

First Quarter Financial Results for Fiscal Year Ending March 2022, and Forecast for Entire Fiscal Year

August 4, 2021

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

(Attachment) Ocean Network Express Financial Results for FY2021 1st Quarter

1. Overview of the 1st Quarter Results for FY Ending March 2022

Results



Q1 review (year-on-year)

▶ Revenues: JPY504.6 billion (up JPY143.4 billion)

- Revenues increased as freight levels of the logistics business rose and handling volume grew (up JPY63.8 billion)
- Revenues increased in the bulk shipping business (up JPY52.8 billion)

▶ Recurring profit/loss: JPY153.6 billion (up JPY137.0 billion)

- Significant profit increase at the liner & logistics business (liner, air cargo, and logistics) (up JPY119.4 billion)
- P/L of the bulk shipping business also improved (up JPY17.2 billion)

▶ Net income: JPY151.0 billion (up JPY139.4 billion)

Trend since Q4 of the previous FY (recurring profit/loss)

- ▶ The liner & logistics (liner, air cargo, and logistics) and bulk shipping businesses in Q1 outperformed their results in Q4 of the previous FY

Results for Q4 of previous FY	JPY93.2 billion
Q1 results	JPY153.6 billion
Increase	JPY60.4 billion

1. Overview of the 1st Quarter Results for FY Ending March 2022

Results



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

▶ **Liner: JPY111.3 billion (up JPY104.6 billion)**

- Container shipping (Ocean Network Express) -
- Robust transportation demand continued. Liftings also increased almost 20% year on year
- Shoreside and inland congestion remain, and tight supply-demand balance continues
- Short-term freight rates remained high, while long-term freight rates also rose
- Terminals -
- Handling volume in and outside Japan recovered year on year

▶ **Air Cargo: JPY15.3 billion (up JPY5.9 billion)**

- Supply of cargo space continued to decline due to suspension and cancellation of international passenger flights
- Freight rates remained high supported primarily by cargo from Japan, which has been strong
- Part of ocean freight shifted to air freight due to lack of space in container shipping, further boosting demand

1. Overview of the 1st Quarter Results for FY Ending March 2022

Results



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

► Logistics: JPY11.5 billion (up JPY8.8 billion)

- **Ocean freight:** Handling volume increased year on year. Selling prices catch up with rising purchase prices for transportation spaces, and profit levels are improving
- **Air freight:** Supply-demand balance became tight due to cancellations of international passenger flights, and P/L improved also due to partial shift of ocean freight
- **Logistics:** Handling volume increased, supported by strong demand for consumer goods

► Bulk Shipping: JPY16.0 billion (up JPY17.2 billion)

- **Car carrier -**
 - Shipping volume increased year on year, primarily for North America and Middle East
 - The impact of semiconductor shortage on shipping volume was limited
- **Dry bulk -**
 - Market rates remained at levels exceeding regular year levels for each vessel type
- **Energy -**
 - Affected by the market price decline for some VLCC (large-sized tankers), etc.
 - Business performance of LNG and offshore businesses has been stable, led by medium- to long-term contracts

Summary of 1st Quarter Results

Q1 Results



(Billions of yen)	FY Ending Mar. 2021							FY Ending Mar. 2022	Year-on-year
	Q1	Q2	1H	Q3	Q4	2H	Full-Year	Q1	
Revenue	361.1	360.8	721.9	423.9	462.4	886.3	1,608.4	504.6	143.4
Operating Profit	8.9	7.7	16.6	31.2	23.5	54.7	71.5	53.0	44.0
Recurring Profit	16.5	30.8	47.3	74.6	93.2	167.8	215.3	153.6	137.0
Net Income Attributable to Owners of the Parent Company	11.6	10.4	22.0	30.1	86.8	116.9	139.2	151.0	139.4
Exchange Rate	¥107.74	¥105.90	¥106.82	¥104.76	¥104.74	¥104.75	¥105.79	¥109.80	¥2.06
Bunker Oil Prices	\$452.83	\$308.51	\$379.90	\$331.04	\$363.90	\$348.39	\$362.95	\$441.92	-\$10.92

