

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

November 4, 2021

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(Attachment) Ocean Network Express Financial Results for FY2021 2nd Quarter		

1H review (year-on-year)

- ▶ **Revenues: JPY1,051.3 billion (up JPY329.3 billion)**
 - Revenues increased as freight levels of the logistics business rose, and handling volume grew (up JPY142.2 billion)
 - Given the rise in dry bulk market, revenues increased in the bulk shipping business (up JPY138.9 billion)

- ▶ **Recurring profit: JPY397.2 billion (up JPY349.8 billion)**
 - Significant profit increase at the liner & logistics business (liner, air cargo, and logistics) (up JPY301.9 billion)
 - Profits rose also in the bulk shipping business (up JPY47.5 billion)

- ▶ **Net income: JPY411.3 billion (up JPY389.1 billion)**
 - Recorded extraordinary profit (approx. JPY23.0 billion) from partial transfer of shares of a subsidiary in the real estate segment

- ▶ **Dividend: Interim dividend JPY200/share**
 - Dividend amount decided in accordance with financial resources regulation in the Companies Act

1. Overview of the 2nd Quarter Results for FY Ending March 2022

Results



By industrial SEGs (recurring profit year-on-year)

► Liner: JPY290.3 billion (up JPY261.9 billion)

Container Shipping (Ocean Network Express)

- Fleet turnover rate fell due to shoreside and inland congestion
- Tight supply-demand balance as robust transportation demand continued led by North America
(ONE's total liftings rose about 10% year-on-year)
- Short-term freight rates remained high, while long-term freight rates also rose

Terminals

- Handling volume in Japan and overseas recovered year on year

► Air Cargo: JPY33.0 billion (up JPY19.7 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

By industrial SEGs (recurring profit year-on-year)

► **Logistics: JPY28.4 billion (up JPY20.2 billion)**

- **Ocean freight:** Handling volume increased year on year, and profit levels also improved as sales price caught up with the purchase price for transportation spaces
- **Air freight:** Supply-demand balance became tight due to cancellations of international passenger flights, and earnings greatly improved also due to partial shift of ocean freight
- **Logistics:** Handling volume increased, supported by strong demand for consumer goods

► **Bulk Shipping: JPY47.7 billion (up JPY47.5 billion)**

Car carrier

- Shipping volume increased year on year, both from Japan and overseas
- The impact of automobile parts shortage caused by semiconductor shortage and further spread of COVID-19 was limited

Dry bulk

- Market rates remained at higher levels than regular year for each vessel type

Energy

- Affected by the market price decline for VLCC (Very Large Crude Carrier), etc.
- Business performance of LNG and offshore businesses has been stable, led by medium- to long-term contracts

Summary of 2nd Quarter Results

Q2 Results



(Billions of yen)	FY Ending Mar. 2021							FY Ending Mar. 2022			Year-on-year
	Q1	Q2	1H	Q3	Q4	2H	Full-Year	Q1	Q2	1H	
Revenue	361.1	360.8	722.0	423.9	462.4	886.3	1,608.4	504.6	546.7	1,051.3	329.3
Operating Profit	8.9	7.7	16.6	31.2	23.5	54.8	71.5	53.0	64.9	117.9	101.2
Recurring Profit	16.5	30.8	47.4	74.6	93.2	167.9	215.3	153.6	243.6	397.2	349.8
Net Income Attributable to Owners of the Parent Company	11.6	10.4	22.1	30.1	86.8	117.0	139.2	151.0	260.2	411.3	389.1
Exchange Rate	¥107.74	¥105.90	¥106.82	¥104.76	¥104.74	¥104.75	¥105.79	¥109.80	¥109.99	¥109.90	¥3.07
Bunker Oil Prices	\$452.83	\$308.51	\$379.90	\$331.04	\$363.90	\$348.39	\$362.95	\$441.92	\$515.24	\$477.42	\$97.52

Q2 Comparison by Industrial SEGs

Q2 Results



Industrial Segment (Billions of yen)	FY Ending Mar. 2021							FY Ending Mar. 2022			Year-on-year	
	Q1	Q2	1H	Q3	Q4	2H	Full-Year	Q1	Q2	1H		
Liner & Logistics	Liner	39.1	42.1	81.3	45.1	44.0	89.1	170.5	50.1	43.8	94.0	12.6
		6.7	21.7	28.4	40.0	72.3	112.3	140.8	111.3	179.0	290.3	261.9
	Air Cargo	28.8	25.6	54.4	33.3	34.5	67.8	122.4	43.9	45.8	89.7	35.2
		9.3	3.8	13.2	11.4	8.5	19.9	33.2	15.3	17.7	33.0	19.7
	Logistics	112.9	122.1	235.0	152.5	173.5	326.0	561.2	176.8	200.5	377.3	142.2
	-0.0	5.3	8.1	9.3	9.5	18.8	27.0	11.5	16.8	28.4	20.2	
	181.0	189.8	370.8	231.1	252.1	483.2	854.2	270.9	290.1	561.0	190.1	
	18.8	30.9	49.8	60.8	90.4	151.2	201.1	138.2	213.5	351.8	301.9	
Bulk Shipping	Bulk Shipping	164.8	153.1	317.9	175.4	188.1	363.5	681.5	217.6	239.2	456.9	138.9
		-1.1	1.3	0.1	13.9	4.4	18.3	18.6	16.0	31.6	47.7	47.5
Others	Real Estate	1.7	1.7	3.4	1.6	1.7	3.3	6.8	1.5	0.8	2.4	-1.0
		0.7	0.6	1.3	0.6	0.5	1.1	2.5	0.7	0.4	1.2	-0.1
	Other	27.3	31.4	58.8	32.0	38.8	70.8	129.7	33.9	37.8	71.7	12.9
		-0.4	-1.0	-1.5	0.1	-0.8	-0.7	-2.2	-0.6	-1.0	-1.7	-0.2
Elimination/ Unallocation	-13.8	-15.3	-29.1	-16.4	-18.4	-34.8	-64.0	-19.5	-21.3	-40.8	-11.6	
	-1.3	-1.0	-2.4	-0.9	-1.3	-2.2	-4.7	-0.7	-0.9	-1.7	0.6	
Consolidated		361.1	360.8	722.0	423.9	462.4	886.3	1,608.4	504.6	546.7	1,051.3	329.3
		16.5	30.8	47.4	74.6	93.2	167.8	215.3	153.6	243.6	397.2	349.8

