



Financial Results for FY2022 Full-year

April 28, 2023

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1. FY2022 Full Year Results

□ Outline

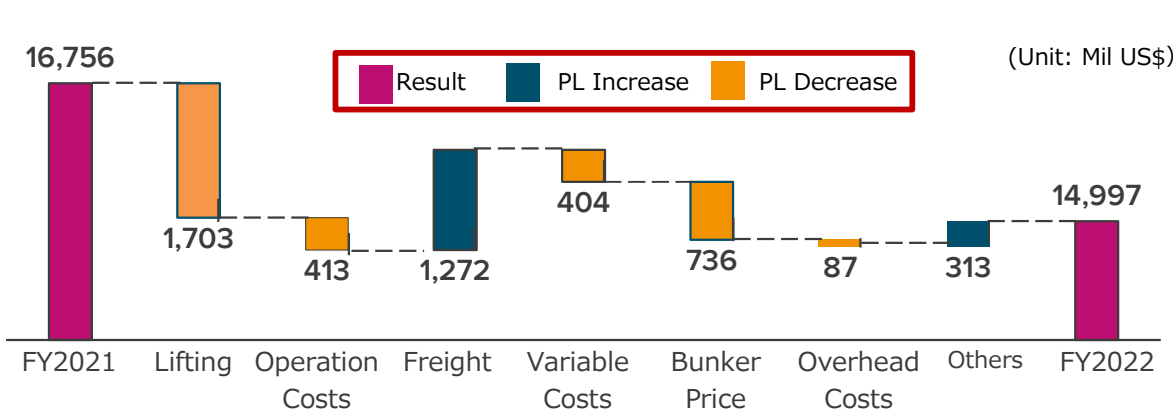
ONE's full year result for FY2022 is US\$14,997 million, a decrease by US\$1,759 million from the previous year. Strong market conditions continued during the 1H, but in 2H the market weakened quickly due to the recovery of tonnage availability as a result of the normalization of the supply chain, and a sharp decrease of demand.

- A decline in demand became more pronounced in the 4Q, against a backdrop of a high goods inventory ratio in the US and falling consumption in Europe due to rising inflation.
- On the supply side, tonnage utilization improved as congestion eased. Blank sailings continued since the end of the calendar year 2022 in response to the decrease in demand.
- Supply and demand balance softened at an even faster pace despite blank sailings to address decrease of volume, resulting in decreased spot freights in Q4 QoQ.

□ FY2022 Full Year Results and PL Analysis

	FY2021							FY2022							Year on Year	
	1Q Results	2Q Results	1H Results	3Q Results	4Q Results	2H Results	Full Year Results	1Q Results	2Q Results	1H Results	3Q Results	4Q Results	2H Results	Full Year Results	Change	Change (%)
Revenue	5,776	7,557	13,333	8,332	8,433	16,765	30,098	9,019	9,367	18,386	6,254	4,642	10,896	29,282	-816	-3%
EBITDA	2,924	4,572	7,496	5,286	5,497	10,783	18,279	5,859	5,843	11,702	3,060	1,558	4,618	16,320	-1,959	-11%
EBIT	2,657	4,295	6,952	5,019	5,225	10,244	17,196	5,561	5,528	11,089	2,732	1,184	3,916	15,005	-2,190	-13%
Profit/Loss	2,559	4,200	6,760	4,889	5,108	9,997	16,756	5,499	5,521	11,019	2,768	1,210	3,978	14,997	-1,759	-10%

Bunker Price (US\$/MT)	465	509	487	531	548	539	512	750	875	812	747	643	696	756	244	48%
Bunker consumption (K MT)	906	891	1,797	854	788	1,642	3,439	773	771	1,543	732	712	1,443	2,987	- 452	-13%
Lifting (K TEU)	3,104	3,181	6,285	2,939	2,837	5,777	12,061	2,939	2,898	5,837	2,648	2,596	5,244	11,081	- 980	-8%



- Lifting : Significant decrease due to weakened demand in east-west trades in 2H.
- Operation costs : Bunker consumption decreased due to port congestion in 1H and blank sailings in 2H but the overall operation costs increased mainly due to the increase of ship costs.
- Freight : Increased due to improved contract freight rates and strong spot market in 1H, despite a significant decrease of the spot market in 2H.
- Variable costs : Increased due to the higher cost in inland transportation mainly caused by inflation
- Bunker Price : Price increased.
- Overhead costs : Almost same as the last year.