Q1 Comparison by Industrial SEGs

Q1 Results



Industrial Segment (Billions of yen)	FY Ending Mar. 2021							FY Ending Mar. 2022 Q1	Year-on-year	
	Q1	Q2	1H	Q3	Q4	2H	Full-Year			
Liner & Logistics	Liner	39.1	42.1	81.2	45.1	44.0	89.1	170.5	50.1	11.0
		6.7	21.7	28.4	40.0	72.3	112.3	140.8	111.3	104.6
	Air Cargo	28.8	25.6	54.4	33.3	34.5	67.8	122.4	43.9	15.0
		9.3	3.8	13.1	11.4	8.5	19.9	33.2	15.3	5.9
	Logistics	112.9	122.1	235.0	152.5	173.5	326.0	561.2	176.8	63.8
	-0.0	5.3	8.0	9.3	9.5	18.8	27.0	11.5	8.8	
(Total)	181.0	189.8	370.8	231.1	252.1	483.2	854.2	270.9	89.9	
	18.8	30.9	49.7	60.8	90.4	151.2	201.1	138.2	119.4	
Bulk Shipping	Bulk Shipping	164.8	153.1	317.9	175.4	188.1	363.5	681.5	217.6	52.8
		-1.1	1.3	0.2	13.9	4.4	18.3	18.6	16.0	17.2
Others	Real Estate	1.7	1.7	3.4	1.6	1.7	3.3	6.8	1.5	-0.1
		0.7	0.6	1.3	0.6	0.5	1.1	2.5	0.7	0.0
	Other	27.3	31.4	58.7	32.0	38.8	70.8	129.7	33.9	6.5
		-0.4	-1.0	-1.4	0.1	-0.8	-0.7	-2.2	-0.6	-0.2
Elimination/ Unallocation	-13.8	-15.3	-29.1	-16.4	-18.4	-34.8	-64.0	-19.5	-5.6	
	-1.3	-1.0	-2.3	-0.9	-1.3	-2.2	-4.7	-0.7	0.5	
Consolidated		361.1	360.8	721.9	423.9	462.4	886.3	1,608.4	504.6	143.4
		16.5	30.8	47.3	74.6	93.2	167.8	215.3	153.6	137.0

* (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. 2021 and FY Ending Mar. 2022