* (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

Q2 Results

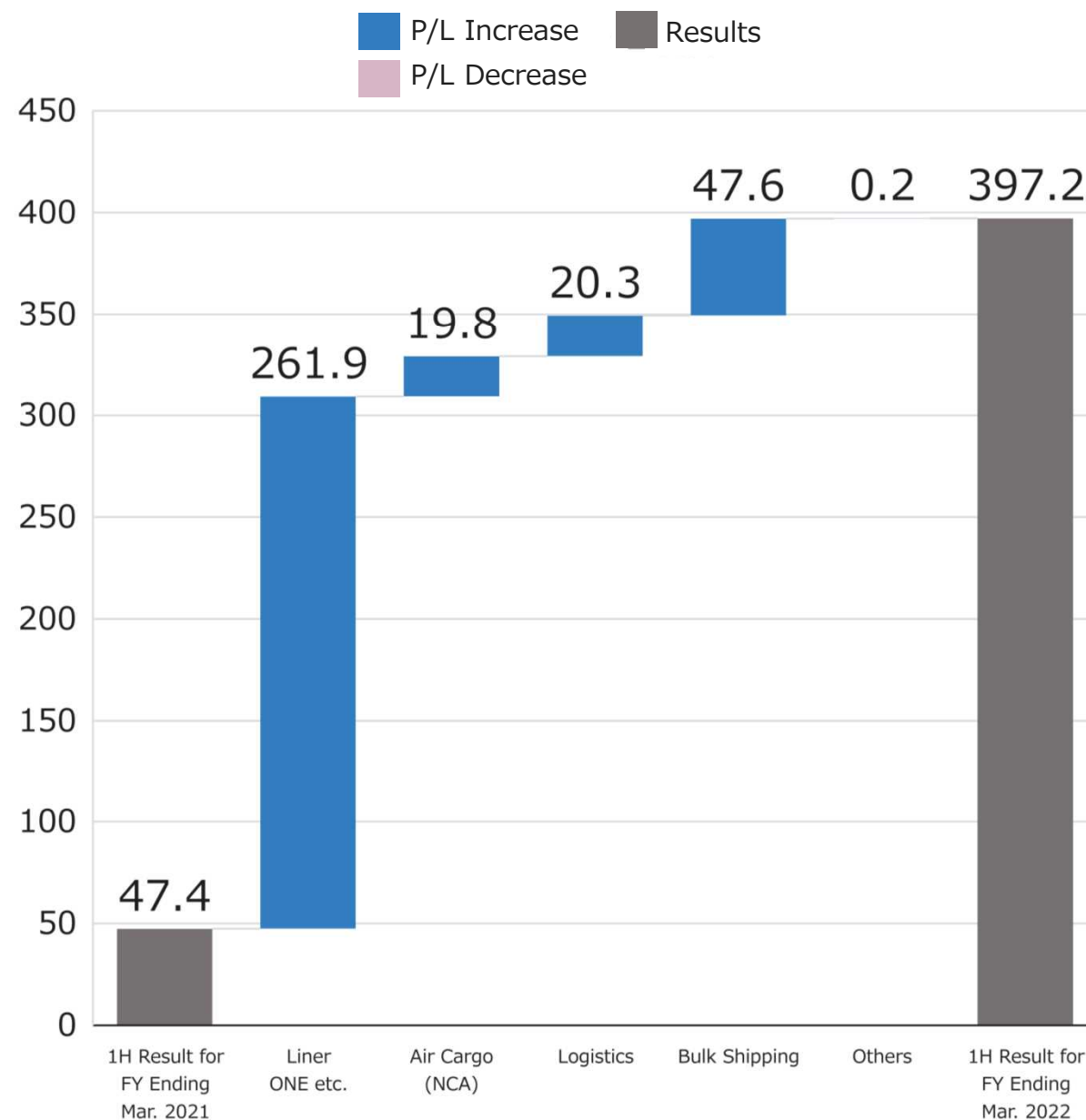


Analysis by factor

Yen Depreciation	6.2	¥109.90/\$ Depreciated by ¥3.07
Higher Bunker Oil Prices	-2.2	\$477.42/MT Increased by \$97.52/MT
Market Effects, etc.	302.6	Liner (incl. ONE) +258.9 Bulk Shipping +43.7
Foreign Exchange Profit/Loss	3.5	
Others	39.7	Logistics + 20.3 Air Cargo(NCA) +19.8
Total	349.8	

Analysis by business

(billion yen)



Full-year forecast (compared with the forecast announced with the Q1 results)

▶ Revenues: JPY2 trillion (upward revision of JPY150.0 billion)

