

Financial Results for Q3 FY2021, and FY2021 Full-year Forecast

February 3, 2022

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**(Attachment) Ocean Network Express
Financial Results for FY2021 3rd Quarter**

Q3 review (year-on-year)

► Revenues: JPY1,675.9 billion (up JPY530.0 billion)

- Revenues increased as freight rate levels and handling volume grew in the Logistics Business (up JPY225.6 billion)
- Given the rise in dry bulk market, revenues increased in the Bulk Shipping Business (up JPY231.2 billion)

► Recurring profit: JPY698.3 billion (up JPY576.2 billion)

- Significant profit increase at the Liner & Logistics Business (Liner, Air Cargo, and Logistics) as strong demand continued (up JPY495.8 billion)
- Profits rose also in the Bulk Shipping Business reflecting strong dry bulk market and recovery in volume handled by Car Carriers (up JPY79.8 billion)

► Net income: JPY692.2 billion (up JPY639.8 billion)

- Recorded extraordinary profit from partial transfer of shares of a subsidiary in the Real Estate Segment (approx. JPY23.0 billion)
- Recorded extraordinary loss from the penalty for cancelling lease contracts for purchase of aircraft in the Air Cargo Business (approx. JPY8.0 billion)

By Segment (recurring profit year-on-year)

► **Liner: JPY504.4 billion (up JPY435.9 billion)**

Container Shipping (Ocean Network Express)

- Fleet turnaround times continued to grow longer due to port and inland congestion amid robust demand for transportation
- Total liftings rose, while liftings of Asia-North America trade declined year on year due to port congestion
- Posted a major profit increase, despite incurring additional costs for maintaining operation schedule and securing cargo space, as short-term freight rates remained high and long-term freight rates rose

Terminals

- Terminals in Japan and overseas were in a recovery trend as the impact of COVID-19 was softened compared to the same period last year

► **Air Cargo: JPY56.4 billion (up JPY31.7 billion)**

- Supply of cargo space continued to decline due to suspension and cancellation of international passenger flights
- Freight rates remained high supported by strong movement of automotive components, semiconductors, and e-commerce-related cargo
- Part of ocean freight continued to shift to air freight due to lack of space in container shipping, further boosting demand

By Segment (recurring profit year-on-year)

► **Logistics: JPY45.6 billion (up JPY28.2 billion)**

- **Ocean Freight:** Profit levels remained strong, as sales price caught up with the purchase price for transportation spaces that are soaring reflecting robust transport demand. Handling volume also increased year on year
- **Air Freight:** Supply-demand balance became tight due to continued cancellations of international passenger flights, and earnings greatly improved also due to partial shift of ocean freight to air freight
- **Logistics:** Profit was boosted by more-than-expected cargo of consumer goods primarily in Europe and North America and successful review of contracts and cost reduction

► **Bulk Shipping: JPY93.9 billion (up JPY79.8 billion)**

Car Carrier

- Impact of automotive components shortage caused by semiconductor production shortage and further spread of COVID-19 was limited, and handling volume by unit increased from the same period last year

Dry Bulk

- Market rates remained at higher levels than regular year for each vessel type supported by strong cargo movement

Energy

- Affected by the market price decline for tankers (VLCC, etc.)
- Business performance of LNG and Offshore Businesses have been stable, led mainly by medium- to long-term contracts

Summary of Q3 Results

Results



(Billions of yen)	FY2020						FY2021				Year-on-year
	Q1	Q2	Q3	Q1-3	Q4	Full-Year	Q1	Q2	Q3	Q1-3	
Revenue	361.1	360.8	423.9	1,145.9	462.4	1,608.4	504.6	546.7	624.5	1,675.9	530.0
Operating Profit	8.9	7.7	31.2	47.9	23.5	71.5	53.0	64.9	80.0	197.9	150.0
Recurring Profit	16.5	30.8	74.6	122.0	93.2	215.3	153.6	243.6	301.0	698.3	576.2
Net Income Attributable to Owners of the Parent Company	11.6	10.4	30.1	52.3	86.8	139.2	151.0	260.2	280.8	692.2	639.8
Exchange Rate	¥107.74	¥105.90	¥104.76	¥106.14	¥104.74	¥105.79	¥109.80	¥109.99	¥113.12	¥110.97	¥4.83
Bunker Oil Prices	\$452.83	\$308.51	\$331.04	\$362.57	\$363.90	\$362.95	\$441.92	\$515.24	\$555.96	\$504.05	\$141.48

