

Cumulative 3Q of the Fiscal Year Ending Jun. 30, 2021 (FY2021)

Results of Operations

Explanatory Material

Apr. 23, 2021

HOPE, INC.

[6195]

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: Jun.)

Representative Takayasu Tokitsu, CEO

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

Employees
(consolidated) 171 (as of the end of Mar. 2021, including temporary employees)

Business Services created specifically for local governments
(Advertising Business, Energy Business, Media Business)

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

History

Feb. 2005 | Founded

Jun. 2006 | Launched SMART RESOURCE SERVICE

Sep. 2013 | Launched SMART CREATION SERVICE
"Machilet"

Jul. 2014 | Launched "Machihiro," an app that connects
local governments and local residents

Aug. 2014 | Started B-to-G marketing business

Jun. 2016 | Listed on TSE-Mothers and FSE Q-Board

Dec. 2017 | Issued the first edition of "Jichitai Works"

Mar. 2018 | Registered as an electricity retailer
and launched "GENEWAT"

May 2020 | Started Jichitai Works HAXSH

Aug. 2020 | Announced the medium-term
management plan [HOPE NEXT 3]

Oct. 2020 | Established a wholly owned
subsidiary HOPE ENERGY, INC.

Nov. 2020 | Developed AI for forecasting market prices
of electricity (Energy Business)
Started supplying Kai, a web conferencing tool
created in Japan

Mar. 2021 | Announced participation in the private-sector
trainee program of the city of Shijonawate
in Osaka prefecture

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I. Cumulative 3Q FY2021 Financial Highlights

Application of the netting method in the energy business

- Unless specified otherwise, all figures in this presentation use the netting method* that is expected to be used due to the application of the Accounting Standard for Revenue Recognition (Accounting Standards Board of Japan Statement No. 29).
 - The use of this standard is required beginning with the fiscal year ending in Jun. 2022. However, because the performance of the Energy Business, which is a major component of consolidated results of operations, has a significant effect on investment decisions, both net and gross figures are shown in this presentation in order to facilitate easy comparisons with performance in prior years and to provide a thorough explanation of results of operations.
 - The application of the netting method will have no effect on earnings at all levels.
- *With the netting method, in accordance with the renewable energy feed-in tariff system in Japan, fees received from customers (sales) and payments to the cost adjustment organization (cost of sales), which are equal to fees received, offset each other, resulting in the recognition of net revenue. Figures that do not use netting are designated in this presentation as using the gross recognition method.

Start of consolidated financial statements

- Due to the establishment of HOPE ENERGY, INC., which is a wholly owned subsidiary, HOPE, INC. changed from non-consolidated to consolidated financial statements beginning with the second quarter of the fiscal year ending in Jun. 2021. As a result, 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.

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/Media Business

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.

■ Energy Business

Although the downturn in the demand for electricity associated with temporary closings of schools and other public-sector buildings has stopped, the COVID-19 crisis may continue to have effects on electricity demand and the purchases of electricity.

Cumulative 3Q FY2021 Results (consolidated)

Sales were up 157.3% from one year earlier to an all-time high
Big negative impact on operating profit from the sharp increase
in the cost of purchasing electricity

■ Net sales

¥18,073 million (up 157.3% YoY)

〈Gross recognition method: ¥21,810 million〉

■ Operating profit

¥(7,276) million (¥82 million
in cumulative 3Q FY2020)

Advertising Business

Sales down and earnings up
due to measures for the proper
size of this business

■ Net sales

¥1,030 million (down 17.3% YoY)

■ Segment profit

¥82 million (up 36.0% YoY)

Energy Business

Performance reflects the big impact
of the sharp increase in the cost
of purchasing electricity

■ Net sales

¥16,923 million (up 196.0% YoY)

〈Gross recognition method: ¥20,660 million〉

■ Segment profit

¥(7,122) million (¥247 million in
cumulative 3Q FY2020)

Media Business

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

■ Net sales

¥117 million (up 118.8% YoY)

■ Segment profit

¥13 million (¥(3) million in cumulative
3Q FY2020)

* 〈 〉 is figures using the gross recognition method.

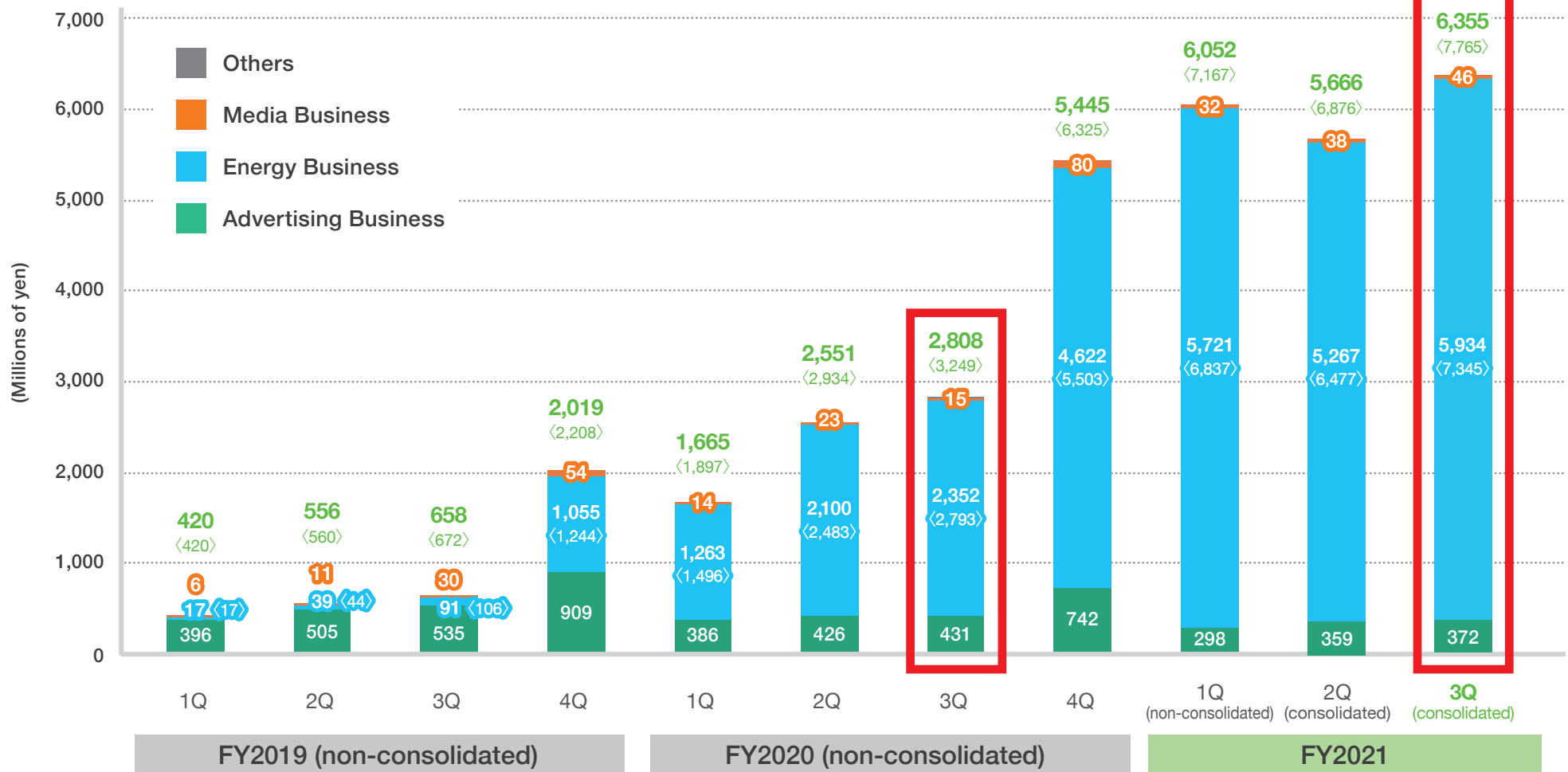
Cumulative 3Q FY2021 Income Statement Highlights

(Millions of yen)	Cumulative 3Q FY2020		Cumulative 3Q FY2021		
	Results (non-consolidated)	Comp.	Results (consolidated)	Comp.	YoY change
Net sales	7,025 〈8,082〉	—	18,073 〈21,810〉	—	+157.3% 〈+169.9%〉
Gross profit	782	11.1% 〈9.7%〉	(6,547)	(36.2)% 〈(30.0)%〉	—
SG&A expenses	699	10.0% 〈8.7%〉	729	4.0% 〈3.3%〉	+4.2%
Operating profit	82	1.2% 〈1.0%〉	(7,276)	(40.3)% 〈(33.4)%〉	—
Ordinary profit	75	1.1% 〈0.9%〉	(7,295)	(40.4)% 〈(33.5)%〉	—
Profit attributable to owners or parent	50	0.7% 〈0.6%〉	(7,313)	(40.5)% 〈(33.5)%〉	—

* 〈 〉 is figures using the gross recognition method.

• Quarterly sales steadily increased, up 126.2% YoY.

Up
126.2%
YoY



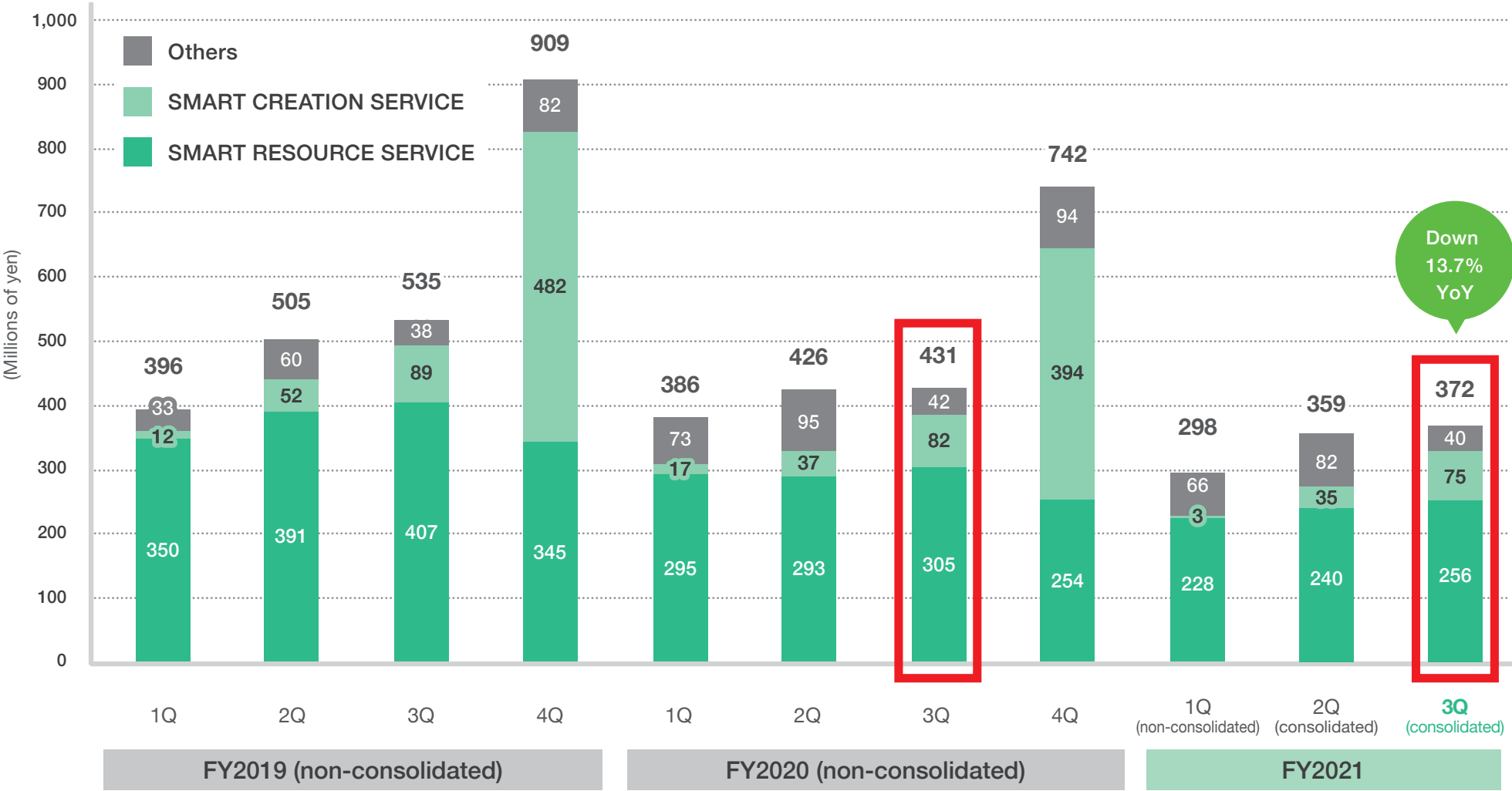
* < > is figures using the gross recognition method.

- Almost all of the third quarter ¥7,535 million operating loss was in Jan.
- Corporate expenses were about the same as in 3Q FY2020.