- Rise in freight rates in the first half in the logistics business to contribute (up JPY49.0 billion)
- Bulk shipping business also expects favorable market trend in dry bulk (up JPY87.0 billion)

▶ Recurring profit: JPY710.0 billion (upward revision of JPY210.0 billion)

- Significantly raised the forecast for the liner & logistic business (liner, air cargo, and logistics) compared with the previous forecast (up JPY191.5 billion)
- The forecast for the bulk shipping business was raised considering the market outlook for dry bulk (up JPY20.0 billion)

▶ Net income: JPY710.0 billion (upward revision of JPY210.0 billion)

▶ Dividend: Full-year dividend of JPY800/share

- Expecting full-year dividend of JPY800/share combining interim dividend of JPY200/share and year-end dividend of JPY600/share (year-end dividend forecast revised upward by the JPY100/share forecast at the Q1 results)
- Also considering shareholder returns including share buyback after May 2022
- Year-end dividend level – A payout ratio of about 25%, or a level equal to or exceeding a payout ratio of 25% in the event of share buyback, including the amount allocated to share buyback

By industrial SEGs (recurring profit compared with the forecast announced with the Q1 results)

▶ **Liner: JPY 510.0 billion (upward revision of JPY161.5 billion)**

Container shipping (Ocean Network Express)

- Vigorous transportation demand and shoreside and inland congestions continue, and it is unclear when the supply-demand balance would normalize
- Expecting a decline in lifting due to worsening fleet turnover rate and a decline in cargo demand caused by seasonal factors, and formulated the outlook on the premise that situation would gradually head toward normalization through the latter half of the second half

Terminals

- Japan: Expecting strong handling volume
- Overseas: Handling volume to decline as container demand settles

▶ **Air Cargo: JPY57.0 billion (upward revision of JPY16.0 billion)**

- Expecting to enter the seasonal demand period in Q3, and supply-demand balance will become tight as part of ocean freight continues to shift to air freight
- Assuming gradual return of international passenger flights to the market from Q4, supply-demand balance for container shipping space will move towards normalization along with declines in freight volume and rates

By industrial SEGs (recurring profit compared with the forecast announced with the Q1 results)

► **Logistics: JPY 48.0 billion (upward revision of JPY14.0 billion)**

- **Ocean freight:** Continue with flexible marketing to maintain the improving profit level, even as handling volume is expected to gradually settle through the second half
- **Air freight:** Handling volume is expected to increase compared with the previous forecast, while assuming demand to decline in the latter half of the second half due to seasonal factors
- **Logistics:** Efforts will be made to stabilize earnings through review of contracts including price revision and cost reductions, although there are issues such as rising personnel expenses

► **Bulk Shipping: JPY100.0 billion (upward revision of JPY20.0 billion)**

Car carrier

- While expecting a 6% decline in shipping volume compared with the previous forecast due to the impact of semiconductor and automobile parts shortage, second-half shipping volume will be at levels similar to the first half

Dry bulk

- The market rates for each vessel type were revised upward compared with the previous forecast
- The cost of structural reforms caused by redelivery fluctuated due to the rising market, which is a factor boosting earnings

Energy

- While affected by the market price decline for some VLCC (Very Large Crude Carrier), etc., steady and strong earnings performance is expected on medium- to long-term contracts in 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 (Result)		2H	Full-Year		
	Q1	Q2	Q3	Q4		Q1	Q2				
Revenue	722.0		886.3		1,608.4	1,051.3		948.7	2,000.0	391.6	150.0
	361.1	360.8	423.9	462.4		504.6	546.7				
Operating Profit	16.6		54.8		71.5	117.9		102.1	220.0	148.5	70.0
	8.9	7.7	31.2	23.5		53.0	64.9				
Recurring Profit	47.4		167.9		215.3	397.2		312.8	710.0	494.7	210.0
	16.5	30.8	74.6	93.2		153.6	243.6				
Net Income Attributable to Owners of the Parent Company	22.1		117.0		139.2	411.3		298.7	710.0	570.8	210.0
	11.6	10.4	30.1	86.8		151.0	260.2				
Exchange Rate	¥107.74	¥105.90	¥104.76	¥104.74	¥105.79	¥109.80	¥109.99	¥110.00	¥109.95	¥4.16	¥3.75
Bunker Prices (All Grades)	\$452.83	\$308.51	\$331.04	\$363.90	\$362.95	\$441.92	\$515.24	\$544.00	\$511.29	\$148.34	¥36.56
Bunker Prices (HSFO)	-	-	-	-	-	-	-	\$435.00	-	-	-
Bunker Prices (VLSFO)	-	-	-	-	-	-	-	\$545.00	-	-	-

► Sensitivity to profit (Full Year)