Q3 Comparison by Segment

Results



Industrial Segment (Billions of yen)		FY2020						FY2021				Year-on-year
		Q1	Q2	Q3	Q1-3	Q4	Full-Year	Q1	Q2	Q3	Q1-3	
Liner & Logistics	Liner	39.1	42.1	45.1	126.5	44.0	170.5	50.1	43.8	47.0	141.0	14.5
		6.7	21.7	40.0	68.4	72.3	140.8	111.3	179.0	214.0	504.4	435.9
	Air Cargo	28.8	25.6	33.3	87.8	34.5	122.4	43.9	45.8	51.8	141.6	53.7
		9.3	3.8	11.4	24.6	8.5	33.2	15.3	17.7	23.3	56.4	31.7
	Logistics	112.9	122.1	152.5	387.6	173.5	561.2	176.8	200.5	235.9	613.3	225.6
Bulk Shipping		-0.0	5.3	9.3	17.4	9.5	27.0	11.5	16.8	17.2	45.6	28.2
	(Total)	181.0	189.8	231.1	602.0	252.1	854.2	270.9	290.1	334.9	896.0	293.9
		18.8	30.9	60.8	110.6	90.4	201.1	138.2	213.5	254.7	606.5	495.8
	Bulk Shipping	164.8	153.1	175.4	493.3	188.1	681.5	217.6	239.2	267.6	724.6	231.2
		-1.1	1.3	13.9	14.1	4.4	18.6	16.0	31.6	46.2	93.9	79.8
Others	Real Estate	1.7	1.7	1.6	5.1	1.7	6.8	1.5	0.8	0.8	3.3	-1.8
		0.7	0.6	0.6	2.0	0.5	2.5	0.7	0.4	0.4	1.6	-0.3
	Other	27.3	31.4	32.0	90.9	38.8	129.7	33.9	37.8	46.5	118.2	27.3
Elimination/Unallocation		-0.4	-1.0	0.1	-1.4	-0.8	-2.2	-0.6	-1.0	0.6	-1.1	0.2
	Elimination/Unallocation	-13.8	-15.3	-16.4	-45.5	-18.4	-64.0	-19.5	-21.3	-25.4	-66.2	-20.7
		-1.3	-1.0	-0.9	-3.3	-1.3	-4.7	-0.7	-0.9	-0.9	-2.7	0.6
Consolidated		361.1	360.8	423.9	1,145.9	462.4	1,608.4	504.6	546.7	624.5	1,675.9	530.0
		16.5	30.8	74.6	122.0	93.2	215.3	153.6	243.6	301.0	698.3	576.2

