

Financial Results for FY2021, and FY2022 Full-year Forecast

May 9, 2022

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**(Attachment) Ocean Network Express
Financial Results for FY2021 Full-year**

Full-year review (year-on-year)

▶ Revenues: JPY2,280.7 billion (up JPY672.3 billion)

- Revenues increased in the Bulk Shipping Business on the back of the surge in dry bulk market and the recovery in volume of car transportation (up JPY292.9 billion)
- Revenues increased as freight rate levels and handling volume grew in the Logistics Business (up JPY286.2 billion)

▶ Recurring profit: JPY1,003.1 billion (up JPY787.8 billion)

- Significant profit increase at the Liner & Logistics Business (Liner, Air Cargo, and Logistics) as strong demand continued (up JPY665.8 billion)
- Profits rose also in the Bulk Shipping Business reflecting strong dry bulk market and recovery in volume handled by car carriers (up JPY120.4 billion)

▶ Net income: JPY1,009.1 billion (up JPY869.8 billion)

▶ Dividend: Annual dividend of JPY1,450/share

<interim: JPY200/share, year-end: JPY1,250/share>

- The basic policy of shareholder returns is to target generally 25% in consolidated payout ratio. The profit distribution will be decided after comprehensively taking into account the business forecast and other factors.
- Though share buyback was considered in addition to the basic policy, it was decided to do shareholder returns for FY2021 through dividends only. The year-end dividend was increased by JPY250/share compared to the previous forecast to JPY1,250/share for an annual dividend of JPY1,450/share with the interim dividend of JPY200/share.

By segment (recurring profit year-on-year)

► **Liner: JPY734.2 billion (up JPY593.4 billion)**

Container Shipping (Ocean Network Express)

- Tight supply-demand balance continued amid robust demand for transportation and unsolved port and inland congestion
- Total lifting including other routes rose slightly, despite decline in the Asia-North America trade 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 freight rates rose due to renewal of long-term contracts

Terminal

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

► **Air Cargo: JPY74.0 billion (up JPY40.7 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: JPY58.7 billion (up JPY31.6 billion)**

- **Ocean freight:** While handling volume were roughly the same level as the previous fiscal year, profit levels remained strong, as selling price caught up with the purchase price for transportation spaces whose price is soaring reflecting robust transport demand
- **Air freight:** Amid tight supply-demand balance similar to the Air Cargo Business, handling volume increased compared to the previous fiscal year, driving the growth, thanks to success in ensuring space including charter flights
- **Logistics:** Profit was boosted by more-than-expected cargo of consumer goods primarily in Europe and North America as well as successful review of contracts and cost reduction

► **Bulk Shipping: JPY139.1 billion (up JPY120.4 billion)**

Car Carrier

- Despite the impact of automotive components shortage caused by semiconductor production shortage and the spread of COVID-19, handling volume by unit increased from the same period last year through optimization of vessel deployment and securing of substitute cargo

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 Results for FY2021

Results



(Billions of yen)	FY2020					FY2021					Year-on-year	Previous Forecast Q4	Change from Prev. Forecast
	Q1	Q2	Q3	Q4	Full-Year	Q1	Q2	Q3	Q4	Full-Year			
Revenue	361.1	360.8	423.9	462.4	1,608.4	504.6	546.7	624.5	604.8	2,280.7	672.3	524.1	80.7
Operating Profit	8.9	7.7	31.2	23.5	71.5	53.0	64.9	80.0	70.9	268.9	197.4	67.0	3.9
Recurring Profit	16.5	30.8	74.6	93.2	215.3	153.6	243.6	301.0	304.8	1,003.1	787.8	231.7	73.1
Net Income Attributable to Owners of the Parent Company	11.6	10.4	30.1	86.8	139.2	151.0	260.2	280.8	316.8	1,009.1	869.8	237.8	79.0
Exchange Rate	¥107.74	¥105.90	¥104.76	¥104.74	¥105.79	¥109.80	¥109.99	¥113.12	¥115.34	¥112.06	¥6.27	¥113.00	¥2.34
Bunker Oil Prices	\$452.83	\$308.51	\$331.04	\$363.90	\$362.95	\$441.92	\$515.24	\$555.96	\$616.36	\$531.19	\$168.25	\$565.00	\$51.36

Comparison by Segment

Results



Industrial Segment (Billions of yen)	FY2020					FY2021					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	39.1	42.1	45.1	44.0	170.5	50.1	43.8	47.0	49.4	190.5	20.0	44.9	4.5
		6.7	21.7	40.0	72.3	140.8	111.3	179.0	214.0	229.7	734.2	593.4	175.6	54.1
	Air Cargo	28.8	25.6	33.3	34.5	122.4	43.9	45.8	51.8	47.1	188.7	66.2	46.4	0.7
		9.3	3.8	11.4	8.5	33.2	15.3	17.7	23.3	17.6	74.0	40.7	19.6	-2.0
	Logistics	112.9	122.1	152.5	173.5	561.2	176.8	200.5	235.9	234.1	847.4	286.2	188.7	45.4
	-0.0	5.3	9.3	9.5	27.0	11.5	16.8	17.2	13.0	58.7	31.6	10.3	2.7	
(Total)	181.0	189.8	231.1	252.1	854.2	270.9	290.1	334.9	330.7	1,226.7	372.5	280.0	50.7	
	18.8	30.9	60.8	90.4	201.1	138.2	213.5	254.7	260.4	867.0	665.8	205.5	54.9	
Bulk Shipping	Bulk Shipping	164.8	153.1	175.4	188.1	681.5	217.6	239.2	267.6	249.9	974.5	292.9	226.4	23.5
		-1.1	1.3	13.9	4.4	18.6	16.0	31.6	46.2	45.1	139.1	120.4	28.1	17.0
Others	Real Estate	1.7	1.7	1.6	1.7	6.8	1.5	0.8	0.8	0.8	4.2	-2.6	0.7	0.1
		0.7	0.6	0.6	0.5	2.5	0.7	0.4	0.4	0.4	2.1	-0.4	0.3	0.1
	Other	27.3	31.4	32.0	38.8	129.7	33.9	37.8	46.5	52.1	170.4	40.6	43.7	8.4
	-0.4	-1.0	0.1	-0.8	-2.2	-0.6	-1.0	0.6	0.0	-1.2	1.0	-0.9	0.9	
Elimination/ Unallocation	-13.8	-15.3	-16.4	-18.4	-64.0	-19.5	-21.3	-25.4	-28.8	-95.1	-31.1	-26.7	-2.1	
	-1.3	-1.0	-0.9	-1.3	-4.7	-0.7	-0.9	-0.9	-1.1	-3.8	0.8	-1.3	0.2	
Consolidated		361.1	360.8	423.9	462.4	1,608.4	504.6	546.7	624.5	604.8	2,280.7	672.3	524.1	80.7
		16.5	30.8	74.6	93.2	215.3	153.6	243.6	301.0	304.8	1,003.1	787.8	231.7	73.1