Exchange rate: Approx. JPY4.94 billion increase per ¥1/\$ depreciation

Bunker oil prices: Approx. JPY0.22 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	1H	2H	Full-year	Q1 (Result)	Q2 (Result)	1H (Result)	2H	Full-Year		
Liner & Logistics	Liner	39.1	42.1	81.3	89.1	170.5	50.1	43.8	94.0	86.0	180.0	9.5
		6.7	21.7	28.4	112.3	140.8	111.3	179.0	290.3	219.6	510.0	369.2
	Air Cargo	28.8	25.6	54.4	67.9	122.4	43.9	45.8	89.7	80.3	170.0	47.6
		9.3	3.8	13.2	20.0	33.2	15.3	17.7	33.0	24.0	57.0	23.8
	Logistics	112.9	122.1	235.0	326.1	561.2	176.8	200.5	377.3	302.6	680.0	118.8
	2.7	5.3	8.1	18.9	27.0	11.5	16.8	28.4	19.6	48.0	21.0	
	(Total)	181.0	189.8	370.8	483.3	854.2	270.9	290.1	561.0	468.9	1,030.0	175.8
		18.8	30.9	49.8	151.2	201.1	138.2	213.5	351.8	263.2	615.0	413.9
Bulk Shipping	Bulk Shipping	164.8	153.1	317.9	363.5	681.5	217.6	239.2	456.9	453.1	910.0	228.5
		-1.1	1.3	0.1	18.4	18.6	16.0	31.6	47.7	52.3	100.0	81.4
Others	Real Estate	1.7	1.7	3.4	3.3	6.8	1.5	0.8	2.4	1.0	3.5	-3.3
		0.7	0.6	1.3	1.2	2.5	0.7	0.4	1.2	0.8	2.0	-0.5
	Other	27.3	31.4	58.8	70.9	129.7	33.9	37.8	71.7	74.8	146.5	16.8
		-0.4	-1.0	-1.5	-0.7	-2.2	-0.6	-1.0	-1.7	-0.8	-2.5	-0.3
Elimination/ Unallocation		-13.8	-15.3	-29.1	-34.8	-64.0	-19.5	-21.3	-40.8	-49.2	-90.0	-26.0
		-1.3	-1.0	-2.4	-2.2	-4.7	-0.7	-0.9	-1.7	-2.7	-4.5	0.2
Consolidated		361.1	360.8	722.0	886.3	1,608.4	504.6	546.7	1,051.3	948.7	2,000.0	391.6
		16.5	30.8	47.4	167.9	215.3	153.6	243.6	397.2	312.8	710.0	494.7

* (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 (Result)	2H	Full-year	1H	2H	Full-year	
Global Logistics	Liner	92.0	76.0	168.0	94.0	86.0	180.0	2.0	10.0	12.0
		246.5	102.0	348.5	290.3	219.6	510.0	43.8	117.6	161.5
	Air Cargo	81.0	70.0	151.0	89.7	80.3	170.0	8.7	10.3	19.0
		25.0	16.0	41.0	33.0	24.0	57.0	8.0	8.0	16.0
	Logistics	336.0	295.0	631.0	377.3	302.6	680.0	41.3	7.6	49.0
	23.0	11.0	34.0	28.4	19.6	48.0	5.4	8.6	14.0	
(Total)	509.0	441.0	950.0	561.0	468.9	1,030.0	52.0	27.9	80.0	
	294.5	129.0	423.5	351.8	263.2	615.0	57.3	134.2	191.5	
Bulk Shipping	Bulk Shipping	425.0	398.0	823.0	456.9	453.1	910.0	31.9	55.1	87.0
		48.5	31.5	80.0	47.7	52.3	100.0	-0.8	20.8	20.0
Others	Real Estate	2.0	1.0	3.0	2.4	1.0	3.5	0.4	0.0	0.5
		1.0	1.0	2.0	1.2	0.8	2.0	0.2	-0.2	0.0
	Other	72.0	77.0	149.0	71.7	74.8	146.5	-0.3	-2.2	-2.5
	-2.0	1.0	-1.0	-1.7	-0.8	-2.5	0.3	-1.8	-1.5	
Elimination/Unallocation	Elimination/Unallocation	-38.0	-37.0	-75.0	-40.8	-49.2	-90.0	-2.8	-12.2	-15.0
		-2.0	-2.5	-4.5	-1.7	-2.7	-4.5	0.3	-0.2	0.0
Consolidated	Consolidated	970.0	880.0	1,850.0	1,051.3	948.7	2,000.0	81.3	68.7	150.0
		340.0	160.0	500.0	397.2	312.8	710.0	57.2	152.8	210.0

* (Upper) Revenue (Lower) Recurring Profit

▶ Progress of Medium-Term Management Plan

Progress in achieving numerical targets in the Medium-Term Management Plan (Medium-Term Plan)

	Medium-Term Plan targets (by FY2022)	End of FY2020 (result)	End of Sept. 2021 (result)	End of FY2021 (forecast)
Recurring profit	70–100 billion yen	215.3 billion yen	397.2 billion yen	710.0 billion yen
ROE	min 8.0%	25.6%	-	74.4%
Shareholders' equity ratio	min 30%	29.4%	43.1%	47.8%
DER	1.5 or lower	1.52	0.81	0.64

For formulation of the new Medium-Term Management Plan

- ❑ We have roughly achieved the earnings and financial targets of the current Medium-Term Plan and aim to return to investment grade credit rating by overseas rating firm
- ❑ We will deepen the basic strategy of the current Medium-Term Plan and execute it through FY2022 in accordance with the initial plan
- ❑ At the same time, we will analyze the long-term business environment focusing on 2050 and formulate a road map
- ❑ Formulate a new medium-term management plan to be launched in FY2023 based on a long-term roadmap and is scheduled to be announced during FY2022

(announced on Sept. 30, 2021)

[Long-term target of GHG reduction]

Ocean-going Business to achieve net-zero emissions by 2050

Green Innovation Fund

Development of vessels equipped with domestically produced ammonia fueled engine

Demonstration project for commercialization of vessels equipped with high-power fuel cells

Japan's first effort to achieve zero emissions by using hydrogen to power vessels

[Main initiatives for achieving net-zero emissions by 2050]

(announced on Oct. 26, 2021)