(Millions of yen)	FY2019 (non-consolidated)				FY2020 (non-consolidated)				FY2021		
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q (non-consolidated)	2Q (consolidated)	3Q (consolidated)
Advertising Business	(43)	(11)	43	295	(4)	13	51	245	(2)	25	59
Energy Business	(7)	(7)	2	105	19	79	149	808	762	(371)	(7,513)
Media Business	(5)	(7)	0	23	(2)	2	(3)	42	5	7	1
Others	0	0	0	(4)	(2)	(1)	0	(7)	(9)	(8)	(8)
Adjustments (corporate expenses)	(68)	(74)	(66)	(87)	(66)	(76)	(74)	(151)	(68)	(80)	(75)
Total	(124)	(100)	(19)	332	(56)	16	122	937	686	(427)	(7,535)

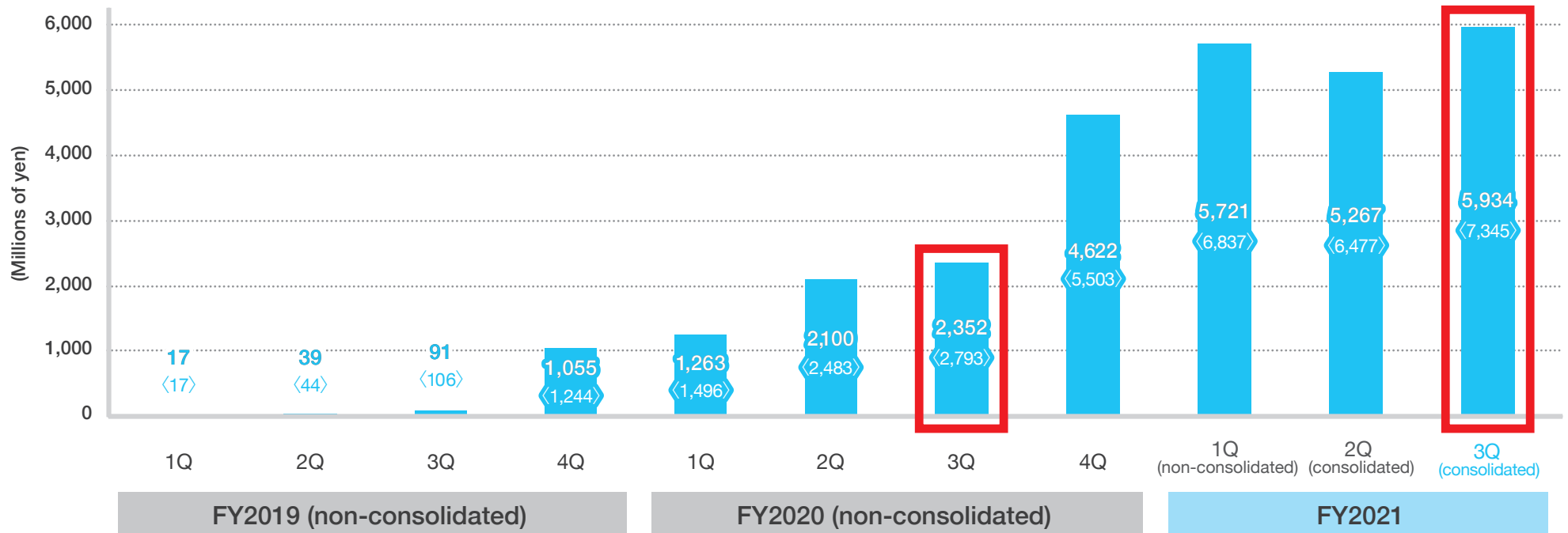
*Standards for the allocation of corporate expenses were revised to more accurately show segment earnings. As a result, segment earnings and corporate expenses have changed beginning with 1Q FY2020. The changes were not applied to FY2019 because the effect is negligible. The new standards have no effect on total earnings.

- Productivity continues to improve because of measures to achieve the proper size of this business.



- The number of contracts submitted for bids is high in the Jan.-Mar. quarter of every fiscal year because local governments in Japan start their fiscal years in Apr. During this quarter, HOPE, INC. had 426 winning bids.

Up
152.2%
YoY



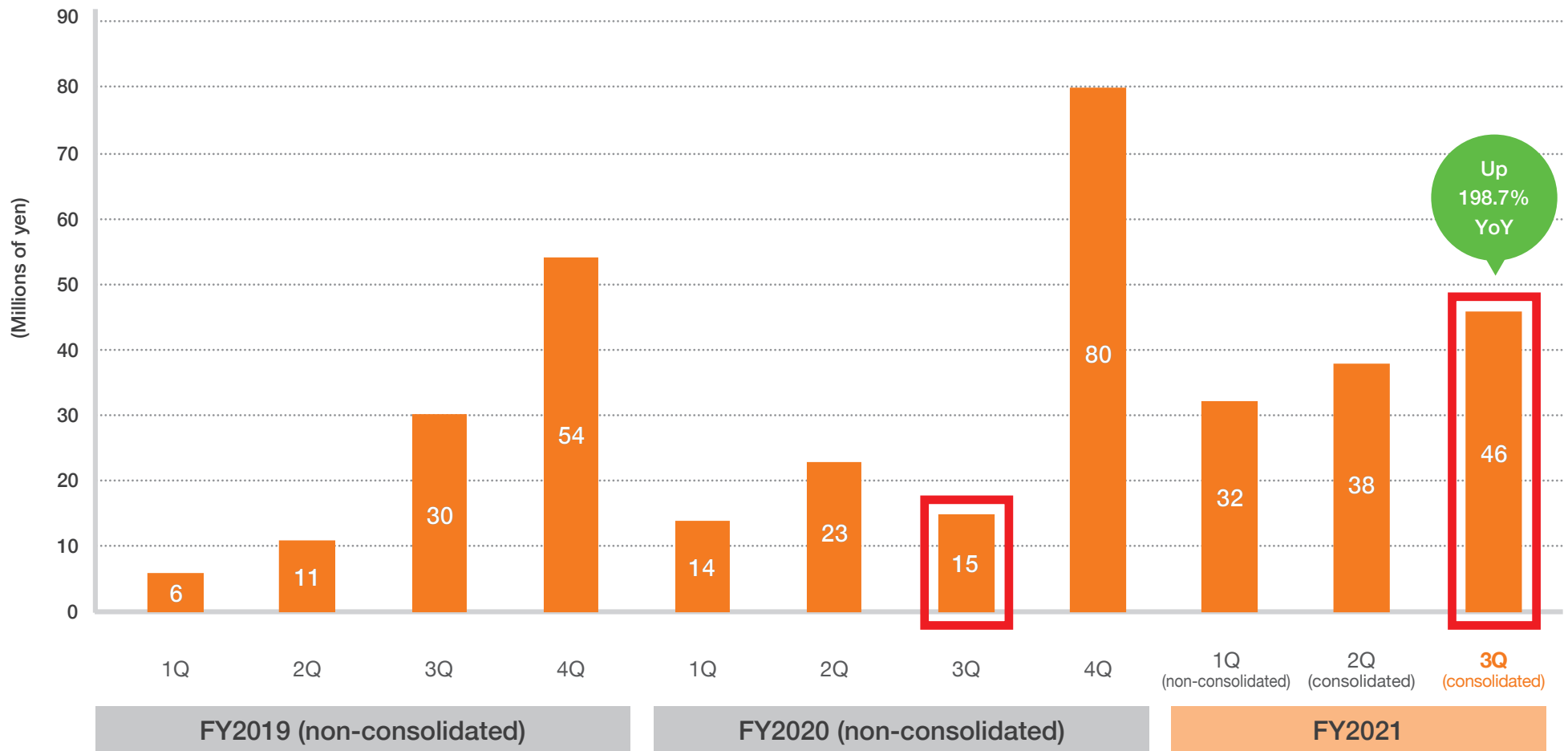
* < > is figures using the gross recognition method.

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	—	804

- Orders from companies for online seminars and other services increased because of activities to strengthen the Jichitai Works brand.



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

- Studies are under way to determine actions to take concerning negative net assets of ¥4,514 million at the end of the third quarter.

(Millions of yen)	3Q FY2020		3Q FY2021		
	Results (non-consolidated)	Comp.	Results (consolidated)	Comp.	Change
Cash and deposits	526	13.8%	1,018	13.8%	+491
Accounts receivable-trade	1,497	39.4%	4,599	62.6%	+3,101
Inventories	438	11.5%	277	3.8%	(160)
Current assets	2,772	72.9%	6,752	91.8%	+3,980
Non-current assets	1,029	27.1%	599	8.2%	(430)
Total assets	3,802	100.0%	7,352	100.0%	+3,549
Accounts payable-trade	1,412	37.2%	9,729	132.3%	+8,316
Short-term borrowings	356	9.4%	950	12.9%	+594
Current portion of long-term borrowings	386	10.2%	386	5.3%	—
Current liabilities	2,383	62.7%	11,212	152.5%	+8,828
Bonds payable	100	2.6%	100	1.4%	—
Long-term borrowings	741	19.5%	554	7.5%	(186)
Non-current liabilities	841	22.1%	654	8.9%	(186)
Total liabilities	3,225	84.8%	11,866	161.4%	+8,641
Total net assets	576	15.2%	(4,514)	(61.4)%	(5,091)
Total liabilities and net assets	3,802	100.0%	7,352	100.0%	+3,549

Due to imbalance fees* of about ¥6,500 million (including taxes)

* An imbalance fee is paid when a company selling electricity is unable to supply the required amount of electricity over any 30-minute period and must purchase electricity from a utility to cover the shortfall. This fee is included in the cost of sales of the Energy Business.

- Numerous fund procurement actions are under consideration to increase equity and financial soundness.
- Imbalance fees of about ¥6,500 million (including taxes) in Jan. 2021
- Actions needed concerning financial risk created by the payment of these fees

Actions

1 Stabilize Energy Business earnings

- **Market price volatility risk**

Proposals for new risk management policies to reduce vulnerability to the volatility of market prices of electricity, such as by adjusting the volume of electricity purchased on the the Japan Electricity Power Exchange (JEPX) and other sources for each area and season

- **Installment payments of the Jan. 2021 imbalance fee**

HOPE, INC. was approved to use the installment payment system* of the Ministry of Economy, Trade and Industry and made the first of nine monthly payments on Apr. 5, 2021

2 Stabilize cash flows

- **Measures concerning debt covenants**

Discussions are under way with financial institutions to prevent the exercise of the acceleration clause, requiring the immediate repayment of all debt

- **Procurement of funds**

HOPE, INC. is maintaining sound relationships with main banks and other financial institutions and is continuing to consider many other ways to procure funds

*(Reference) Refer to the following for more information.

Responses to the Sudden Increase in the Wholesale Price of Electricity, Jan. 29, 2021 (Ministry of Economy, Trade and Industry)

<https://www.meti.go.jp/press/2020/01/20210129002/20210129002.html>

Additional Responses to the Sudden Increase in the Wholesale Price of Electricity in January 2021, Mar. 19, 2021 (Ministry of Economy, Trade and Industry)

<https://www.meti.go.jp/press/2020/03/20210319010/20210319010.html>

II. Topics

- The Jichitai Works Ambassador program started on Feb. 1, 2021.
- The first ambassador is Yuto Yoshida, a former mayor of the city of Yokosuka.

The Jichitai Works Ambassador Program

This program includes the following activities

- 1 Public relations activities to raise awareness of Jichitai Works among local governments
- 2 Advice concerning plans, services, publication content, designs and other aspects of Jichitai Works
- 3 Introduction of people to contact to obtain information for Jichitai Works content and activities
- 4 Other advice concerning Jichitai Works



Yuto Yoshida,
CEO of Glocal Government Relationz
(former mayor of the city of Yokosuka)

Strengthen the Jichitai Works brand as a magazine with valuable information and ideas for local governments

(Reference) More information is in the Feb. 24, 2021 news release titled “Start of the Jichitai Works Ambassador Program to Strengthen the Jichitai Works Brand – Former Yokosuka Mayor Yuto Yoshida Named as the First Ambassador” (Japanese version only). <https://ssl4.eir-parts.net/doc/6195/tdnet/1937968/00.pdf>

- On Apr. 1, 2021, an employee of HOPE, INC. started working on a temporary basis for the city of Shijonawate in Osaka prefecture.
- This is the first time HOPE, INC. has loaned an employee to work at a local government.

■ Expected benefits

Benefits for HOPE, INC.

- Further improve services for local governments
- Develop new services by identifying local government issues and needs
- Strengthen employee training capabilities:
 - Improve the ability to create proposals from the perspective of local governments
 - Improve ability to maintain sound communication with local government personnel

Benefits for Shijonawate

- Gain knowledge and skills from the perspective of a private-sector company and upgrade services for residents by using a wider range of people
- A stronger organization by using private-sector company management and business approaches and incorporating specialized knowledge, personal and business networks, and other resources



Summary **Private-sector company trainee at the city of Shijonawate**

Period: One year (Apr. 1, 2021 to Mar. 31, 2022)

Trainee: One employee of the HOPE, INC.'s
Advertising Business

Planned activities: Assistance with using ICT, improving business processes and implementing the digital transformation by working in the General Affairs Department

(Reference) More information is in the Mar. 26, 2021 news release titled "HOPE, INC. Participates in Private-sector Company Trainee Program of the City of Shijonawate in Osaka – One Year Loan of Employee to Shijonawate Will Help Identify Needs for Assistance" (Japanese version only). <https://ssl4.eir-parts.net/doc/6195/tdnet/1947620/00.pdf>

III. FY2021 Outlook

- On Jan. 29, the fiscal year earnings forecast was withdrawn because of the difficulty of determining an outlook due to the sharp increase in the JEPX price of electricity.
- On Apr. 19, a revised forecast was announced that included the effect of the higher cost of purchasing electricity.