* (Upper) Revenue (Lower) Recurring Profit

Analysis of Change in Recurring Profit between FY2020 and FY2021

Results

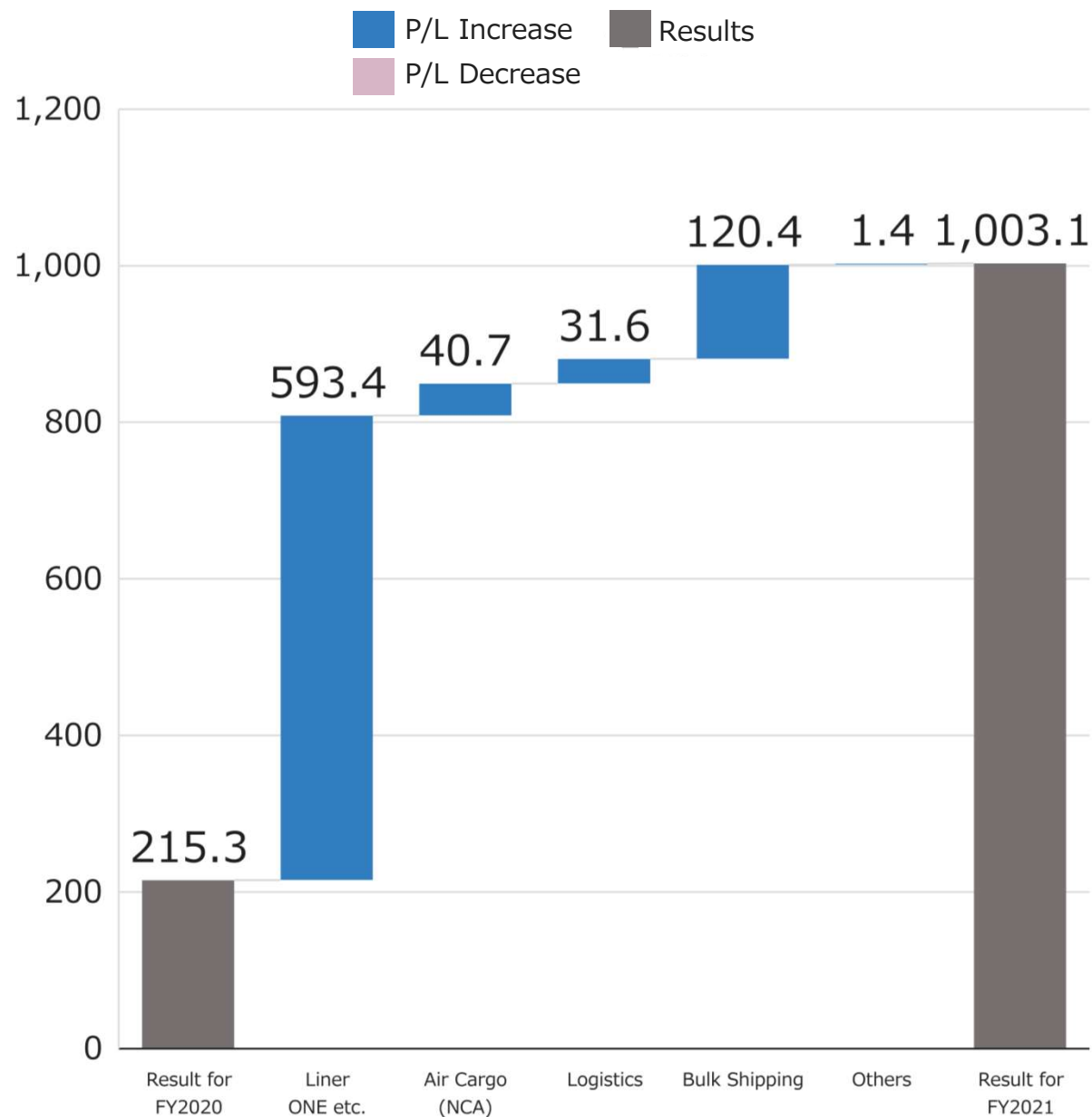


Analysis by factor

Yen Depreciation	31.0	¥112.06/\$ Depreciated by ¥6.27
Higher Bunker Oil Prices	-3.7	\$531.19/MT Increased by \$168.25/MT
Market Effects, etc.	678.7	Liner (incl. ONE) +572.4 Bulk Shipping +106.3
Foreign Exchange Profit/Loss	10.7	
Others	71.2	Logistics + 31.6 Air Cargo(NCA) +40.7
Total	787.8	

Analysis by business

(billion yen)



Full-year forecast (year-on-year)

▶ Revenues: JPY2,300.0 billion (up JPY19.3 billion)

- Even as revenues of the Liner & Logistics Business (Liner, Air Cargo, and Logistics) is expected to decline by JPY85.2 billion, the Bulk Shipping Business to see increased revenue of about JPY105.5 billion

▶ Recurring profit: JPY760.0 billion (down JPY243.1 billion)

- Profits to decline in the Liner & Logistics Business compared to the previous fiscal year as supply-demand to be balanced following normalization from COVID-19 (down JPY217.0 billion)
- Profits of the Bulk Shipping Business are also expected to decline compared to the previous fiscal year assuming the dry bulk market to settle down (down JPY25.1 billion)
- While profits are down year on year, the profit level is expected to remain high

▶ Net income: JPY720.0 billion (down JPY289.1 billion)

▶ Dividend: Full-year dividend of JPY1,050/share <interim: JPY650/share, year-end: JPY400/share>

- Based on the basic policy of shareholder returns of 25% in consolidated payout ratio, interim dividend is set at JPY650/share and year-end dividend at JPY400/share, for a full-year dividend of JPY1,050/share

Full-year forecast (recurring profit/loss year-on-year)

▶ Liner: JPY550.0 billion (down JPY184.2 billion)

Container shipping (Ocean Network Express)

- While liftings and freight rates are expected to weaken slightly in the first half due to the impact of the COVID-19-related lockdown in China and Russia-Ukraine situation, the tight supply-demand situation is expected to continue
- It is necessary to pay attention to the labor negotiations in the North American west coast
- In the second half, demand, primarily in North America, is expected to settle due to slowdown in global economy, short-term freight rates to fall significantly along with settle of logistics supply chain congestion and normalization of supply-demand balance
- Freight rates to rise reasonably due to renewal of long-term contracts against the backdrop of rising short-term freight rates

Terminals

- With priority on terminal in North American west coast, aim to transfer overseas terminal one by one to ONE

▶ Air Cargo: JPY62.0 billion (down JPY12.0 billion)

- The impact of recovery in international passenger flights is still unclear, but movement of cargo is expected to fall after the peak season in the second half
- At the same time, performance is forecast to remain strong, as the increase in long-term contract and continued shift of ocean freight to air freight is expected to continue to boost demand

Though rational forecast for ONE is not disclosed, certain assumptions are made and reflected on full-year forecast as described below

By Segment (recurring profit/loss year-on-year)

► Logistics: JPY38.0 billion (down JPY20.7 billion)

- **Ocean freight:** Amid tight situation of transportation spaces, while handling volume is expected to increase year-on-year through flexible acquisition of space, profit level is expected to worsen due to decline in transportation demand
- **Air freight:** Though handling volume is expected to be at the same level as the previous fiscal year, profit level is expected to decline similar to ocean freight, still maintaining high level
- **Logistics:** Efforts will be made to stabilize earnings through review of contracts including price revision and cost reductions, despite the anticipated impact from decline in cargo movement of consumer goods and rise in personnel costs

► Bulk Shipping: JPY114.0 billion (down JPY25.1 billion)

Car Carrier

- While the impact of reduced production is unclear, transport volume, primarily to the US, is expected to increase as the semiconductor shortage gets solved (up 5% year on year)

Dry Bulk

- The market assumptions for each vessel type to fall year on year, but the level is expected to remain strong