◆ Green Innovation Fund project

Development of technology for zero-emission vessels

*NEDO: New Energy and Industrial Technology Development Organization

- ✓ NEDO* approved the development of vessels equipped with a domestically produced ammonia-fueled engine proposed by NYK Line as part of the Green Innovation Fund project for development of next-generation vessels
- ✓ Project description: To develop and build an ammonia-fueled tugboat and an ammonia-fueled ammonia gas carrier and commercially operate them (the world's first initiative)
- ✓ Partners: Japan Engine Corporation, IHI Power Systems, Nihon Shipyard, and Nippon Kaiji Kyokai
- ✓ Period: From 2021 to 2027



Develop, operate ammonia-fueled tugboat (domestic vessel)

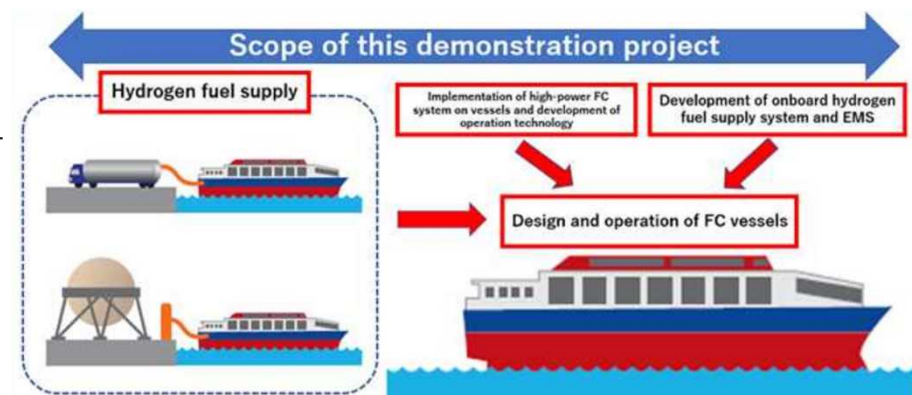
Develop, operate an ammonia-fueled ammonia gas carrier (ocean-going vessel)



◆ Demonstration project for commercialization of vessels equipped with high-power fuel cells

Progress in the demonstration project for vessels equipped with high-power fuel cells (hydrogen FC vessel)

- ✓ The demonstration project for commercialization of vessels equipped with high-power fuel cells implemented with a grant from NEDO is currently in the safety evaluation and basic design phase
- ✓ Based on the result of the safety evaluation and basic design, the project will enter the phase for designing details for building the vessel in fiscal year 2022
- ✓ Joint R&D partners: Toshiba Energy Systems & Solutions Corporation, Kawasaki Heavy Industries Ltd., Nippon Kaiji Kyokai, ENEOS Corporation



▶ 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(Result)		2H	Full- year	
	Q1	Q2	Q3	Q4		Q1	Q2			
Revenue (Billions of yen)	54.4		67.9		122.4	89.7		80.3	170.0	19.0
	28.8	25.6	33.3	34.5		43.9	45.8			
Recurring Profit (Billions of yen)	13.2		20.0		33.2	33.0		24.0	57.0	16.0
	9.3	3.8	11.4	8.5		15.3	17.7			
Chargeable Weight (1,000 tons)	238		262		500	250		233	483	20
	118	120	133	128		129	121			
Volume (RTK) (mil.ton kilo)	1,324		1,446		2,771	1,425		1,362	2,787	175
	649	675	737	709		726	699			
Capacity (ATK) (mil.ton kilo)	2,069		1,971		4,040	1,874		1,822	3,696	-14
	1,017	1,052	1,030	941		953	922			
YIELD FY3/09 Q1=100	111		111		111	144		134	139	12
	121	102	111	110		139	149			
MOPS US\$ per bbl	\$36		\$55		\$46	\$74		\$80	\$77	\$5
	\$30	\$42	\$47	\$63		\$71	\$77			

► 2. Logistics

		FY Ending Mar. 2020 (Result)	FY Ending Mar. 2021 (Result)				Full- year	FY Ending Mar. 2022(Forecast)				Change from Prev. Forecast (Full-year)
			1H		2H			1H(Result)		2H	Full- year	
		Full-year	Q1	Q2	Q3	Q4	Q1	Q2				
Ocean Export	TEU (1,000TEUs)	764	336		387		723	370		352	722	-9
	Year-on- Year	-6%	-15%		5%		-5%	10%		-9%	-0%	-1%
			-19%	-10%	-1%	11%		22%	0%			
Air Export	Weight (1,000 tons)	337	132		194		326	201		199	400	18
	Year-on- Year	-11%	-22%		16%		-3%	52%		3%	23%	6%
			-23%	-21%	2%	30%		56%	49%			

▶ 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 (Result)	2H	Full-Year	Full-year
Dry Bulk Carriers	BDI	766	1,520	1,352	1,725	1,341	2,791	3,732	2,945	3,103	2,405
	Cape	9,598	20,661	16,657	17,133	16,012	31,280	42,380	29,000	32,915	26,320
	Panamax	7,313	13,165	12,067	18,289	12,709	25,912	33,612	29,000	29,381	23,228
	Handymax	5,439	9,945	10,778	16,363	10,631	25,407	34,278	30,500	30,171	21,852
	Handy	5,178	9,153	11,192	16,328	10,463	22,420	32,204	28,000	27,656	19,855
Tankers	VLCC	90,916	18,108	10,516	217	29,939	-589	-3,053	15,000	6,589	9,853
	VLGC	33,007	40,722	68,362	40,028	45,530	35,655	22,961	35,000	32,154	35,164

