

ONE OCEAN
NETWORK
EXPRESS

ONE Business Updates

7th July 2023





Business Overview



ONE's Strategy Update

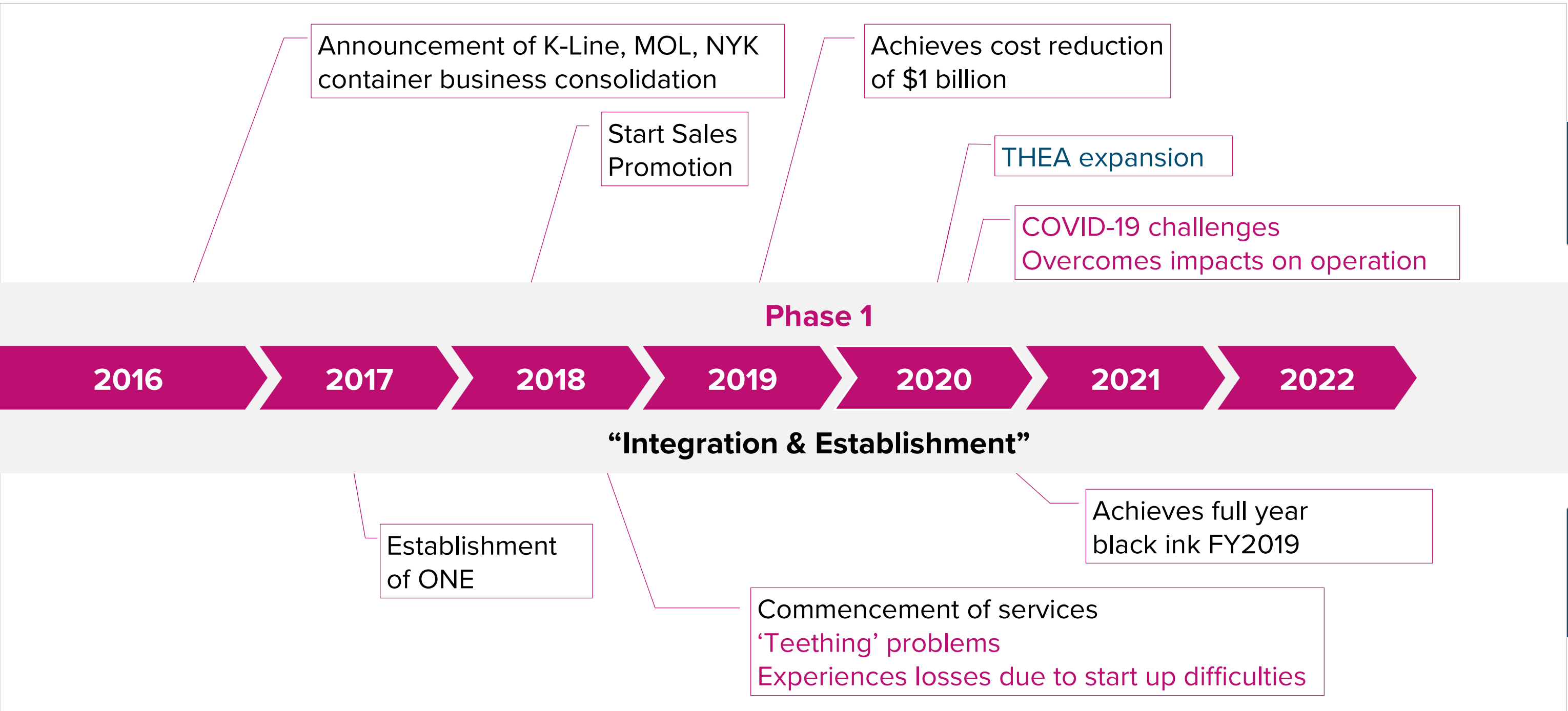


Business Overview



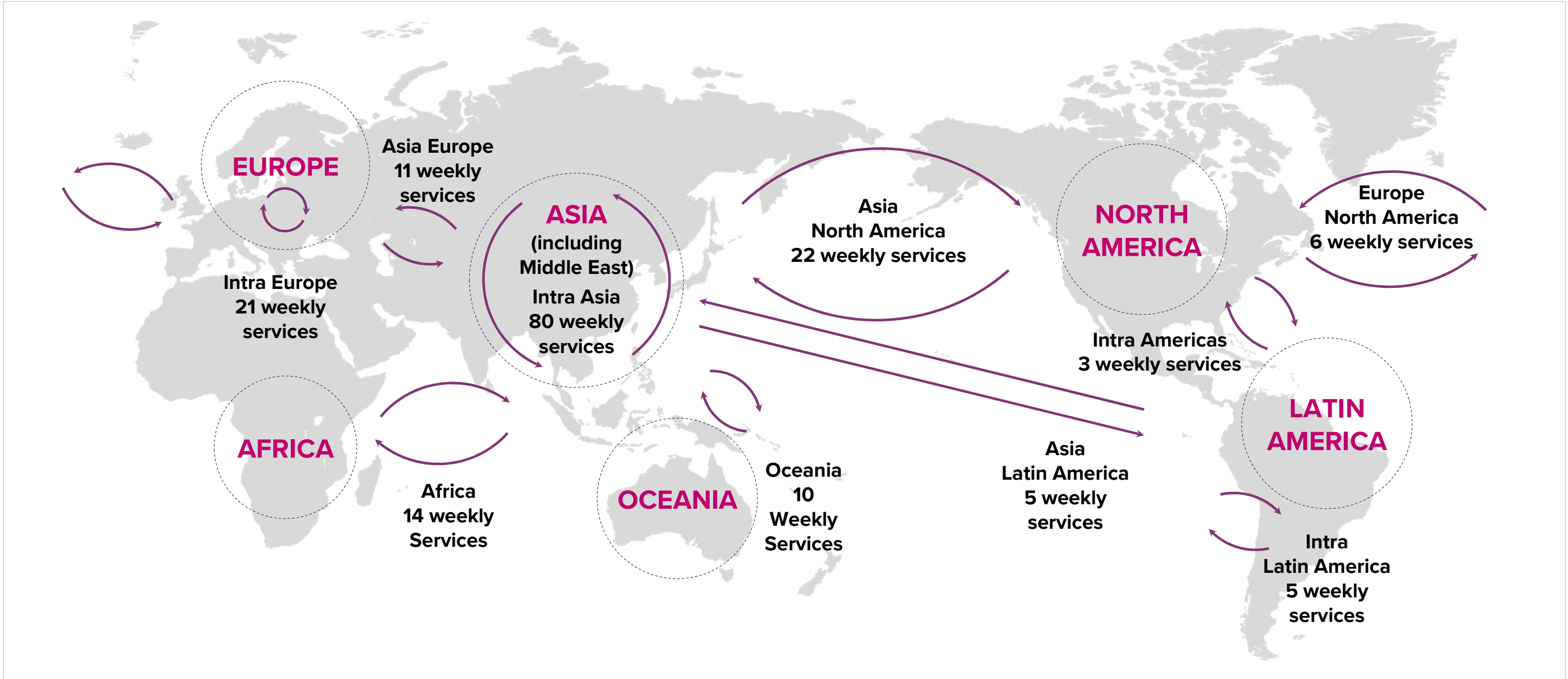
ONE's Journey

5 years has passed since Day 1 of establishment



ONE's Global Network

Today, ONE's global network currently serves over 28,000 customers in 120 countries, providing the foundation for economics to function



