

Financial Results for Fiscal Year Ending March 2021, and Forecast for Fiscal Year 2021

May 10, 2021

Contents

- 1. Overview of Results for FY Ending March 2021 — p.3-9**
- 2. Forecast for FY Ending March 2022 ————— p.10-14**
- Progress of Medium-Term Management Plan ————— p.15-20**
- Appendix ————— p.21-31**
 - ✓ Progress of Medium-Term Management Plan
(Supplement Materials)**
 - ✓ Segment Overview**
 - ✓ Fleet in Operation**

* In this material, “infection” denotes the novel coronavirus infection (COVID-19).

**(Attachment) Ocean Network Express
Financial Results for FY2020 Full-year**

Full-year Review (year-on-year)

► Revenues: JPY1,608.4 billion (down JPY59.9 billion)

- First half: Significantly declined primarily in bulk shipping due to the impact of the infection.
- Second half: Drastically increased in the air-cargo transportation and logistics businesses. Increased also compared with the same period a year earlier (up JPY43.2 billion)

► Recurring profit/loss: JPY215.3 billion (up JPY170.8 billion)

- P/L improved significantly in the liner, air-cargo transportation, and logistics businesses (up JPY198.4 billion)
- Profit at the bulk shipping business declined due to the impact of the infection (down JPY25.5 billion)

► Net income: JPY139.2 billion (up JPY108.0 billion)

- Recorded extraordinary loss on medium- and large-sized vessels in structural reform of the Dry Bulk Transportation Division (-JPY54.7 billion)

► Dividend: Year-end dividend of JPY180/share is planned.

- Year-end dividend: An increase of JPY70/share from the previous Q3 forecast of JPY110/share
- Annual dividend of JPY200/share including interim dividend

By industrial SEGs (recurring profit/loss compared with a year earlier)

► **Liner: JPY140.8 billion (up 127.4 billion)**

- Container ships (ONE) -
 - Short-term freight rates rose, following the sudden recovery in demand after the lockdown ended in Q1
 - Shortage of cargo space and containers surfaced once second half started
 - Congestion of ports and inland area became severe partly affected by manpower shortage due to the second wave of the infection
- Terminals -
 - Handling volumes decreased in the first half due to the impact of the infection, but recovered from the second half

► **Air Cargo: JPY33.2 billion (up JPY48.7 billion)**

- Cargo space significantly decreased due to cancellation of international passenger flights, and supply and demand balance became tight
- Along with recovery of cargo from Japan, freight rates again rose through Q3 peak season
- Space shortage in container ships resulted in partial shift to air cargo, further boosting demand

► **Logistics: JPY27.0 billion (up JPY22.3 billion)**

- **Ocean freight:** Amid tight supply-demand balance, handling volumes in the second half exceeded the same period a year earlier
- **Air freight:** Supply-demand balance became tight due to international passenger flights cancellation and P/L greatly improved also due to partial shift of ocean cargo
- **Logistics:** Stay at home demand resulted in higher handling volume and P/L improved by cost reduction measures

By industrial SEGs (recurring profit/loss compared with a year earlier)

► Bulk Shipping: JPY18.6 billion (down JPY25.5 billion)

- Car carrier -
 - While shipping volume recovered at a pace faster than expected from the low in Q1, it declined due to the impact of the infection
 - Although shipping volume decreased by 23% compared to the same period last year, first half was 39% decrease while second half was 7% decrease compared to same period last year. Volume significantly recovered in the second half. (under completion of voyage standards)
- Dry bulk -
 - The market rates for each vessel type remained high from the beginning of Q4, but was affected from the beginning by the stagnation in the first half
- Energy -
 - Temporary loss on drill ships was recorded in Q4
 - Business performance has been stable led by medium- to long-term contracts

Difference between the previous fiscal year forecast and result (recurring profit/loss)

► Liner, air cargo, logistics: Upward revision

- Tight supply-demand balance continued in Q4, which usually is a slack season

**Previous full-year forecast
(at Q3 earnings announcement)**

JPY160.0 billion

Full-year result

JPY215.3 billion

Profit increase

JPY55.3 billion

Response to the infection

Basic policy

To fulfill the social mission of keeping logistics moving, the NYK Group took measures required to continue stable business operations by prioritizing the safety of all employees engaged in the ocean, land, and air businesses of the group.

<Concrete measures>

► Ensuring the safety of the employees

- Quickly developed remote work system in Japan and abroad. Implemented measures to prevent the spread of the infection at all work sites including vessels

► Safe operations and measures to maintain operations including crew changes

- Upon gaining the consent of customers, vessels made additional port calls for crew changes (full-year additional cost: Approx. JPY2.2 billion)
- Lobbied international organizations, governments of various countries and authorities for easing the restriction on movement of crews

► Securing long-term funds and borrowing facilities

- Procured more than JPY100.0 billion in long-term funds in advance to make up for most of the amount of redemption due in the current fiscal year
- Secured commitment line over multiple years

Summary of Results for FY Ending March 2021

Results



(Billions of yen)	FY Ending Mar. 2020					FY Ending Mar. 2021					Year-on-year	Previous Forecast Q4	Change from Prev. Forecast
	Q1	Q2	Q3	Q4	Full-Year	Q1	Q2	Q3	Q4	Full-Year			
Revenue	406.4	418.3	428.5	415.0	1,668.3	361.1	360.8	423.9	462.4	1608.4	-59.9	394.0	68.4
Operating Profit	5.4	10.3	16.6	6.2	38.6	8.9	7.7	31.2	23.5	71.5	32.8	9.1	14.4
Recurring Profit	6.4	9.6	22.4	6.0	44.4	16.5	30.8	74.6	93.2	215.3	170.8	37.9	55.3
Net Income <small>Attributable to Owners of the Parent Company</small>	9.1	1.9	7.6	12.3	31.1	11.6	10.4	30.1	86.8	139.2	108.0	37.6	49.2
Exchange Rate	¥110.73	¥107.63	¥108.79	¥109.35	¥109.13	¥107.74	¥105.90	¥104.76	¥104.74	¥105.79	¥-3.34	¥103.00	¥2.79
Bunker Oil Prices	\$438.21	\$435.09	\$427.33	\$520.84	\$454.97	\$452.83	\$308.51	\$331.04	\$363.90	\$362.95	-\$92.03	\$393.00	-\$30.05

Comparison by Industrial SEGs

Results



	Industrial Segment (Billions of yen)	FY Ending Mar. 2020					FY Ending Mar. 2021					Year-on-year	Previous Forecast Q4	Change From Previous Forecast
		Q1	Q2	Q3	Q4	Full-Year	Q1	Q2	Q3	Q4	Full-Year			
Liner & Logistics	Liner	51.9	51.6	51.1	47.4	202.2	39.1	42.1	45.1	44.0	170.5	-31.7	42.5	1.5
		1.9	7.7	3.6	0.0	13.4	6.7	21.7	40.0	72.3	140.8	127.4	33.5	38.8
	Air Cargo	17.7	18.6	20.3	18.5	75.1	28.8	25.6	33.3	34.5	122.4	47.3	28.1	6.4
		-4.4	-4.7	-4.3	-2.0	-15.5	9.3	3.8	11.4	8.5	33.2	48.7	4.3	4.2
	Logistics	117.7	120.4	121.9	116.1	476.3	112.9	122.1	152.5	173.5	561.2	84.9	134.4	39.1
Bulk Shipping		-0.0	2.3	1.9	0.4	4.7	2.7	5.3	9.3	9.5	27.0	22.3	3.6	5.9
	(Total)	187.4	190.7	193.4	182.0	753.7	181.0	189.8	231.1	252.1	854.2	100.4	204.9	47.2
		-2.5	5.4	1.3	-1.6	2.5	18.8	30.9	60.8	90.4	201.1	198.6	41.3	49.1
	Bulk Shipping	195.1	205.1	210.7	208.7	819.8	164.8	153.1	175.4	188.1	681.5	-138.2	174.6	13.5
		9.2	5.0	20.5	9.3	44.1	-1.1	1.3	13.9	4.4	18.6	-25.5	0.3	4.1
Others	Real Estate	1.8	1.7	1.8	1.8	7.3	1.7	1.7	1.6	1.7	6.8	-0.4	1.8	-0.1
		0.7	0.5	0.6	0.5	2.5	0.7	0.6	0.6	0.5	2.5	0.0	0.5	0.0
	Other	39.7	37.1	44.7	44.0	165.6	27.3	31.4	32.0	38.8	129.7	-35.9	32.1	6.7
		0.7	0.2	1.4	-0.7	1.7	-0.4	-1.0	0.1	-0.8	-2.2	-3.9	-2.0	1.2
	Elimination/Unallocation	-17.7	-16.5	-22.2	-21.6	-78.2	-13.8	-15.3	-16.4	-18.4	-64.0	14.1	-19.5	1.1
		-1.7	-1.6	-1.6	-1.5	-6.6	-1.3	-1.0	-0.9	-1.3	-4.7	1.9	-2.1	0.8
	Consolidated	406.4	418.3	428.5	415.0	1,668.3	361.1	360.8	423.9	462.4	1608.4	-59.9	394.0	68.4
		6.4	9.6	22.4	6.0	44.4	16.5	30.8	74.6	93.2	215.3	170.8	37.9	55.3

* (Upper) Revenue (Lower) Recurring Profit

* Global Logistics was renamed to Liner & Logistics from April 1, 2021.