(Millions of yen)	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent
FY2021 non-consolidated forecast (announced on Aug. 11, 2020)	25,300 〈29,900〉	1,250 - 1,750	1,230 - 1,730	830 - 1,170
FY2021 consolidated forecast (announced on Jan. 29, 2021)	25,320 〈29,920〉	—	—	—
FY2021 consolidated forecast (announced on Apr. 19, 2021)	28,065 〈34,084〉	(5,914) - (5,038)	(5,937) - (5,061)	(5,964) - (5,087)
(Reference) FY2020 results	12,470 〈14,407〉	1,020	1,012	665

* 〈 〉 is figures using the gross recognition method.

* There are no differences between the consolidated and non-consolidated forecasts for FY2021.

(Reference) More information is in the Apr. 19, 2021 news release titled “Revisions to Consolidated Forecasts” (Japanese version only). <https://ssl4.eir-parts.net/doc/6195/tdnet/1955214/00.pdf>

FY2021 Plan (Income Statement)

	FY2019	FY2020	FY2021	
	Results (non-consolidated)	Results (non-consolidated)	Plan (consolidated)	YoY change
(Millions of yen)				
Net sales	3,654 〈3,862〉	12,470 〈14,407〉	28,065 〈34,084〉	+125.1% 〈+136.6%〉
Gross profit	1,039	2,261	—	—
SG&A expenses	952	1,240	—	—
Operating profit	87	1,020	(5,914) - (5,038)	—
Ordinary profit	95	1,012	(5,937) - (5,061)	—
Profit attributable to owners of parent	75	665	(5,964) - (5,087)	—
Net income per share	13.55 _{yen} *	117.97 _{yen} *	(969.19) _{yen} - (826.80) _{yen}	—

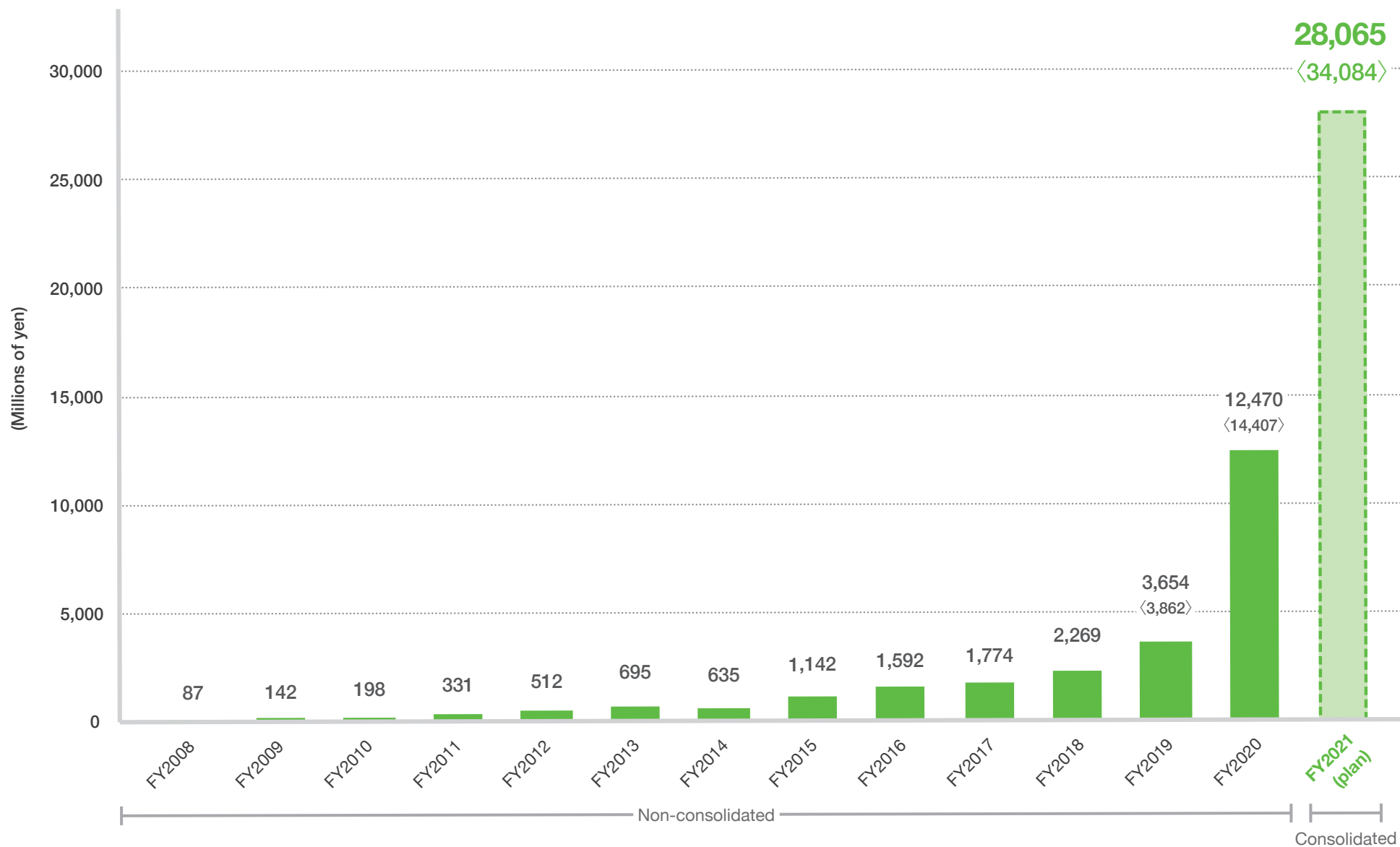
* 〈 〉 is figures using the gross recognition method.

* Net income per share is adjusted to reflect the 1-to-4 stock split effective on Jan. 1, 2020.

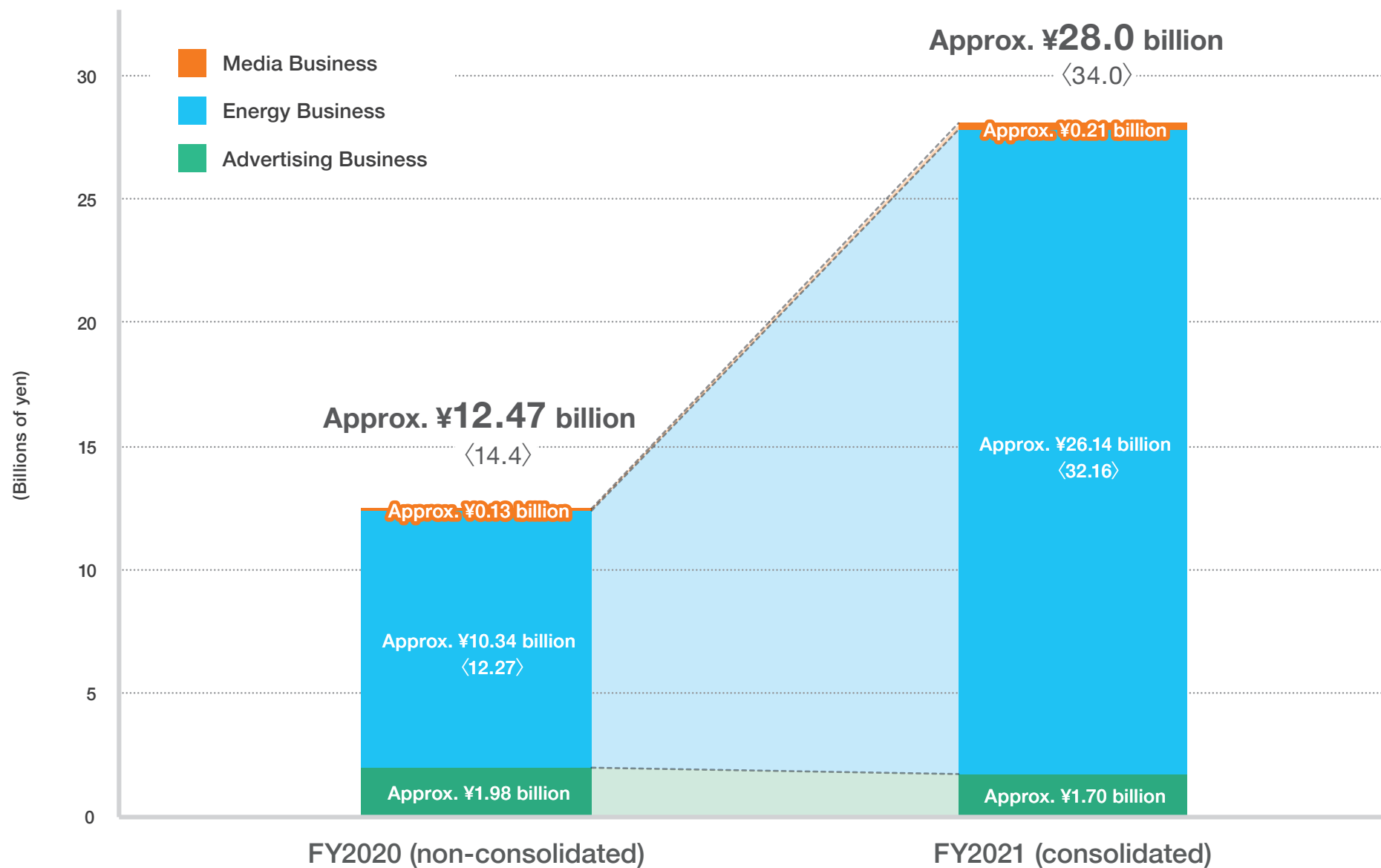
(Reference) More information is in the Apr. 19, 2021 news release titled "Revisions to Consolidated Forecasts" (Japanese version only).

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Consistent Sales Growth



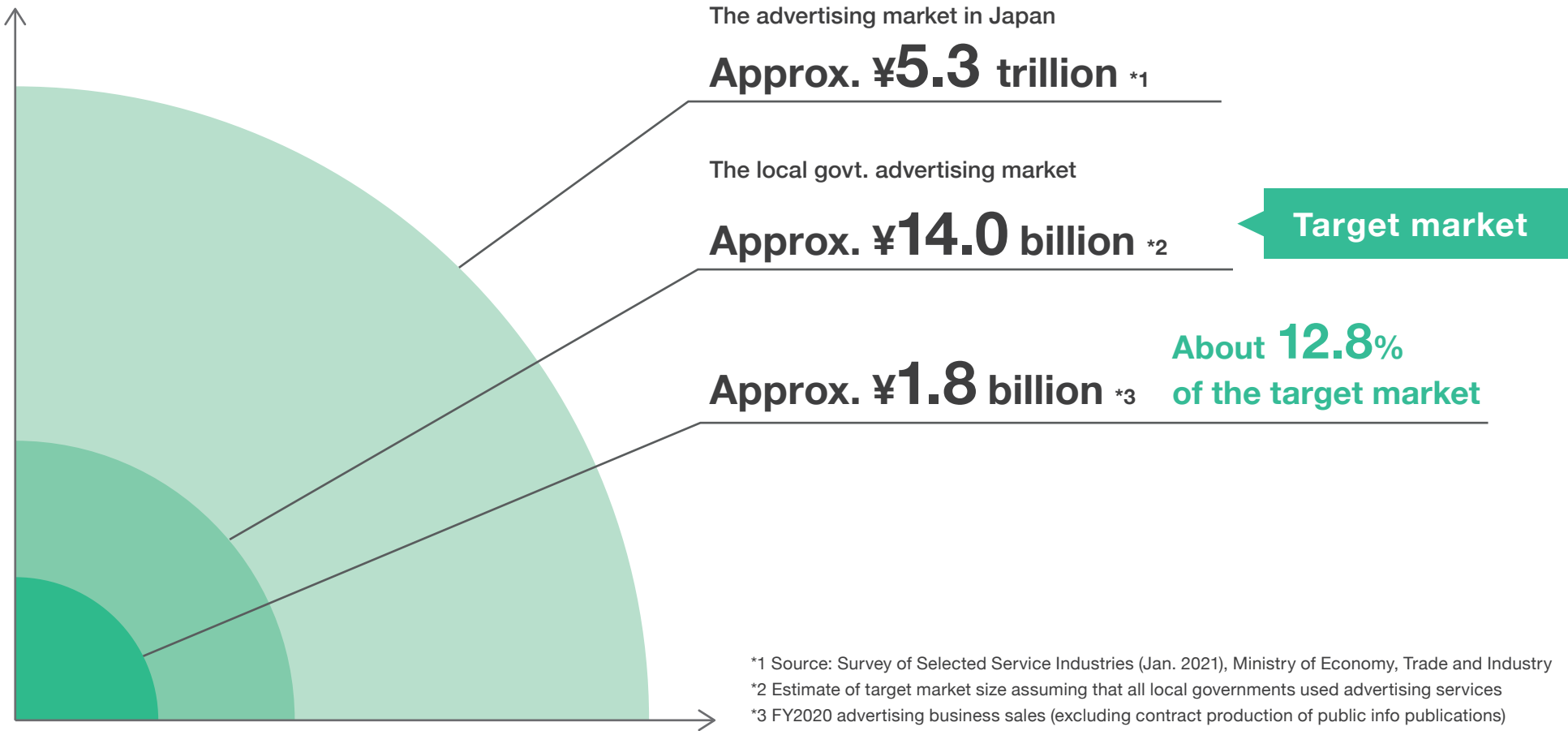
* FY2014 was an irregular nine-month period because of a change in fiscal year-end. * < > is figures using the gross recognition method.



* 〈 〉 is figures using the gross recognition method.