Energy

- While the market recovery of tankers (VLCC, etc.) is expected to take time, strong performance is expected due to medium- to long-term contracts in LNG vessels and offshore business

Summary of Forecast for FY2022

Forecast



(Billions of yen)	FY2021(Result)					FY2022(Forecast)			Year-on-Year
	1H		2H		Full-year	1H	2H	Full-Year	
	Q1	Q2	Q3	Q4					
Revenue	1,051.3		1,229.3		2,280.7	1,160.0	1,140.0	2,300.0	19.3
	504.6	546.7	624.5	604.8					
Operating Profit	117.9		151.0		268.9	97.0	90.0	187.0	-81.9
	53.0	64.9	80.0	70.9					
Recurring Profit	397.2		605.9		1,003.1	460.0	300.0	760.0	-243.1
	153.6	243.6	301.0	304.8					
Net Income Attributable to Owners of the Parent Company	411.3		597.7		1,009.1	440.0	280.0	720.0	-289.1
	151.0	260.2	280.8	316.8					
Exchange Rate	¥109.80	¥109.99	¥113.12	¥115.34	¥112.06	¥120.00	¥120.00	¥120.00	¥7.94
Bunker Prices (All Grades)	\$441.92	\$515.24	\$555.96	\$616.36	\$531.19	\$741.25	\$741.25	\$741.25	\$210.06
Bunker Prices (HSFO)	-	-	-	-	-	\$545.00	\$545.00	\$545.00	-
Bunker Prices (VLSFO)	-	-	-	-	-	\$770.00	\$770.00	\$770.00	-

► Sensitivity to profit (Full Year)

Exchange rate: Approx. JPY5.94 billion increase per ¥1/\$ depreciation

Bunker prices: Approx. JPY0.33 billion increase per \$10/MT decrease

Forecast by Segment for FY2022

Forecast



Industrial Segment (Billions of yen)	FY2021 (Result)							FY2022(Forecast)			Year-on-year	
	Q1	Q2	1H	Q3	Q4	2H	Full-year	1H	2H	Full-year		
Liner & Logistics	Liner	50.1	43.8	94.0	47.0	49.4	96.5	190.5	68.5	67.5	136.0	-54.5
		111.3	179.0	290.3	214.0	229.7	443.8	734.2	350.0	200.0	550.0	-184.2
	Air Cargo	43.9	45.8	89.7	51.8	47.1	98.9	188.7	106.5	98.5	205.0	16.3
		15.3	17.7	33.0	23.3	17.6	41.0	74.0	33.0	29.0	62.0	-12.0
	Logistics	176.8	200.5	377.3	235.9	234.1	470.1	847.4	394.5	406.0	800.5	-46.9
		11.5	16.8	28.4	17.2	13.0	30.3	58.7	20.0	18.0	38.0	-20.7
(Total)	270.9	290.1	561.0	334.9	330.7	665.6	1,226.7	569.5	572.0	1,141.5	-85.2	
	138.2	213.5	351.8	254.7	260.4	515.1	867.0	403.0	247.0	650.0	-217.0	
Bulk Shipping	Bulk Shipping	217.6	239.2	456.9	267.6	249.9	517.6	974.5	552.0	528.0	1,080.0	105.5
		16.0	31.6	47.7	46.2	45.1	91.3	139.1	58.0	56.0	114.0	-25.1
Others	Real Estate	1.5	0.8	2.4	0.8	0.8	1.7	4.2	1.5	1.0	2.5	-1.7
		0.7	0.4	1.2	0.4	0.4	0.9	2.1	0.5	0.5	1.0	-1.1
	Other	33.9	37.8	71.7	46.5	52.1	98.6	170.4	80.5	82.5	163.0	-7.4
		-0.6	-1.0	-1.7	0.6	0.0	0.5	-1.2	0.0	0.5	0.5	1.7
Elimination/ Unallocation	Elimination/ Unallocation	-19.5	-21.3	-40.8	-25.4	-28.8	-54.3	-95.1	-43.5	-43.5	-87.0	8.1
		-0.7	-0.9	-1.7	-0.9	-1.1	-2.1	-3.8	-1.5	-4.0	-5.5	-1.7
Consolidated	Consolidated	504.6	546.7	1,051.3	624.5	604.8	1,229.3	2,280.7	1,160.0	1,140.0	2,300.0	19.3
		153.6	243.6	397.2	301.0	304.8	605.9	1,003.1	460.0	300.0	760.0	-243.1

* (Upper) Revenue (Lower) Recurring Profit



Progress of Medium-Term Management Plan

Earnings and financial targets

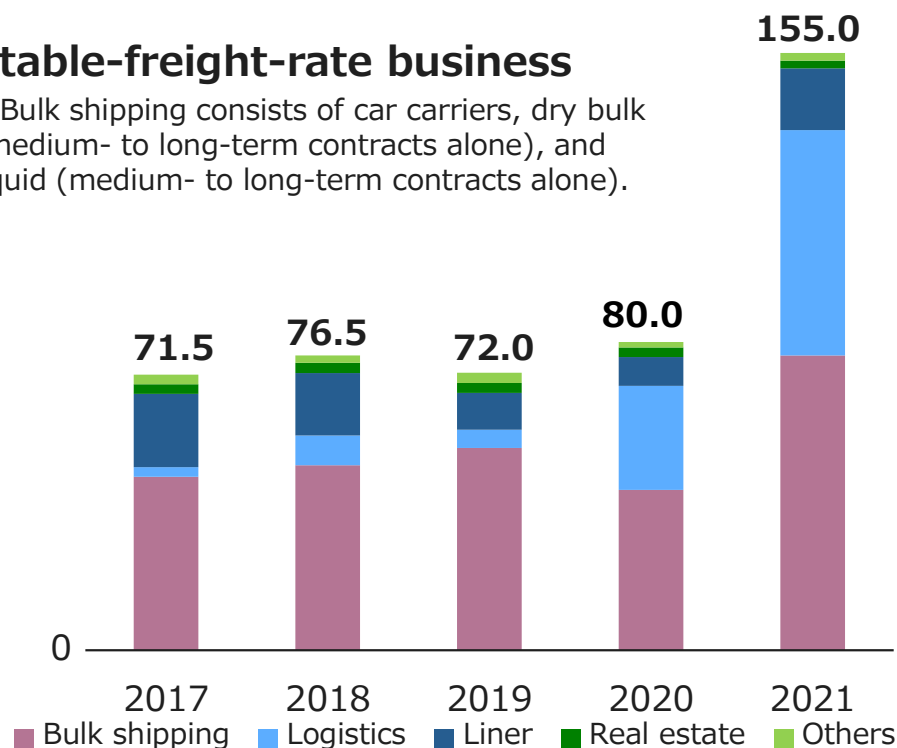
Progress toward the targets of Medium-term Management Plan

	Target (by FY2022)	End of FY2020 (Result)	End of FY2021 (Result)	End of FY2022 (Forecast)
Recurring Profit (billion yen)	70~100	215.3	1,003.1	760.0
ROE	min 8.0%	25.6%	86.0%	37.7%
Shareholder's Equity Ratio	min 30%	29%	56%	63%
DER	1.5 or lower	1.52	0.47	0.33

