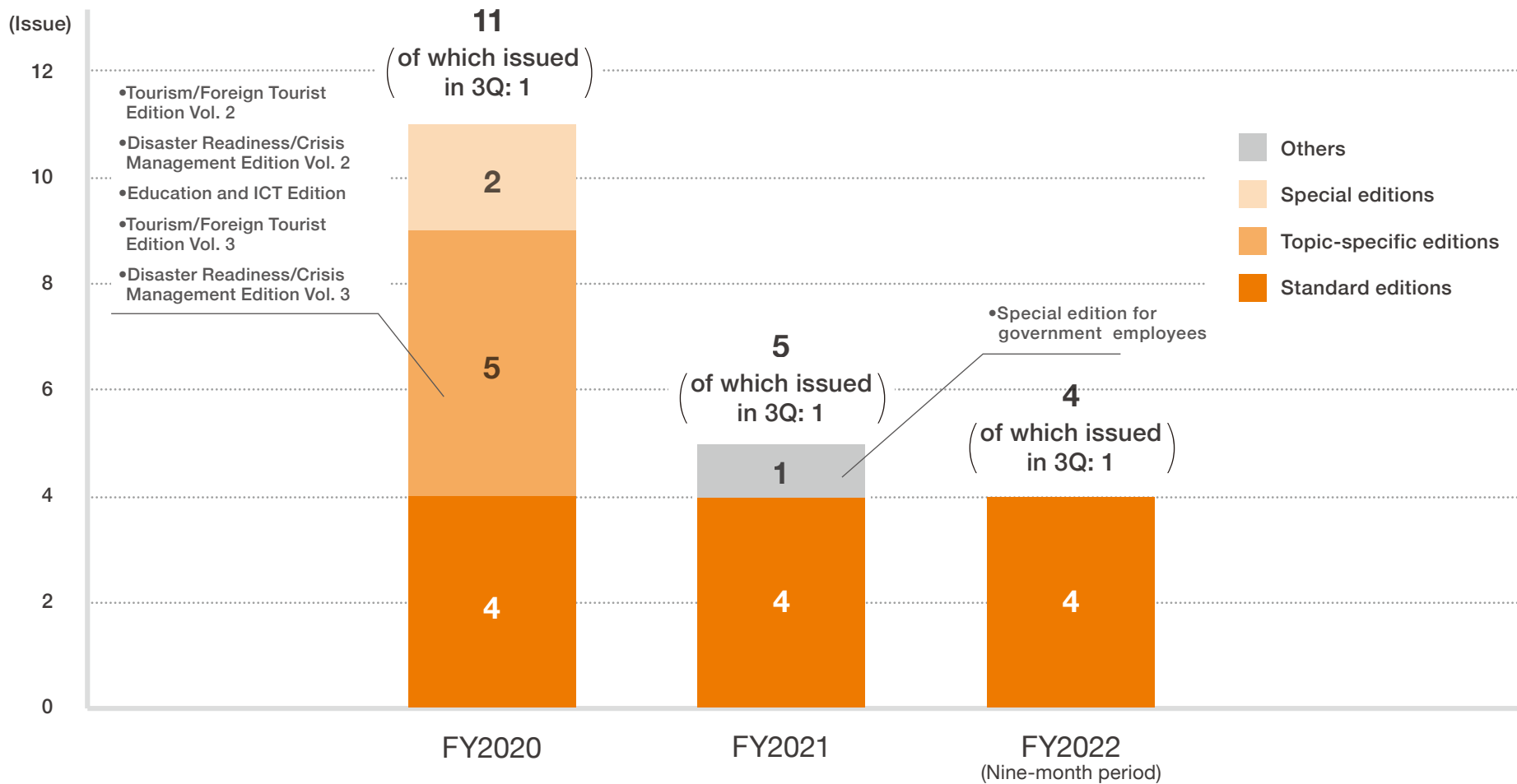


■ Jichitai Works Web

Jichitai Works magazine articles as well as more articles for online viewing are accessible on the Internet.



• In FY2022, we increased the staff of the Jichitai Works Business (JICHITAI WORKS, INC.) with an increase in the number of standard edition magazines issued.



* Number of Jichitai Works magazine issued as owned media; Excludes exclusive advertising projects which are included in the B-to-G solutions menu.