* (Upper) Revenue (Lower) Recurring Profit

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

Analysis of Change in Recurring Profit between FY2020 and FY2021

Results

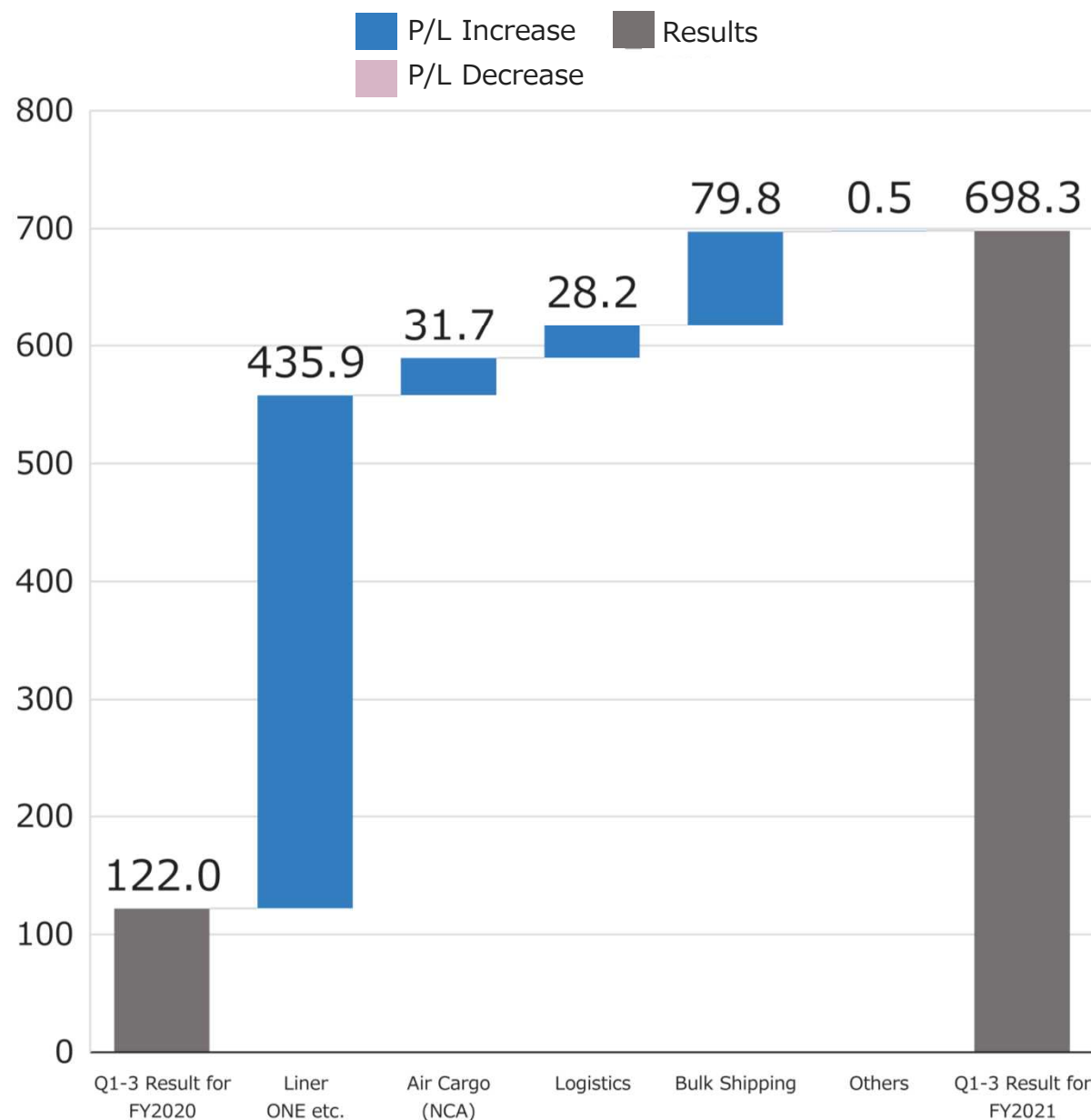


Analysis by factor

Yen Depreciation	17.9	¥110.97/\$ Depreciated by ¥4.83
Higher Bunker Oil Prices	-2.3	\$504.05/MT Increased by \$141.48/MT
Market Effects, etc.	494.3	Liner (incl. ONE) +423.6 Bulk Shipping +70.6
Foreign Exchange Profit/Loss	7.5	
Others	58.9	Logistics + 28.2 Air Cargo(NCA) +31.7
Total	576.2	

Analysis by business

(billion yen)



Full-year forecast (compared with the forecast announced with the Q2 results)

- ▶ **Revenues: JPY2.2 trillion (upward revision of JPY200.0 billion)**
 - Rise in freight rate levels in the Logistics Business to contribute (up JPY122.0 billion)
- ▶ **Recurring profit: JPY930.0 billion (upward revision of JPY220.0 billion)**
 - The Liner & Logistics Business (Liner, Air Cargo, and Logistics) was revised upward compared with the previous forecast (up JPY197.0 billion)
 - The Bulk Shipping Business was also revised upward, assuming strong performance mainly in Dry Bulk and Car Carrier (up JPY22.0 billion)
- ▶ **Net income: JPY930.0 billion (upward revision of JPY220.0 billion)**
- ▶ **Dividend: Full-year: JPY1,200/share <interim: JPY200/share, year-end: JPY1,000/share>**
 - The basic policy of shareholder returns is to refer to 25% in consolidated payout ratio as an indicator. The distribution of profits will be decided after comprehensively taking into account the business forecast and other factors.
 - JPY200 per share was issued as interim dividend. Forecast of year-end dividend has been increased by JPY400 per share compared to the previous forecast and currently plan to issue a dividend of JPY1,000 per share, for a full-year dividend of JPY1,200 per share.
 - The issue of future share buybacks remains subject to consideration, and it is planned to resolve the matter of final shareholder returns for the profits earned in FY2021 at the Board of Directors meeting in May after confirming the actual financial results.

By Segment (recurring profit compared with the forecast announced with the Q2 results)

► **Liner: JPY680.0 billion (upward revision of JPY170.0 billion)**

Container Shipping (Ocean Network Express)

- Vigorous transportation demand and port and inland congestion continue, and it is unclear when the supply-demand balance would normalize
- Expecting profit increase due to rising freight rate levels
- The Lifting is anticipated to decline due to worsening fleet turnaround rate. The outlook was formulated assuming that cargo demand would remain strong while there are concerns over seasonal factors such as the Chinese New Year

Terminals

- Expecting to maintain solid performance both in Japan and overseas though there is a risk of decrease in handling volume due to port congestion mainly on the west coast of North America

► **Air Cargo: JPY76.0 billion (upward revision of JPY19.0 billion)**

- Q4 is seasonally weak demand period but the impact of return of international passenger flights to the market is still unclear
- Supply-demand balance is expected to avoid a major collapse, assuming that the partial shift of ocean freight to air freight will continue

By Segment (recurring profit compared with the forecast announced with the Q2 results)

► **Logistics: JPY56.0 billion (upward revision of JPY8.0 billion)**

- **Ocean freight:** Continue with flexible marketing to maintain the strong profit level, even as handling volume is expected to gradually settle
- **Air freight:** Like ocean freight, it is expected to remain firm, while handling volume is assumed to decline 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: JPY122.0 billion (upward revision of JPY22.0 billion)**

Car carrier

- Reduced the impact of production reduction and expect a slight increase in full-year transport volume of 1% with the number of cars transported in the second half exceeding the first half

Dry bulk

- Expecting to continue good performance by capturing the strong market in Q3, while revised down the market assumption for Panamax and Small Handy compared with the previous forecast

Energy

- While affected by the market price decline for Tankers (VLCC, etc.), steady and strong earnings performance is expected on medium- to long-term contracts in LNG vessels and Offshore Business