Analysis of Change in Recurring Profit between FY Ending Mar. 2020 and FY Ending Mar. 2021

Results

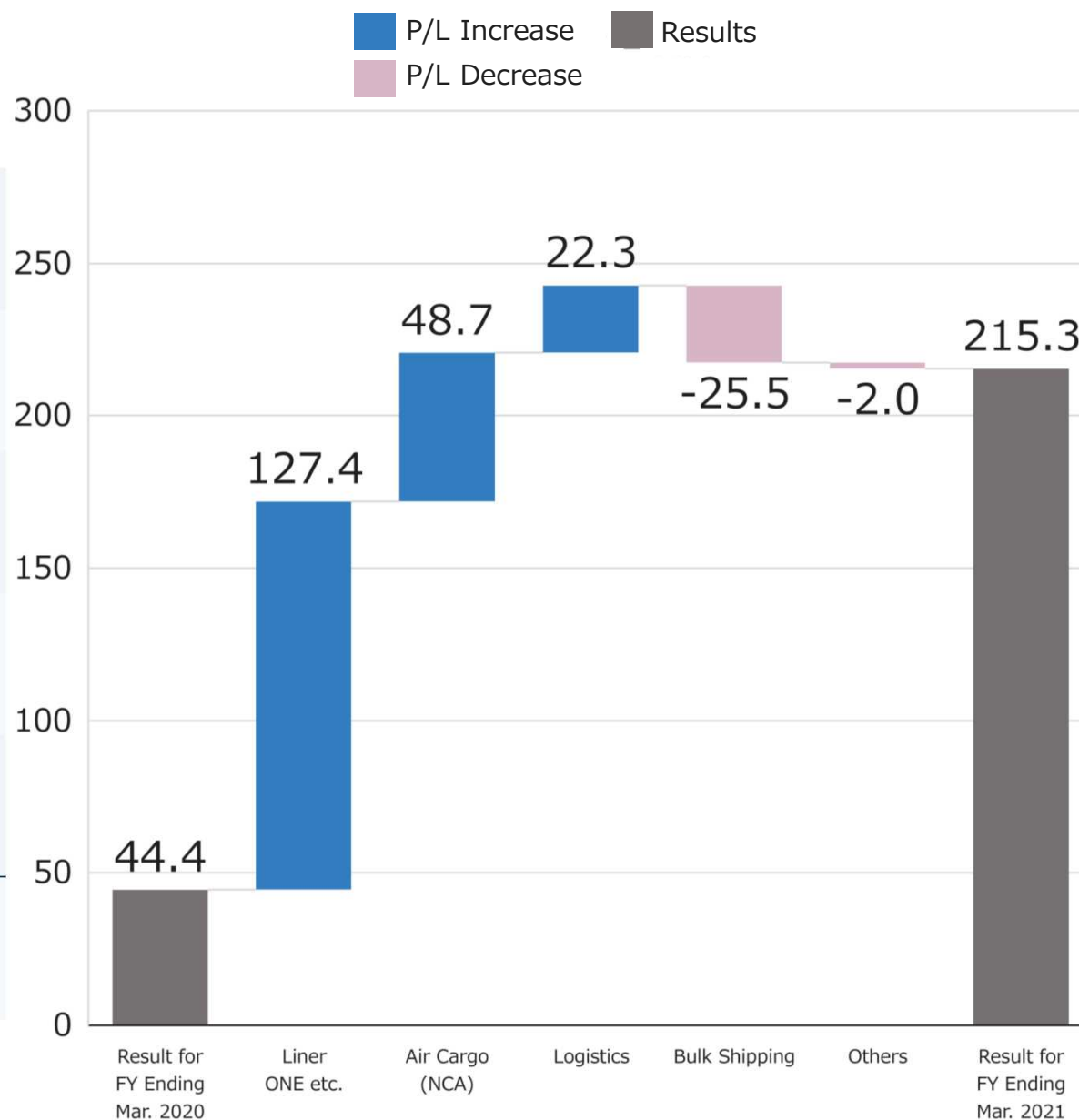


Analysis by factor

Yen Appreciation	-1.2	¥105.79/\$ Appreciated by ¥3.34
Lower Bunker Oil Prices	3.2	\$362.95/MT Decreased by \$92.03/MT
Market Effects, etc.	97.7	
Foreign Exchange Profit/Loss	2.1	
Others	69.1	Air Cargo (NCA) + 48.7
Total	170.8	

Analysis by business

(billion yen)



Full-year forecast (compared with the result for the previous fiscal year)

► Revenues: JPY1,500.0 billion (down JPY108.4 billion)

- Logistics business: Revenues to decline as cargo volume decrease from the previous fiscal year primarily in air freight (down JPY65.2 billion)

► Recurring profit/loss: JPY140.0 billion (down JPY75.3 billion)

- Liner, air cargo, logistics businesses: Profit to decline significantly from the previous fiscal year (down JPY112.1 billion)
- Bulk shipping business: Profit is expected to increase on anticipated recovery of car transportation and dry bulk (up JPY35.4 billion)
- While profit would decline compared with the previous fiscal year, it is expected to be at a favorable level

► Net income: JPY140.0 billion (JPY0.8 billion roughly unchanged)

► Dividend: Full-year dividend of JPY200/share

- Expect to pay interim dividend of JPY100/share and year-end dividend of JPY100/share

By industrial SEGs (recurring profit/loss compared with a year earlier)

► **Liner: JPY57.0 billion (down JPY83.8 billion)**

- Container ships (ONE) -
 - It is still unclear when the infection would subside
 - At the moment, transportation demand and port congestions continue but it is unclear as to when the supply-demand balance would normalize
 - The outlook is formulated on the premise that it would gradually normalize from the latter half of Q1
- Terminals -
 - Japan: Recovery in handling volume is expected
 - Overseas: Handling volume declines as container demand in North America settles

► **Air Cargo: JPY20.0 billion (down JPY13.2 billion)**

- While expecting firm demand, the international passenger flights market will gradually return
- Expecting firm performance while sharp rise in the fuel oil will push down profits

By Segment (Y-o-Y recurring profit/loss)

► **Logistics: JPY12.0 billion (down JPY15.0 billion)**

- **Ocean freight:** Handling volume is expected to be roughly the same level as previous fiscal year, and flexible marketing corresponding to demand will be continued
- **Air freight:** Expecting market trend higher than regular years while cargo volume is assumed to decrease from the previous fiscal year
- **Logistics:** Efforts will be made to stabilize earnings through review of contracts and cost reductions

► **Bulk shipping: JPY54.0 billion (up JPY35.4 billion)**

- **Car carrier** -
 - While the impact of the global shortage in semiconductors is unclear, handling volume is expected to recover year on year (up 18%)
- **Dry bulk** -
 - The market rates for each vessel type are assumed to remain high in the first half
 - Improvement in performance expected from the structural reform of previous fiscal year (approx. JPY10.0 billion/year)
- **Energy** -
 - While stagnation in market condition of VLCC, etc. are expected to have certain level of impact, performance is stable primarily by medium- to long-term contracts