ONE's Key Success Factors since Day 1

**Operational
Efficiency**

X

**Economy
of Scale**

=

**Competitiveness
(Profitability)**



Investing in people

and processes to develop high-performing teams with a long-term view

7th Largest Carrier

large enough to survive but small enough to effectively serve global markets

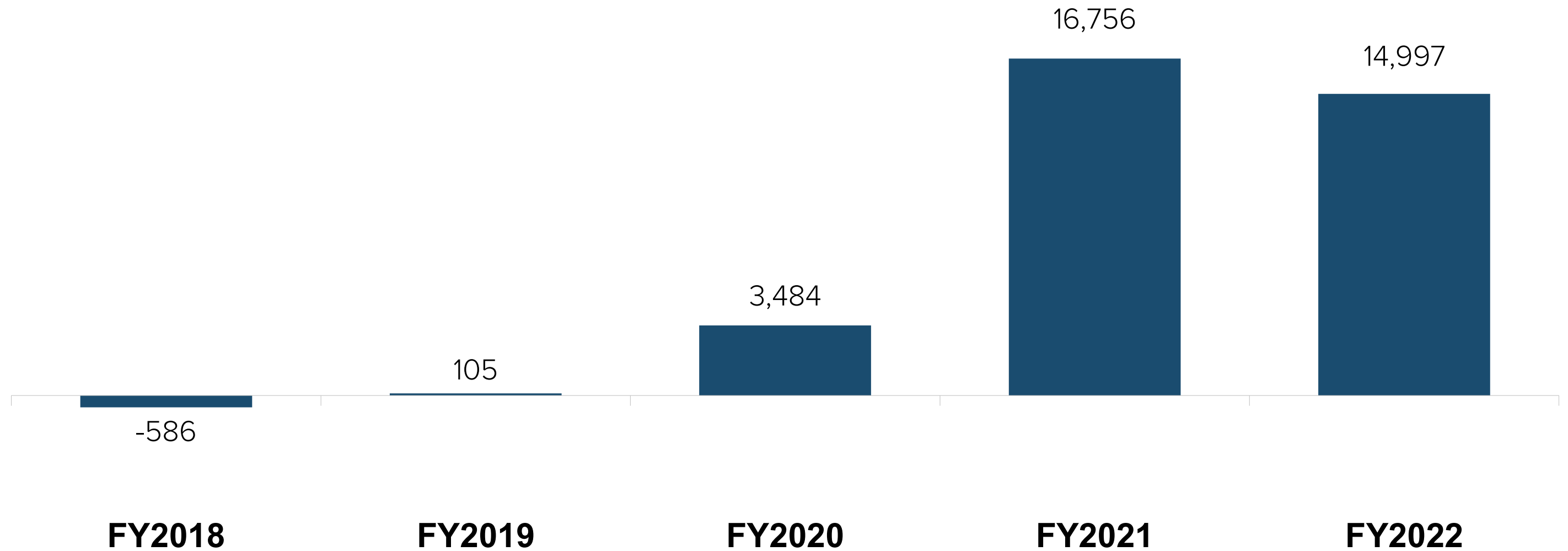
Top tier profitability

among industry peers

Remarkable financial performance in recent years

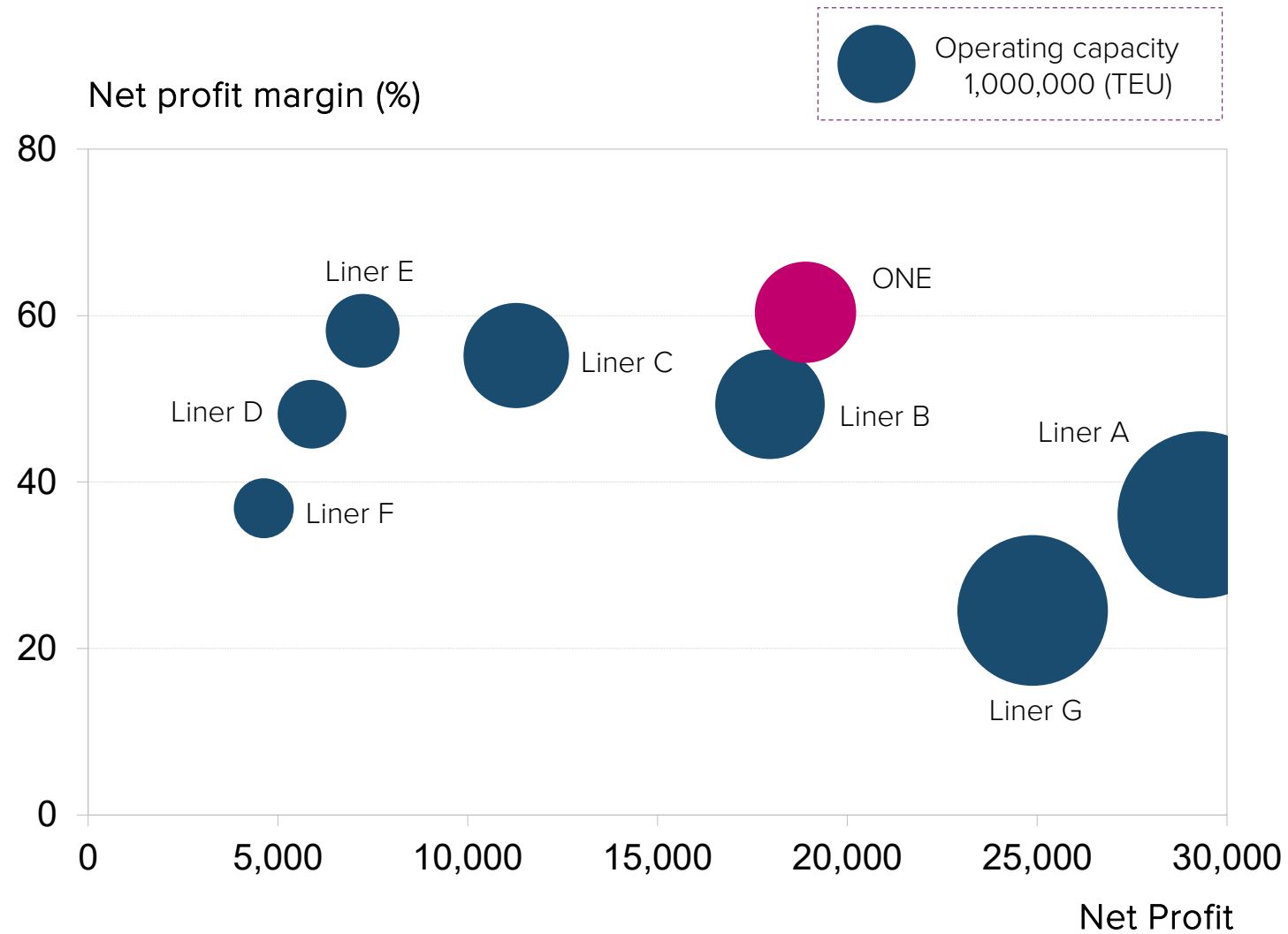
Net Profit/Loss from Day 1 to FY2022

(Figures in USD mil)