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

Liftings / Utilization by Trades		FY2021							FY2022						
		1Q Results	2Q Results	1H Results	3Q Results	4Q Results	2H Results	Full Year	1Q Results	2Q Results	1H Results	3Q Results	4Q Results	2H Results	Full Year
Asia - North America Eastbound	Lifting	615	649	1,264	564	523	1,088	2,352	577	578	1,155	449	468	916	2,072
	Utilization	100%	100%	100%	100%	100%	100%	100%	100%	91%	95%	80%	90%	85%	90%
Asia - Europe Westbound	Lifting	436	443	879	411	422	833	1,712	402	395	796	368	346	713	1,510
	Utilization	100%	100%	100%	97%	97%	97%	100%	95%	95%	95%	90%	95%	92%	94%
Asia-North America Westbound	Lifting	328	309	638	258	240	498	1,135	278	276	554	297	294	591	1,145
	Utilization	54%	54%	54%	47%	51%	49%	52%	48%	51%	49%	49%	55%	52%	51%
Asia-Europe Eastbound	Lifting	339	347	687	305	289	594	1,281	282	267	549	243	235	477	1,026
	Utilization	82%	78%	80%	69%	63%	66%	73%	58%	56%	57%	54%	54%	54%	55%

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

Freight Index by Trades		FY2021							FY2022						
		1Q Results	2Q Results	1H Results	3Q Results	4Q Results	2H Results	Full Year	1Q Results	2Q Results	1H Results	3Q Results	4Q Results	2H Results	Full Year
Asia - North America Eastbound		185	247	216	285	304	294	252	354	389	372	264	176	219	304
Asia - Europe Westbound		327	451	389	539	552	546	466	530	508	519	303	189	248	391

➤ Liftings, Utilization rates

: Although the utilization rates in Asia-North America eastbound and Asia-Europe westbound were close to 100% in 1H, lifting and utilization rates in both trades fell drastically in 2H due to the softening of supply and demand. In Q4, cargo volumes for Asia-North America eastbound routes increased slightly, along with an improvement in utilization rates due to the blank sailings.

➤ Freight index

: The spot freight market fell in the 2H after the strong trend in 1H. The freight index improved in Asia-North America trade and decreased in Asia-Europe trade compared with the previous year. The index in both Asia-North America trade and Asia-Europe trade decreased sharply in Q4 QoQ.