※ 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 (Result)		2H	Full-Year	
	Q1	Q2	Q3	Q4		Q1	Q2			
All Trade (10,000 Cars)	145		211		356	205		206	411	-23
	87	59	101	110		107	98			
Year-on-year	-39%		-5%		-22%	41%		-2%	15%	-6%
	-25%	-51%	-5%	-4%		23%	67%			

- ※ 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)

Financial Position

	FY Ending Mar. 2020 (Result)	FY Ending Mar. 2021 (Result)	FY Ending Sept. 2021 (Result)	FY Ending Mar. 2022 (Previous Forecast)	FY Ending Mar. 2022 (Revised Forecast)
Recurring Profit (billion yen)	44.4	215.3	397.2	500.0	710.0
Interest-bearing Debt (billion yen)	1,049.8	951.1	838.9	932.0	827.5
Shareholders' Equity (billion yen)	462.6	625.3	1,033.0	710.0	1,284.0
Shareholders' Equity Ratio	24%	29%	43%	32%	48%
DER	2.27	1.52	0.81	1.31	0.64
ROE	6.6%	25.6%	-	21%	74.4%
Cash Flow from Operating Activities (billion yen)	116.9	159.3	109.9	134.0	316.5
Cash Flow from Investing Activities (billion yen)	-54.8	-16.8	5.6	-110.8	-165.5
(Depreciation and amortization) (billion yen)	(104.0)	(98.8)	(49.1)	(89.9)	(98.3)

Fleet in Operation

Industrial Segment	Type of Vessel	FY Ending Sept. 2020 (Results)			FY Ending Sept. 2021 (Results)					
		Owned (incl. co-owned) Vessels	Chartered Vessels	Total Vessels	Owned (incl. co-owned)		Chartered		Total	
					Vessels	Kt (DWT)	Vessels	Kt (DWT)	Vessels	Kt (DWT)
Liner Trade	Container Ships	28	29	57	26	1,659	29	3,039	55	4,698
Logistics	Coastal Ships, Ferries	4	8	12	5	29	7	42	12	71
Bulk Shipping	Bulk Carriers (Capesize)	24	97	121	20	3,923	96	18,918	116	22,841
	Bulk Carriers (Panamax)	37	65	102	35	3,108	64	5,390	99	8,498
	Bulk Carriers (Handysize)	58	94	152	56	2,792	98	4,897	154	7,689
	Wood Chip Carriers	9	31	40	10	514	29	1,614	39	2,128
	Car Carriers	40	73	113	43	765	74	1,336	117	2,101
	Tankers	52	21	73	46	5,254	18	2,670	64	7,924
	LNG Carriers	74	3	77	79	6,524	3	224	82	6,748
	Multi-Purpose Carriers	22	20	42	23	428	19	269	42	697
Others	Others	6	0	6	4	29	0	0	4	29
	Cruise Ships	1	0	1	1	7	0	0	1	7
Total		355	441	796	348	25,032	437	38,399	785	63,431
Offshore	Shuttle Tankers			27					25	3,095
	FPSO			3					3	-
	FSO			2					2	-
	Drill Ships			1					1	-
Green Business	LNG Bunkering Vessel			1					2	-
Grand Total				830					818	66,526

-Co-owned ship's dwt is including not only NYK Group companies' ownership but also other companies' ownership.

-The total number of LNG carriers and cruise ships includes vessels owned by equity method affiliates

ONE

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Financial Results for FY2021 2nd Quarter

OCTOBER.29, 2021

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1. FY2021 2nd Quarter Results

□ Outline

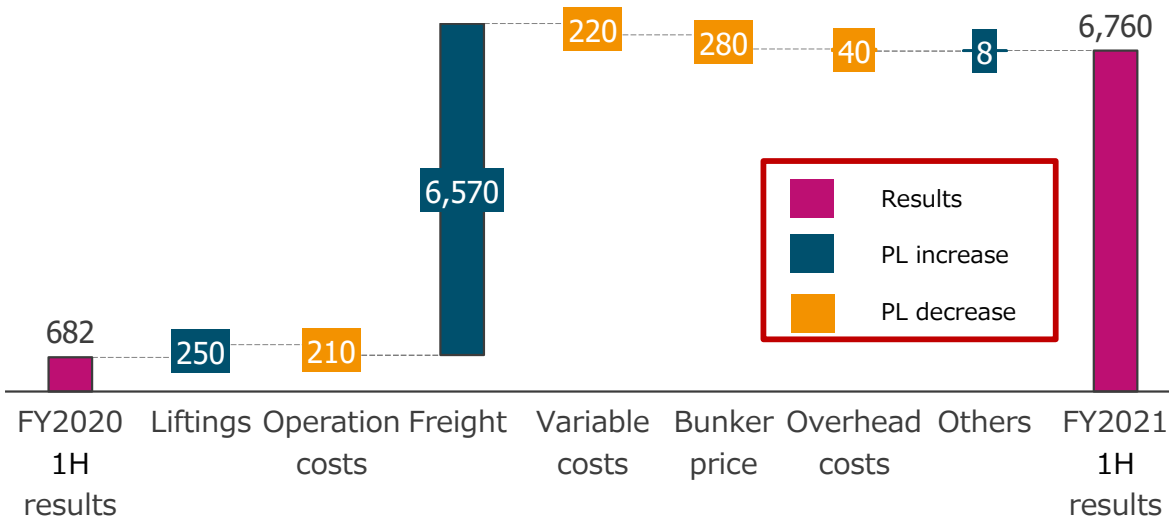
In Q2, ONE's profit significantly increased to US\$4,200 Million compared to the same period last year (+US\$3,685 Million). This increase is mainly due to the continuous strong market.