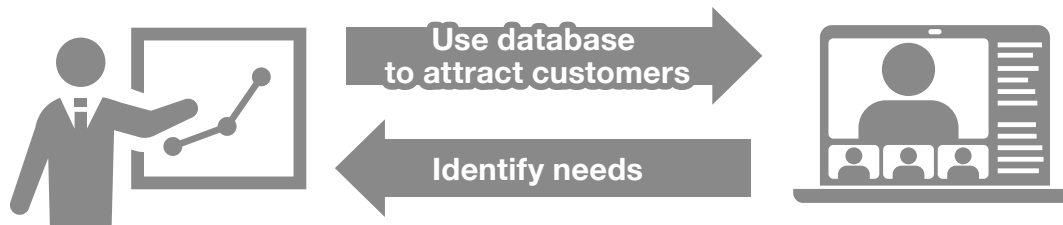
- In the B-to-G solutions, local government relationships are used for surveys to identify needs and for holding seminars, and other activities.
In addition, sales promotion and other promotion fees from companies and a revenue sharing model will be used for monetization.

Support for marketing and promotional activities of companies with products and services for local governments



Contracted service orders received

- Seminars for local government employees and other service



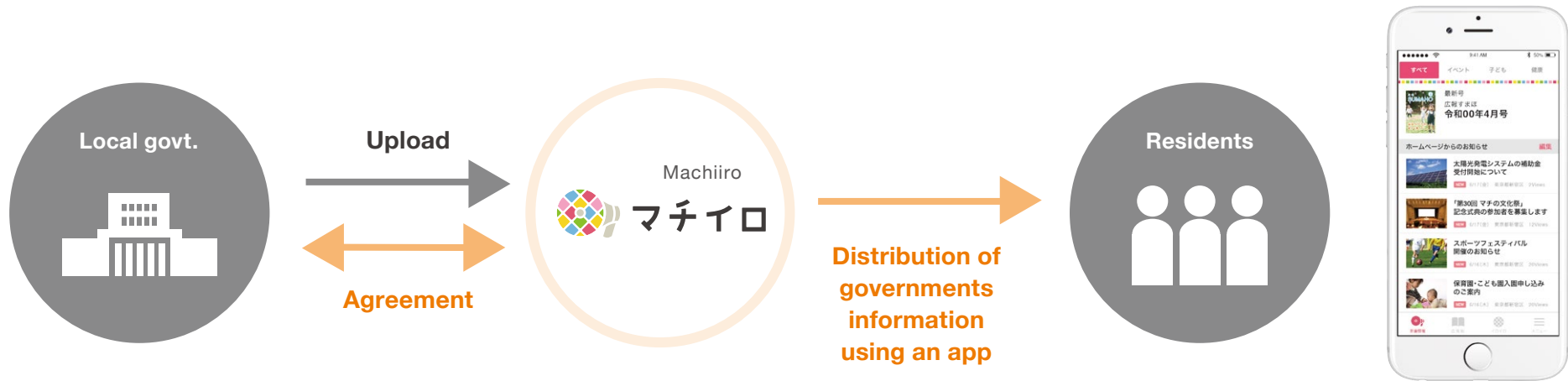
- Direct mail marketing (including Jichitai Works PICKS and Jichitai Works INFO.)
- Telemarketing
- Others

* B-to-G solutions has two components: (1) B-to-G promotions (formerly B-to-G marketing), which receives orders that generate promotion fees, and (2) B-to-G comprehensive support, which receives orders with a revenue sharing structure.

- A platform for supporting public-private sector collaboration to provide one-stop access to all services for local governments from searching for information on services to request for documents.



- The app provides the latest info from registered local governments by giving users access to public info publications of local governments nationwide.
- Distribution of content for local governments and regions



*Machihiro screen sample

811,404
cumulative downloads

956 cumulative
local government contracts

Local governments
share of about **53.5%**

*Total as of Dec. 31, 2021

■ Since HOPE, INC.'s inception, the Advertising Business has generated revenue of about **¥9.14 billion** for clients

- SMART RESOURCE SERVICE has paid local governments about **¥8.23 billion**
- Machilet has reduced local government costs by about **¥0.91 billion**