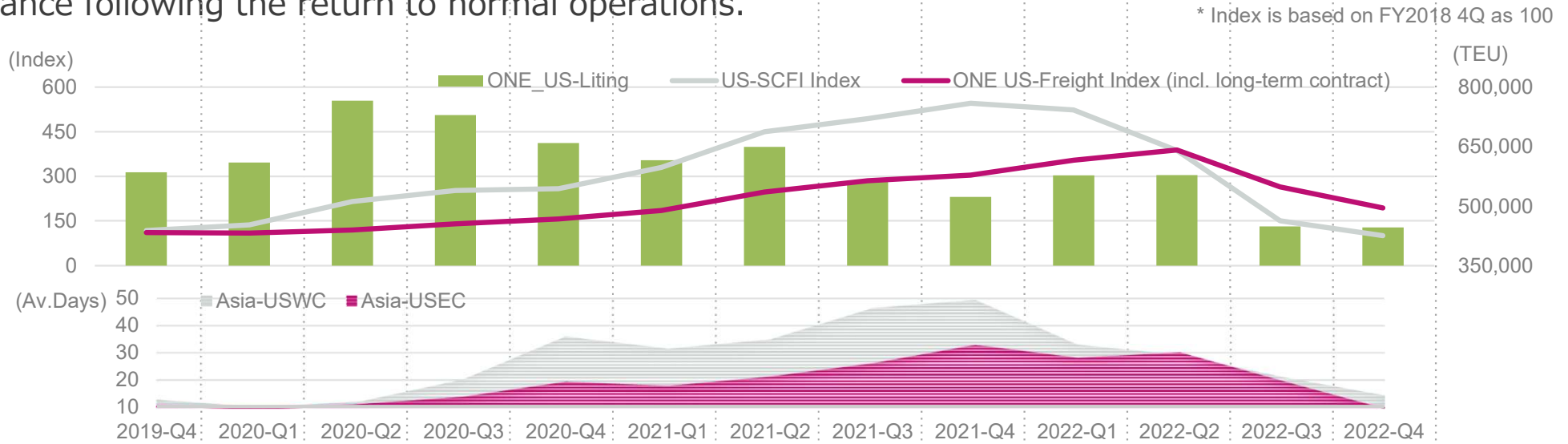
3. FY2023 Full Year Forecast

- Following the COVID-19 pandemic, the containership market is in the midst of major changes, such as, the aftermath of global supply chain disruption, changes in consumer behavior and shifts in trade patterns due to increasing international tensions.
- ONE is making progress in adapting to these major changes, but further changes in the market are expected as transport demand and trade patterns continue to change, creating an uncertain outlook which is difficult to predict.
- Under these circumstances, it is extremely difficult to announce a reasonable business forecast at this time and the full-year forecast for FY2023 is yet to be determined.

4. Business Environment Change before /after COVID-19 and ONE's Action

▣ Changes in freight, liftings and average delays in Asia-US trade

ONE acted swiftly to address the dynamic environmental changes: the global supply chain disruption & the fluctuating freight market due to Covid-19, and the change in supply & demand balance following the return to normal operations.