Summary of Forecast for FY Ending Mar. 2022

Forecast



	FY Ending Mar. 2021 (Result)					FY Ending Mar. 2022 (Forecast)			Year-on-Year
	H1		H2		Full-year	1H	2H	Full-Year	
	Q1	Q2	Q3	Q4					
Revenue	722.0		886.3		1,608.4	760.0	740.0	1,500.0	▲ 108.4
	361.1	360.8	423.9	462.4					
Operating Profit	16.6		54.8		71.5	36.0	30.0	66.0	▲ 5.5
	8.9	7.7	31.2	23.5					
Recurring Profit	47.4		167.9		215.3	86.0	54.0	140.0	▲ 75.3
	16.5	30.8	74.6	93.2					
Net Income Attributable to Owners of the Parent Company	22.1		117.0		139.2	87.0	53.0	140.0	0.8
	11.6	10.4	30.1	86.8					
Exchange Rate	¥107.74	¥105.90	¥104.76	¥104.74	¥105.79	¥105.00	¥105.00	¥105.00	¥-0.79
Bunker Prices (All Grades)	\$452.83	\$308.51	\$331.04	\$363.90	\$362.95	\$509.00	\$509.00	\$509.00	\$146.05
Bunker Prices (HSFO)	-	-	-	-	-	\$400.00	\$400.00	\$400.00	-
Bunker Prices (VLSFO)	-	-	-	-	-	\$510.00	\$510.00	\$510.00	-

► Sensitivity to profit (Full Year)

Exchange rate: Approx. JPY1.15 billion increase per ¥1/\$ depreciation

Bunker oil prices: Approx. JPY0.39 billion increase per \$10/MT decrease

Forecast by Industrial SEGs for FY Ending Mar. 2022

Forecast



Industrial Segment (Billions of yen)		FY Ending Mar. 2021 (Result)							FY Ending Mar. 2022 (Forecast)			Year-on-year
		Q1	Q2	H1	Q3	Q4	H2	Full-year	1H	2H	Full-Year	
Liner & Logistics	Liner	39.1	42.1	81.3	45.1	44.0	89.1	170.5	87.0	66.0	153.0	-17.5
		6.7	21.7	28.4	40.0	72.3	112.3	140.8	44.0	13.0	57.0	-83.8
	Air Cargo	28.8	25.6	54.4	33.3	34.5	67.9	122.4	60.0	61.0	121.0	-1.4
		9.3	3.8	13.2	11.4	8.5	20.0	33.2	9.0	11.0	20.0	-13.2
	Logistics	112.9	122.1	235.0	152.5	173.5	326.1	561.2	246.0	250.0	496.0	-65.2
		2.7	5.3	8.1	9.3	9.5	18.9	27.0	5.0	7.0	12.0	-15.0
	(Total)	181.0	189.8	370.8	231.1	252.1	483.3	854.2	393.0	377.0	770.0	-84.2
		18.8	30.9	49.8	60.8	90.4	151.2	201.1	58.0	31.0	89.0	-112.1
Bulk Shipping	Bulk Shipping	164.8	153.1	317.9	175.4	188.1	363.5	681.5	333.0	326.0	659.0	-22.5
		-1.1	1.3	0.1	13.9	4.4	18.4	18.6	30.0	24.0	54.0	35.4
Others	Real Estate	1.7	1.7	3.4	1.6	1.7	3.3	6.8	3.0	3.0	6.0	-0.8
		0.7	0.6	1.3	0.6	0.5	1.2	2.5	1.0	1.0	2.0	-0.5
	Other	27.3	31.4	58.8	32.0	38.8	70.9	129.7	62.0	64.0	126.0	-3.7
		-0.4	-1.0	-1.5	0.1	-0.8	-0.7	-2.2	-1.0	0.5	-0.5	1.7
	Elimination/ Unallocation	-13.8	-15.3	-29.1	-16.4	-18.4	-34.8	-64.0	-31.0	-30.0	-61.0	3.0
		-1.3	-1.0	-2.4	-0.9	-1.3	-2.2	-4.7	-2.0	-2.5	-4.5	0.2
	Consolidated	361.1	360.8	722.0	423.9	462.4	886.3	1,608.4	760.0	740.0	1,500.0	-108.4
		16.5	30.8	47.4	74.6	93.2	167.9	215.3	86.0	54.0	140.0	-75.3

* (Upper) Revenue (Lower) Recurring Profit

* Global Logistics was renamed to Liner & Logistics from April 1, 2021.

Progress of Medium-Term Management Plan

Basic strategies of Medium-Term Management Plan

Step 1

Reconfigure business portfolio to withstand volatile market conditions

- Decisively reform the dry-bulk business
- Lead the new container JV (ONE) to success

**Optimize
business portfolio**

Step 3

Accelerate growth by constantly improving our technological, informational and network capabilities

- Implement Digitalization and Green initiatives

**Increase efficiency
and
create new values**

**Reduce market Volatility
Accelerate business growth
and improve profitability**

**Secure stable-
freight-rate
business**

Step 2

Develop well-balanced revenue structure

- Leverage logistics capabilities with YLK
- Strengthen car carrier and auto-logistics businesses
- Reinforce LNG and offshore businesses

Progress of Medium-Term Management Plan

Step	Business	Progress/Initiatives
Step 1	Dry-bulk (Page.22)	<ul style="list-style-type: none"> Reducing market exposure to withstand volatile market conditions Implement structural reforms primarily of medium/large vessels <ul style="list-style-type: none"> Early redelivery of 10 high-cost chartered vessels since FY2018 Extraordinary loss of approx. JPY54.7billion was also recorded in FY2020
	Container (ONE)	<ul style="list-style-type: none"> Achieve integration effect through synergy by adopting best practice Working to resolve and stabilize issues such as schedule delays and a shortage of containers due to congestion at ports and inland areas for the time being. Continue medium- to long-term fleet development assessment to further raise competitiveness
Step 2	Logistics (YLK)	Pursue synergy by effective mutual utilization of global network and management resources
	Car carrier	<ul style="list-style-type: none"> Drive forward marine transport by LNG-fueled vessels and utilize renewable energy in RORO terminal for finished cars contribute to GHG reduction in customer supply chains
	LNG and offshore business (Page.23)	Secure stable-freight-rate business by acquiring medium- to long-term contracts (number of LNG vessels: March 2022 forecast – 89 vessels)
Step 3	Digitalization (Page.24)	<ul style="list-style-type: none"> Established NYK Digital Academy to nurture human resources who promote innovation Support business activities of front line with digital transformation
	Green (Page.25)	Accelerate initiatives such as LNG fuel supply, offshore wind power, zero emission (Hydrogen, Ammonia), etc.

Earnings and financial targets

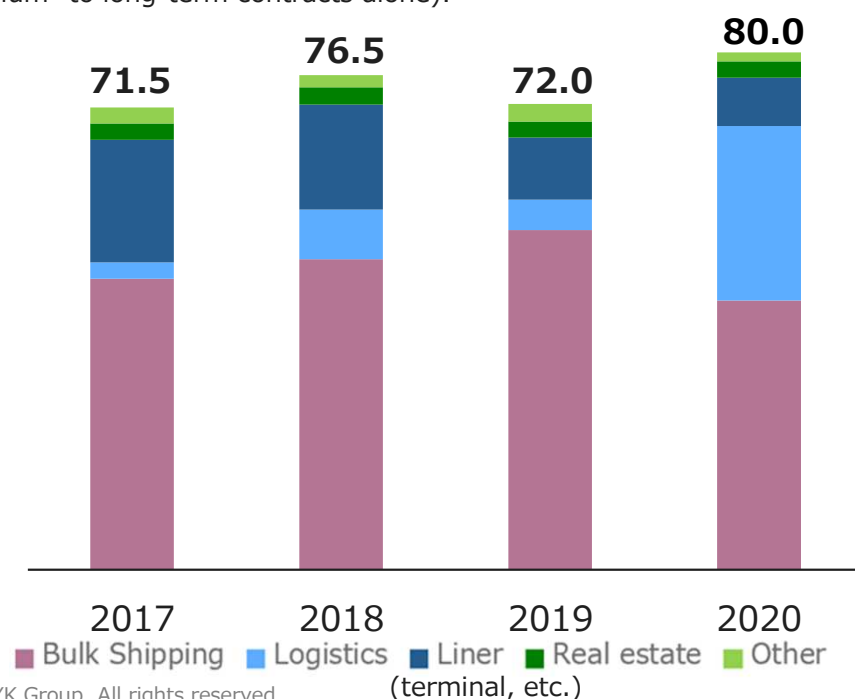
► Progress toward the targets of Medium-term Management Plan

	Target (by FY2022)	FY Ending Mar. 2021 (Result)	FY Ending Mar. 2022 (Forecast)
Recurring Profit (billion yen)	70~100	215.3	140.0
ROE	min 8.0%	25.6%	21.0%
Shareholder's Equity Ratio	min 30%	29.4%	32%
DER	1.5 or lower	1.52	1.31