IV. Business Environment and Growth Strategies

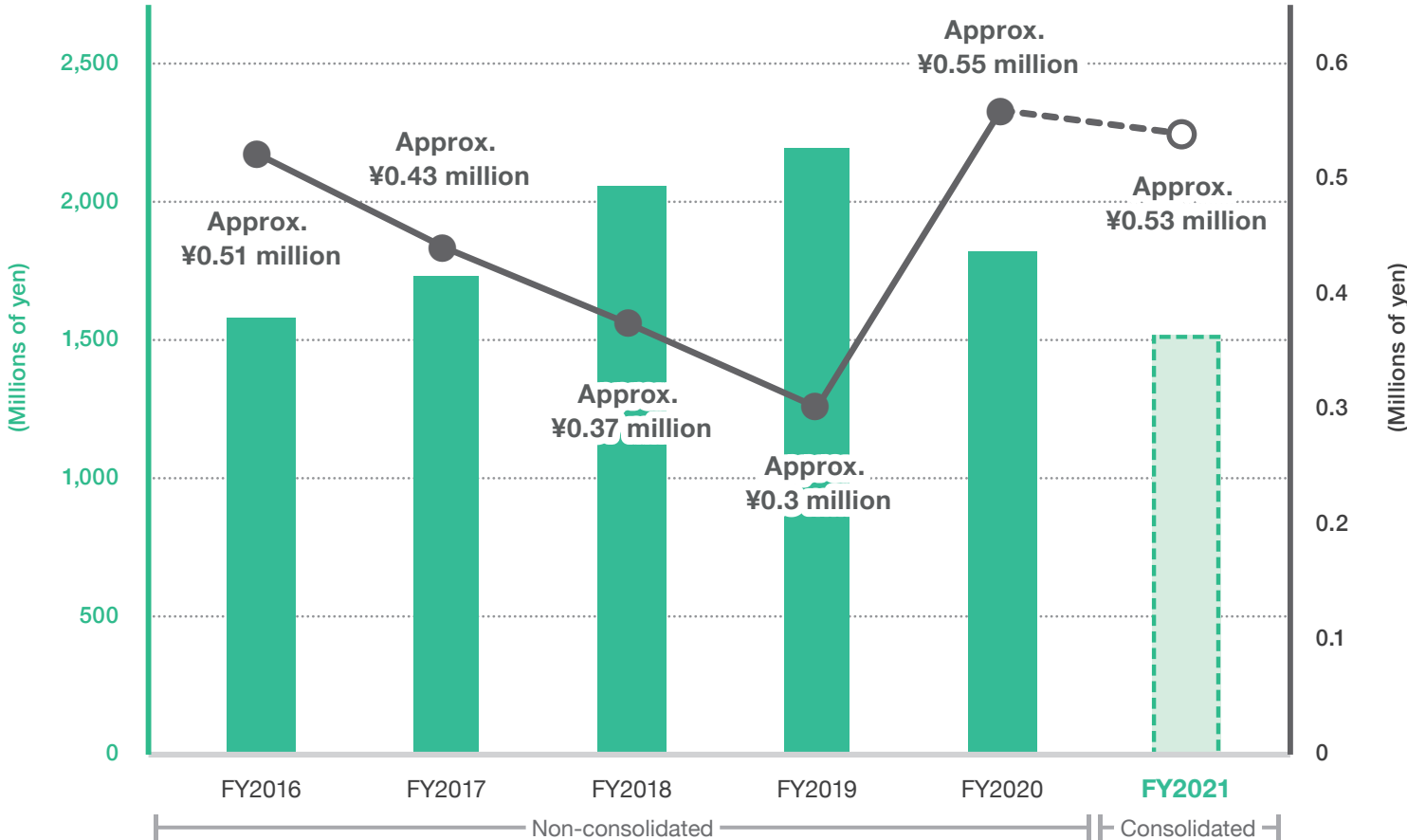
- HOPE, INC. created a new market with its Advertising Business, the company’s original activity, and has provided advertising services to local governments for about 16 years.
- HOPE, INC.’s share of this market is about 12.8%.



- Continuing to achieve the proper size of this business to make advertising a profit-generating business.
- Gross profit per medium is decreasing, but the goal is to use SG&A expenses more efficiently.

Gross profit per medium

■ Net sales*
● Gross profit per medium

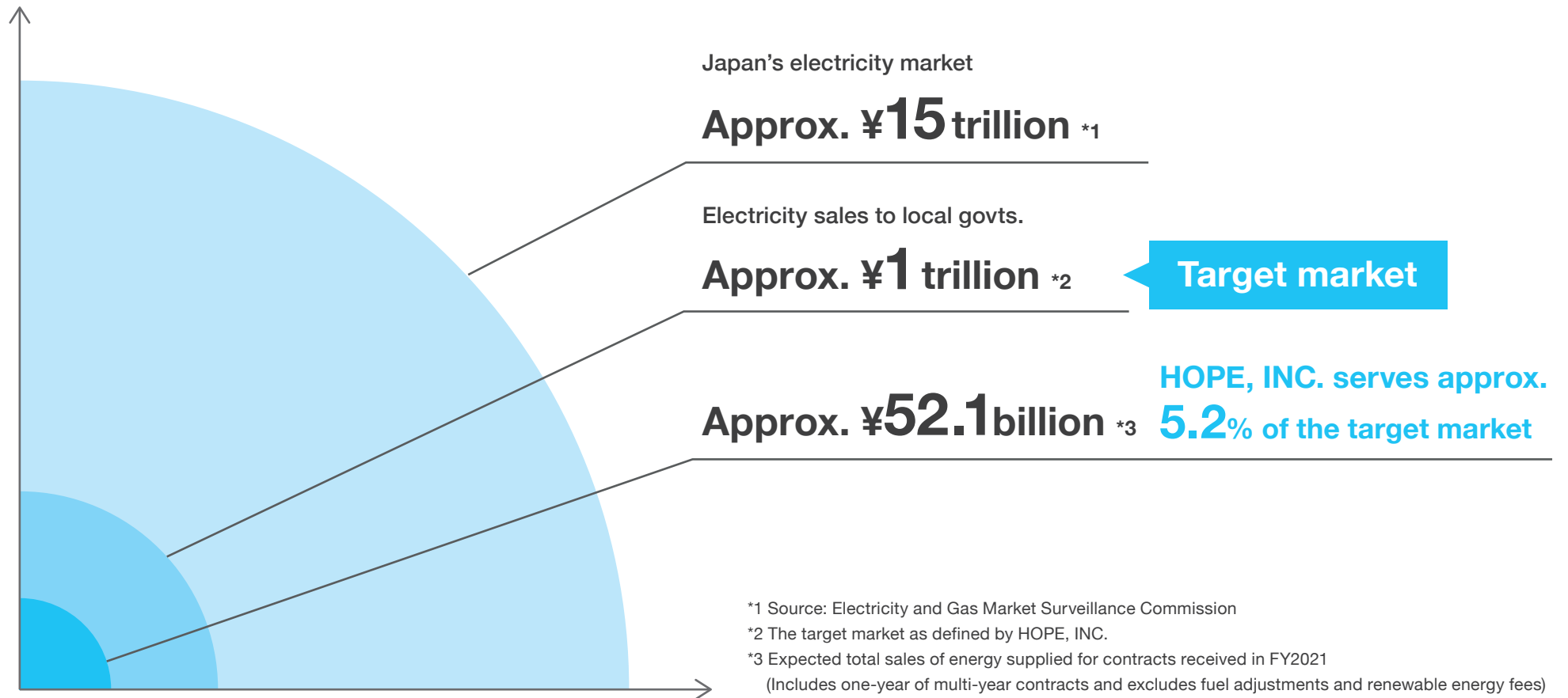


*Advertising Business sales (excluding contract production of public information publications)

Leverage current business with local governments



Submit bids for new contracts by taking advantage of existing vendor registrations with the local governments and other measures

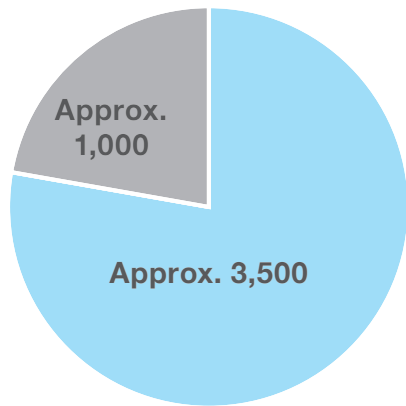


- In FY2020, the number of energy contracts open for bidding was much higher than expected.
- In FY2021, we expect only a small increase in the number of energy contracts open for bidding.

Number of bids submitted (only contracts where HOPE, INC. was eligible)

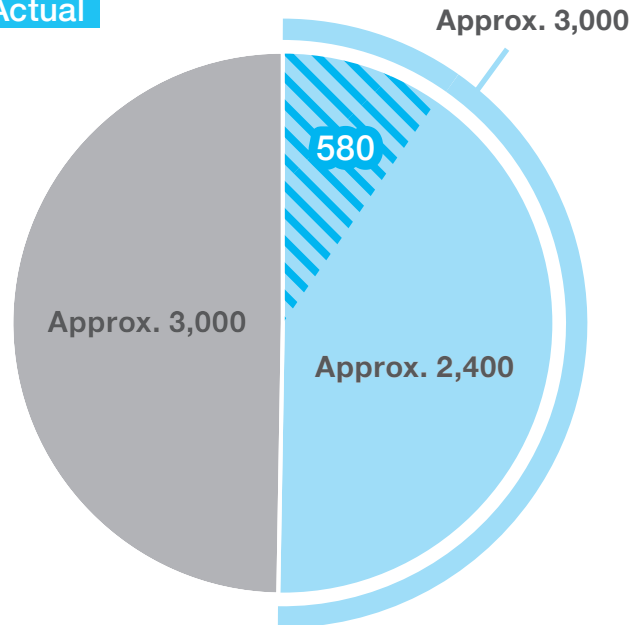
FY2020 plan/actual (contracts)

Plan



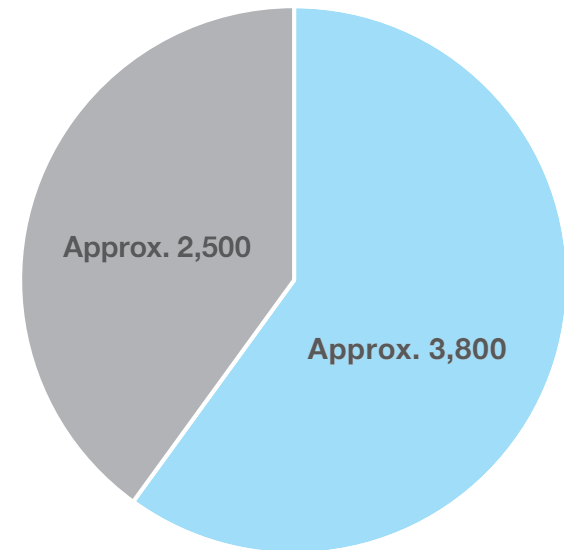
Total : Approx. 4,500

Actual



Total : Approx. 6,000

FY2021 plan (contracts)

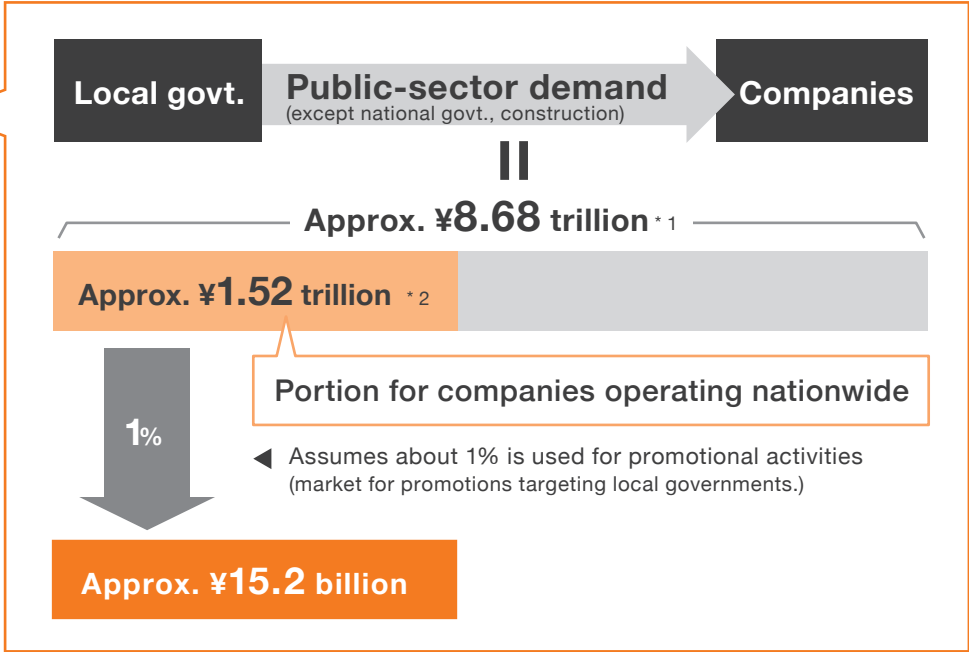
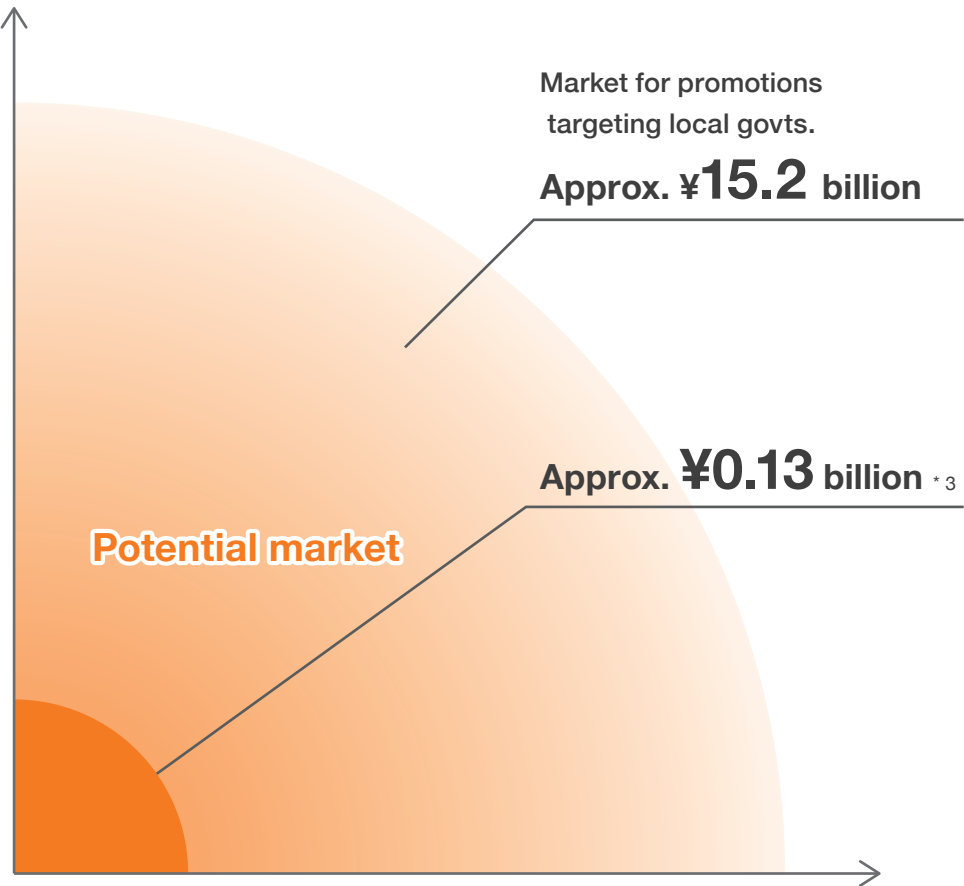