Q1 Results

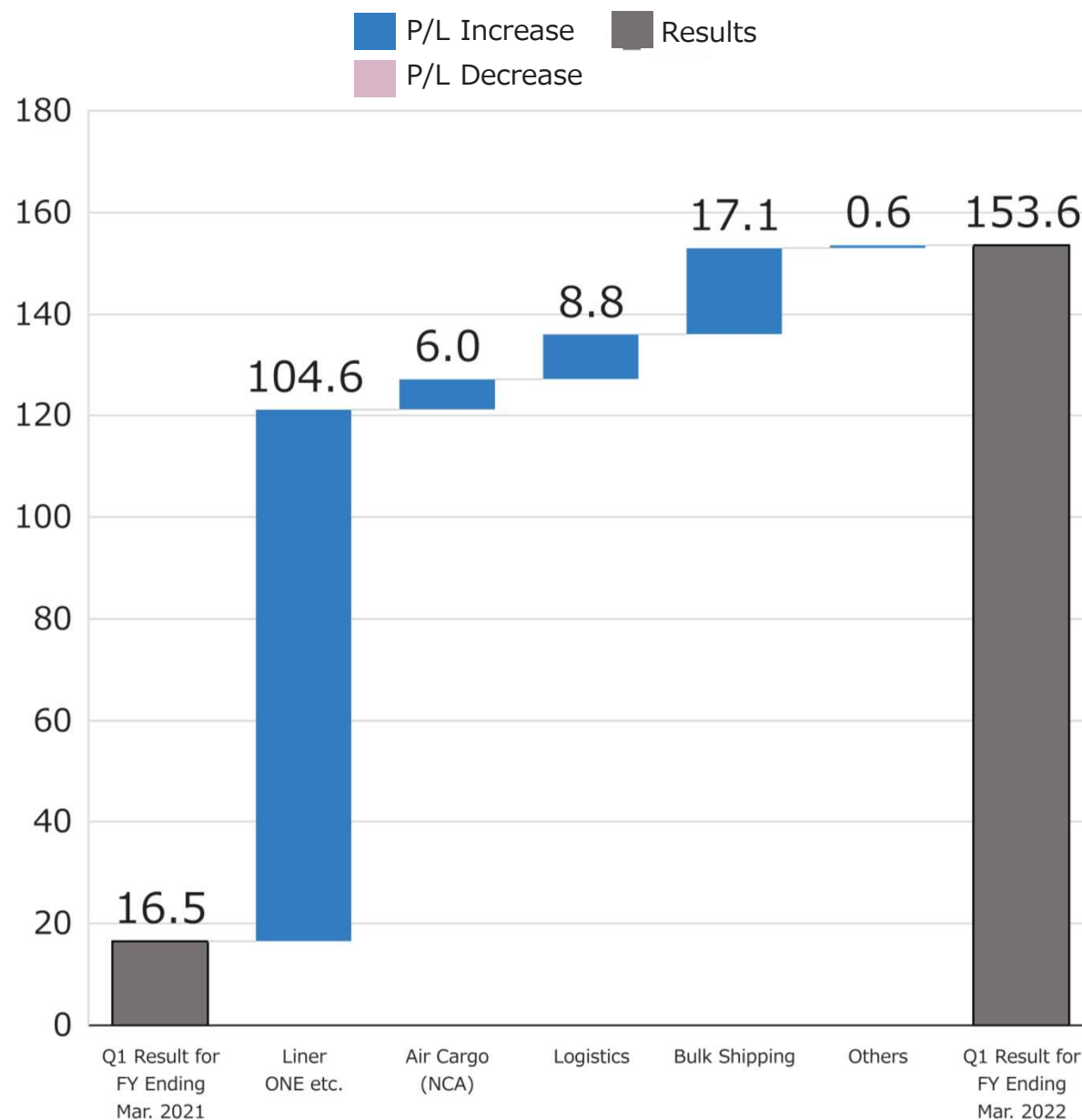


Analysis by factor

Yen Depreciation	0.6	¥109.80/\$ Depreciated by ¥2.06
Lower Bunker Oil Prices	0.1	\$441.92/MT Decreased by \$10.92/MT
Market Effects, etc.	120.1	Liner (incl. ONE) +104.3 Bulk Shipping +15.8
Foreign Exchange Profit/Loss	1	
Others	15.2	Logistics (YLK) + 8.8
Total	137.0	

Analysis by business

(billion yen)



Full-year forecast (compared with the forecast announced at the previous full-year results)

- ▶ **Revenues: JPY1,850.0 billion (upward revision of JPY350.0 billion)**
 - Expects handling volume (air freight) in the logistics business to increase and freight rates to rise (up JPY135.0 billion)
 - Revised upward the bulk shipping business (up JPY164.0 billion)
- ▶ **Recurring profit/loss: JPY500.0 billion (upward revision of JPY360.0 billion)**
 - Significantly raised the forecast for the liner & logistic business (liner, air cargo, and logistics) compared with the previous forecast (up JPY334.5 billion)
 - The forecast for the bulk shipping business was raised considering the recovery in shipping volume in car carrier and the strong market prices for dry bulk (up JPY26.0 billion)
- ▶ **Net income: JPY500.0 billion (upward revision of JPY360.0 billion)**
 - Expecting extraordinary profit of approx. JPY23.0 billion from transfer of partial shares in a subsidiary in the real estate industry
- ▶ **Dividend: Full-year dividend of JPY700/share**
 - Expects to pay interim dividend of JPY200/share and year-end dividend of JPY500/share

By industrial SEGs (recurring profit/loss compared with the forecast announced at the previous full-year results)

▶ **Liner: JPY348.5 billion (upward revision of JPY291.5 billion)**

- Container shipping (Ocean Network Express) -
- It is still unclear when the infection would subside
- Strong transportation demand and shoreside and inland congestions continue, and it is unclear when the supply-demand balance would normalize
- The outlook was formulated on the premise that it would gradually normalize from Q3
- Terminals –
- Japan: Expects recovery in handling volume year on year
- Overseas: Handling volume to decline as container demand settles

▶ **Air Cargo: JPY41.0 billion (upward revision of JPY21.0 billion)**

- Though there might be seasonal negative factors, firm demand is expected. The international passenger flights market is assumed to gradually recover from Q4
- The shift from ocean freight to air freight is expected to settle down at the same time with supply-demand balance for container ship space will move towards normalization

By industrial SEGs (recurring profit/loss compared with the forecast announced at the previous full-year results)

▶ **Logistics: JPY34.0 billion (upward revision of JPY22.0 billion)**

- **Ocean freight:** Continue flexible marketing in response to demand while handling volume is expected to gradually settle from the second half
- **Air freight:** Handling volume is expected to increase compared with the previous forecast. Tight supply-demand situation likely to continue for a certain period of time
- **Logistics:** Efforts will be made to stabilize earnings through review of contracts and cost reductions

▶ **Bulk Shipping: JPY80.0 billion (upward revision of JPY26.0 billion)**

- **Car carrier -**
- While the impact of semiconductor shortage is unclear, shipping volume is expected to increase compared with the previous forecast (up 4%)
- **Dry bulk -**
- The market rates for each vessel type were revised upward compared with the previous forecast
- While the market rates are expected to soften in the second half due to seasonal factors, they are expected to outperform the levels of a regular year
- **Energy -**
- Though the stagnation in market rates of VLCC (large tankers), etc. might have a certain level of impact, performance is expected to be firm supported by medium- to long-term contracts in the LNG vessels and offshore business