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

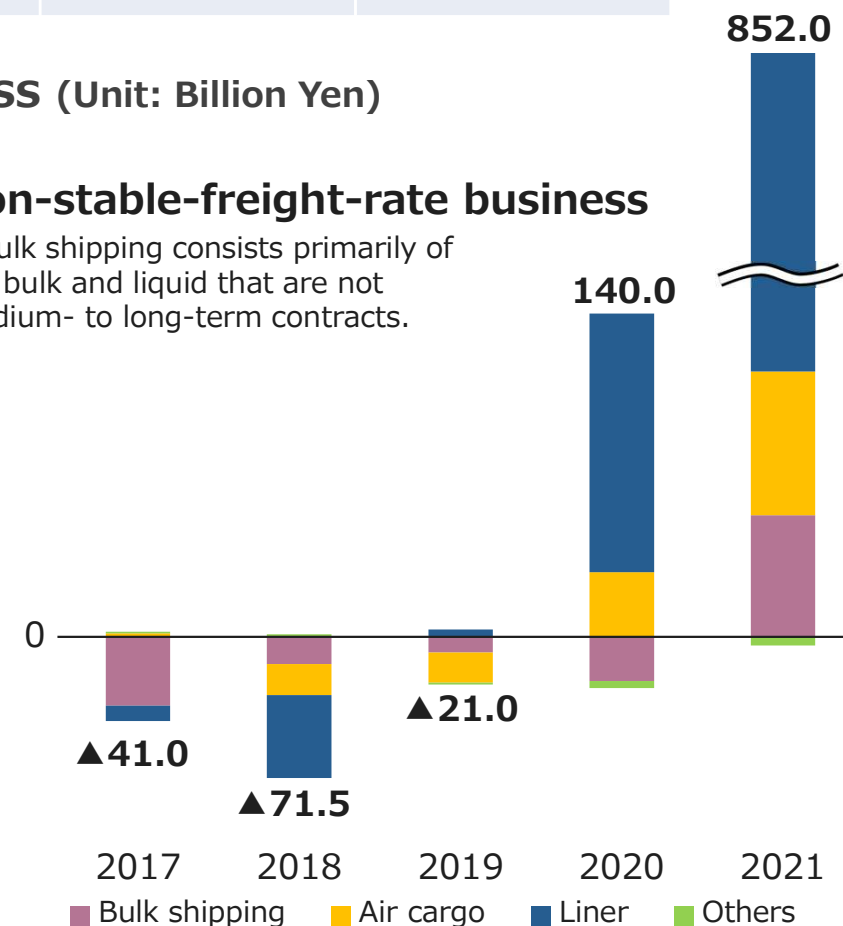
Stable-freight-rate business

* 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.



Measures in Final Year of Medium-Term Management Plan and Key Items of New Medium-Term Management Plan

► Policy in the final year of the medium-term management plan (FY2022) regarding measures to generate stable profits in the With-COVID business environment

Liner & Logistics

- Offer stable transportation service amid continued logistics disruption
- Expand long-term transportation contracts

Automotive Transportation

- Enhancement of business portfolio reflecting market needs (Developing of transporting vehicles including railway originating in China, etc.)
- Accumulating further expertise in LNG fueled vessel such as countermeasure for safety

Dry Bulk

- Certain progress for redelivery of high-cost vessels through structural reforms
- Minimize impact of market volatility by surely controlling vessel's exposure and utilizing futures transactions

Energy

- Aim for medium- to long-term transportation contract for LNG, which is positioned as transition

Green

- Promote measures to realize new businesses that would contribute to reduction in GHG emissions such as offshore wind power business, vessels using zero emission fuels including ammonia, and CO2 transportation vessels

► Key items to be considered upon formulating new medium-term management plan

- Based on the roadmap from an ultra-long-term perspective with an eye on 2050 envisioned in NYK Group ESG Story 2022, we plan to incorporate it into specific strategies and action plans for each business, including new businesses.

BS management

Specific capital policy

GHG emission reduction / Review of medium-to long-term goals / Re-acquisition of SBT certification

Human resource strategy, etc.

The NYK Group ESG Story 2022

- ▶ Along with the progress made in one year of the ESG Story announced in February 2021, conceived a sustainable growth strategy for the very long term that looks at 2050
- ▶ Promote strategic investments primarily in environment-related fields towards achieving net zero emissions in the overseas shipping by 2050