Total : Approx. 6,300(estimate)

- Successful bids
- Bids submitted
- Did not submit bids

• Substantial public-sector demand and still considerable growth potential

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 FY2020 Media Business sales

Position this business at the very top of upstream information flows to serve as a link for public-private sector collaboration and for ties between local governments



Contribute to market growth

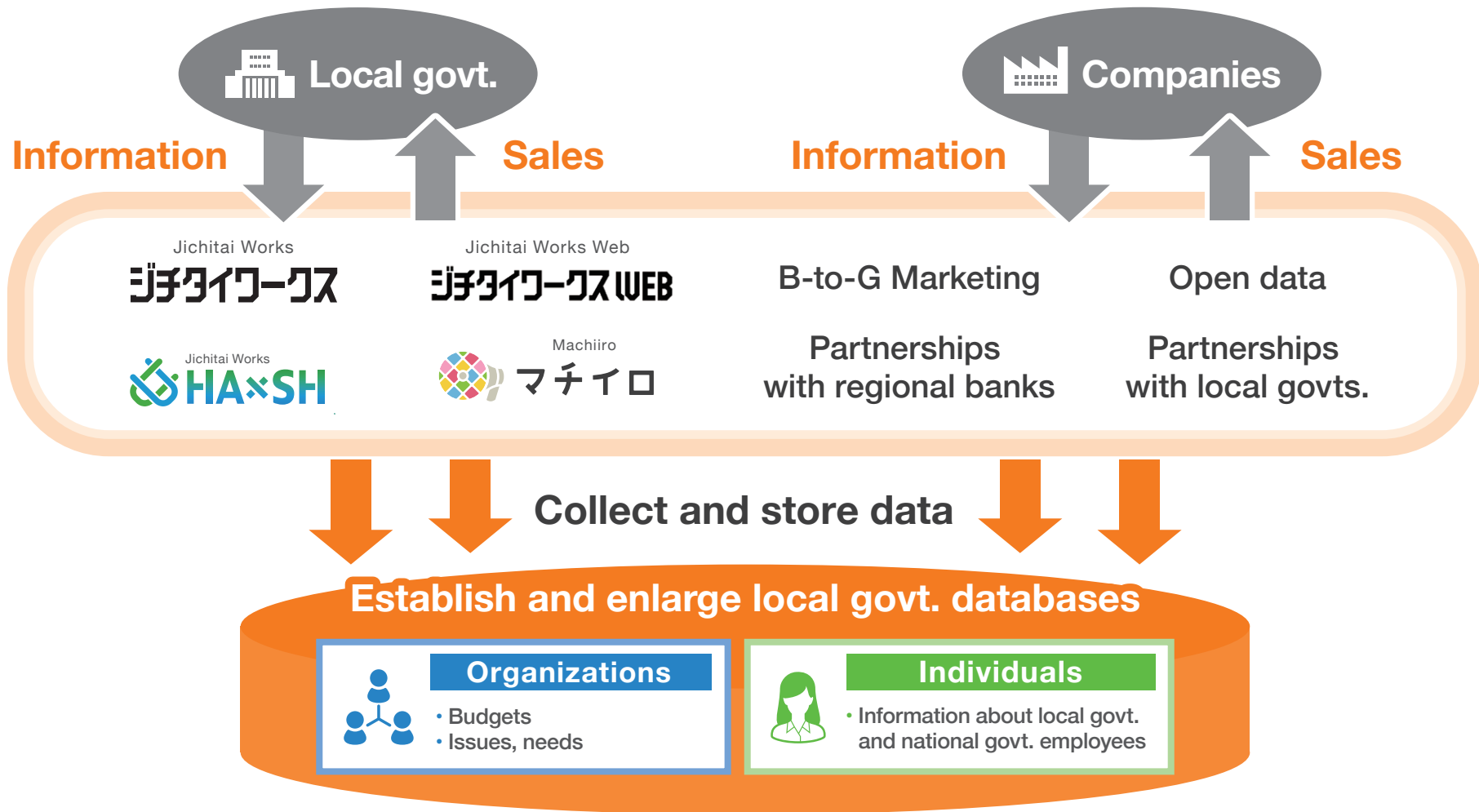


- Provide many types of services**
- Broad range of activities using the Jichitai Works brand
 - More matching by using the internet, telemarketing and other methods

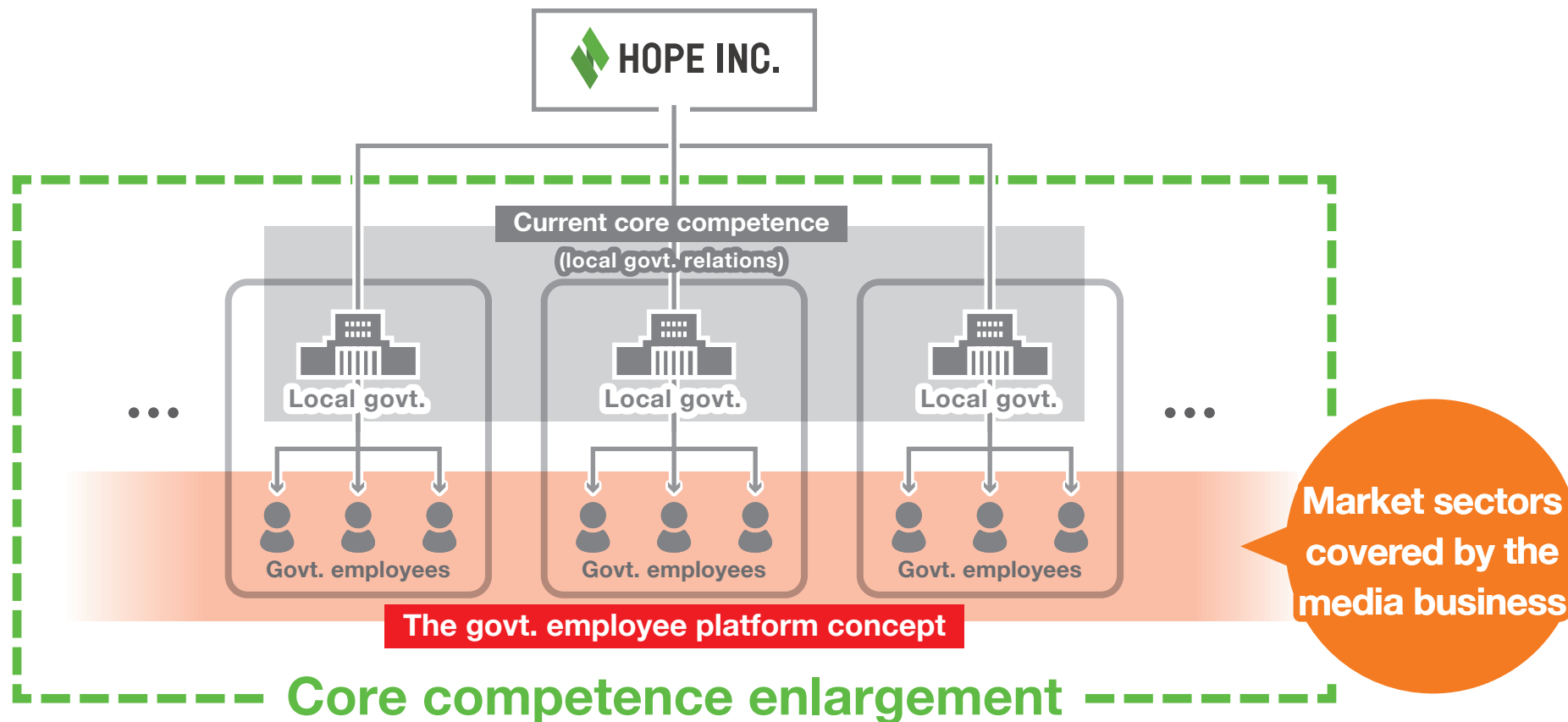
The preeminent upstream source of local government information



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 media business.



- We plan to create a new HOPE NEXT 3.

■ Assumption

- The original HOPE NEXT 3 (announced on Aug. 11, 2020) was based on the assumption that the energy business will be a very significant component of HOPE, INC.'s business portfolio.

■ Reason and stance for a new plan

- Although the Dec. 2020 surge in the JEPX price of electricity was a highly unusual event, we must revise our plans to incorporate the possibility of a reoccurrence of this type of event.
- We will reinforce Energy Business risk management and build business and governance frameworks with the goal of consistent profitability of the Energy Business.

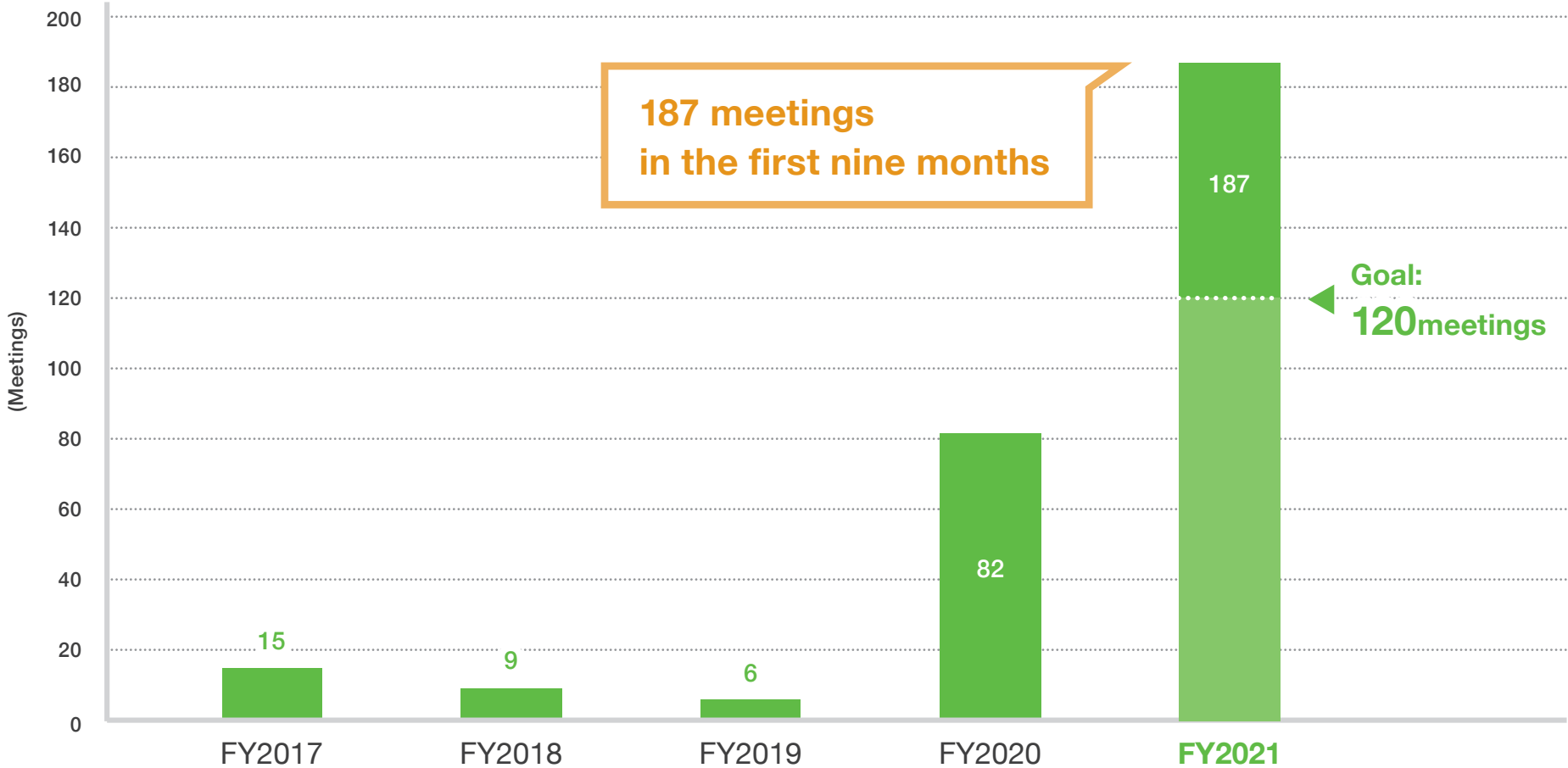
■ Other items

- There is no change at this time in the 2020 VISION goals for FY2030: sales of ¥100 billion, operating profit of ¥10 billion, and a business portfolio with at least 10 services.
- There are no revisions to the expected business environment changes or business policies regarding the Advertising Business and the media business.