Summary of Forecast for FY Ending Mar. 2022

Forecast



	FY Ending Mar. 2021 (Result)					FY Ending Mar. 2022 (Forecast)				Year-on-Year	Change from Prev. Forecast*
	1H		2H		Full-year	1H		2H	Full-Year		
	Q1	Q2	Q3	Q4		Q1 (Result)	Q2				
Revenue	722.0		886.3		1,608.4	970.0		880.0	1,850.0	241.6	350.0
	361.1	360.8	423.9	462.4		504.6	465.4				
Operating Profit	16.6		54.8		71.5	100.0		50.0	150.0	78.5	84.0
	8.9	7.7	31.2	23.5		53.0	47.0				
Recurring Profit	47.4		167.9		215.3	340.0		160.0	500.0	284.7	360.0
	16.5	30.8	74.6	93.2		153.6	186.4				
Net Income Attributable to Owners of the Parent Company	22.1		117.0		139.2	350.0		150.0	500.0	360.8	360.0
	11.6	10.4	30.1	86.8		151.0	199.0				
Exchange Rate	¥107.74	¥105.90	¥104.76	¥104.74	¥105.79	¥109.80	¥105.00	¥105.00	¥106.20	¥0.41	¥1.20
Bunker Prices (All Grades)	\$452.83	\$308.51	\$331.04	\$363.90	\$362.95	\$441.92	\$499.00	\$479.00	\$474.73	\$111.78	¥-34.27
Bunker Prices (HSFO)	-	-	-	-	-	-	\$390.00	\$370.00	-	-	-
Bunker Prices (VLSFO)	-	-	-	-	-	-	\$500.00	\$480.00	-	-	-

► Sensitivity to profit (Full Year)

Exchange rate: Approx. JPY4.06 billion increase per ¥1/\$ depreciation

Bunker oil prices: Approx. JPY0.46 billion increase per \$10/MT decrease

*Previous Forecast = The forecast for FY 2021 announced on May 10, 2021

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	1H	2H	Full-year	Q1 (Result)	Q2	1H	2H	Full-Year		
Liner & Logistics	Liner	39.1	42.1	81.3	89.1	170.5	50.1	41.8	92.0	76.0	168.0	-2.5
		6.7	21.7	28.4	112.3	140.8	111.3	135.1	246.5	102.0	348.5	207.7
	Air Cargo	28.8	25.6	54.4	67.9	122.4	43.9	37.0	81.0	70.0	151.0	28.6
		9.3	3.8	13.2	20.0	33.2	15.3	9.6	25.0	16.0	41.0	7.8
	Logistics	112.9	122.1	235.0	326.1	561.2	176.8	159.2	336.0	295.0	631.0	69.8
		2.7	5.3	8.1	18.9	27.0	11.5	11.4	23.0	11.0	34.0	7.0
(Total)	181.0	189.8	370.8	483.3	854.2	270.9	238.1	509.0	441.0	950.0	95.8	
	18.8	30.9	49.8	151.2	201.1	138.2	156.2	294.5	129.0	423.5	222.4	
Bulk Shipping	164.8	153.1	317.9	363.5	681.5	217.6	207.3	425.0	398.0	823.0	141.5	
	-1.1	1.3	0.1	18.4	18.6	16.0	32.5	48.5	31.5	80.0	61.4	
Others	Real Estate	1.7	1.7	3.4	3.3	6.8	1.5	0.4	2.0	1.0	3.0	-3.8
		0.7	0.6	1.3	1.2	2.5	0.7	0.3	1.0	1.0	2.0	-0.5
	Other	27.3	31.4	58.8	70.9	129.7	33.9	38.1	72.0	77.0	149.0	19.3
		-0.4	-1.0	-1.5	-0.7	-2.2	-0.6	-1.3	-2.0	1.0	-1.0	1.2
Elimination/ Unallocation	-13.8	-15.3	-29.1	-34.8	-64.0	-19.5	-18.5	-38.0	-37.0	-75.0	-11.0	
	-1.3	-1.0	-2.4	-2.2	-4.7	-0.7	-1.2	-2.0	-2.5	-4.5	0.2	
Consolidated	361.1	360.8	722.0	886.3	1,608.4	504.6	465.4	970.0	880.0	1,850.0	241.6	
	16.5	30.8	47.4	167.9	215.3	153.6	186.4	340.0	160.0	500.0	284.7	