Summary of Forecast for FY2021

Forecast



	FY2020(Result)					FY2021(Forecast)					Year-on-Year	Change from Prev. Forecast
	1H		2H		Full-year	1H (Result)		2H		Full-Year		
	Q1	Q2	Q3	Q4		Q1	Q2	Q3 (Result)	Q4			
Revenue	722.0		886.3		1,608.4	1,051.3		1,148.7		2,200.0	591.6	200.0
	361.1	360.8	423.9	462.4		504.6	546.7	624.5	524.1			
Operating Profit	16.6		54.8		71.5	117.9		147.1		265.0	193.5	45.0
	8.9	7.7	31.2	23.5		53.0	64.9	80.0	67.0			
Recurring Profit	47.4		167.9		215.3	397.2		532.8		930.0	714.7	220.0
	16.5	30.8	74.6	93.2		153.6	243.6	301.0	231.7			
Net Income Attributable to Owners of the Parent Company	22.1		117.0		139.2	411.3		518.7		930.0	790.8	220.0
	11.6	10.4	30.1	86.8		151.0	260.2	280.8	237.8			
Exchange Rate	¥107.74	¥105.90	¥104.76	¥104.74	¥105.79	¥109.80	¥109.99	¥113.12	¥113.00	¥111.48	¥5.69	¥1.53
Bunker Prices (All Grades)	\$452.83	\$308.51	\$331.04	\$363.90	\$362.95	\$441.92	\$515.24	\$555.96	\$565.00	\$519.53	\$156.58	¥8.24
Bunker Prices (HSFO)	-	-	-	-	-	-	-	-	¥420.00	-	-	-
Bunker Prices (VLSFO)	-	-	-	-	-	-	-	-	\$570.00	-	-	-

► Sensitivity to profit (Full Year)

Exchange rate: Approx. JPY6.84 billion increase per ¥1/\$ depreciation

Bunker prices: Approx. JPY0.19 billion increase per \$10/MT decrease

Forecast by Segment for FY2021

Forecast



	Industrial Segment (Billions of yen)	FY2020 (Result)							FY2021(Forecast)							Year-on-year
		Q1	Q2	1H	Q3	Q4	2H	Full-year	Q1 (Result)	Q2 (Result)	1H (Result)	Q3 (Result)	Q4	2H	Full-Year	
Liner & Logistics	Liner	39.1	42.1	81.3	45.1	44.0	89.1	170.5	50.1	43.8	94.0	47.0	44.9	92.0	186.0	15.5
		6.7	21.7	28.4	40.0	72.3	112.3	140.8	111.3	179.0	290.3	214.0	175.6	389.7	680.0	539.2
	Air Cargo	28.8	25.6	54.4	33.3	34.5	67.9	122.4	43.9	45.8	89.7	51.8	46.4	98.3	188.0	65.6
		9.3	3.8	13.2	11.4	8.5	20.0	33.2	15.3	17.7	33.0	23.3	19.6	43.0	76.0	42.8
	Logistics	112.9	122.1	235.0	152.5	173.5	326.1	561.2	176.8	200.5	377.3	235.9	188.7	424.7	802.0	240.8
		2.7	5.3	8.1	9.3	9.5	18.9	27.0	11.5	16.8	28.4	17.2	10.3	27.6	56.0	29.0
	(Total)	181.0	189.8	370.8	231.1	252.1	483.3	854.2	270.9	290.1	561.0	334.9	280.0	615.0	1,176.0	321.8
		18.8	30.9	49.8	60.8	90.4	151.2	201.1	138.2	213.5	351.8	254.7	205.5	460.2	812.0	610.9
Shipping	Bulk Shipping	164.8	153.1	317.9	175.4	188.1	363.5	681.5	217.6	239.2	456.9	267.6	226.4	494.1	951.0	269.5
		-1.1	1.3	0.1	13.9	4.4	18.4	18.6	16.0	31.6	47.7	46.2	28.1	74.3	122.0	103.4
Others	Real Estate	1.7	1.7	3.4	1.6	1.7	3.3	6.8	1.5	0.8	2.4	0.8	0.7	1.6	4.0	-2.8
		0.7	0.6	1.3	0.6	0.5	1.2	2.5	0.7	0.4	1.2	0.4	0.3	0.8	2.0	-0.5
	Other	27.3	31.4	58.8	32.0	38.8	70.9	129.7	33.9	37.8	71.7	46.5	43.7	90.3	162.0	32.3
		-0.4	-1.0	-1.5	0.1	-0.8	-0.7	-2.2	-0.6	-1.0	-1.7	0.6	-0.9	-0.3	-2.0	0.2
	Elimination/ Unallocation	-13.8	-15.3	-29.1	-16.4	-18.4	-34.8	-64.0	-19.5	-21.3	-40.8	-25.4	-26.7	-52.2	-93.0	-29.0
		-1.3	-1.0	-2.4	-0.9	-1.3	-2.2	-4.7	-0.7	-0.9	-1.7	-0.9	-1.3	-2.3	-4.0	0.7
	Consolidated	361.1	360.8	722.0	423.9	462.4	886.3	1,608.4	504.6	546.7	1,051.3	624.5	524.1	1,148.7	2,200.0	591.6
		16.5	30.8	47.4	74.6	93.2	167.9	215.3	153.6	243.6	397.2	301.0	231.7	532.8	930.0	714.7