► Aiming to secure Stable-freight-rate business (Unit: Billion Yen)

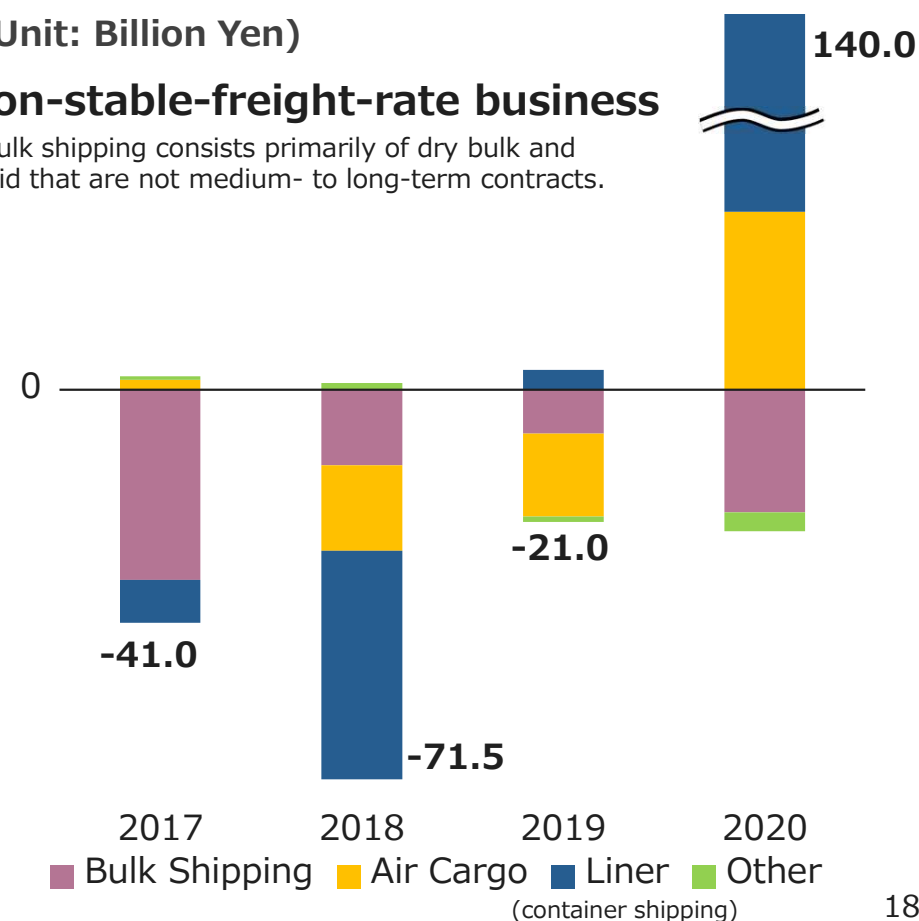
Stable-freight-rate business

* Bulk shipping consists of car carriers, dry bulk (medium- to long-term contracts alone), and liquid (medium- to long-term contracts alone).



Non-stable-freight-rate business

* Bulk shipping consists primarily of dry bulk and liquid that are not medium- to long-term contracts.



► Integrating ESG into management strategy

- Specified in the Medium-term Management Plan so as to realize both earnings maximization and sustainability of society and the environment

► ESG management as growth strategy

- Aim to be a corporate group that remains essential to society
- Aim to be a Sustainable Solution Provider that creates new value for the stakeholders

New Value Creation to Realize the NYK Group of Tomorrow

- Reduce GHG emissions
- Convert to LNG fuel
- Taking on ambitious initiatives in the energy field
- Establish NYK group sustainability initiative

Bolstering of Human Resources and Organizations to Advance New Value Creation

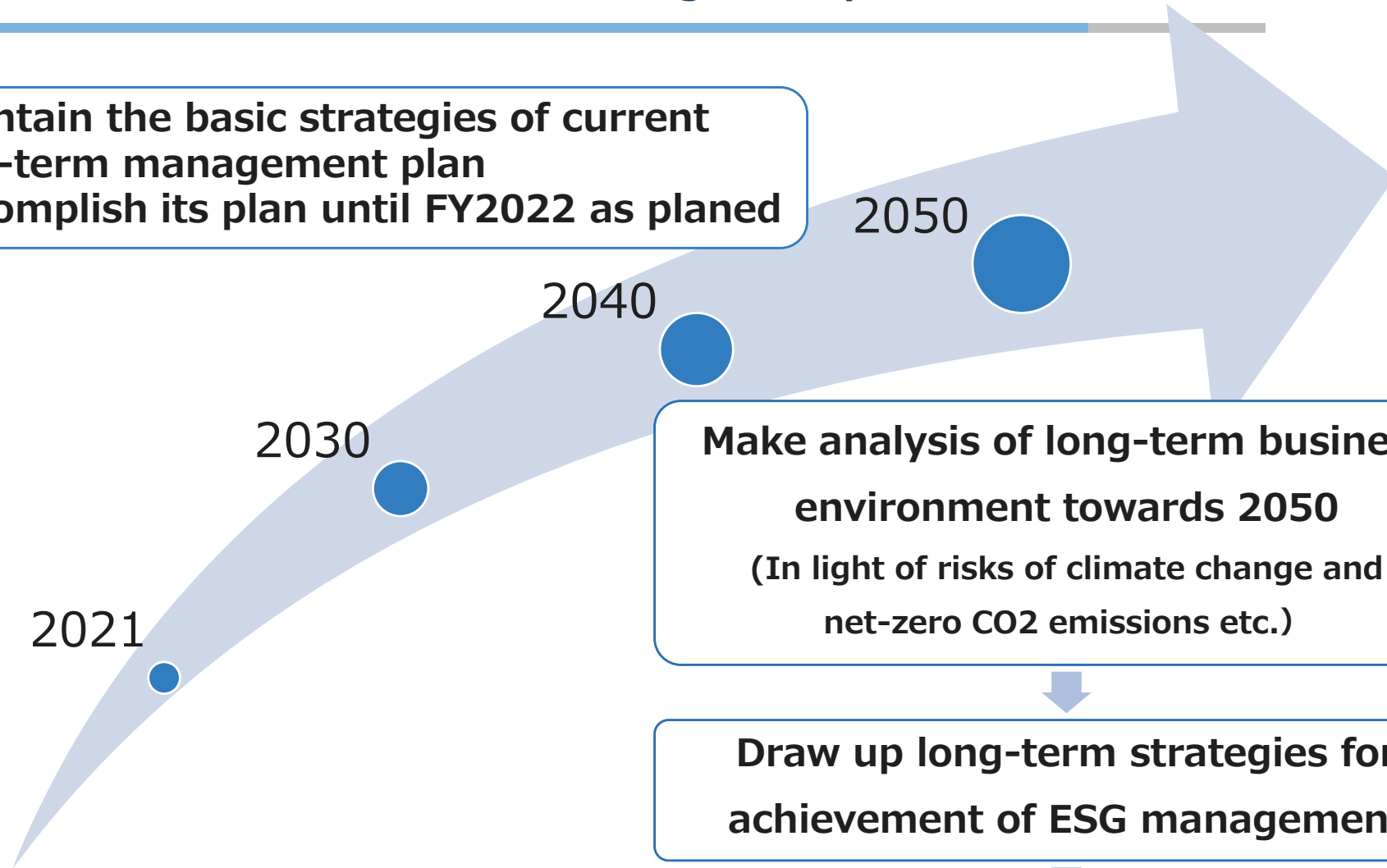
- Nurture human resources who promote innovation
- Build an organization that can fully leverage the diversity of 35,000 employees
- System and workstyle that enhance the capabilities of each employee

Strengthening of the Management Base to Support ESG management

- Group governance that popularizes ESG management
- Raise the overall ability of the NYK Group as a whole by establishing the methods to propose and take decisions regarding measures for the next generation

Future initiatives for new mid-term management plan

- ✓ **Maintain the basic strategies of current mid-term management plan**
- ✓ **Accomplish its plan until FY2022 as planned**



Make analysis of long-term business environment towards 2050

(In light of risks of climate change and net-zero CO2 emissions etc.)