* (Upper) Revenue (Lower) Recurring Profit

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

Forecast by Industrial SEGs for FY Ending Mar. 2022

Forecast



Industrial Segment (Billions of yen)	Previous Forecast*			Revised Forecast			Change Full-Year			
	1H	2H	Full-year	1H	2H	Full-year	1H	2H	Full-year	
Global Logistics	Liner	87.0	66.0	153.0	92.0	76.0	168.0	5.0	10.0	15.0
		44.0	13.0	57.0	246.5	102.0	348.5	202.5	89.0	291.5
	Air Cargo	60.0	61.0	121.0	81.0	70.0	151.0	21.0	9.0	30.0
		9.0	11.0	20.0	25.0	16.0	41.0	16.0	5.0	21.0
	Logistics	246.0	250.0	496.0	336.0	295.0	631.0	90.0	45.0	135.0
	5.0	7.0	12.0	23.0	11.0	34.0	18.0	4.0	22.0	
(Total)	393.0	377.0	770.0	509.0	441.0	950.0	116.0	64.0	180.0	
	58.0	31.0	89.0	294.5	129.0	423.5	236.5	98.0	334.5	
Bulk Shipping	Bulk Shipping	333.0	326.0	659.0	425.0	398.0	823.0	92.0	72.0	164.0
		30.0	24.0	54.0	48.5	31.5	80.0	18.5	7.5	26.0
Others	Real Estate	3.0	3.0	6.0	2.0	1.0	3.0	-1.0	-2.0	-3.0
		1.0	1.0	2.0	1.0	1.0	2.0	0.0	0.0	0.0
	Other	62.0	64.0	126.0	72.0	77.0	149.0	10.0	13.0	23.0
	-1.0	0.5	-0.5	-2.0	1.0	-1.0	-1.0	0.5	-0.5	
Elimination/ Unallocation	-31.0	-30.0	-61.0	-38.0	-37.0	-75.0	-7.0	-7.0	-14.0	
	-2.0	-2.5	-4.5	-2.0	-2.5	-4.5	0.0	0.0	0.0	
Consolidated		760.0	740.0	1,500.0	970.0	880.0	1,850.0	210.0	140.0	350.0
		86.0	54.0	140.0	340.0	160.0	500.0	254.0	106.0	360.0

* (Upper) Revenue (Lower) Recurring Profit

* Previous Forecast = The forecast for FY 2021 announced on May 10, 2021

▶ Appendix

► 1. Air Cargo Transportation (NCA)

	FY Ending Mar. 2021 (Result)					FY Ending Mar. 2022 (Forecast)				Change from Prev. Forecast (Full-year)
	1H		2H		Full-year	1H		2H	Full-year	
	Q1	Q2	Q3	Q4		Q1	Q2			
Revenue (Billions of yen)	54.4		67.9		122.4	81.0		70.0	151.0	30.0
	28.8	25.6	33.3	34.5		43.9	37.0			
Recurring Profit (Billions of yen)	13.2		20.0		33.2	25.0		16.0	41.0	21.0
	9.3	3.8	11.4	8.5		15.3	9.6			
Chargeable Weight (1,000 tons)	238		262		500	244		219	463	21
	118	120	133	128		129	115			
Volume (RTK) (mil.ton kilo)	1,324		1,446		2,771	1,376		1,236	2,612	93
	649	675	737	709		726	649			
Capacity (ATK) (mil.ton kilo)	2,069		1,971		4,040	1,889		1,821	3,710	84
	1,017	1,052	1,030	941		953	937			
YIELD FY3/09 Q1=100	111		111		111	131		122	127	33
	121	102	111	110		139	12			
MOPS US\$ per bbl	\$36		\$55		\$46	\$72		\$73	\$73	\$13
	\$30	\$42	\$47	\$63		\$71	\$73			

► 2. Logistics

		FY Ending Mar. 2020 (Result)	FY Ending Mar. 2021 (Result)				FY Ending Mar. 2022(Forecast)					Change from Prev. Forecast (Full-year)
		Full-year	1H		2H		Full-year	1H		2H		
	Q1		Q2	Q3	Q4	Q1 (Result)		Q2	Q3	Q4		
Ocean Export	TEU	764	336		387		377		354		731	-5
	(1,000TEUs)		154	182	197	190	188	189	183	171		
	Year-on-Year	-6%	-15%		5%		12%		-9%		1%	-1%
			-19%	-10%	-1%	11%	22%	4%	-7%	-10%		
Air Export	Weight	337	132		194		199		183		382	76
	(1,000 tons)		64	68	91	103	100	99	100	83		
	Year-on-Year	-11%	-22%		16%		51%		-6%		17%	23%
			-23%	-21%	2%	30%	56%	46%	10%	-19%		