* (Upper) Revenue (Lower) Recurring Profit

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

Forecast by Segment for FY2021

Forecast



Industrial Segment (Billions of yen)		Previous Forecast			Revised Forecast					Change from Prev. Forecast
		1H	2H	Full-year	1H (Result)	Q3 (Result)	Q4	2H	Full-year	Full-year
Liner & Logistics	Liner	94.0	86.0	180.0	94.0	47.0	44.9	92.0	186.0	6.0
		290.3	219.6	510.0	290.3	214.0	175.6	389.7	680.0	170.0
	Air Cargo	89.7	80.3	170.0	89.7	51.8	46.4	98.3	188.0	18.0
		33.0	24.0	57.0	33.0	23.3	19.6	43.0	76.0	19.0
	Logistics	377.3	302.6	680.0	377.3	235.9	188.7	424.7	802.0	122.0
		28.4	19.6	48.0	28.4	17.2	10.3	27.6	56.0	8.0
	(Total)	561.0	468.9	1,030.0	561.0	334.9	280.0	615.0	1,176.0	146.0
		351.8	263.2	615.0	351.8	254.7	205.5	460.2	812.0	197.0
	Bulk Shipping	456.9	453.1	910.0	456.9	267.6	226.4	494.1	951.0	41.0
		47.7	52.3	100.0	47.7	46.2	28.1	74.3	122.0	22.0
Others	Real Estate	2.4	1.0	3.5	2.4	0.8	0.7	1.6	4.0	0.5
		1.2	0.8	2.0	1.2	0.4	0.3	0.8	2.0	0.0
	Other	71.7	74.8	146.5	71.7	46.5	43.7	90.3	162.0	15.5
		-1.7	-0.8	-2.5	-1.7	0.6	-0.9	-0.3	-2.0	0.5
	Elimination/Un allocation	-40.8	-49.2	-90.0	-40.8	-25.4	-26.7	-52.2	-93.0	-3.0
		-1.7	-2.7	-4.5	-1.7	-0.9	-1.3	-2.3	-4.0	0.5
	Consolidated	1,051.3	948.7	2,000.0	1,051.3	624.5	524.1	1,148.7	2,200.0	200.0
397.2		312.8	710.0	397.2	301.0	231.7	532.8	930.0	220.0	

* (Upper) Revenue (Lower) Recurring Profit

Appendix

► 1. Air Cargo Transportation (NCA)

	FY2020(Result)					FY2021(Forecast)					Change from Prev. Forecast (Full-year)
	1H		2H		Full- year	1H(Result)		2H		Full- year	
	Q1	Q2	Q3	Q4		Q1	Q2	Q3(Result)	Q4		
Revenue (Billions of yen)	54.4		67.9		122.4	89.7		98.3		188.0	18.0
	28.8	25.6	33.3	34.5		43.9	45.8	51.8	46.4		
Recurring Profit (Billions of yen)	13.2		20.0		33.2	33.0		43.0		76.0	19.0
	9.3	3.8	11.4	8.5		15.3	17.7	23.3	19.6		
Chargeable Weight (1,000 tons)	238		262		500	250		209		458	▲ 24
	118	120	133	128		129	121	110	99		
Volume (RTK) (mil.ton kilo)	1,324		1,446		2,771	1,425		1,237		2,662	▲ 125
	649	675	737	709		726	699	651	586		
Capacity (ATK) (mil.ton kilo)	2,069		1,971		4,040	1,874		1,691		3,566	▲ 130
	1,017	1,052	1,030	941		953	922	890	801		
YIELD FY3/09 Q1=100	111		111		111	144		188		164	25
	121	102	111	110		139	149	193	183		
燃料単価 US\$ per bbl	\$36		\$55		\$46	\$74		\$87		\$80	\$3
	\$30	\$42	\$47	\$63		\$71	\$77	\$89	\$85		

► 2. Logistics

		FY2019 (Result)	FY2020(Result)				FY2021(Forecast)					Change from Prev. Forecast (Full-year)	
		Full-year	1H		2H		Full-year	1H(Result)		2H			Full-year
			Q1	Q2	Q3	Q4		Q1	Q2	Q3 (Result)	Q4		
Ocean Export	TEU	764	336		387		723	370		353		723	1
	(1,000TEUs)		154	182	197	190		188	182	182	171		
	Year-on-Year	▲ 6%	▲ 15%		5%		▲ 5%	10%		-9%		0%	0%
			▲ 19%	▲ 10%	▲ 1%	11%		22%	0%	-8%	-10%		
Air Export	Weight	337	132		194		326	201		199		400	0
	(1,000 tons)		64	68	91	103		100	101	106	93		
	Year-on-Year	▲ 11%	▲ 22%		16%		▲ 3%	52%		3%		23%	0%
			▲ 23%	▲ 21%	2%	30%		56%	49%	16%	-10%		