Exploitation of existing core businesses

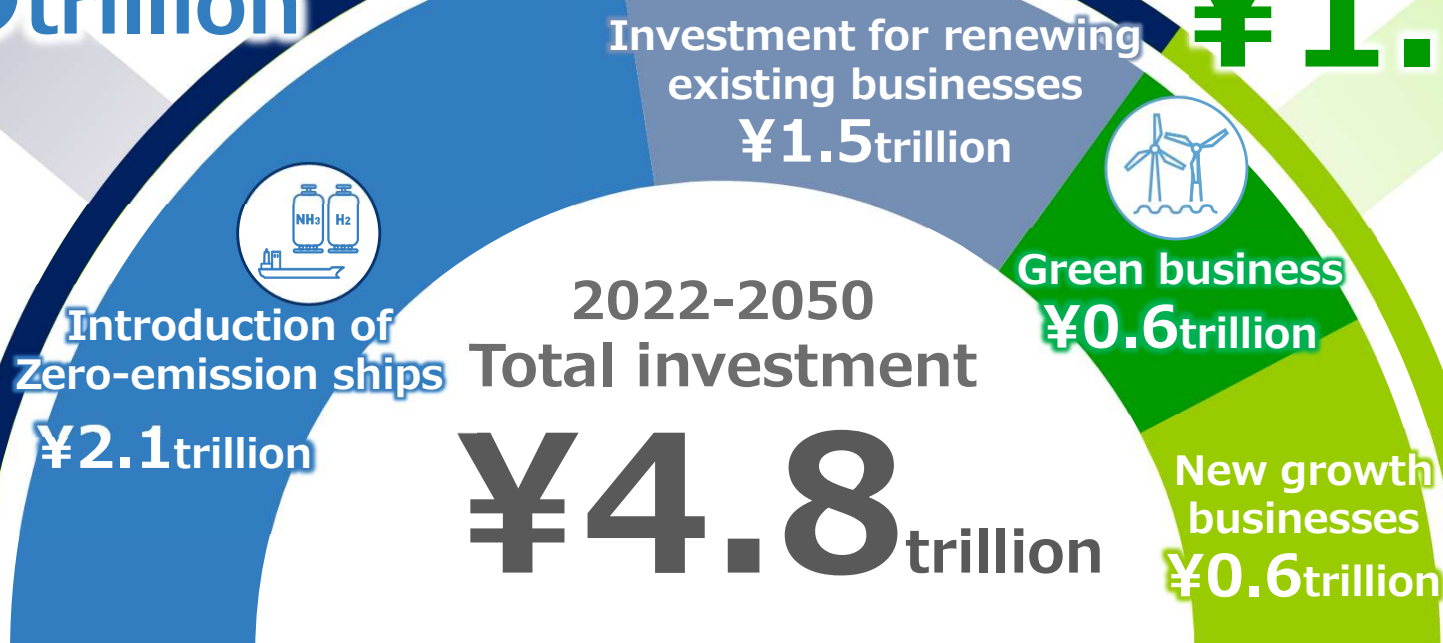
Exploration of new businesses

Reinforcement investments

¥3.6 trillion

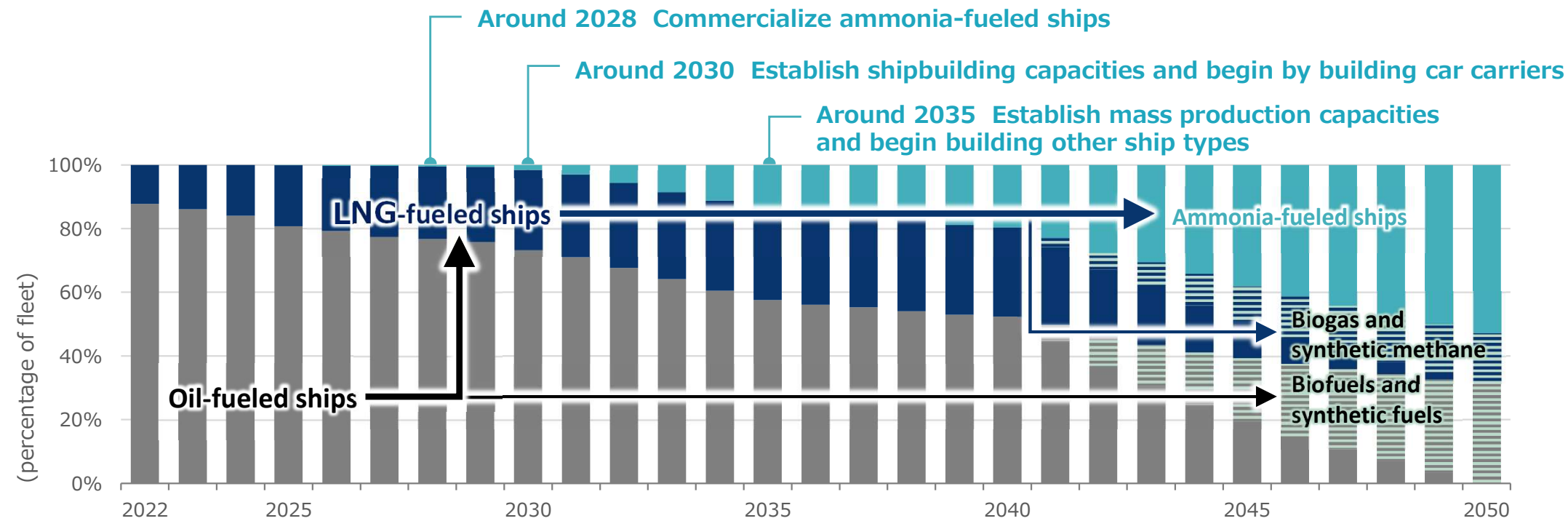
Growth investments

¥1.2 trillion



The NYK Group ESG Story 2022

Fuel conversion path for achieving Net zero



*1 LNG-fueled ships include LNG carriers.

*2 The amount of investment in ships powered by zero-emission fuels is premised on the introduction of ammonia-fueled ships.

▶ Appendix

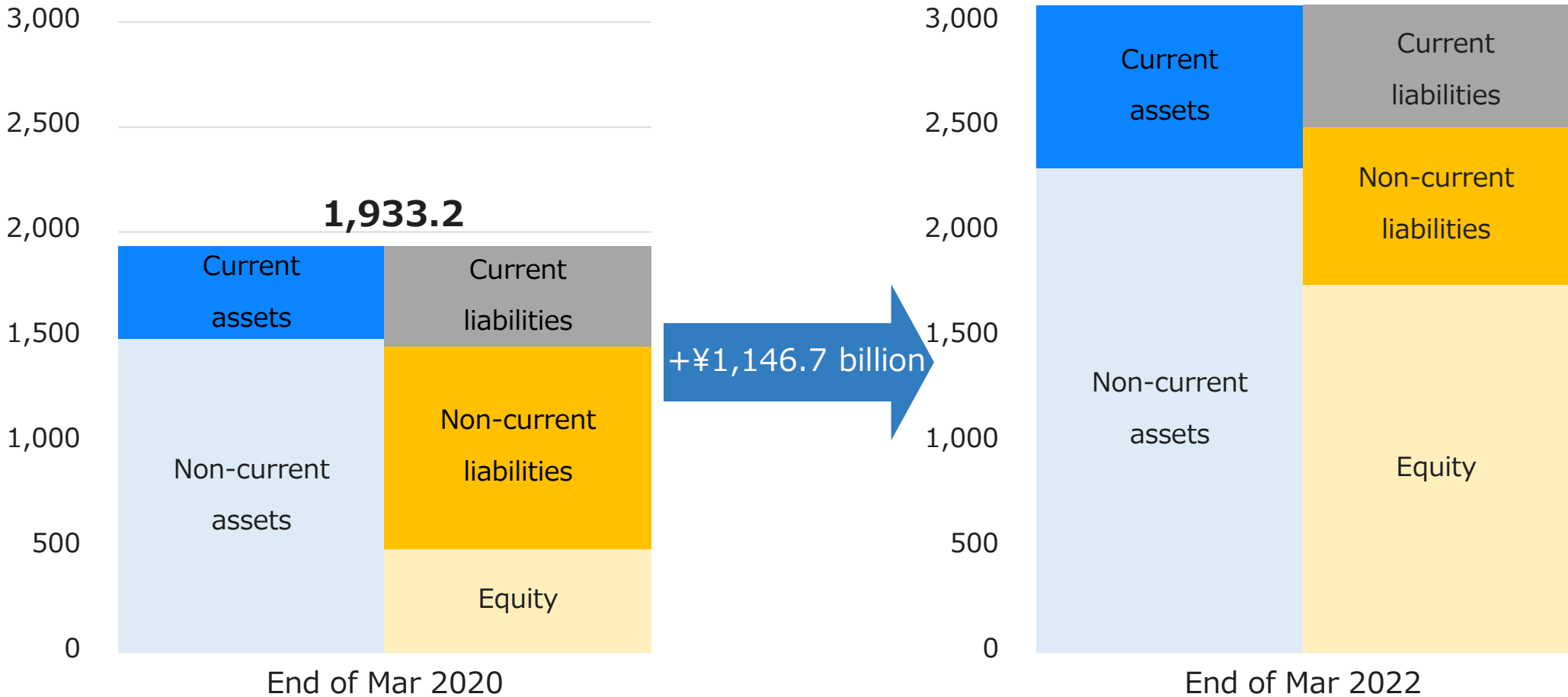
Financial Position

	FY2019 (Result)	FY2020 (Result)	FY2021 (Previous Forecast)*	FY2021 (Result)	FY2022 (Forecast)	Financial targets of Medium-term Management Plan
Recurring Profit (billion yen)	44.4	215.3	930.0	1,003.1	760.0	70.0-100.0
Interest-bearing Debt (billion yen)	1,049.8	951.1	827.5	808.2	702.0	-
Shareholders' Equity (billion yen)	462.6	625.3	1,284.0	1,713.7	2,103.0	-
Shareholders' Equity Ratio	24%	29%	48%	56%	63%	min 30%
DER	2.27	1.52	0.64	0.47	0.33	1.50
ROE	6.6%	25.6%	74.4%	86.0%	37.7%	min 8.0%
Cash Flow from Operating Activities (billion yen)	116.9	159.3	316.5	507.7	528.0	-
Cash Flow from Investing Activities (billion yen)	-54.8	-16.8	-165.5	-148.5	-189.0	-
(Depreciation and amortization) (billion yen)	(104.0)	(98.8)	(98.3)	(101.5)	(106.4)	-