▶ 3. Bulk Shipping – 1) Market trend and forecast

		FY Ending Mar. 2021 (Result)					FY Ending Mar. 2022 (Forecast)				Prev. Forecast
		Q1	Q2	Q3	Q4	Full-year	Q1 (Result)	Q2	2H	Full-Year	Full-year
Dry Bulk Carriers	BDI	766	1,520	1,352	1,725	1,341	2,791	2,870	1,980	2,405	1,563
	Cape	9,598	20,661	16,657	17,133	16,012	31,280	32,000	21,000	26,320	18,250
	Panamax	7,313	13,165	12,067	18,289	12,709	25,912	28,000	19,500	23,228	14,250
	Handymax	5,439	9,945	10,778	16,363	10,631	25,407	25,000	18,500	21,852	13,500
	Handy	5,178	9,153	11,192	16,328	10,463	22,420	23,000	17,000	19,855	12,250
Tankers	VLCC	90,916	18,108	10,516	217	29,939	-589	5,000	17,500	9,853	20,000
	VLGC	33,007	40,722	68,362	40,028	45,530	35,655	30,000	37,500	35,164	33,750

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

※ Dry Bulk Charter Market (Sport 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. 2021 (Result)					FY Ending Mar. 2022 (Forecast)				Year-on-year
	1H		2H		Full-year	1H		2H	Full-Year	
	Q1	Q2	Q3	Q4		Q1 (Result)	Q2			
All Trade (10,000 Cars)	145		211		356	213		221	434	21
	87	59	101	110		107	106			
Year-on-year	-39%		-5%		-22%	46%		5%	22%	4%
	-25%	-51%	-5%	-4%		23%	81%			

- ※ FY ending March 2021 is calculated on voyage-completion basis
- ※ FY ending March 2022 is calculated on loading-completion basis
- ※ Including Intra-European Trade (incl. space-chartered trade)

ONE

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Financial Results for FY2021 1st Quarter

JULY.30, 2021

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1. FY2021 1st Quarter Results

□ Outline

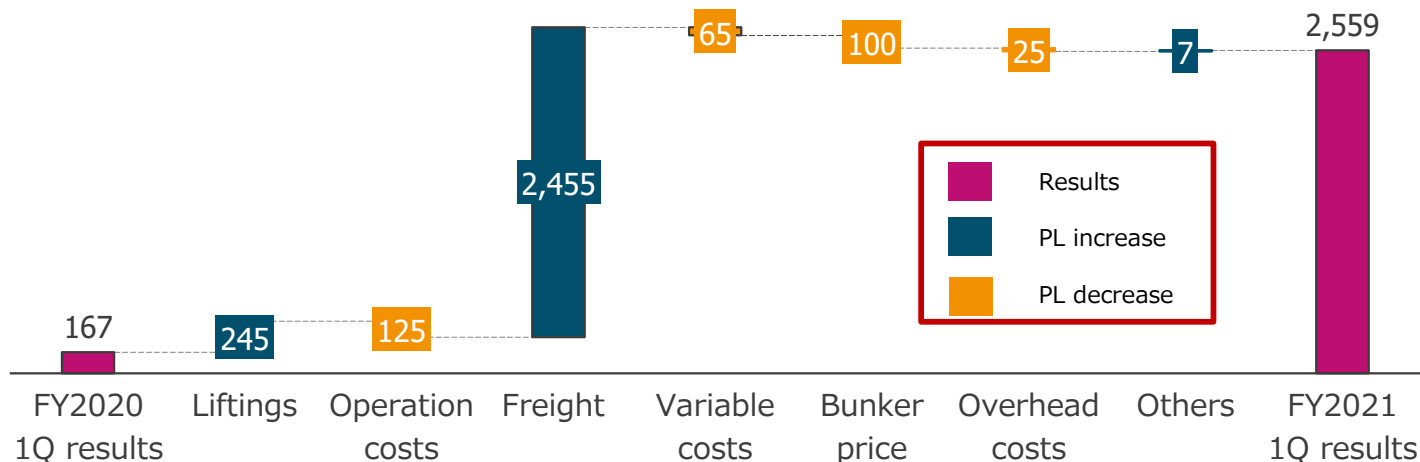
In Q1, ONE's profit significantly increased to US\$2,559 Million compared to the same period last year (+US\$2,392 Million). This increase is mainly due to the continuous strong market.

- The global container trade volumes increased by approximately 20% Y to Y. Vessel utilization was at full capacity due to the strong cargo demand.
- The turmoil within the entire global supply chain continued in Q1. Severe shoreside and inland congestion was and is still ongoing.
- Long term freight increased and short term freight was significantly higher than expected.