3. Bulk Shipping – 1) Market trend and forecast

		FY2020(Result)					FY2021(Forecast)					Prev. Forecast Full-year
		Q1	Q2	Q3	Q4	Full-year	Q1 (Result)	Q2 (Result)	Q3 (Result)	Q4	Full-Year	
Dry Bulk Carriers	BDI	766	1,520	1,352	1,725	1,341	2,791	3,732	3,478	2,010	3,003	3,103
	Cape	9,598	20,661	16,657	17,133	16,012	31,280	42,380	42,306	16,500	33,116	32,915
	Panamax	7,313	13,165	12,067	18,289	12,709	25,912	33,612	29,127	24,000	28,163	29,381
	Handymax	5,439	9,945	10,778	16,363	10,631	25,407	34,278	30,382	21,000	27,767	30,171
	Handy	5,178	9,153	11,192	16,328	10,463	22,420	32,204	31,229	21,000	26,713	27,656
Tankers	VLCC	90,916	18,108	10,516	217	29,939	-589	-3,053	1,685	10,000	2,011	6,589
	VLGC	33,007	40,722	68,362	40,028	45,530	35,655	22,961	39,657	35,000	33,318	32,154

※ 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

	FY2020(Result)				Full-year	FY2021(Forecast)					Change from Prev. Forecast (Full-year)
	1H		2H			1H (Result)		2H		Full-Year	
	Q1	Q2	Q3	Q4		Q1	Q2	Q3 (Result)	Q4		
All Trade (10,000 Cars)	145		211		356	205		210		415	4
	87	59	101	110		107	98	103	107		
Year-on-year	-39%		-5%		-22%	41%		-0%		17%	1%
	-25%	-51%	-5%	-4%		23%	67%	2%	-2%		

- ※ FY2020 is calculated on voyage-completion basis
- ※ FY2021 is calculated on loading-completion basis
- ※ Including Intra-European Trade (incl. space-chartered trade)



OCEAN NETWORK EXPRESS

Financial Results for FY2021 3rd Quarter

JANUARY.31, 2022

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1. FY2021 3rd Quarter Results

□ Outline

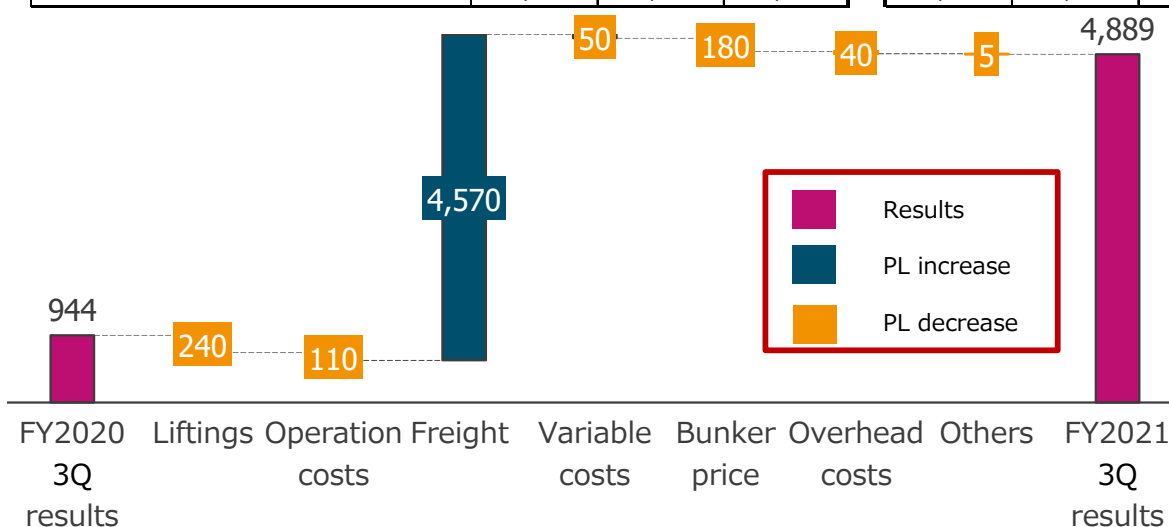
In Q3, ONE's profit significantly increased to US\$4,889 million compared to the same period last year (+US\$3,945 million) mainly due to the rise in the spot freight market.

- Despite the impact of seasonal factors such as the Chinese National Day and end of year holidays, the strong cargo demand continued in Oct-Dec.
- On the supply side, there remains turmoil within the entire global supply chain. Port and inland congestion worsened from Q2, mainly in the US West Coast.
- As a result of the above, the spot freight market further increased from Q2 and remained at a significantly higher level than expected.