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

Changes in Balance Sheet

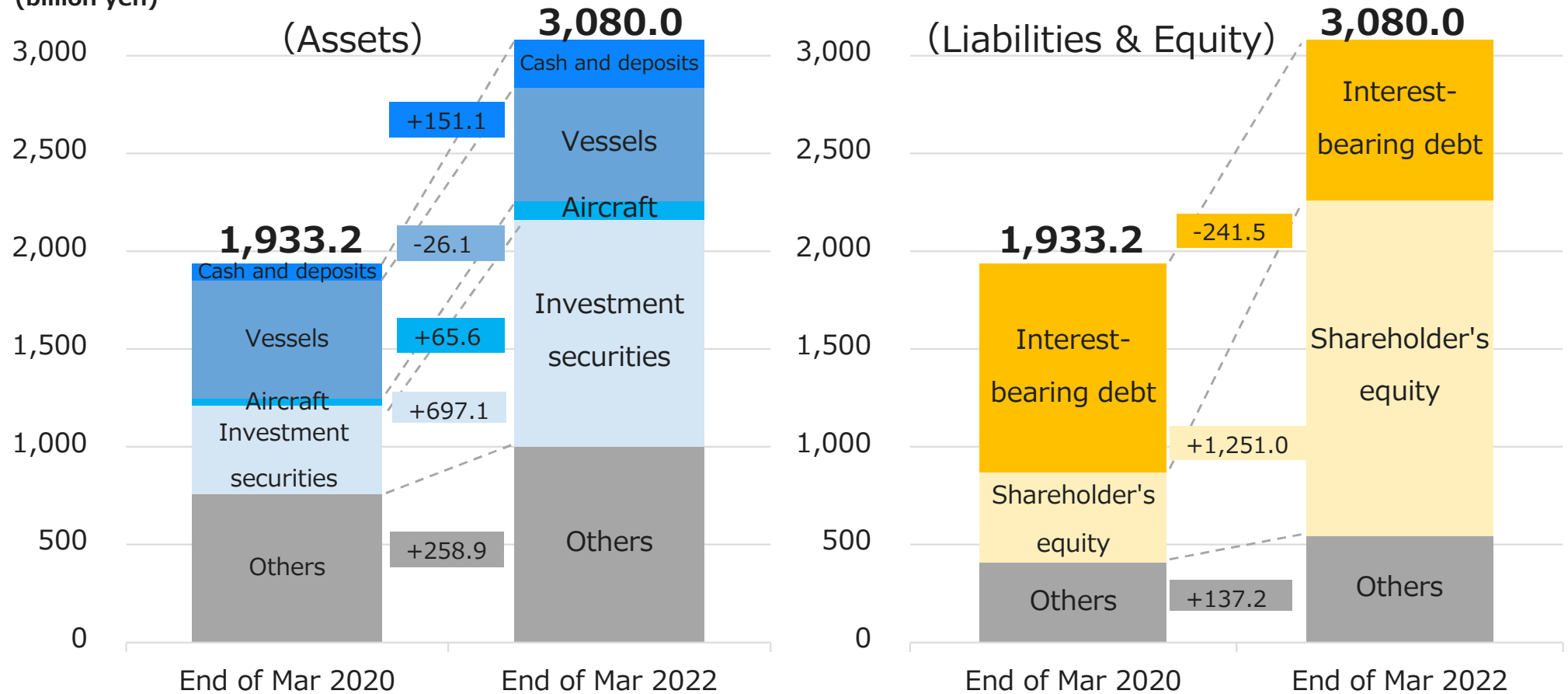
► Changes in balance sheet due to impact of the spread of COVID-19 (billion yen)
3,080.0



- The balance sheet changed more rapidly than ever due to the impact of COVID-19 on business performance.
- Comparing the latest balance sheet to the one before the pandemic (FY2019), the total asset size increased JPY 1,146.7 billion (159%) over two years.

Changes in Balance Sheet

Changes in the balance sheet due to impact of COVID-19: breakdown by Assets, Liabilities & Equity (billion yen)



- **Assets:**
 - Increase in the number of aircraft following purchase of leased aircraft.
 - Investment securities increased rapidly due to the good performance of ONE and other equity-method affiliates.
- **Liabilities:** DER went from 2.27 to 0.47 as repayment of interest-bearing debts progressed due to improved performance.
- **Net assets:** Shareholders' equity also has grown considerably.

► 1. Air Cargo Transportation (NCA)

	FY2020 Full-year (Result)	FY2021(Result)					FY2022(Forecast)		
		1H		2H		Full- year	1H	2H	Full- year
		Q1	Q2	Q3	Q4				
Revenue (Billions of yen)	122.4	89.7		99.0		188.7	106.5	98.5	205.0
		43.9	45.8	51.8	47.1				
Recurring Profit (Billions of yen)	33.2	33.0		41.0		74.0	33.0	29.0	62.0
		15.3	17.7	23.3	17.6				
Chargeable Weight (1,000 tons)	500	250		210		460	220	212	433
		129	121	110	101				
Volume (RTK) (mil.ton kilo)	2,771	1,425		1,252		2,677	1,389	1,337	2,726
		726	699	651	602				
Capacity (ATK) (mil.ton kilo)	4,040	1,874		1,715		3,589	1,695	1,655	3,350
		953	922	890	825				
YIELD FY3/09 Q1=100	111	144		190		164	150	151	151
		139	149	193	187				
MOPS US\$ per bbl	\$46	\$74		\$100		\$87	\$108	\$108	\$108
		\$71	\$77	\$89	\$112				
Operating Time of the Air Crafts FY2020 Q1=100	106	114		104		109	-	-	-
		115	113	109	99				

※ Chargeable Weight, Volume (RTK), Capacity (ATK) and YIELD do not include sales business for our subsidiaries and partner airlines.
 ※ Operating Time does not include dry-lease air crafts.

► 2. Logistics

		FY2020 (Result)	FY2021(Result)				Full- year	FY2022(Forecast)		
			1H		2H			1H	2H	Full- year
		Full-year	Q1	Q2	Q3	Q4				
Ocean Export	TEU	723	370		351		721	381	382	763
	(1,000TEUs)		188	182	182	168				
	Year-on- Year	-5%	10%		-9%		-0%	3%	9%	6%
			22%	0%	-7%	-11%				
Air Export	Weight	326	201		199		400	201	208	409
	(1,000 tons)		100	101	106	93				
	Year-on- Year	-3%	52%		2%		23%	0%	4%	2%
			56%	49%	16%	-10%				

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

		FY2020 Full-year (Result)	FY2021(Result)					FY2022(Forecast)		
			Q1	Q2	Q3	Q4	Full-Year	1H	2H	Full-Year
Dry Bulk Carriers	BDI	1,341	2,791	3,732	3,478	2,020	3,005	2,285	1,810	2,048
	Cape	16,012	31,280	42,380	42,306	14,603	32,642	25,250	18,250	21,750
	Panamax	12,709	25,912	33,612	29,127	23,006	27,914	23,000	18,500	20,750
	Handymax	10,631	25,407	34,278	30,382	24,853	28,730	19,500	17,500	18,500
	Handy	10,463	22,420	32,204	31,229	23,840	27,423	19,500	17,500	18,500
Tankers	VLCC	29,939	-589	-3,053	1,685	-7,290	-2,312	7,500	22,500	15,000
	VLGC	45,530	35,655	22,961	39,657	30,039	32,078	27,500	32,500	30,000

※ 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

	FY2020 (Result)	FY2021(Result)				Full- year	FY2022(Forecast)		
		1H		2H			1H	2H	Full- Year
		Q1	Q2	Q3	Q4				
All Trade (10,000 Cars)	356	205		210		415	216	221	436
		107	98	103	107				
Year-on- year	-22%	41%		-0%		16%	5%	5%	5%
		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)