Draw up long-term strategies for achievement of ESG management

Develop new mid-term management plan based on concrete implementation plan since FY2023
(New mid-term management plan : FY2023 ~)

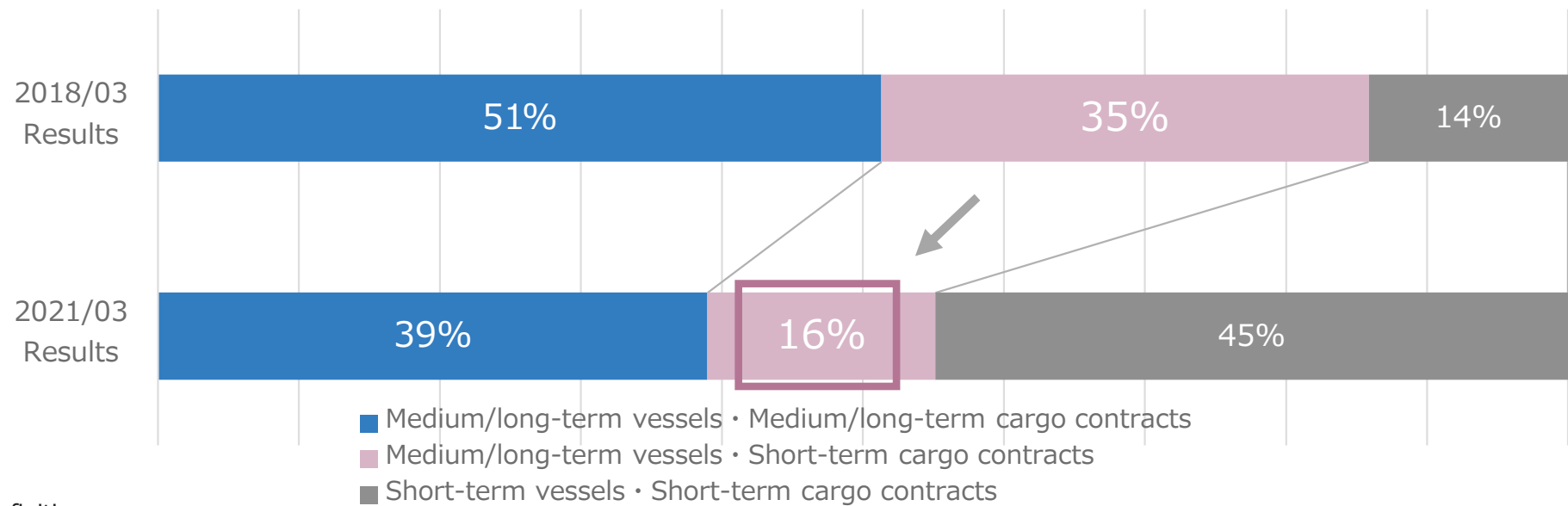
Appendix

➤ Early redelivery (result)

- **10** high-cost chartered vessels from FY Ending Mar. 2019.
- About **JPY54.7 billion** extraordinary losses recorded as structural reform expenses for FY2020.
- Above made certain progress on structural reform of medium to large size vessels.

➤ Reforming our fleet portfolio to withstand volatile market conditions (Target vessel size : Cape & Panamax)

• **Early redelivery and medium- to long-term contracts** contribute to the decrease in exposure fleet rate to **16%**



- Definitions
Medium/long-term: 2 years or more, Short-term: Less than 2 years
- Vessels included in JPY54.7 billion structural reform expenses not yet confirmed for early redelivery are categorized under “Short-term vessels/short-term cargo contracts” above.
- Percentage on the graph indicates approximate figure.

Progress of Medium-Term Management Plan

Step 2: Secure stable-freight-rate business (enhance investment)

► LNG Fleet (89 vessels for FY2022)

Fleet in Operation **81** vessels (as of March 2021) plus On order **6** vessels

	Charterer	Vessel Name/ Shipyard	Project	FY2020	FY2021	FY2022	FY2023
1	DIAMOND GAS METROPOLIS	HHI	US				
2	LNG ADVENTURE	SHI	Worldwide				
3	Mitsubishi Corporation	HHI	Canada				
4	Mitsubishi Corporation	HHI	Canada				
5	TOTAL	SHI	Worldwide				
6	TOTAL	SHI	Worldwide				
7	EDISON	HHI	Worldwide				
8	TOTAL	SHI	Worldwide				

► Offshore Business

	Value Chain	Charterer	Area/Oil Field	FY2020	FY2021	FY2022	FY2023
1	Shuttle Tanker	Equinor ASA	Brazil/Roncador				
2	Shuttle Tanker	Equinor ASA	Brazil/Roncador				
3	Shuttle Tanker	TOTAL	Brazil/Roncador				
4	Shuttle Tanker	GALP	Brazil/Roncador				
5	Shuttle Tanker	ENI	North Sea and Barents Sea				
6	Shuttle Tanker	ENI	North Sea and Barents Sea				
7	Shuttle Tanker	Petro China	Brazil/Roncador				
8	FPSO	Petrobras	Brazil/Roncador				

Progress of Medium-Term Management Plan

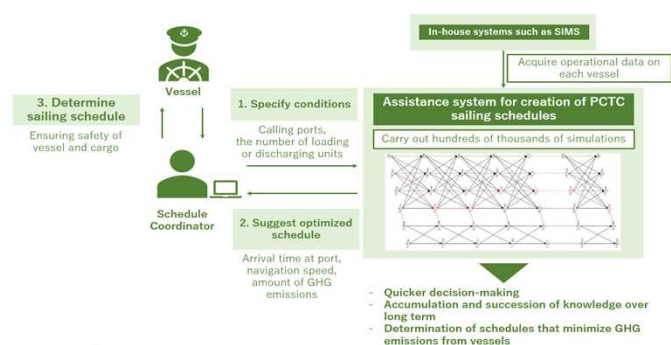
Step 3: Increase efficiency and create new values with digitalization

Under a situation where the coronavirus continues to exist, further accelerate digital transformation to realize agile and resilient service and organization, conduct efficient business and create new values.

- **2H20 initiatives** (In March 2021, NYK was designated as a DX Certified Business Operator under the DX Certification System promoted by the Ministry of Economy, Trade and Industry (METI).)

Provide Digital On-board Support

- ✓ **Developed system that assists the creation of PCTC sailing schedules (announced April 9)**
The system suggests optimized schedule plan by specifying sailing conditions. Reduce schedule coordination workload and enable determination of schedules that minimize GHG emissions from vessels.



- ✓ **MarcoPay Progress Status**
Started crew loan services to third party crew manning company. Official issuance of electronic currency. Confirmation received from relevant authorities of Philippines, scheduled to start partial payment of salaries for on-board crews in electronic currency from May 2021.

Nurture Problem-solving Leaders

- ✓ **Entire program for the third term of NYK Digital Academy was delivered remotely (12 participants)**
Remote program enabled overseas participants (3). Total of 27 graduates.
- ✓ **Collaboration with ShipDC and IoS-OP to hold innovation and idea generation business-academia collaboration event with middle-level and young employees in maritime industry and students. To be expanded further.**



Establish and Expand Secure Telework Environment

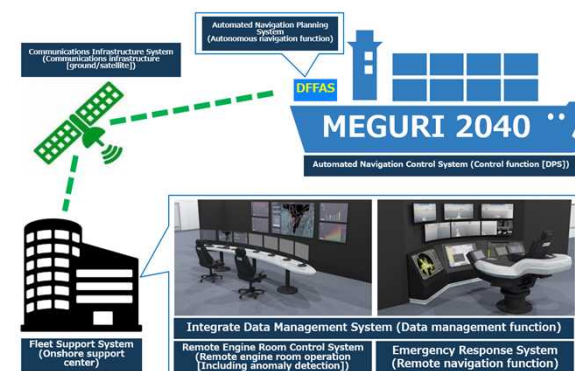
- ✓ **Achieve improved safety and convenience and cost reduction with use of new technologies including through global network renewal and use of cloud-based applications**
- ✓ **Update monitoring system for all PCs/servers and establish 24-hour speedy response to security breaches.**
- ✓ **Cost reduction and improved convenience with updated remote access method.**

Continue R&D activities together with partner companies

- ✓ **DFFAS Project is sponsored by the "Joint Technological Development Programme for the Demonstration of Unmanned Ships" under the administration of the Nippon Foundation, making steady progress and increasing partners.**

The number of consortium members participating in DFFAS Project led by NYK, Japan Marine Science Inc., and MTI Co., Ltd., has increased from the initial 22 to 30 companies.