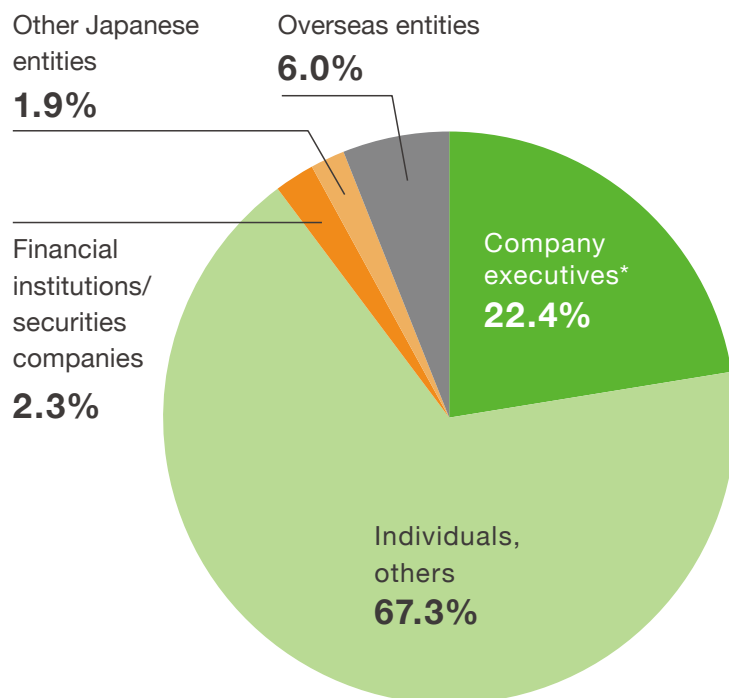
(From HOPE, INC.'s inception through March 31, 2022)

(As of Mar. 31, 2022)

Number of shares and shareholders

Total number of authorized shares	27,950,000 shares
Number of shares issued	11,239,500 shares
Number of shareholders (with voting rights)	7,322

Shareholder distribution by category



* Includes their private asset managers

Top 10 shareholders

No.	Name of shareholders	Number of shares held
1	E.T. Co., Ltd.	1,340,000 shares
2	Takayasu Tokitsu	1,027,400 shares
3	MACQUARIE BANK LIMITED DBU AC	300,000 shares
4	Individual shareholder	255,900 shares
5	Individual shareholder	247,800 shares
6	Individual shareholder	235,900 shares
7	Individual shareholder	213,600 shares
8	Individual shareholder	187,000 shares
9	CREDIT SUISSE AG, DUBLIN BRANCH MAIN EQUITY ACCOUNT	135,400 shares
10	Shimpei Mori	119,000 shares

Period	Jun. 15, 2016 to Mar. 31, 2022
IPO price	¥350
Initial price	¥805 (Jun. 15, 2016)
Highest price since IPO*	¥7,910 (Nov. 11, 2020)
Lowest price since IPO*	¥118 (Feb. 24, 2022)

	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022
ROE	23.7%	23.9%	3.2%	(25.4)%	15.7%	75.4%	—	—

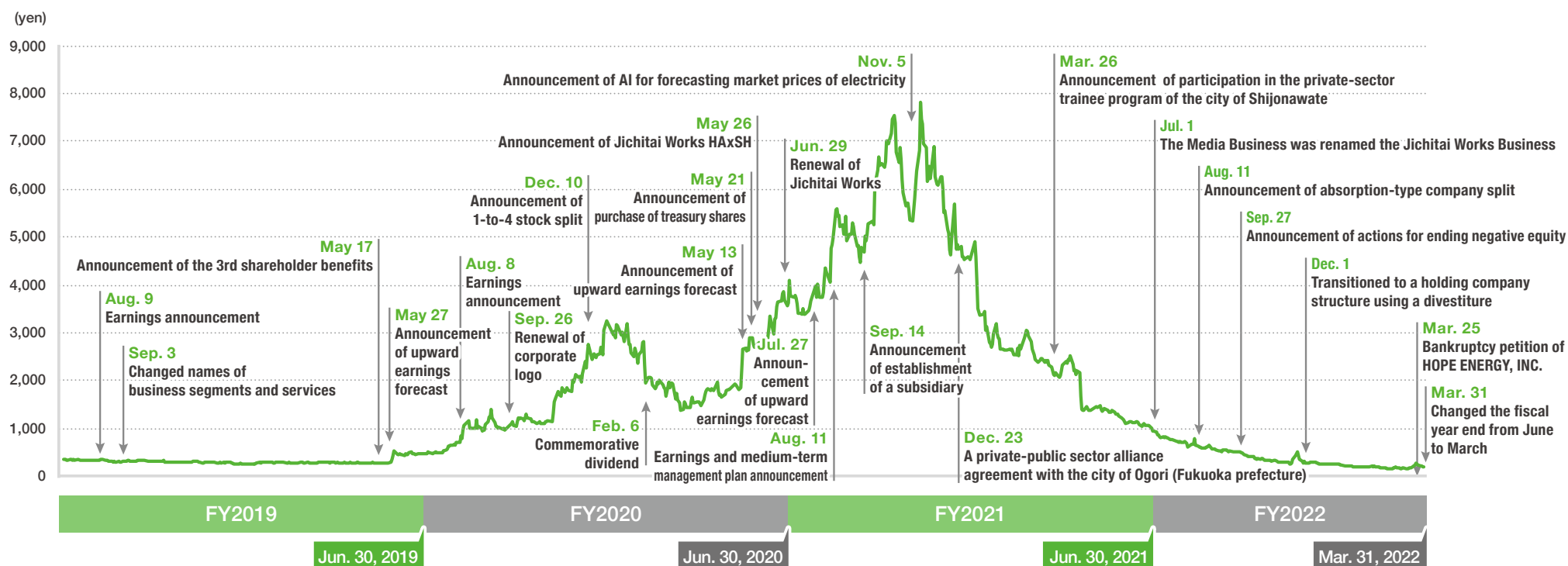
	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022
PER*	27.9x	116.3x	—	32.3x	30.5x	—	—