- The global container trade volumes in July-Sep increased nearly 10% Y to Y. Vessel utilization was at full capacity due to the strong cargo demand.
- The turmoil within the entire global supply chain worsened in Q2. Severe shoreside and inland congestion was and is still ongoing.
- The freight market was significantly higher than expected.

□ FY2021 1st Half Results and PL Analysis

(Unit: Million US\$)

	FY2020			FY2021			2Q Results to FY2020		1H Results to FY2020	
	1Q Results	2Q Results	1H Results	1Q Results	2Q Results	1H Results	Change	Change (%)	Change	Change (%)
Revenue	2,736	3,181	5,917	5,776	7,557	13,333	4,376	138%	7,416	125%
EBITDA	488	854	1,342	2,924	4,572	7,496	3,718	435%	6,154	459%
EBIT	242	603	846	2,657	4,295	6,952	3,691	612%	6,106	722%
Profit /Loss	167	515	682	2,559	4,200	6,760	3,685	715%	6,077	891%
Bunker Price (US\$/MT)	\$348	\$309	\$328	\$465	\$509	\$487	\$200	65%	\$159	48%
Bunker consumption (K MT)	877	887	1,765	906	891	1,797	4	0%	32	2%
Lifting (K TEU)	2,673	3,061	5,734	3,104	3,181	6,285	120	4%	551	10%



- Liftings: Recovered from the first half of the previous year, which had been significantly affected by COVID-19, and the strong cargo demand continued.
- Operation costs: Increased due to faster vessel speeds to improve schedule reliability. Vessel delay due to port/terminal congestion continues.
- Freight: Significantly improved due to increases in both long-term and short-term markets.
- Variable costs: Cost saving initiatives progressed, but additional costs increased due to shoreside and inland congestion.
- Bunker price: Further increased.
- Overhead costs: Agency fees and system costs 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	2Q Results	1H Results
Asia - North America Eastbound	Lifting	610	765	1,375	730	659	1,389	2,764	615	649	1,264
	Utilization	96%	100%	98%	103%	102%	103%	100%	100%	100%	100%
Asia - Europe Westbound	Lifting	347	419	766	402	389	791	1,556	436	443	879
	Utilization	96%	98%	97%	102%	99%	100%	99%	100%	100%	100%
Asia - North America Westbound	Lifting	327	328	654	368	330	698	1,352	328	309	638
	Utilization	51%	43%	47%	54%	56%	55%	51%	54%	54%	54%
Asia - Europe Eastbound	Lifting	290	289	579	331	308	639	1,219	339	347	687
	Utilization	75%	70%	73%	80%	80%	80%	76%	82%	78%	80%

(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	2Q Results	1H Results
Asia - North America Eastbound		110	119	115	140	157	148	132	185	247	216
Asia - Europe Westbound		106	103	104	125	280	201	153	327	451	389

- **Liftings, Utilization Rates** : The lifting on Asia-North America E/B increased from Q1 due to strong cargo demand and 100% vessel utilization rate was maintained, while lifting decreased compared to FY2020 Q2 due to port congestion mainly in the West Coast terminals. The lifting on Asia-Europe W/B increased from Q1 due to strong cargo demand and the vessel utilization rate was maintained at 100%. Both lifting and utilization on Asia-Europe W/B improved compared to FY2020 Q2.
- **Freight Index** : Freight market increased compared to FY2020 Q2 and has also improved from FY2021 Q1.

3. The Impact of & Countermeasures to Supply Chain Disruption

Outbreaking situation	<ul style="list-style-type: none"> ➤ The global container trade volumes from July to Sep increased by nearly 10% Y to Y due to the strong demand for consumer goods. Asia-North America trade market volume in July and Aug increased by approximately 10% Y to Y and by approximately 15% compared to the same period of FY2019 before the COVID-19 pandemic. Asia-Europe trade market volume in July and Aug was at the same level as the previous year, and at the same level compared to the same period of FY2019. ➤ The increased cargo demand, typhoons in Chinese ports and labour shortages due to the COVID-19 pandemic have worsened both port and inland congestion. ➤ Increased container dwell times occurred due to truck and chassis shortages, etc. ➤ International travel restrictions made flexible crew changes difficult.
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ONE's countermeasures	Customer service oriented	<ul style="list-style-type: none"> ➤ Digital solutions, such as the brand-new digital quotation platform "ONE QUOTE" have been accelerated. ➤ Two new features 'Track & Trace' and 'Chat' services in ONE Mobile APP have been launched to allow customers to track shipments and connect to ONE's Customer Service on the move.
	Operational excellency	<ul style="list-style-type: none"> ➤ Operational optimization included the increase of vessels speed to recover schedule integrity and rescue rolled-over cargo by the vessel delay and a sharp rise in cargo volume. ➤ Container procurement was maximised with new containers phasing in upon delivery, especially for Reefer units. ➤ 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 customers. ➤ In close cooperation with ship owners, crew changes were enabled by diverting vessels and adding extra port calls.
	Quality of employees	<ul style="list-style-type: none"> ➤ Flexible remote working has continued in offices around the world. ➤ CSR activities have also continued to keep employees connected and contributions have been made to local communities.



The excessive strain on the entire global supply chain has worsened from Q1. ONE is doing its utmost effort to support social infrastructure globally.

4. FY2021 Full Year Forecasts

▣ Outline

For the FY2021 full Year, approximately US\$11,760 million profit after tax is expected due to the continuous strong cargo demand and improvement of the freight market.

- Though the cargo demand is still strong, US\$5,000 million profit after tax would be expected for the FY2021 2H taking into consideration some cargo volume decrease due to seasonal influences, such as Chinese New Year and so on.