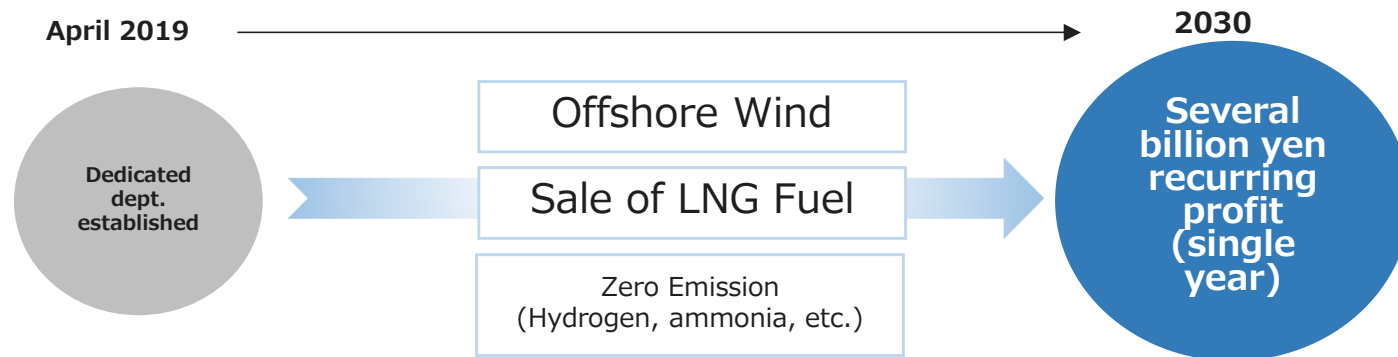
More than 50 companies are participating from Japan and overseas, and the project is making steady progress towards the demonstration scheduled in early 2022.



Progress of Medium-Term Management Plan

Step 3: Long-term Growth Strategy – Concrete Commercialization of Green Business

- Aim to build a new business model in domestic offshore wind power system, LNG fuel and hydrogen/ammonia area

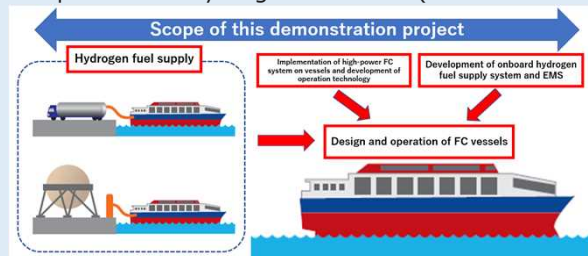


- **Towards zero emission**
 - ✓ Early realization of use of zero emission fuels including ammonia for vessels
 - ✓ Promote building of new energy value chain centering on hydrogen and ammonia

➤ 2H2O Main Initiatives

Entered into comprehensive cooperation agreement with Yokohama City on the demonstration project for high-powered hydrogen fuel cell vessels (announced February 26, 2021)

- Entered into comprehensive cooperation agreement with Yokohama City in relation to the demonstration project for the commercialization of high-power Fuel Cell (FC) vessels (Note 1) subsidized by NEDO (Note 2)
- Contribute to realization of decarbonized society from Yokohama Port with development and demonstration operation of Hydrogen FC vessel (scheduled in 2024)



Note 1. Joint R&D Partners: Toshiba Energy Systems & Solutions Corporation, Kawasaki Heavy Industries, Ltd., Nippon Kaiji Kyokai (ClassNK), ENEOS Corporation
 Note 2. New Energy and Industrial Technology Development Organization

Entered into Bareboat Charter Agreement for Crew Transfer Vessel (CTV) Business for Offshore Wind Power Generation Systems (announced on May 6)

- Entered into 10-year bareboat charter agreement with Northern Offshore Service A.S. ("NOS"), a subsidiary of Northern Offshore Group with whom NYK has MoU for CTV business, regarding latest CTV purchased from NOS.
- First CTV to be owned by NYK, marking the first step for expansion of business in Japan and overseas. NYK engineers to be sent to NOS.



Financial Position

	FY Ending Mar. 2019 (Result)	FY Ending Mar. 2020 (Result)	FY Ending Mar. 2021 (Previous Forecast) *	FY Ending Mar. 2021 (Result)	FY Ending Mar. 2022 (Forecast)	Financial targets of Medium-term Management Plan
Recurring Profit (billion yen)	-2.0	44.4	160.0	215.3	140.0	70.0-100.0
Interest-bearing Debt (billion yen)	1,046.1	1,049.8	990.0	951.1	932.0	-
Shareholders' Equity (billion yen)	487.4	462.6	478.0	625.3	710.0	-
Shareholders' Equity Ratio	24%	24%	26%	29%	32%	min 30%
DER	2.15	2.27	2.07	1.52	1.31	1.50
ROE	-	6.6%	7.4%	25.6%	21.0%	min 8.0%
Cash Flow from Operating Activities (billion yen)	45.3	116.9	135.0	159.3	134.0	-
Cash Flow from Investing Activities (billion yen)	-132.2	-54.8	-86.0	-16.8	-110.8	-
(Depreciation and amortization) (billion yen)	(89.7)	(104.0)	(98.7)	(98.8)	(89.9)	-

*Recurring Profit: forecast as of 3Q , Others: forecast as of 2Q

► 1. Air Cargo Transportation (NCA)

	FY Ending Mar. 2020 (Result)	FY Ending Mar. 2021 (Result)					FY Ending Mar. 2022 (Forecast)		
		1H		2H		Full-year	1H	2H	Full-Year
		Q1	Q2	Q3	Q4				
Revenue	75.1	54.4		67.9		122.4	60.0	61.0	121.0
(Billions of yen)		28.8	25.6	33.3	34.5				
Recurring Profit	-15.5	13.2		20.0		33.2	9.0	11.0	20.0
(Billions of yen)		9.3	3.8	11.4	8.5				
Chargeable Weight	386	238		262		500	219	223	442
(1,000 tons)		118	120	133	128				
Volume (RTK)	2,161	1,324		1,446		2,771	1,238	1,281	2,519
(mil.ton kilo)		649	675	737	709				
Capacity (ATK)	3,503	2,069		1,971		4,040	1,802	1,824	3,626
(mil.ton kilo)		1,017	1,052	1,030	941				
YIELD	85	111		111		111	94	95	94
(FY3/09 Q1=100)		121	102	111	110				
MOPS	\$73	\$36		\$55		\$46	\$60	\$60	\$60
(US\$ per bbl)		\$30	\$42	\$47	\$63				

► 2. Logistics

		FY Ending Mar. 2020 (Result)	FY Ending Mar. 2021(Result)					FY Ending Mar. 2022 (Forecast)		
			H1		H2		Full- Year	1H	2H	Full- Year
		Full- year	Q1	Q2	Q3	Q4				
Ocean Export	TEU	764	336		387		723	370	366	736
	(1,000TEUs)		154	182	197	190				
	Year-on- Year	-6%	-15%		5%		-5%	10%	-5%	2%
			-19%	-10%	-1%	11%				
Air Export	Weight	337	132		194		326	150	156	306
	(1,000 tons)		64	68	91	103				
	Year-on- Year	-11%	-22%		16%		-3%	14%	-20%	-6%
			-23%	-21%	2%	30%				

3. Bulk Shipping – 1) Market trend and forecast

		FY Ending Mar. 2020 (Result)	FY Ending Mar. 2021 (Result)					FY Ending Mar. 2022 (Forecast)		
			Q1	Q2	Q3	Q4	Full-year	1H	2H	Full-Year
Dry Bulk Carriers	BDI	1,286	766	1,520	1,352	1,725	1,341	1,855	1,270	1,563
	Cape	16,805	9,598	20,661	16,657	17,133	16,012	22,000	14,500	18,250
	Panamax	11,997	7,313	13,165	12,067	18,289	12,709	17,000	11,500	14,250
	Handymax	9,543	5,439	9,945	10,778	16,363	10,631	15,500	11,500	13,500
	Handy	8,931	5,178	9,153	11,192	16,328	10,463	14,000	10,500	12,250
Tankers	VLCC	50,922	90,916	18,108	10,516	217	29,939	11,250	28,750	20,000
	VLGC	55,299	33,007	40,722	68,362	40,028	45,530	30,000	37,500	33,750

※ Cape = 5TC, Panamax = 5TC, Handymax = 10TC, Handy = 7TC

※ Dry Bulk Charter Market (Spot Time Charter)

5TC = 5 Trade Average, 10TC = 10 Trade Average, 7TC = 7 Trade Average (Unit : \$/day)