□ FY2021 3rd Quarter Results and PL Analysis

(Unit: Million US\$)

	FY2020			FY2021			3Q Results to FY2020 3Q		1Q-3Q Results to FY2020 1Q-3Q	
	1H Results	3Q Results	1Q-3Q Results	1H Results	3Q Results	1Q-3Q Results	Change	Change (%)	Change	Change (%)
Revenue	5,917	3,757	9,673	13,333	8,332	21,665	4,575	122%	11,991	124%
EBITDA	1,342	1,293	2,635	7,496	5,286	12,782	3,993	309%	10,147	385%
EBIT	846	1,036	1,882	6,952	5,019	11,970	3,983	384%	10,088	536%
Profit/Loss	682	944	1,626	6,760	4,889	11,648	3,945	418%	10,022	616%
Bunker Price (US\$/MT)	\$328	\$314	\$323	\$487	\$531	\$501	\$217	69%	\$178	55%
Bunker consumption (K MT)	1,765	933	2,698	1,797	854	2,651	-79	-8%	-47	-2%
Lifting (K TEU)	5,734	3,204	8,938	6,285	2,939	9,224	-264	-8%	286	3%



- Liftings: Decreased due to blank sailings caused by port congestion, despite the strong cargo demand continuing.
- Operation costs: Increased mainly due to higher ships cost.
- Freight: Significantly improved due to a rise in both long-term and short-term markets.
- Variable costs: Cost saving initiatives progressed, but additional costs increased due to port and inland congestion.
- Bunker price: The price increased.
- Overhead costs: Agency fees and system costs increased.
- Others: Remain mostly unchanged from the previous year.

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

(Unit: 1,000TEU)

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

FY2021			
1Q	2Q	1H	3Q
615	649	1,264	564
100%	100%	100%	100%
436	443	879	411
100%	100%	100%	97%

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

328	309	638	258
54%	54%	54%	47%
339	347	687	305
82%	78%	80%	69%

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

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

FY2021			
1Q	2Q	1H	3Q
185	247	216	285
327	451	389	539

- **Liftings, Utilization Rates :** The liftings on Asia-North America E/B decreased from Q2 due to the Chinese National Day and end of year holidays, but 100% vessel utilization rate was maintained. The liftings also decreased compared to FY2020 Q3 due to port congestion mainly in the U.S. West Coast terminals. The liftings and utilization on Asia-Europe W/B decreased from Q2 due to seasonal factors. Compared to FY2020 Q3, the liftings on Asia-Europe W/B generally remained unchanged, but the utilization was affected by schedule disruption.
- **Freight Index :** The freight market rose significantly compared to FY2020 Q3 and has also improved from FY2021 Q2.

3. The Impact of & Countermeasures to Supply Chain Disruption

Business
environment

- The global cargo demand remained strong through Oct-Dec, particularly for consumer goods. Asia-North America trade market volume in Oct and Nov increased by approximately 3% Y to Y. Asia-Europe trade market volume in Oct and Nov increased by approximately 6% Y to Y.
- The strong cargo demand, labour shortage and continued COVID-19 impact have worsened both port and inland congestion globally.
- 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.
- A new homepage for ONE Mobile APP has been released to improve convenience for customers and provide timely information to customers.

**Operational
excellency**

- Procured reefer containers have mostly been delivered in Q3 and additional procurement is ongoing.
- Full utilization of ONE's own space and the execution of empty sweeper sailings to bring empty containers back to those locations with strong demand.
- Operational optimization to rescue rolled-over cargo resulting from vessel delays and a sharp rise in cargo volume included the increase of vessels speed to recover schedule integrity and deployment of extra loaders.
- 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**

- 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.



**There remains excessive strain on the entire global supply chain.
ONE is doing its utmost effort to support social infrastructure globally.
In Q3, space shortages continued, but no container shortage occurred.**

4. FY2021 Full Year Forecasts

□ Outline

For the FY2021 full year, approximately US\$15,398 million profit after tax is expected due to strong cargo demand and improvements in the freight market.

- In Q3, ONE achieved US\$4,889 million profit after tax due to strong cargo demand and a rise in the spot freight market. In Q4, although there are going to be some seasonal factors, such as Chinese New Year and blank sailings due to supply chain disruptions, approximately US\$3,750 million profit after tax is expected due to the continued cargo demand.

□ FY2021 Full Year Forecasts

(Unit: Million US\$)

*As of end Oct 2021

	FY2021(Previous Forecasts*)		
	1H Results	2H Forecasts	Full Year Forecasts
Revenue	13,333	12,080	25,413
EBITDA	7,496	5,630	13,126
EBIT	6,952	5,100	12,051
Profit/Loss	6,760	5,000	11,760

FY2021(Latest)				
1H Results	3Q Results	4Q Forecasts	2H Forecasts	Full Year Forecasts
13,333	8,332	7,380	15,712	29,045
7,496	5,286	4,080	9,366	16,862
6,952	5,019	3,830	8,849	15,800
6,760	4,889	3,750	8,639	15,398

Full Year	
Change	Change (%)
3,632	14%
3,736	28%
3,749	31%
3,638	31%

Bunker Price (US\$/MT)	\$487	\$589	\$541
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\$487	\$531	\$582	\$556	\$520
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-\$21	-4%
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	FY2020(Previous Year)		
	1H Results	2H Results	Full Year Results
Revenue	5,917	8,480	14,397
EBITDA	1,342	3,513	4,855
EBIT	846	2,987	3,832
Profit/Loss	682	2,802	3,484