Fleet in Operation

Industrial Segment	Type of Vessel	FY2020(Results)			FY2021(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	26	29	55	26	1,666	29	3,039	55	4,705
Logistics	Coastal Ships, Ferries	4	8	12	5	29.205	7	42.2	12	71.405
Bulk Shipping	Bulk Carriers (Capesize)	21	97	118	20	3,924	91	17,861	111	21,785
	Bulk Carriers (Panamax)	37	60	97	35	3,108	56	4,761	91	7,869
	Bulk Carriers (Handysize)	57	93	150	55	2,745	97	4,838	152	7,583
	Wood Chip Carriers	9	31	40	11	575	26	1,439	37	2,014
	Car Carriers	42	78	120	47	807	71	1,312	118	2,119
	Tankers	49	19	68	50	6,240	18	2,983	68	9,222
	LNG Carriers	76	3	79	82	6,845	3	225	85	7,069
	Multi-Purpose Carriers	21	24	45	23	418	22	317	45	735
	Others	4	0	4	4	29	0	0	4	29
Others	Cruise Ships	1	0	1	1	7	0	0	1	7
Total		347	442	789	359	26,393	420	36,816	779	63,209
Offshore	Shuttle Tankers			29					26	3,249
	FPSO			3					3	-
	FSO			2					2	-
	Drill Ships			1					1	-
Green Business	LNG Bunkering Vessel			2					2	6
	CTV			0					1	0
Grand Total				826					814	66,457

- ※ 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.

ONE

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Financial Results for FY2021 Full-year

APRIL.28, 2022

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1. FY2021 Full Year Results

□ Outline

ONE's full year result for FY2021 is a record profit of US\$16,756 million, an increase of US\$13,273 million from the previous year. The increase in profit is mainly due to a continued high spot freight market, resulting from tight supply and demand.

- Despite the impact of causes such as; seasonal factors including Chinese Lunar Year, Russia/Ukraine hostilities, and China's recent lockdown, the strong cargo demand continued through Jan to Mar.
- On the supply side, though port and inland congestion in the US West Coast has improved slightly, turmoil still remains within the entire global supply chain.
- As a result, the spot freight market in Q4 remained at a higher level than expected and significantly higher compared to the previous year.

□ FY2021 Full Year Results and PL Analysis

(Unit: Million US\$)

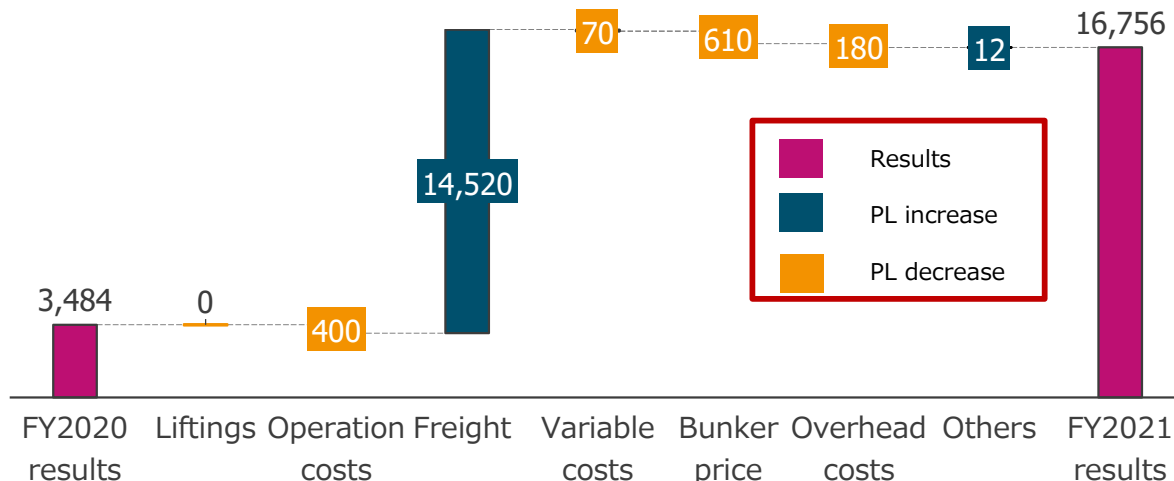
	FY2021						
	1Q Results	2Q Results	1H Results	3Q Results	4Q Results	2H Results	Full Year Results
Revenue	5,776	7,557	13,333	8,332	8,433	16,765	30,098
EBITDA	2,924	4,572	7,496	5,286	5,497	10,783	18,279
EBIT	2,657	4,295	6,952	5,019	5,225	10,244	17,196
Profit/Loss	2,559	4,200	6,760	4,889	5,108	9,997	16,756

Bunker Price (US\$/MT)	\$465	\$509	\$487	\$531	\$548	\$539	\$512
Bunker consumption (K MT)	906	891	1,797	854	788	1,642	3,439
Lifting (K TEU)	3,104	3,181	6,285	2,939	2,837	5,777	12,061

*As of Jan 2022

FY2020	Year on Year		FY2021 (Previous Forecasts*)	Results to Previous Forecasts	
	Full Year Results	Change		Change (%)	Full Year Forecasts
14,397	15,701	109%	29,045	1,053	4%
4,855	13,424	276%	16,862	1,417	8%
3,832	13,363	349%	15,800	1,395	9%
3,484	13,273	381%	15,398	1,358	9%

\$331	\$180	54%	\$520	-\$8	-2%
3,595	-156	-4%	3,455	-16	0%
11,964	97	1%	11,902	159	1%



- Liftings: Remained mostly unchanged from the previous year.
- Operation costs: Increased mainly due to higher ships cost.
- Freight: Significantly increased due to a rise in both long-term freight rate and short-term market.
- Variable costs: Cost saving initiatives progressed, but additional costs were incurred 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	FY2021						
		Full Year Results	1Q Results	2Q Results	1H Results	3Q Results	4Q Results	2H Results	Full Year Results
Asia - North America Eastbound	Lifting	2,764	615	649	1,264	564	523	1,088	2,352
	Utilization	100%	100%	100%	100%	100%	100%	100%	100%
Asia - Europe Westbound	Lifting	1,556	436	443	879	411	422	833	1,712
	Utilization	99%	100%	100%	100%	97%	97%	97%	100%

Asia - North America Westbound	Lifting	1,352	328	309	638	258	240	498	1,135
	Utilization	51%	54%	54%	54%	47%	51%	49%	52%
Asia - Europe Eastbound	Lifting	1,219	339	347	687	305	289	594	1,281
	Utilization	76%	82%	78%	80%	69%	63%	66%	73%

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

Freight Index by Trades		FY2020	FY2021						
		Full Year Results	1Q Results	2Q Results	1H Results	3Q Results	4Q Results	2H Results	Full Year Results
Asia - North America Eastbound		132	185	247	216	285	304	294	252
Asia - Europe Westbound		153	327	451	389	539	552	546	466

- **Q4 Liftings, Utilization Rates** : Liftings on Asia-North America E/B decreased compared with FY2021 Q3 as well as FY2020 Q4 due to blank sailings caused by port congestion and vessel delays. However, a 100% vessel utilization rate was maintained due to a strong cargo demand. Liftings on Asia-Europe W/B remained mostly unchanged from FY2021 Q3 but increased from FY2020 Q4 due to the strong cargo demand. However, utilization rates were affected by schedule disruptions.
- **Q4 Freight Index** : The freight market rose significantly compared to FY2020 Q4 partly due to the renewal of long-term contracts and has also risen from FY2021 Q3.