► 3. Bulk Shipping – 2) Car Carrier

	FY Ending Mar. 2020 (Result)	FY Ending Mar. 2021 (Result)					FY Ending Mar. 2022 (Forecast)		
		H1		H2		Full- year	1H	2H	Full-Year
		Q1	Q2	Q3	Q4				
All Trade (10,000 Cars)	442	140		199		339	202	198	401
		83	57	96	103				
Year-on- year	-6%	-39%		-7%		-23%	45%	-1%	18%
		-27%	-52%	-7%	-7%				

※ Calculated on voyage-completion basis. Including Intra-European Trade

Fleet in Operation

Industrial Segment	Type of Vessel	FY Ending Mar. 2020 (Results)			FY Ending Mar. 2021 (Results)					
		Owned (incl. co-owned)		Total	Owned (incl. co-owned)		Chartered		Total	
		Vessels	Vessels	Vessels	Vessels	Kt (DWT)	Vessels	Kt (DWT)	Vessels	Kt (DWT)
Liner Trade	Container Ships	28	30	58	26	1,659	29	3,039	55	4,698
Logistics	Coastal Ships, Ferries	4	8	12	4	23	8	48	12	71
Bulk Shipping	Bulk Carriers (Capesize)	24	90	114	21	4,125	97	19,166	118	23,291
	Bulk Carriers (Panamax)	36	57	93	37	3,291	60	5,106	97	8,397
	Bulk Carriers (Handysize)	60	103	163	57	2,845	93	4,467	150	7,312
	Wood Chip Carriers	9	34	43	9	460	31	1,717	40	2,177
	Car Carriers	44	80	124	42	758	78	1,382	120	2,140
	Tankers	53	21	74	49	6,176	19	2,448	68	8,624
	LNG Carriers	75	3	78	76	6,164	3	226	79	6,390
	Multi-Purpose Carriers	22	19	41	21	397	24	330	45	727
Others	Others	6	0	6	4	29	0	0	4	29
	Cruise Ships	1	0	1	1	7	0	0	1	7
Total		362	445	807	347	25,934	442	37,929	789	63,863
Offshore	Shuttle Tankers			28					29	3,568
	FPSO			3					3	-
	FSO			2					2	-
	Drill Ships			1					1	-
Green Business	LNG Bunkering Vessel			0					2	-
Grand Total				841					826	67,431

- Co-owned vessel's dwt is including not only NYK Group companies' ownership but also other companies' ownership.
- Vessels operated by J/V are included.



OCEAN NETWORK EXPRESS

Financial Results for FY2020 Full-year

APR.30,2021

-  1. FY2020 Full Year Results P.3
-  2. COVID-19 Impact & Countermeasures P.4
-  3. Actions to Achieve Further Competitiveness P.5
-  4. FY2021 Full Year Forecasts P.6
-  5. Reference (Liftings, Utilization, Freight Index in Major Trades) P.7
-  6. Reference (Fleet Structure & Service Structure) P.8

1. FY2020 Full Year Results

□ Outline

ONE's full year results for FY2020 record a profit of US \$3,484 million, an increase of \$3,380 million from FY2019's full year results. The increase in profit is mainly due to the recovery of cargo demand and an increase in the short-term freight market.

- The resurgence of the COVID-19 pandemic continued to cause much turmoil within the entire global supply chain in Q4. Severe shoreside and inland congestion, vessels idling at many ports and container shortages became more problematic.
- Liftings recovered swiftly after Chinese Lunar New Year and freight increased significantly from Q3 to Q4.

□ FY2020 Full Year Results

(Unit: Million US\$)

	FY2020						
	1Q Results	2Q Results	1H Results	3Q Results	4Q Results	2H Results	Full Year Results
Revenue	2,736	3,181	5,917	3,757	4,724	8,480	14,397
Profit/loss for the year	167	515	682	944	1,858	2,802	3,484

Bunker Price (US\$/MT)	\$348	\$309	\$328	\$314	\$356	\$335	\$331
------------------------	-------	-------	-------	-------	-------	-------	-------

*As of Jan 2021

FY2019	Year on Year		FY2020 (Previous Forecasts*)	Results to Previous Forecasts	
Full Year Results	Change	Change (%)	Full Year Forecasts	Change	Change (%)
11,865	2,532	21.3%	13,674	723	5.3%
105	3,380	3229.6%	2,526	958	37.9%

	\$441	-\$110
--	-------	--------

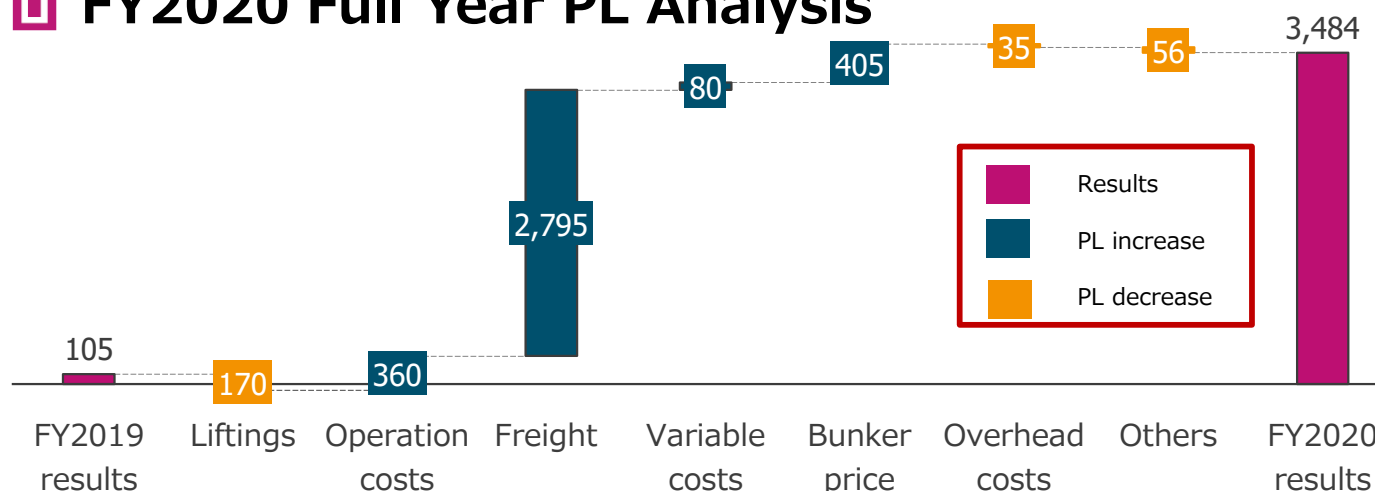
	\$337	-\$5
--	-------	------

FY2020 Other results

- EBITDA : US\$4,855million
- EBIT : US\$3,832million
- Bunker consumption : 3,595K MT
- Liftings : 11,964K TEU

- Liftings: Despite demand sharply recovering in 2H, lifting decreased due to COVID-19 impact in 1H.
- Operation costs: Reduced due to improvements in the product and idling of vessels at many ports caused by increased congestion, which worsened vessels turnaround rates.
- Freight: Significantly improved due to increases in the short-term market.
- Variable costs: Additional costs increased due to shoreside and inland congestion, but cost saving initiatives progressed.
- Bunker price: Further decreased.
- Overhead costs: Agency fees increased.
- Others: FX impact and reduced interest revenue rate, etc.

□ FY2020 Full Year PL Analysis



2. COVID-19 Impact & Countermeasures

COVID-19 impact & countermeasures

Outbreaking situation

- During Q4, global container volumes continued to increase due to a strong demand for consumer goods. Asia-North America trade volume increased in Q4 by 40% Y to Y. The Global cargo volume also grew in Q4 Y to Y indicating a steady recovery trend from Q3, which is contrary to FY2020 1H when the cargo volume was seriously impacted by COVID-19.
- The resurgence of COVID-19 led to labour shortages and operational restrictions in many locations, resulting in longer port stays, port congestion, and heavy rail and truck traffic.
- Increased container dwell times occurred due to truck & chassis shortages and warehouse capacity shortages etc. in Q4.
- International travel restrictions made flexible crew changes difficult.



ONE's countermeasures

Customer service oriented

- Brand-new digital quotation platform "ONE QUOTE" was launched from Feb,2021.
- Customer communications regarding both container availability and vessel space were enhanced

Operation excellency

- Additional ships were chartered to recover schedule integrity and to rescue rolled-over cargo. Extra sailings were executed.
- Container procurement was maximised with new containers phasing in upon delivery.
- Full utilization of ONE's own space and the execution of empty sweeper sailings to bring empty containers back to locations with strong demand.
- By close cooperation with ship owners, vessels were diverted, and extra calls added for crew changes where possible.