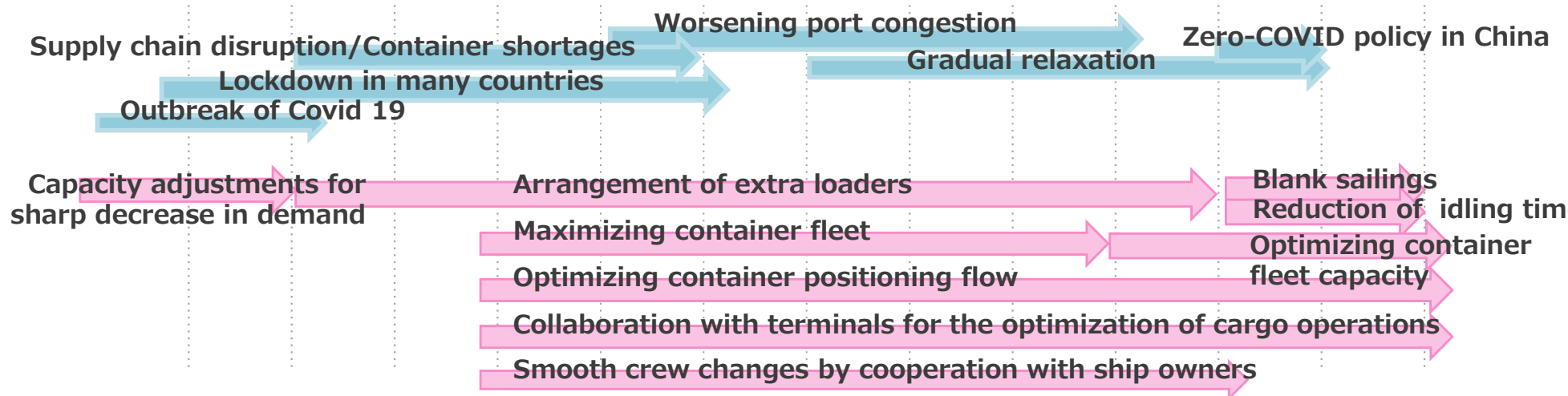


Freight & Demand

Av. Delay

Environmental Change

ONE's Action



5. ONE's Response to Recent Business Environment Change

Events

- The slowdown in demand that began in July was further reinforced, particularly from Asia to North America and Europe. Cargo volume from Asia to North America fell by 24.5% year-on-year. Despite the slight decline of US retail inventories in Jan – Feb, an increase in US imports did not materialize. Cargo volume from Asia to Europe fell by 12.9% year-on-year in January. A certain improvement in business confidence was seen as energy price hikes and inflationary trends eased but these economic changes did not lead to a marked recovery in retail consumption.
- Port congestion almost normalized, which led to the improvement of vessel capacity. There had been some concern that the scheduled delivery of many new vessels to the market would create excess tonnage, but no significant impact has been felt.
- Labor negotiations in the US west coast ports are still ongoing despite the joint statement in February that a new agreement was expected soon.



ONE's response

- The blank sailing period, which normally ends in Chinese New Year, was extended to Mar/Apr.
- The following measures were taken, aimed at improving profitability and reducing vessel's idling times.
 - 1) Some vessels in eastbound Asia-Europe trade and Asia-North America East Coast trade backhaul were routed via Cape of Good Hope
 - 2) Expansion of ONE's port coverage to enhance sales capability
 - 3) Reduction of bunker consumption by slow steaming
 - 4) Deployment of larger vessels in East-West trade ahead of schedule
 - 5) Deployment of additional tonnage to North-South trades and Atlantic trades to take advantage of stronger demand
- Optimization of ONE's container fleet capacity by the return of leased containers and efficient container repositioning
- Increased special cargo shipments through the strengthening of special cargo sales.



Maximizing operational efficiencies through flexible deployment and the management of vessels and equipments

6. Initiatives in FY 2022 – Fiscal year review

Mid-Term Strategy/ Green Strategy as of Mar 2022

Major Initiatives in FY2022

Investment

<ul style="list-style-type: none"> ➤ Investment of more than US\$20Bn to the Liner business by 2030 ➤ Investment for 520K TEU of new building vessels by 2030 	Vessel/ Equipement	<ul style="list-style-type: none"> ● New order of 10 latest large size vessels(13,700 TEU, Jun 2022) ● New order of 10 latest large size vessels(13,700 TEU, Mar 2023) ● New order of own container (58,000 units in total)
	Other	<ul style="list-style-type: none"> ● Agreement with 2 parent companies for acquisition of 2 terminal companies in USWC (Dec 2022) ● Acquisition of Atlas Co. which holds the largest container ship owner, Seaspan Co. (Mar 2023)
	Service	<ul style="list-style-type: none"> ● Service expansion around Africa (New services for E.Africa & N.Africa, opening of ONE’s Kenya office as strategic entity)

Environment

<ul style="list-style-type: none"> ➤ To achieve carbon neutrality by 2050 through the following 7 initiatives <ol style="list-style-type: none"> 1) Green Investments 2) Alternative Fuels 3) Carbon Management 4) Operational Efficiencies 5) Ecosystem Building 6) Ship Recycling 7) Environment Conservation 	1)	<ul style="list-style-type: none"> ● Initiative for AiP/notation related to alternative fuels or carbon capture & storage ● Installation of bow wind shields to 2 vessels (Dec 2022)
	2)	<ul style="list-style-type: none"> ● 2trials for bio-fuel (Apr 2022, Feb 2023)
	3)	<ul style="list-style-type: none"> ● Verification by external auditor for Scope 1/2 emission(Jul 2022) ● Improvement of CDP Score (Dec 2022) ● Implementation of internal carbon credit scheme(Jun 2022) ● “Eco Calculator” a new customer service tool for the calculation of CO2 emission (Mar 2023)
	4)	<ul style="list-style-type: none"> ● CO2 emissions monitoring function added to vessel management systems as part of the actions for CII (Dec 2022)
	5)	<ul style="list-style-type: none"> ● Initiatives through GCMD (Green corridor between Rotterdam & Singapore, Trial for bio-fuel supply) ● “Container Summit” in Dejima, Nagasaki (Japan) for networking with academic/industrial stakeholders (Mar 2023)
	6)	<ul style="list-style-type: none"> ● Preparation for ship-recycling aimed at the delivery timing of new build vessels
	7)	<ul style="list-style-type: none"> ● Cleanup activities on World Clean-Up Day as part of global CSR