□ FY2021 1st Quarter Results and PL Analysis

(Unit: Million US\$)

	FY2020	FY2021	1Q	
	1Q Results	1Q Results	Change	Change (%)
Revenue	2,736	5,776	3,040	111%
EBITDA	488	2,924	2,436	499%
EBIT	242	2,657	2,415	998%
Profit/Loss	167	2,559	2,392	1432%
Bunker Price (US\$/MT)	\$348	\$465	\$117	34%
Bunker consumption (K MT)	877	906	29	3%
Lifting (K TEU)	2,673	3,104	431	16%



- Liftings: Increased due to global strong cargo demand compared to the same period last year, which was significantly affected by COVID-19.
- Operation costs: Increased due to faster vessel speeds to improve schedule reliability. Vessel delay due to port/terminal congestion is ongoing.
- Freight: Significantly improved due to increases in both long-term and short-term market.
- Variable costs: Cost saving initiatives progressed, but additional costs increased due to shoreside and inland congestion.
- Bunker price: Further increased.
- Overhead costs: Agency fees increased.
- Others: Increased due to FX impact and interest rate, etc.

2. Liftings, Utilization Rates, Freight Index in Major Trades

(Unit: 1,000TEU)

Liftings / Utilization by Trades		FY2020							FY2021
		1Q Results	2Q Results	1H Results	3Q Results	4Q Results	2H Results	Full Year Results	1Q Results
Asia - North America Eastbound	Lifting	610	765	1,375	730	659	1,389	2,764	615
	Utilization	96%	100%	98%	103%	102%	103%	100%	100%
Asia - Europe Westbound	Lifting	347	419	766	402	389	791	1,556	436
	Utilization	96%	98%	97%	102%	99%	100%	99%	100%
Asia - North America Westbound	Lifting	327	328	654	368	330	698	1,352	328
	Utilization	51%	43%	47%	54%	56%	55%	51%	54%
Asia - Europe Eastbound	Lifting	290	289	579	331	308	639	1,219	339
	Utilization	75%	70%	73%	80%	80%	80%	76%	82%

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

Freight Index by Trades		FY2020							FY2021
		1Q Results	2Q Results	1H Results	3Q Results	4Q Results	2H Results	Full Year Results	1Q Results
Asia - North America Eastbound		110	119	115	140	157	148	132	185
Asia - Europe Westbound		106	103	104	125	280	201	153	327

- **Liftings, Utilization Rates** : The lifting on Asia-North America E/B decreased from FY2020 Q4 due to blank sailings caused by port congestion or vessel delays, but the vessel utilization rate was maintained at 100%. Both lifting and utilization on Asia-Europe W/B improved. The lifting and utilization rate on both Asia-North America and Asia-Europe trade improved compared to FY2020 Q1.
- **Freight Index** : Both long and short-term freight market increased. It significantly improved compared to the same period last year.

3. COVID-19 Impact & Countermeasures

COVID-19 impact & countermeasures

Outbreaking situation

- In addition to stay-at-home demand, cargo demand related to going out is recovering, and the global container trade volumes increased by approximately 20% Y to Y due to a strong demand for consumer goods. Asia-North America trade market volume from January to June increased by 40% Y to Y and by 27% compared to the same period of FY19 before the COVID-19 pandemic. The average growth ratio from 2016 to 2020 was around 4%.
- The strong cargo demand and labour shortages have resulted in longer port stays, port congestion, and heavy rail and truck traffic.
- Increased container dwell times occurred due to truck and chassis shortages, etc.
- International travel restrictions made flexible crew changes difficult.



ONE's countermeasures

Customer service oriented

- Digital solutions, such as the brand-new digital quotation platform "ONE QUOTE" have been accelerated.
- The Live Chat function has enabled close communications with customers regarding both container availability and vessel.

Operational excellency

- Operational optimization included the increase of vessels speed to recover schedule integrity and rescue rolled-over cargo.
- Container procurement was maximised with new containers phasing in upon delivery, especially for Reefer.
- Full utilization of ONE's own space by AI technology and the execution of empty sweeper sailings to bring empty containers back to those locations with strong demand.
- ONE worked together with the terminals to enhance early container pick up and return requests to the customers.
- In close cooperation with ship owners, crew changes were enabled by diverting vessels and adding extra port calls.

Quality of employees

- Flexible remote working has continued in offices around the world. Activities to keep employees connected and contributions to local communities have also continued.
- Neptune Declaration on seafarers' wellbeing as well as crew change has been undertaken as CSR activity.



**There remains excessive strain on the entire global supply chain.
ONE is doing its utmost effort to support social infrastructure globally.**

4. FY2021 Full Year Forecasts

- Whilst the current demand is rapidly increasing, the excessive strain on the entire global supply chain triggered by operational restrictions resulting from COVID-19 pandemic still remains.
- The COVID-19 pandemic is expected to ease with the global vaccination roll out. However, the resurgence of COVID-19 continues in some countries and possible variants are still a great cause for concern. It is difficult to predict when the pandemic and its effects will be over.
- Under such circumstances, approximately US\$6,000 million profit after tax would be expected for the FY21 1H at the present moment.
- The economic environment is now changing 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. Actions to Achieve Further Competitiveness