* Calculated based on the stock price at the end of each fiscal year.

* Including stock prices during trading hours.

* Stock prices are adjusted to reflect a 1-to-4 stock split.

Stock price (Jul. 1, 2018 to Mar. 31, 2022)



Date	Summary
Jun. 7, 2016	Investment Information – New IPO Stocks, Nihon Keizai Shimbun
Sep. 1, 2016	Included in an article in the Oct. issue of Project Design magazine
Sep. 25, 2016	Information about HOPE, INC. on the TBS TV program Gacchiri Monday!
Nov. 7, 2016	Interview with the HOPE, INC. president in Michishirube, Nihon Keizai Shimbun
Jan. 10, 2017	Interview with the HOPE, INC. president in Dash Venture, Nihon Sangyo Shimbun
Jan. 16, 2017	Interview with the HOPE, INC. president in Fuji Sankei Business i.
Feb. 23, 2017	Interview with the HOPE, INC. president in God of Happiness Diary, Kabushiki Shimbun
Mar. 24, 2017	Included in The First Companies 2017, an article about newly listed companies
May 12, 2017	Included in Gatchiri Monday! The Secret of Making Money on 40 Little Known Companies
Aug. 3, 2017	Interview with the HOPE, INC. president in CEOs Explain Management Strategies, Nikkei Sangyo Shimbun

Date	Summary
Aug. 7, 2017	Information about HOPE, INC. in Japan Digest, Nihon Keizai Shimbun
Jan. 18, 2018	Information about HOPE, INC.'s electricity sales business in the economy section of the Yomiuri Shimbun
Feb. 15, 2018	Information about the Machihiro app for checking how much money is coming, Nonstop TV program of Fuji Television
Apr. 23, 2018	Information about HOPE, INC. on the TV Asahi Bakumon Fund! Money Success Graph
May 21, 2018	HOPE, INC. president featured in a daily column on business executives in the Nihon Keizai Shimbun
Oct. 31, 2018	Information about a HOPE, INC.'s Halloween event on NHK TV programs Rokuichi! Fukuoka, NHK News 7, News Watch 9, and News 11
Dec. 1, 2019	Information about HOPE, INC. in an article about innovative companies in Nikkei Veritas
Jan. 31, 2020	Information about the condolence guidebook of HOPE, INC.'s Machilet, Chunichi Shimbun
Sep. 4, 2020	Interview with the HOPE, INC. president on the Nikkei CNBC program Hiru Express

Information in this presentation includes forward-looking statements that are based on the current outlook, forecasts and assumptions vulnerable to risk factors. As a result, this information incorporates uncertainties that may cause actual performance to differ from these statements.

Risk factors and uncertainties include economic trends in Japan and other countries, such as changes in industries and markets, interest rates, and foreign exchange rates.

HOPE, INC. has no obligation to update or revise forward-looking statements in this presentation even in the event of new information or events.

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