Quality of employee

- The utmost priority has been given to employees' safety by enabling remote working globally.
- Initiatives to keep employees connected during the pandemic have been arranged. CSR activities have been undertaken in many countries which contribute to local communities.



Despite ONE's efforts there remains excessive strain on the entire global supply chain.

3. Actions to Achieve Further Competitiveness

- The announcement of the new THE ALLIANCE product for FY 2021 such as; the ASIA-US GULF new service (EC6), the merger of the EC1 and EC3 in Asia- EC North America route through the deployment of larger vessels and the restructuring and capacity boost of the Transatlantic services, will increase frequency, improve transit times and provide a wider range of port pairs.
- The launch of the new Asia-East Africa (EAF) service in April 2021, where growth is expected.
- As part of the ongoing enhancement of E-Commerce functions, ONE's brand-new digital quotation platform "ONE QUOTE" was launched in Feb 2021. Using the platform customers can receive an instant quotation and place bookings anytime, anywhere.
- ONE conducted a successful trial using sustainable biofuel to power the M/V MOL Experience deployed in the Transatlantic service, a positive step forward for ONE's sustainability initiatives.
- ONE's Green Strategy Department was launched in April 2021, to drive ONE's environmental sustainability endeavours through close collaboration with various internal and external stakeholders.
- ONE signed a memorandum of cooperation with the Maritime and Port Authority of Singapore to establish a fund for a maritime decarbonization centre in Singapore. ONE is committed to accelerating maritime-decarbonization-related research and technology development projects through collaboration at both governmental and private sector industry level.

4. FY2021 Full Year Forecasts

▣ FY2021 Full Year Forecasts

- Whilst the steady demand continues, the excessive strain on the entire global supply chain triggered by the operational restrictions resulting from COVID-19 pandemic still remains.
- COVID-19 pandemic is expected to ease with the global vaccination roll out. But, the resurgence of COVID-19 and possible variants are still a great cause for concern. It is difficult to predict when the pandemic and its effects will be over.
- The FY2021 economic environment will change as the global situation of COVID-19 changes. It is therefore extremely difficult to make a performance forecast and as such ONE's forecasts for FY2021 are yet to be finalized.

5. Reference (Lifting, Utilization Rates, Freight Index in Major Trades)

(Unit: 1,000TEU)

Liftings / Utilization by Trades		FY2019	FY2020						
		Full Year Results	1Q Results	2Q Results	1H Results	3Q Results	4Q Results	2H Results	Full Year Results
Asia - North America	Lifting	2,692	610	765	1,375	730	659	1,389	2,764
Eastbound	Utilization	91%	96%	100%	98%	103%	102%	103%	100%
Asia - Europe	Lifting	1,830	347	419	766	402	389	791	1,556
Westbound	Utilization	93%	96%	98%	97%	102%	99%	100%	99%

Asia - North America	Lifting	1,310	327	328	654	368	330	698	1,352
Westbound	Utilization	44%	51%	43%	47%	54%	56%	55%	51%
Asia - Europe	Lifting	1,339	290	289	579	331	308	639	1,219
Eastbound	Utilization	67%	75%	70%	73%	80%	80%	80%	76%

(Unit: 100 = average freight rates as of 1Q FY2018)

Freight Index by Trades		FY2019	FY2020						
		Full Year Results	1Q Results	2Q Results	1H Results	3Q Results	4Q Results	2H Results	Full Year Results
Asia - North America	Eastbound	105	110	119	115	140	157	148	132
Asia - Europe	Westbound	102	106	103	104	125	280	201	153

- Liftings, Utilization Rates : The lifting decreased as well as the space due to port congestion. The utilization rate was maintained at almost 100% level on both Asia-North America trade and Asia-Europe trade.
- Freight Index : Both Asia-North America trade and Asia-Europe trade increased by a rise in the short-term freight market.

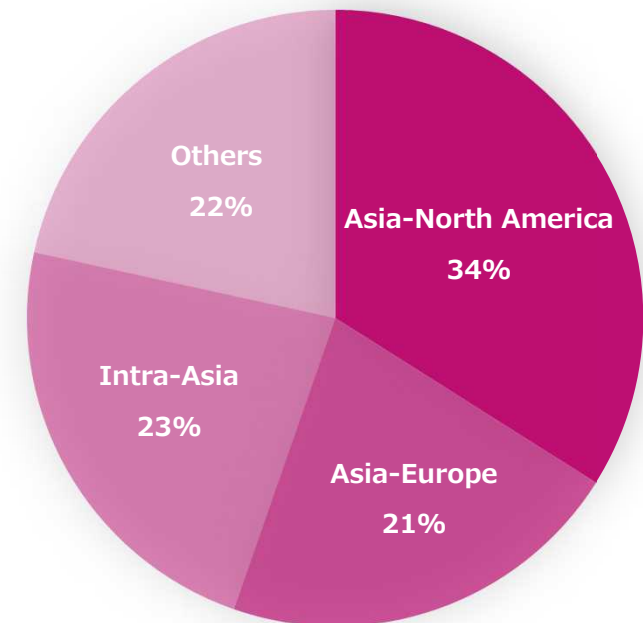
6. Reference (Fleet Structure & Service Structure)

▣ Fleet Structure

Size		1)As of end Dec 2020	2)As of end Mar 2021	2)-1)
>= 20,000 TEU	Capacity (TEU)	120,600	120,600	0
	Vessels	6	6	0
10,500 - 20,000 TEU	Capacity (TEU)	411,600	431,600	20,000
	Vessels	30	32	2
9,800 - 10,500 TEU	Capacity (TEU)	100,100	100,100	0
	Vessels	10	10	0
7,800 - 9,800 TEU	Capacity (TEU)	383,326	383,326	0
	Vessels	43	43	0
6,000 - 7,800 TEU	Capacity (TEU)	177,216	170,866	▲ 6,350
	Vessels	27	26	▲ 1
5,200 - 6,000 TEU	Capacity (TEU)	89,458	94,928	5,470
	Vessels	16	17	1
4,600 - 5,200 TEU	Capacity (TEU)	103,731	103,607	▲ 124
	Vessels	21	21	0
4,300 - 4,600 TEU	Capacity (TEU)	67,271	67,271	0
	Vessels	15	15	0
3,500 - 4,300 TEU	Capacity (TEU)	33,193	32,664	▲ 529
	Vessels	8	8	0
2,400 - 3,500 TEU	Capacity (TEU)	71,143	79,282	8,139
	Vessels	27	30	3
1,300 - 2,400 TEU	Capacity (TEU)	13,951	12,171	▲ 1,780
	Vessels	8	7	▲ 1
1,000 - 1,300 TEU	Capacity (TEU)	9,584	8,536	▲ 1,048
	Vessels	9	8	▲ 1
< 1,000 TEU	Capacity (TEU)	0	0	0
	Vessels	0	0	0
Total	Capacity (TEU)	1,581,173	1,604,951	23,778
	Vessels	220	223	3

▣ Service Structure

(FY2020 Q4 Structure of dominant and non-dominant space)





Legal Disclaimer

The above statements and any others in this document that refer to future plans, earning forecasts, strategy, policy and expectations are “forward-looking statements”, which are made based on the information currently available and certain assumptions. Words such as, without limitation, “anticipates,” “estimates,” “expects,” “intends,” “goals,” “plans,” “believes,” “seeks,” “continues,” “may,” “will,” “should,” and variations of such words and similar expressions are intended to identify such forward-looking statements. Our actual results, performance or achievements may differ materially from those indicated by these forward-looking statements as a result of various uncertainties and variable factors.

Factors which could cause inconsistency between such forward-looking statements in this document and our actual results include, but not limited to, material changes in the shipping markets, fluctuation of currency exchange rates, interest rates, and bunker oil prices. You can refer the detail to security reports, which is available on EDINET (<http://info.edinet-fsa.go.jp/>).

Any forward-looking statement in this document speaks only as of the date on which it is made, and NYK assumes no obligation to update or revise any forward-looking statements in light of new information or future events.

While NYK have made every attempt to ensure that the information contained in this document has been obtained from reliable sources, but no representations or warranty, express or implied, are made that such information is accurate or complete, and no responsibility or liability can be accepted by NYK Line for errors or omissions or for any losses arising from the use of this information.

No part of this document shall be reproduced, stored in a retrieval system or transmitted in any form or by any means, electronic, mechanical, photocopying, recording or otherwise, without the prior written permission of NYK Line.