(Reference) More information is in “Medium-term Management Plan HOPE NEXT 3” announced on Aug. 11, 2020.
<https://ssl4.eir-parts.net/doc/6195/tdnet/1873672/00.pdf>

- Plan to continue increasing the number of meetings with institutional investors by using online meetings and expanding English-language disclosure activities.

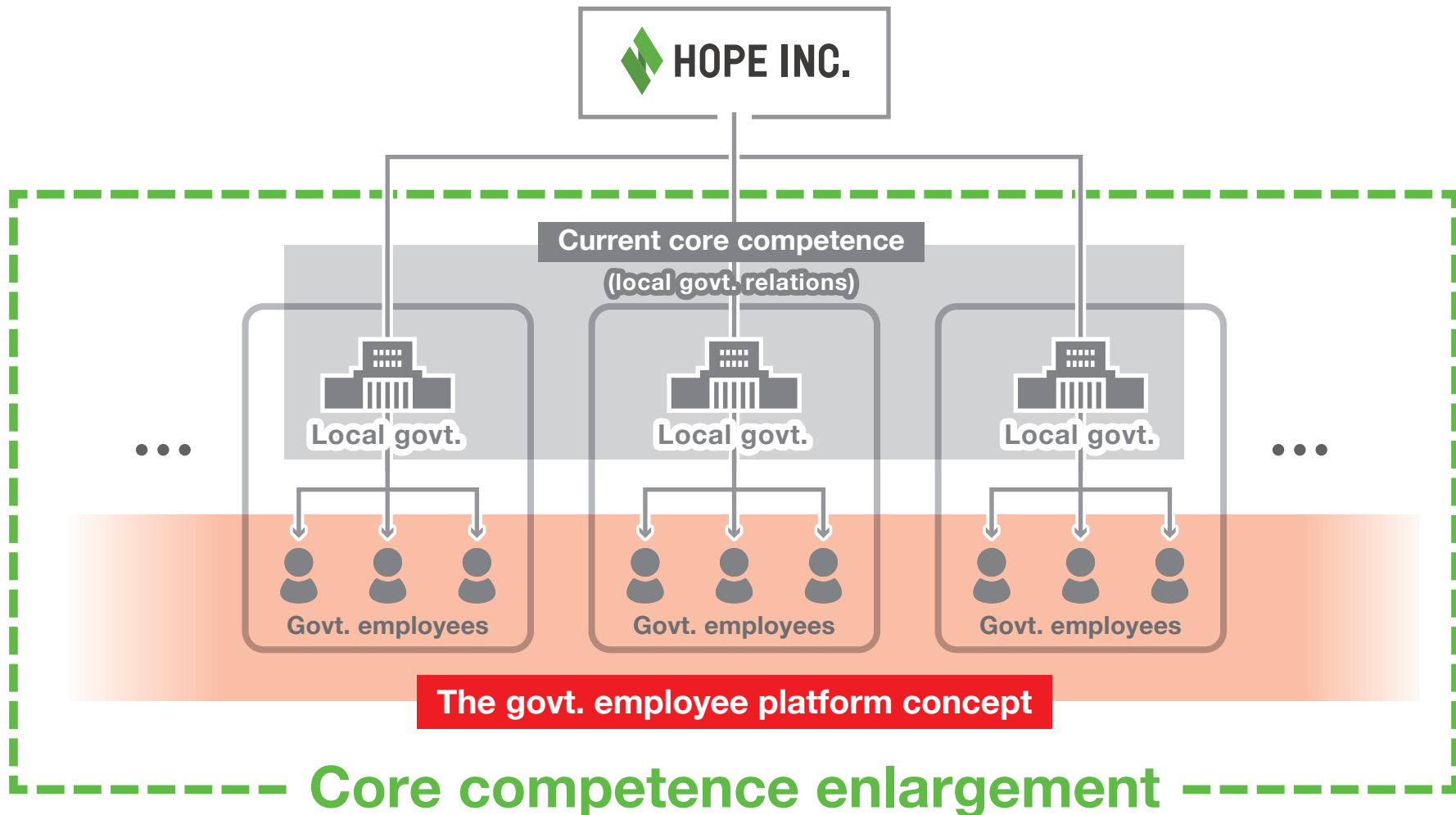
■ Number of institutional investor meetings

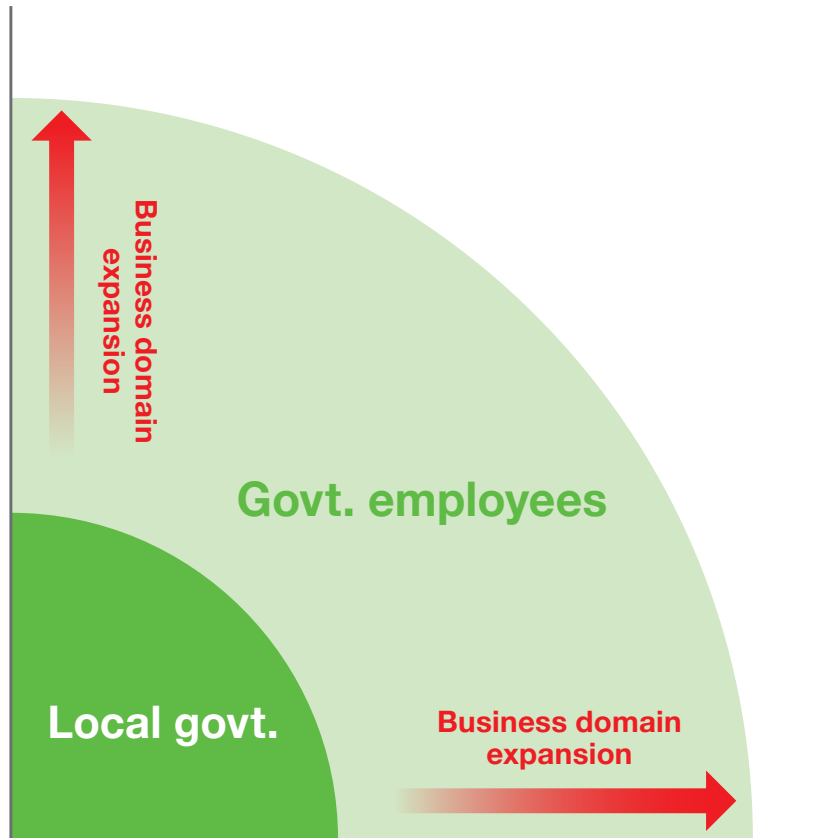


*Includes online meetings and telephone calls

V. 2020 VISION

- Enlarge local government relations, HOPE, INC.'s core competence, to encompass the entire government employee sector.

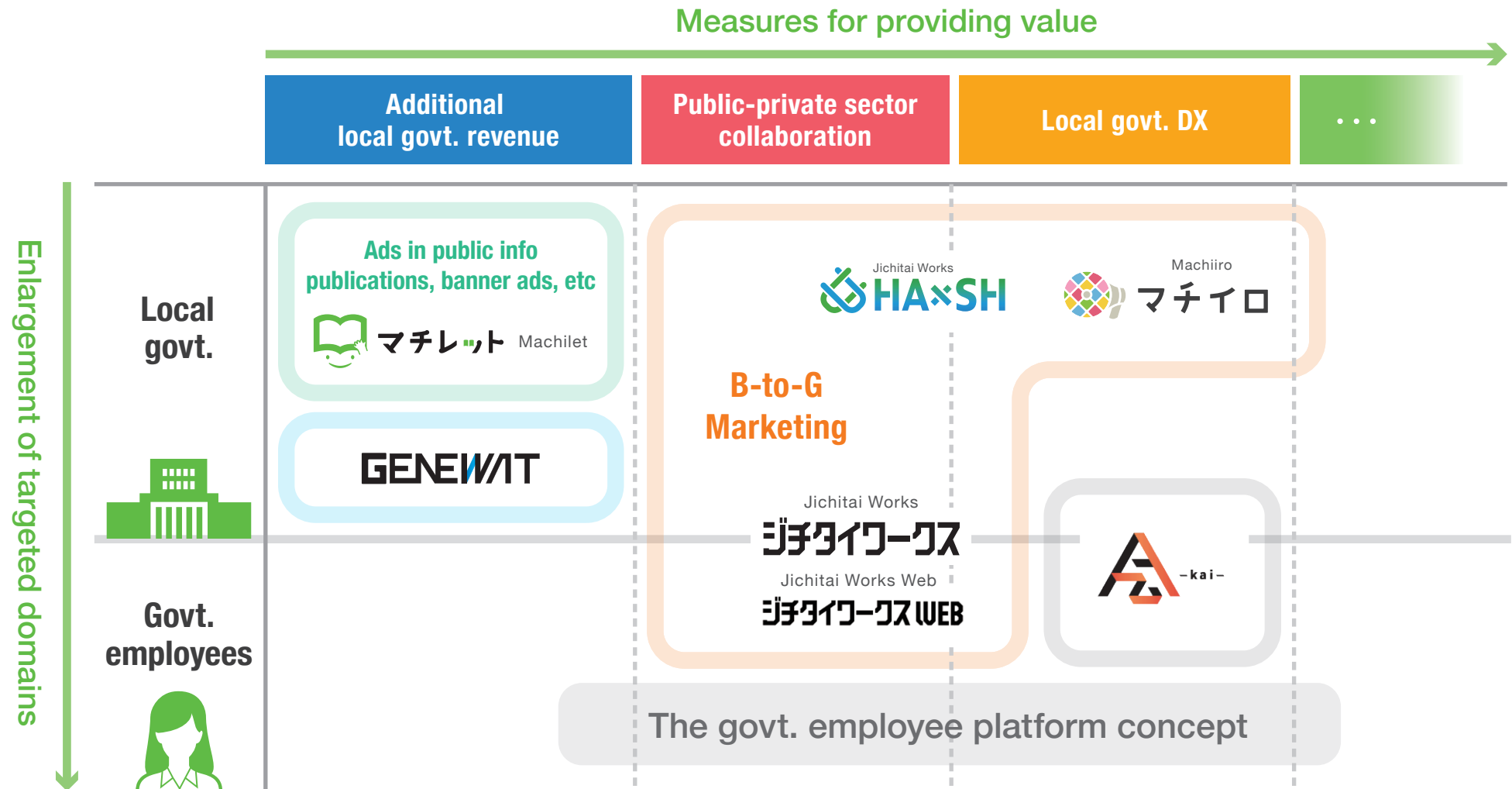




Use the enlargement of the core competence for the diversification of business activities in a domain expanded to include the government employee sector

Become the leader in businesses and services for local governments

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



FY2030

Net sales

¥ **100** billion

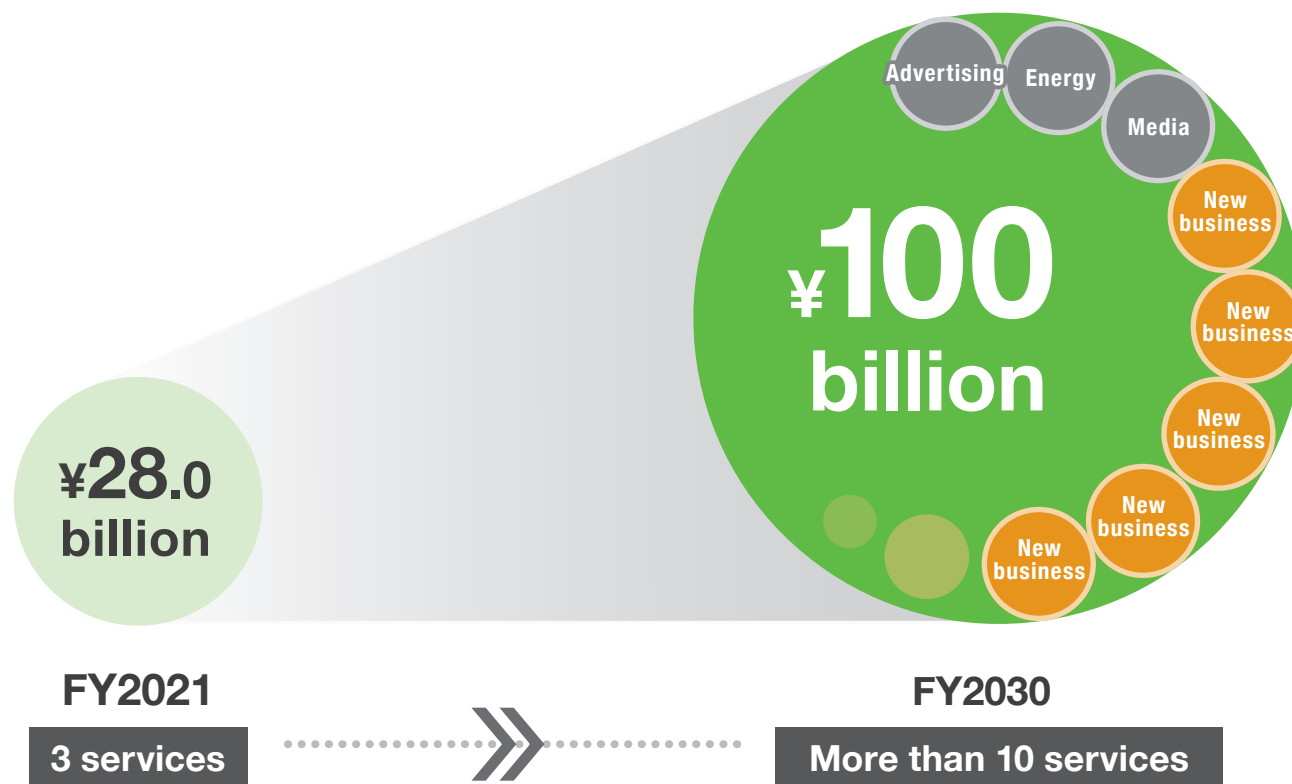
Operating profit

¥ **10** billion

Services

10 services

- Start and implement initiatives for accomplishing the FY2030 goals of the 2020 VISION: Sales of ¥100 billion, operating profit of ¥10 billion and a business portfolio with at least 10 services.