- The launch of the new THE ALLIANCE product for FY 2021 which includes the new ASIA-US GULF service (EC6), the merger of the EC1 and EC3 in Asia- EC North America route through the deployment of larger vessels and a restructuring and capacity boost of the Transatlantic services, resulted in increased frequency, improved transit times, and provided a wider range of port pairs.
- The new Asia-East Africa (EAF) service, where growth is expected, successfully launched in April 2021 with vessels fully loaded.
- E-Commerce function, ONE's brand-new digital instant quotation and booking platform "ONE QUOTE" is successfully expanding since its launch in February 2021 and will enhance new functions, like E-payment and E-signature.
- ONE conducted a 2nd 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 has been awarded ISO 9001 for ONE's Quality Management System (established in April 2018). The system is a strict self-imposed safe ship management system, ensuring safe navigation and cargo operation which meets with international standards and complies with rigorous quality management principals.
- ONE became a gold sponsor of 'Flying Angel Campaign' by The Mission To Seafarers charity to support Seafarers' Wellbeing under COVID-19 and crew changes despite travel restriction.

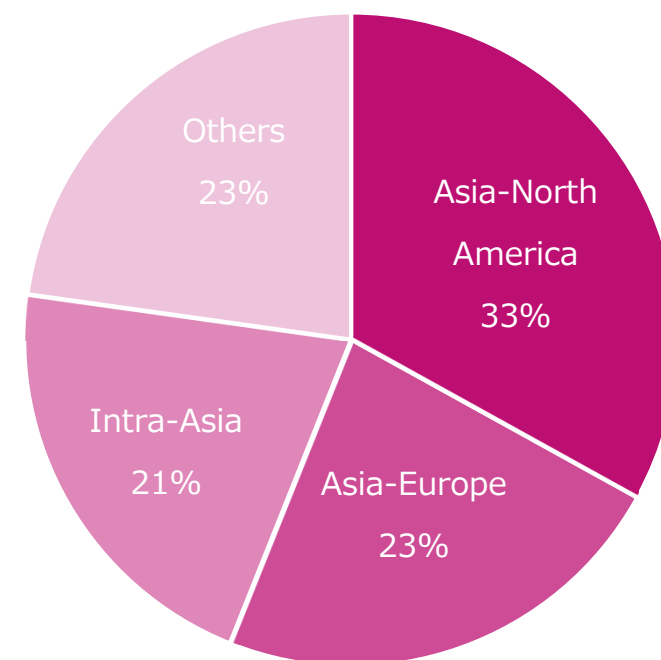
6. Reference (Fleet Structure & Service Structure)

▣ Fleet Structure

Size		1) As of end June 2020	2) As of end Mar 2021	2)As of end June 2021	3)-1)
>= 20,000 TEU	Capacity(TEU)	120,600	120,600	120,600	0
	Vessels	6	6	6	0
10,500 - 20,000 TEU	Capacity(TEU)	396,600	431,600	441,600	45,000
	Vessels	29	32	32	3
9,800 - 10,500 TEU	Capacity(TEU)	100,100	100,100	110,200	10,100
	Vessels	10	10	11	1
7,800 - 9,800 TEU	Capacity(TEU)	374,326	383,326	365,698	▲ 8,628
	Vessels	42	43	41	▲ 1
6,000 - 7,800 TEU	Capacity(TEU)	202,080	170,866	163,984	▲ 38,096
	Vessels	31	26	25	▲ 6
5,200 - 6,000 TEU	Capacity(TEU)	83,992	94,928	83,699	▲ 293
	Vessels	15	17	15	0
4,600 - 5,200 TEU	Capacity(TEU)	113,580	103,607	103,607	▲ 9,973
	Vessels	23	21	21	▲ 2
4,300 - 4,600 TEU	Capacity(TEU)	62,952	67,271	67,271	4,319
	Vessels	14	15	15	1
3,500 - 4,300 TEU	Capacity(TEU)	25,408	32,664	29,130	3,722
	Vessels	6	8	7	1
2,400 - 3,500 TEU	Capacity(TEU)	60,704	79,282	71,814	11,110
	Vessels	23	30	27	4
1,300 - 2,400 TEU	Capacity(TEU)	10,296	12,171	10,415	119
	Vessels	6	7	6	0
1,000 - 1,300 TEU	Capacity(TEU)	7,452	8,536	10,663	3,211
	Vessels	7	8	10	3
< 1,000 TEU	Capacity(TEU)	0	0	0	0
	Vessels	0	0	0	0
Total	Capacity(TEU)	1,558,090	1,604,951	1,578,681	20,591
	Vessels	212	223	216	4

▣ Service Structure

(FY2021 Q1 Structure of dominant and non-dominant space)





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