▣ FY2021 Full Year Forecasts

(Unit: Million US\$)

	FY2020 Results			FY2021 Latest Forecasts			Full Year	
	1H Actual	2H Actual	Full Year Actual	1H Results	2H Forecasts	Full Year Forecast	Change (Mil US\$)	Change (%)
Revenue	5,917	8,480	14,397	13,333	12,080	25,413	11,016	77%
EBITDA	1,342	3,513	4,855	7,496	5,630	13,126	8,271	170%
EBIT	846	2,987	3,832	6,952	5,100	12,051	8,219	214%
Profit /Loss	682	2,802	3,484	6,760	5,000	11,760	8,276	238%
Bunker Price (US\$/MT)	\$328	\$335	\$331	\$487	\$589	\$541	\$209	63%

5. Actions to Achieve Further Competitiveness and Sustainability

- The new KCS (Korea-China-Straits) Service, to be launched on the 30th Oct, will enhance the unique port pair of Pasir Gudang, bringing more options and greater flexibility to ONE's valued customers. The new Asia-East Africa (EAF) service has continued to be fully loaded since launching in April.
- "ONE QUOTE" is successfully adding new functions and expanding the trade scope. Asia-North America Eastbound trade is now available from 28th Sep. The scope of countries where ONE QUOTE can be accessed has been expanded to meet customers requirements.
- ONE signed a memorandum of cooperation (MoC) with the Maritime and Port Authority of Singapore (MPA) to establish a fund for Global Centre for Maritime Decarbonisation (GCMD) to advance decarbonization efforts in the maritime industry and agreed to contribute SGD10Mil to GCMD as a founding member.
- PSA Corporation Ltd & ONE team up to enhance sustainability and reduce maritime's negative environmental footprint, promoting industry wide efforts to decarbonise.
- ONE has endorsed the Call to Action for Shipping Decarbonization by the "Getting to Zero Coalition", an alliance of more than 150 companies within the maritime, energy, infrastructure and finance sectors that aims to decarbonize shipping.

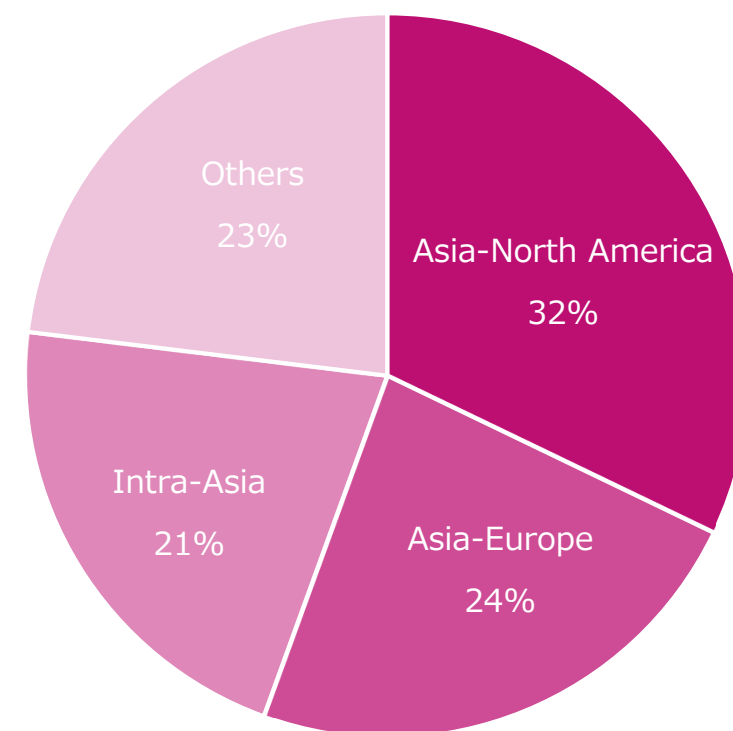
6. Reference (Fleet Structure & Service Structure)

▣ Fleet Structure

Size		1)As of end June. 2021	2)As of end Sep. 2021	2)-1)
>= 20,000 TEU	Capacity (TEU)	120,600	120,600	0
	Vessels	6	6	0
10,500 - 20,000 TEU	Capacity (TEU)	441,600	456,600	15,000
	Vessels	32	33	1
9,800 - 10,500 TEU	Capacity (TEU)	110,200	110,200	0
	Vessels	11	11	0
7,800 - 9,800 TEU	Capacity (TEU)	365,698	365,698	0
	Vessels	41	41	0
6,000 - 7,800 TEU	Capacity (TEU)	163,984	163,984	0
	Vessels	25	25	0
5,200 - 6,000 TEU	Capacity (TEU)	83,699	77,632	▲ 6,067
	Vessels	15	14	▲ 1
4,600 - 5,200 TEU	Capacity (TEU)	103,607	103,169	▲ 438
	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)	29,130	29,130	0
	Vessels	7	7	0
2,400 - 3,500 TEU	Capacity (TEU)	71,814	74,356	2,542
	Vessels	27	28	1
1,300 - 2,400 TEU	Capacity (TEU)	10,415	10,415	0
	Vessels	6	6	0
1,000 - 1,300 TEU	Capacity (TEU)	10,663	10,663	0
	Vessels	10	10	0
< 1,000 TEU	Capacity (TEU)	0	0	0
	Vessels	0	0	0
Total	Capacity (TEU)	1,578,681	1,589,718	11,037
	Vessels	216	217	1

▣ Service Structure

(FY2021 Q2 Structure of dominant and non-dominant space)





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