Actions

- Improve profitability of existing businesses
- Develop new businesses
- Use all existing businesses as a base for new businesses
- M&A
- Financial and investment strategies

VI. Appendices

Advertising Business

SMARE RESOURCE SERVICE

Ads in public info publications,
banner ads, etc.

SMART CREATION SERVICE



Energy Business

GENEWAT

Media Business

Jichitai Works

ジチタイワークス

Jichitai Works Web

ジチタイワークスWEB

B-to-G Marketing



*Beginning with FY2020, Machiio has been moved from the media segment to others.

Corporate Philosophy

Providing new value to citizens through local governments



Additional local govt. revenue

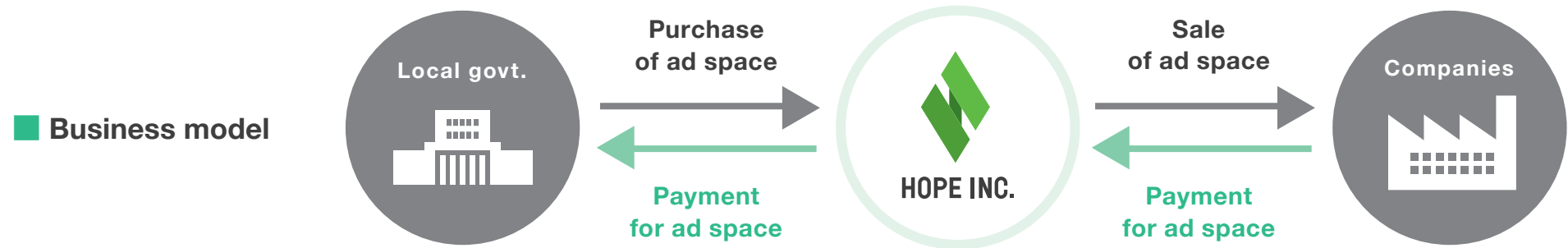
- Public info publications, local government websites
- Information distributed to residents

- Use of media space
- Free joint publications by local governments and HOPE, INC.



Local governments sell ad space in their publications

A new source of revenue for local governments



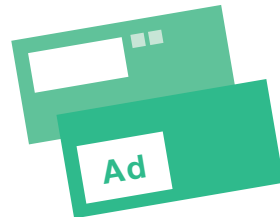
■ Examples of media



Public info publications



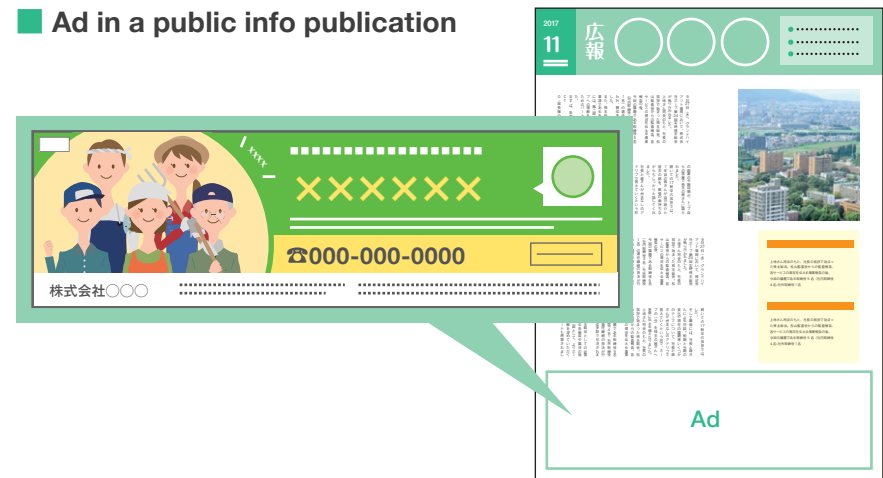
Website banner



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



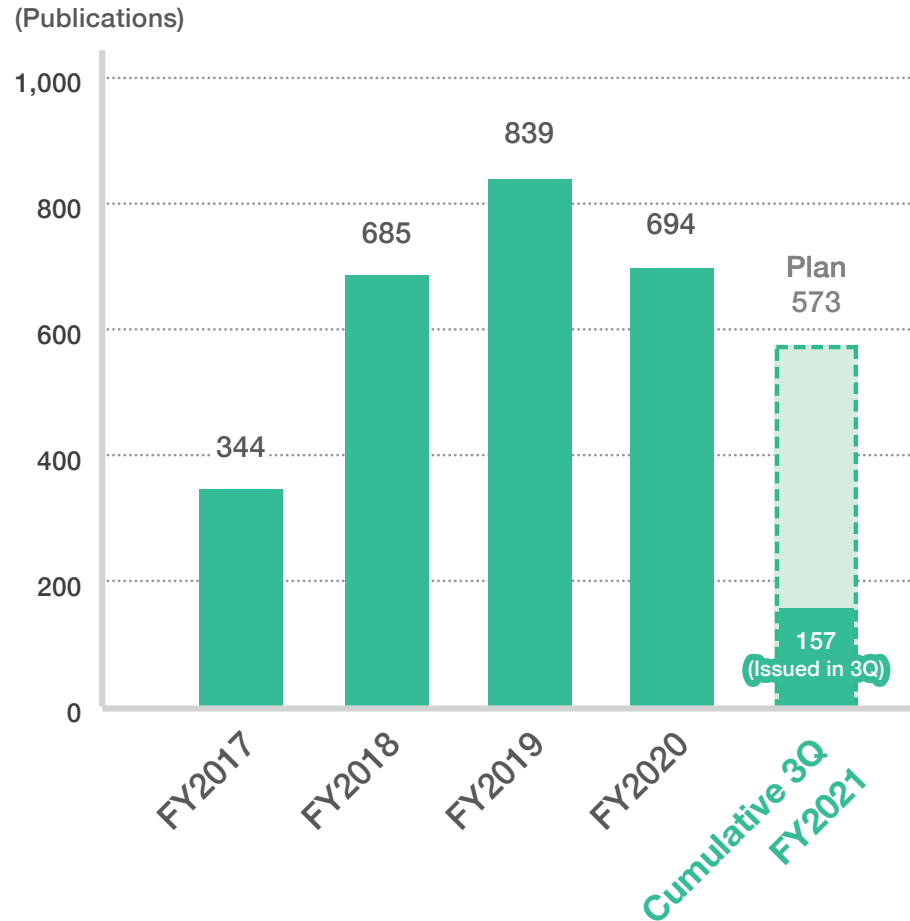
Ad in a pamphlet (child care information)



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 number of publications between FY2017 and FY2021 and these figures have been revised accordingly.

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 purchases are single transactions for an entire year (Apr. to Mar.), resulting in risk for holding large inventories

3 Effect on the next fiscal year

- Most purchases using bids submitted during the peak season for government contract bids will have an effect on the next fiscal year all the way to Mar.

SMART CREATION SERVICE (Machilet)

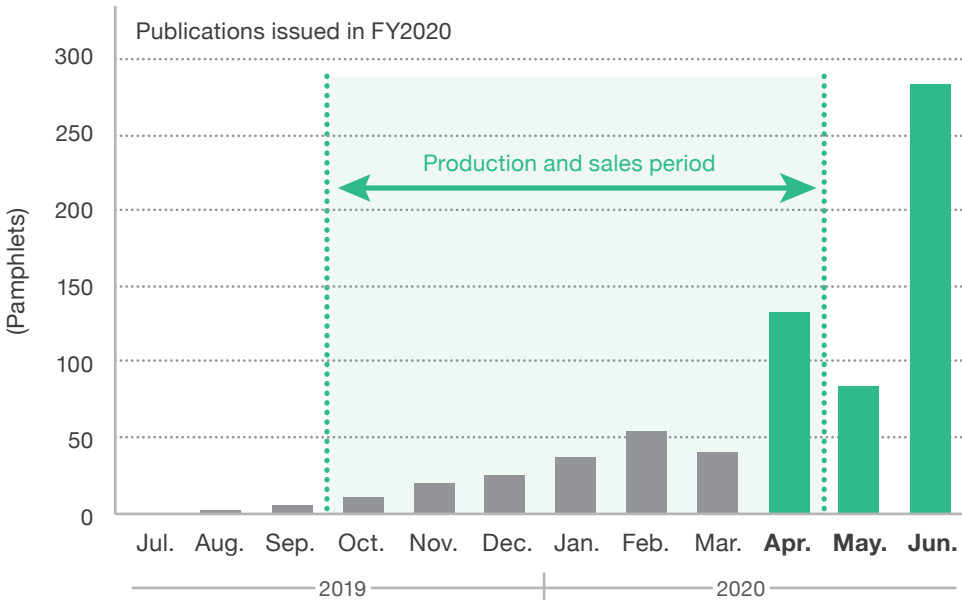
1 Most production and sales at the same time of the year

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

2 Large pct. of sales in the fourth quarter

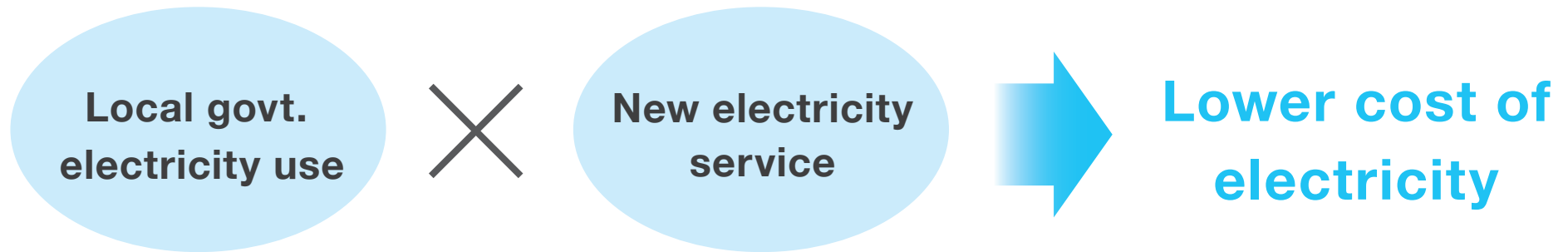
About 80% of publications are issued between Apr. and Jun.

- ▶ Most sales and cost of sales are recorded in the fourth quarter



Corporate Philosophy

Providing new value to citizens through local governments



Value provided



Start of the electricity sales business



GENEWAT uses the new perception of “electricity as a generic product” for supplying electricity at a lower price in order to help local governments reduce costs.