Full Year	
Change	Change (%)
14,648	102%
12,007	247%
11,968	312%
11,915	342%

Bunker Price (US\$/MT)	\$328	\$335	\$331
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\$189	57%
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5. Actions to Achieve Further Competitiveness and Sustainability

- The launch of a new service, the Korea Russia Express 2 (KRX2) to complement the current Korea Russia Express (KRX) service and enhance the network within the same sector.
- “ONE QUOTE” is successfully adding new functions and expanding the trade scope. Reefer as Dry (RAD) function is now available in ONE QUOTE from Dec. The scope of countries where ONE QUOTE can be accessed has been expanded to meet customers requirements.
- EUA RHQ has been awarded ISO14001 by the International Organization for Standardization for its environmental management system for inland operation on Europe-Africa trade.
- ONE conducted a joint crisis management drill with ship owner, Seaspan Corporation.
- As part of a continued joint commitment to adopt responsible maritime practices, PSA Corporation Ltd (PSA) and ONE have launched an environmentally-friendly barge sailing service from PSA Singapore to PSA Jurong Island Terminal.
- Following our donation to the "Sustaining Crew Welfare Campaign", ONE donated another £30'000 to The Mission to Seafarers, becoming a platinum donor of the Charity who supports smooth crew changes and provides mental health support to seafarers.
- ONE launched a year-long #ONEPinkRibbon campaign to raise awareness of breast cancer globally. ONE will transform 100 of its iconic magenta shipping containers to feature the pink ribbon – an international symbol for breast cancer awareness – and promote the importance of early detection of breast cancer.

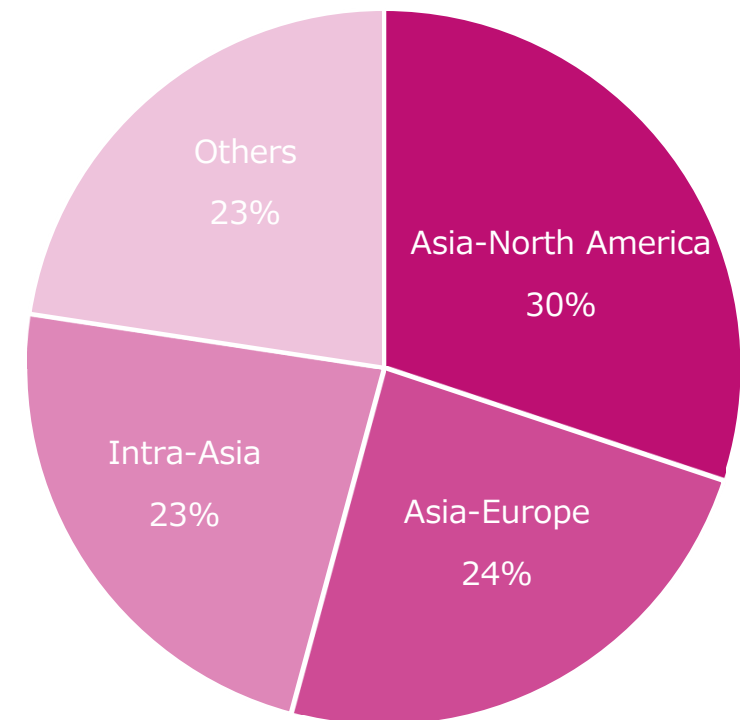
6. Reference (Fleet Structure & Service Structure)

▣ Fleet Structure

Size		1)As of end Sep. 2021	2)As of end Dec. 2021	2)-1)
>= 20,000 TEU	Capacity (TEU)	120,600	120,600	0
	Vessels	6	6	0
10,500 - 20,000 TEU	Capacity (TEU)	456,600	456,600	0
	Vessels	33	33	0
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	138,307	▲ 25,677
	Vessels	25	21	▲ 4
5,200 - 6,000 TEU	Capacity (TEU)	77,632	66,463	▲ 11,169
	Vessels	14	12	▲ 2
4,600 - 5,200 TEU	Capacity (TEU)	103,169	93,122	▲ 10,047
	Vessels	21	19	▲ 2
4,300 - 4,600 TEU	Capacity (TEU)	67,271	62,952	▲ 4,319
	Vessels	15	14	▲ 1
3,500 - 4,300 TEU	Capacity (TEU)	29,130	24,874	▲ 4,256
	Vessels	7	6	▲ 1
2,400 - 3,500 TEU	Capacity (TEU)	74,356	80,602	6,246
	Vessels	28	30	2
1,300 - 2,400 TEU	Capacity (TEU)	10,415	12,093	1,678
	Vessels	6	7	1
1,000 - 1,300 TEU	Capacity (TEU)	10,663	10,573	▲ 90
	Vessels	10	10	0
< 1,000 TEU	Capacity (TEU)	0	618	618
	Vessels	0	1	1
Total	Capacity (TEU)	1,589,718	1,542,702	▲ 47,016
	Vessels	217	211	▲ 6

▣ Service Structure

(FY2021 Q3 Structure of dominant and non-dominant space)





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