3. The Impact of & Countermeasures to Supply Chain Disruption

Business environment	<ul style="list-style-type: none"> ➤ The global cargo demand remained strong through Jan-Feb, particularly for consumer goods. Asia-North America market volume in Jan and Feb increased by approximately 9% Y to Y, with the retail inventory level remaining low, the cargo demand remains strong. Asia-Europe market volume in Jan increased by approximately 4% Y to Y. ➤ The congestion has eased in Los Angeles and Long Beach, but has worsened at other West Coast ports, thus the turmoil continues on the entire US West Coast. In addition, congestion has worsened on US East Coast in some areas(New York, Charleston, etc.). In China (Shanghai, Shenzhen etc.), re-occurring lockdowns due to COVID-19 outbreaks have caused trucker shortages and yard congestion. Port and inland congestion remains on a worldwide scale. ➤ International travel restrictions are slowly starting to lift; however, crew changes remain 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 and areas of reach expanded. ➤ ONE's Mobile APP has been updated and the track and trace function enhanced, providing improvements for customer's convenience as well as timely reporting information.
	Operational excellency	<ul style="list-style-type: none"> ➤ Additional 6,500 reefer containers were procured which are also utilized as RAD(Reefer as Dry). ➤ 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	<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.



Though there are some improvements, there remains an excessive strain on the entire global supply chain.

ONE is doing its utmost - such as additional container procurements or extra loaders deployment and so on - to support social infrastructure globally.

4. FY2022 Full Year Forecasts

- As the impact on the entire global supply chain (mainly due to the spread of COVID-19 infections around the world) continues to be very wide-ranging, including ports and inland, it is therefore extremely difficult to predict when the situation will be resolved.
- In addition to the prolonged Russia/Ukraine hostilities and the COVID-19 lockdown in the Shanghai region, there are a number of simultaneous events that could have a significant impact on our business performance, including US West Coast labour negotiations and rapid inflation on a global scale.
- Under these circumstances it is highly likely that the economic environment will continue to change dynamically in FY2022, it is therefore extremely difficult to announce a reasonable business forecast for the coming financial year and as such ONE's forecasts for FY2022 are yet to be finalized.

5. Actions to Achieve Further Competitiveness and Sustainability

- THE ALLIANCE announced service network adjustments from 2022 Spring. A key change will be delinking the FP2 pendulum loop to create two separate services: The FE5 -Southeast Asia to Europe and The PS7 - Southeast Asia and South China to Transpacific West Coast. This restructure allows for greater flexibility and response times which will increase sailing frequencies.
- ONE is planning the following increase in new building tonnage over the next 3 years: Four 12,000 TEU vessels delivered around mid FY2022; four 15,000 TEU vessels and six 24,000 TEU vessels to be delivered in FY2023; and six 15,000 TEU vessels and ten 7,000 TEU vessels for delivery in FY2024.
- East Africa (EAF) service has been changed into two new services EA3 (East Africa 3 (Mombasa)) and EA4 (East Africa 4 (Dar Es Salaam)). These two newly created services, the EA3 with a Mombasa loop and the EA4's Dar Es Salaam loop, will provide greater frequency and a more stable schedule. This restructure will benefit ONE's customers by providing a more reliable service offering.
- ONE is expanding its current refrigerated container (reefer) fleet by adding another 6,500 new units (including 500 units equipped with advanced Controlled Atmosphere (CA) technology) to meet the growing demand for refrigerated cargo around the world.
- ONE has launched #OneOcean project and partnered with Singapore's Garden City Fund (GCF), a registered charity and IPC, established by the National Parks Board in support of coral conservation. ONE has donated a sum of SGD 20,000 to nurture a Reef Enhancement Unit (REU) for the Plant-A-Coral, Seed-A-Reef Program organized by GCF and organized beach cleaning around the world.
- ONE has announced the sponsoring of a scholarship and a donation of SGD 125,000 to the Lee Kuan Yew School of Public Policy, National University of Singapore and a donation sum of SGD 30,000 to the school's Social Mobility Foundation.

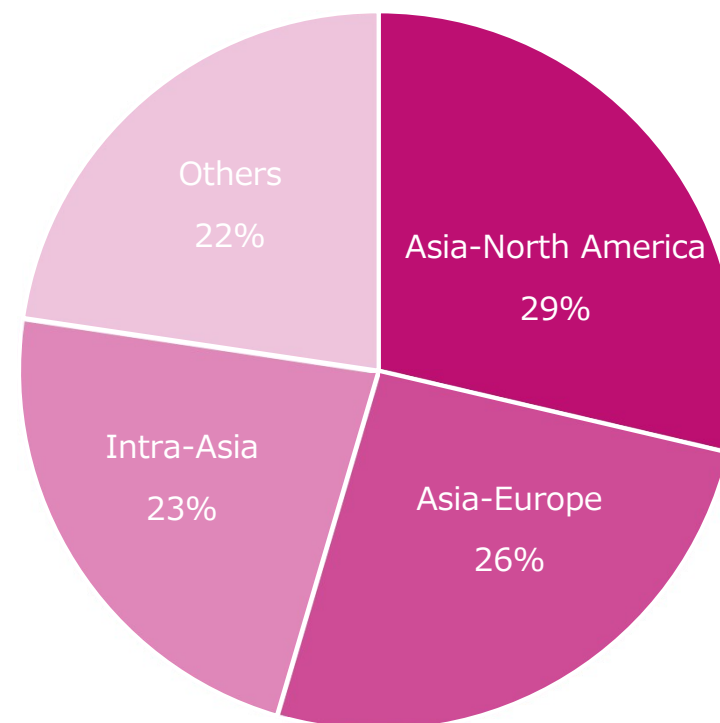
6. Reference (Fleet Structure & Service Structure)

▣ Fleet Structure

Size		1)As of end Dec 2021	2)As of end Mar 2022	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	356,679	▲ 9,019
	Vessels	41	40	▲ 1
6,000 - 7,800 TEU	Capacity (TEU)	138,307	138,307	0
	Vessels	21	21	0
5,200 - 6,000 TEU	Capacity (TEU)	66,463	55,234	▲ 11,229
	Vessels	12	10	▲ 2
4,600 - 5,200 TEU	Capacity (TEU)	93,122	82,922	▲ 10,200
	Vessels	19	17	▲ 2
4,300 - 4,600 TEU	Capacity (TEU)	62,952	62,952	0
	Vessels	14	14	0
3,500 - 4,300 TEU	Capacity (TEU)	24,874	20,599	▲ 4,275
	Vessels	6	5	▲ 1
2,400 - 3,500 TEU	Capacity (TEU)	80,602	85,998	5,396
	Vessels	30	32	2
1,300 - 2,400 TEU	Capacity (TEU)	12,093	10,354	▲ 1,739
	Vessels	7	6	▲ 1
1,000 - 1,300 TEU	Capacity (TEU)	10,573	10,573	0
	Vessels	10	10	0
< 1,000 TEU	Capacity (TEU)	618	0	▲ 618
	Vessels	1	0	▲ 1
Total	Capacity (TEU)	1,542,702	1,511,018	▲ 31,684
	Vessels	211	205	▲ 6

▣ Service Structure

(FY2021 Q4 Structure of dominant and non-dominant space)





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