Business model



Electricity



- Sale of electricity
- *Business does not include generation and distribution

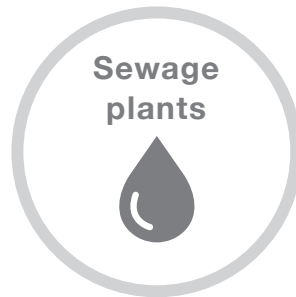


Payments



- HOPE, INC. posts sales/cost of sales based on monthly utilization

GENEWAT users (mainly local governments)



1 Contracts are received by submitting bids

- Business may be lost to competing bids of other companies when new bidding takes place every year

2 Vulnerability to the economy and weather

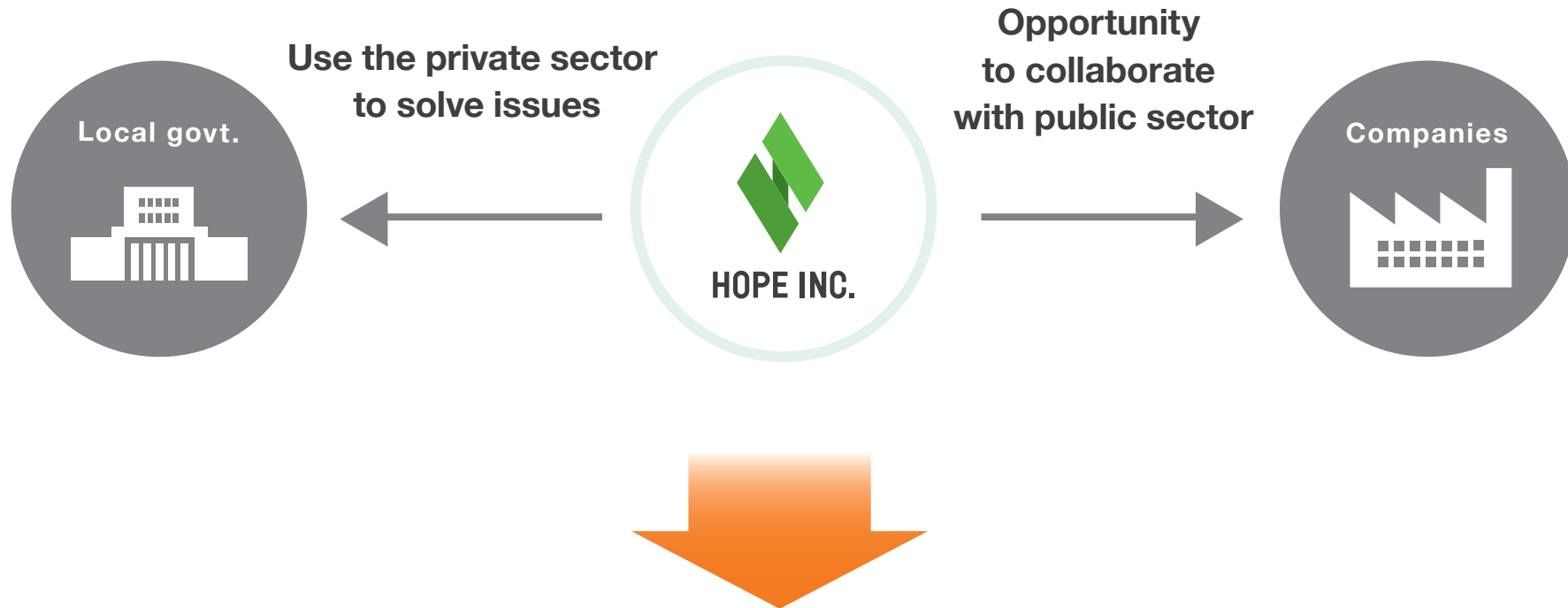
- Electricity sales may vary depending on the health of the economy, unseasonable summer or winter weather, and other weather events
- Wholesale prices of electricity may vary depending on the cost of buying electricity, the cost of fuel, and the balance between the supply and demand of electricity

3 A low-cost business

- When determining bids, the Energy Business utilizes bidding expertise acquired over many years in the Advertising Business

Corporate Philosophy

Providing new value to citizens through local governments



Public-private sector collaboration

• Use of advertisements to monetize publications

A HOPE, INC. publication with useful info and ideas for the jobs of local government employees



Issued four times every year

1 One of the largest circulations in Japan

A comprehensive info magazine for local government employees; circulation of up to 70,000, one of the largest in Japan in this category

2 Extensive coverage

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

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



Issued as needed (Special editions)

Each special edition has a single advertiser and all content involves the advertiser's products and services



Jichitai Works Web

Articles in the printed edition of Jichitai Works magazine are also posted on the internet.



- Use local government relationships for surveys to identify needs and for holding seminars.
- Sales agent services for receiving sales promotion and other promotion fees from companies.

Support for companies with products and services for local governments



■ Contracted service orders received in the third quarter (Jan.-Mar.)

- Seminars for local government employees and other services (orders from nine companies)



- Distribution of marketing materials (orders from 14 companies)
- Direct mail marketing (orders from six companies)
- Telemarketing (orders from three companies)
- Distribution of e-magazines (orders from four companies)
- Others

• A joint assistance platform for local governments and companies



- 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



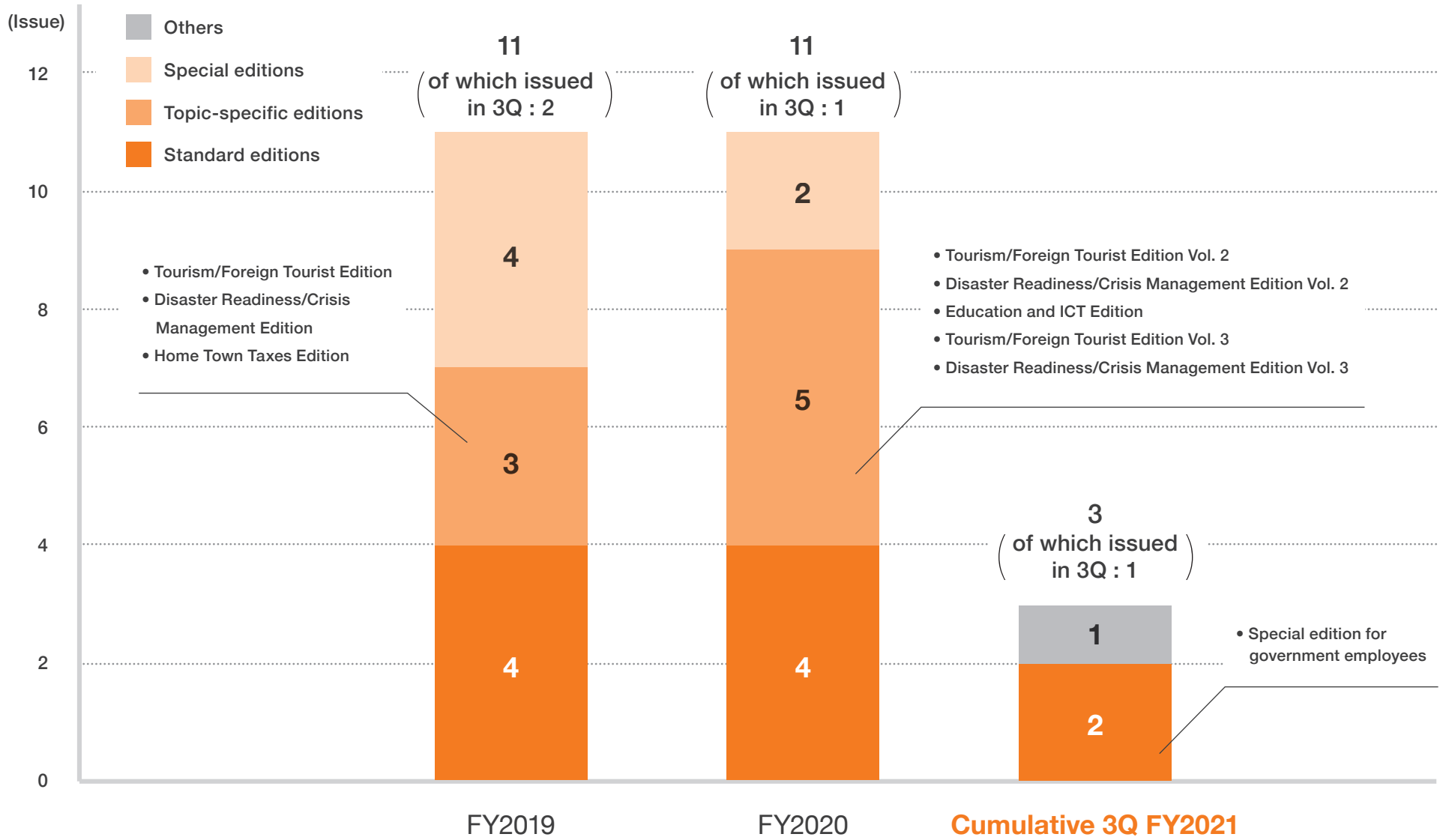
*Machiuro screen sample

674,661
cumulative downloads

931 cumulative
local government contracts

Local governments share of about **52.1%**

*As of the end of Mar. 2021



■ Since HOPE, INC.'s inception, the Advertising Business has generated revenue of about **¥8.44 billion** for clients

- SMART RESOURCE SERVICE has paid local governments about **¥7.66 billion**
- Machilet has reduced local government costs by about **¥0.78 billion**

(From HOPE, INC.'s inception through 3Q FY2021)

■ Cost reduction of about **¥32.0 billion** since the start of the Energy Business

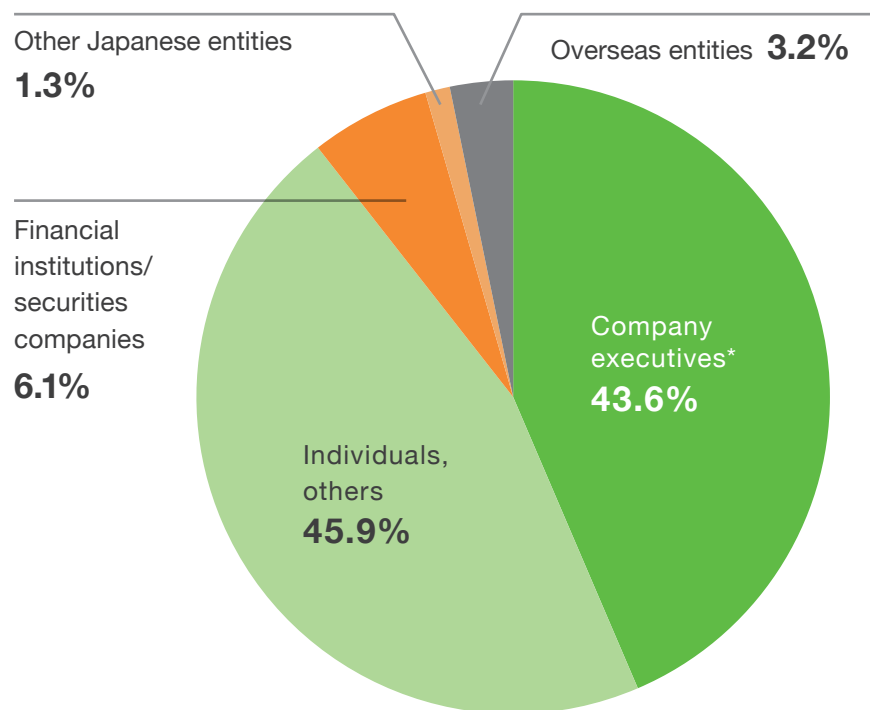
(Estimated cost reduction during the entire length of all current contracts)

(As of Mar. 31, 2021)

Number of shares and shareholders

Total number of authorized shares	18,848,000 shares
Number of shares issued	6,302,800 shares
Number of shareholders (with voting rights)	6,007

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	1,253,000 shares
3	Custody Bank of Japan, Ltd. (Trust Account)	246,800 shares
4	Masaki Kuge	240,000 shares
5	Shimpei Mori	119,000 shares
6	Individual shareholder	93,000 shares
7	Individual shareholder	90,100 shares
8	Individual shareholder	65,100 shares
9	Individual shareholder	58,200 shares
10	Individual shareholder	40,500 shares

Period Jun. 15, 2016 to Mar. 31, 2021

IPO price ¥350

Initial price ¥805 (Jun. 15, 2016)

Highest price since IPO* 7,910 (Nov. 11, 2020)

Lowest price since IPO* ¥220 (Dec. 25, 2018)

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

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

* Including stock prices during trading hours.

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

* Calculated based on the stock price on the settlement date.

Stock price (Jul. 1, 2018 to Dec. 31, 2020)



Date	Summary	Date	Summary
Jun. 7, 2016	Investment Information – New IPO Stocks, Nihon Keizai Shimbun	Aug. 7, 2017	Information about HOPE, INC. in Japan Digest, Nihon Keizai Shimbun
Sep. 1, 2016	Included in an article in the October issue of Project Design magazine	Jan. 18, 2018	Information about HOPE, INC's electricity sales business in the economy section of the Yomiuri Shimbun
Sep. 25, 2016	Information about HOPE, INC. on the TBS TV program Gacchiri Monday!	Feb. 15, 2018	Information about the Machihiro app for checking how much money is coming, Nonstop TV program of Fuji Television
Nov. 7, 2016	Interview with the HOPE, INC. president in Michishirube, Nihon Keizai Shimbun	Apr. 23, 2018	Information about HOPE, INC. on the TV Asahi Bakumon Fund! Money Success Graph
Jan. 10, 2017	Interview with the HOPE, INC. president in Dash Venture, Nihon Sangyo Shimbun	May 21, 2018	HOPE, INC. president featured in a daily column on business executives in the Nihon Keizai Shimbun
Jan. 16, 2017	Interview with the HOPE, INC. president in Fuji Sankei Business i.	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
Feb. 23, 2017	Interview with the HOPE, INC. president in God of Happiness Diary, Kabushiki Shimbun	Dec. 1, 2019	Information about HOPE, INC. in an article about innovative companies in Nikkei Veritas
Mar. 24, 2017	Included in The First Companies 2017, an article about newly listed companies	Dec. 31, 2019	Included in an article about companies with the biggest market cap increases of 2019, Nihon Keizai Shimbun
May 12, 2017	Included in Gatchiri Monday! The Secret of Making Money on 40 Little Known Companies	Jan. 31, 2020	Information about the condolence guidebook of HOPE, INC's Machilet, Chunichi Shimbun
Aug. 3, 2017	Interview with the HOPE, INC. president in CEOs Explain Management Strategies, Nikkei Sangyo 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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