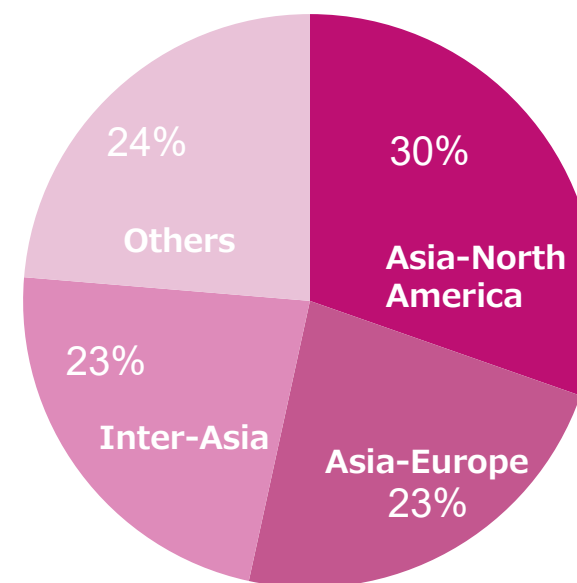
7. Reference (Fleet Structure, Service Structure & New Order)

□ Fleet Structure

Size		1) As of end Dec 2022	2) As of end Mar 2023	2)-1)
20,000 TEU <=	Capacity (TEU)	120,600	120,600	0
	Vessels	6	6	0
10,500 TEU - 20,000 TEU	Capacity (TEU)	519,572	519,572	0
	Vessels	38	38	0
9,800 TEU - 10,500 TEU	Capacity (TEU)	110,200	110,200	0
	Vessels	11	11	0
7,800 TEU - 9,800 TEU	Capacity (TEU)	355,677	355,677	0
	Vessels	40	40	0
6,000 TEU - 7,800 TEU	Capacity (TEU)	138,307	145,461	7,154
	Vessels	21	22	1
5,200 TEU - 6,000 TEU	Capacity (TEU)	32,814	32,814	0
	Vessels	6	6	0
4,600 TEU - 5,200 TEU	Capacity (TEU)	83,293	78,371	-4,922
	Vessels	17	16	-1
4300 TEU - 4,600 TEU	Capacity (TEU)	62,952	62,602	-350
	Vessels	14	14	0
3,500 TEU - 4,300 TEU	Capacity (TEU)	16,358	20,611	4,253
	Vessels	4	5	1
2,400 TEU - 3,500 TEU	Capacity (TEU)	86,615	86,514	-101
	Vessels	32	32	0
1,300 TEU - 2,400 TEU	Capacity (TEU)	10,354	12,062	1,708
	Vessels	6	7	1
1,000 TEU - 1,300 TEU	Capacity (TEU)	10,628	11,746	1,118
	Vessels	10	11	1
0 TEU - 1,000 TEU	Capacity (TEU)	966	869	-97
	Vessels	1	1	0
Total	Capacity (TEU)	1,548,336	1,557,099	8,763
	Vessels	206	209	3

□ Service Structure

(FY2022 4Q Structure of dominant and non-dominant space)



□ Current Orders of New Vessels (Including Long-Term Chartered Vessels)

	As of end Dec 2022	Delivered in 4Q FY2022	New Order in 4Q FY2022	As of end Mar 2023
No. of Order Book (Vessels)	35	0	10	45