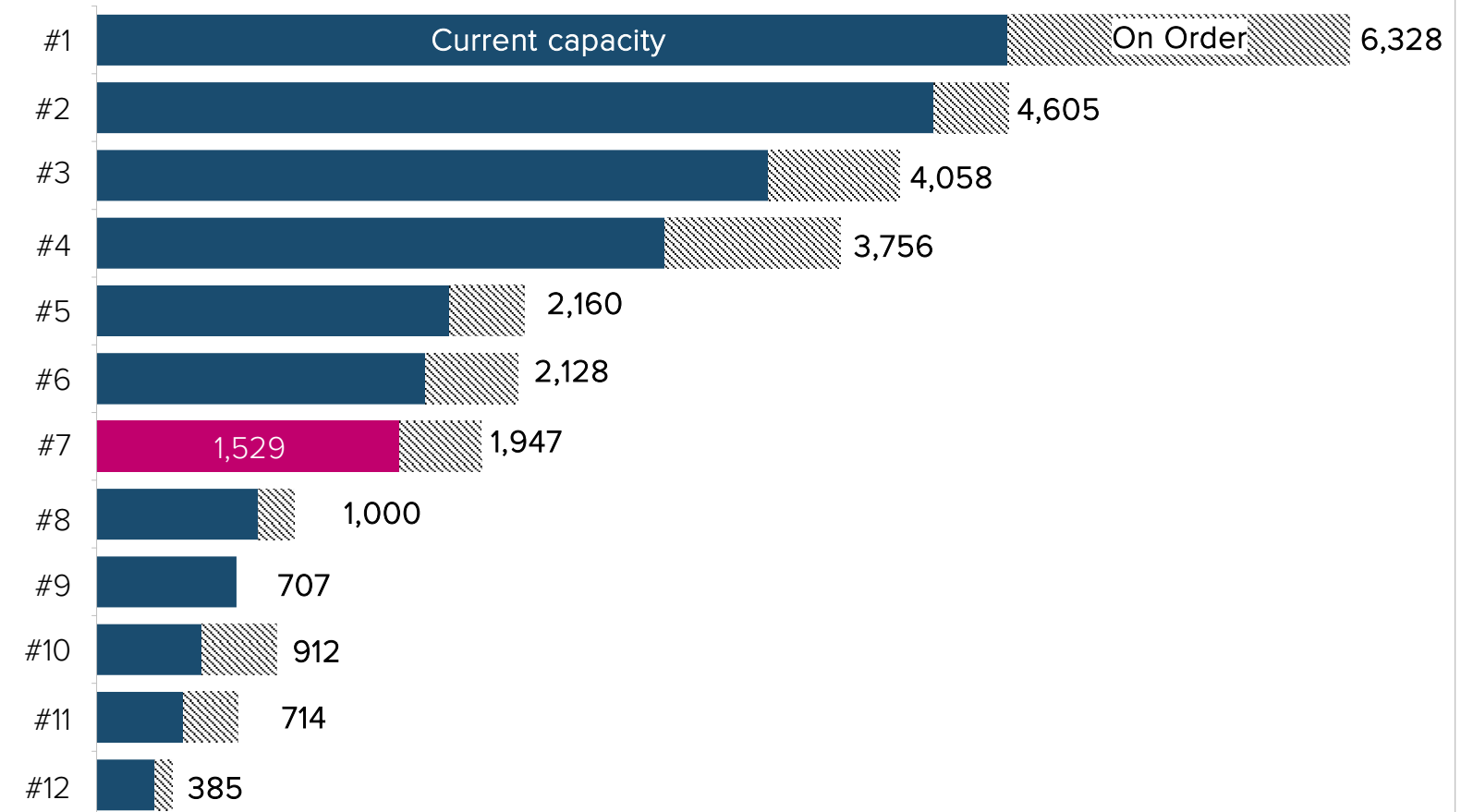
As a result of its approach, ONE achieved top tier profitability and ranked #7 globally in terms of scale

Profitability of major lines (CY2022 Jan-Dec)



Top tier profitability

Capacity of major lines (Jan 2023, kTEU)



#7 Scale

Source: IR data announced by each company, Alphaliner

Vessels

Further upgrades to come with wide variety of vessels scheduled for delivery by 2026

Fleet investments and commitments

Phase in	Size TEU	No. of Vsl
FY2020	12K	4
FY2020-21	15K	4
FY2022	12K	4
FY2023	15K	4
FY2023	24K	6
FY2024	15K	6
FY2024	7K	10
FY2025	13K	10
FY2026	13K	10

Investing in newbuildings

ONE has actively expanded its core fleet to meet customer demand for future sustainable supply chains. These investments are part of ONE’s green strategy and decarbonization plans.



Terminals

Investments in key terminals are progressing

Singapore

Magenta Singapore Terminal

- ✓ Joint venture with PSA Singapore
- ✓ Inaugurated on May 2019



US West Coast

Yusen Terminals LLC (51%) / TraPac LLC (51%)

- ✓ Entered definitive agreement in December 2022
- ✓ Transfer scheduled during 2023



Acquisition

Atlas Corp.

- ✓ Completed the acquisition and go private transaction on Atlas Corp. (the owner of Seaspan Corporation) together with partners



Equipment

Enhanced service quality and customer experience

Container and New Technology

- ✓ Stable investment for container boxes

Type	Newbuild Investment (2018-2023 Q1)
Dry	850 k units
Special	6 k units
Reefer	147 k units

- ✓ In June 2023, ONE announced plans to install telematics devices in its reefer boxes to provide customers with greater visibility into cargo



Safety

Safety continues to be our key agenda

Vessel Safety Campaigns

Annual safety campaigns for our operating vessels

- ✓ Sharing best practices and safety initiatives among the fleet
- ✓ Continuous cultivation of safety culture among shore and sea



Environment

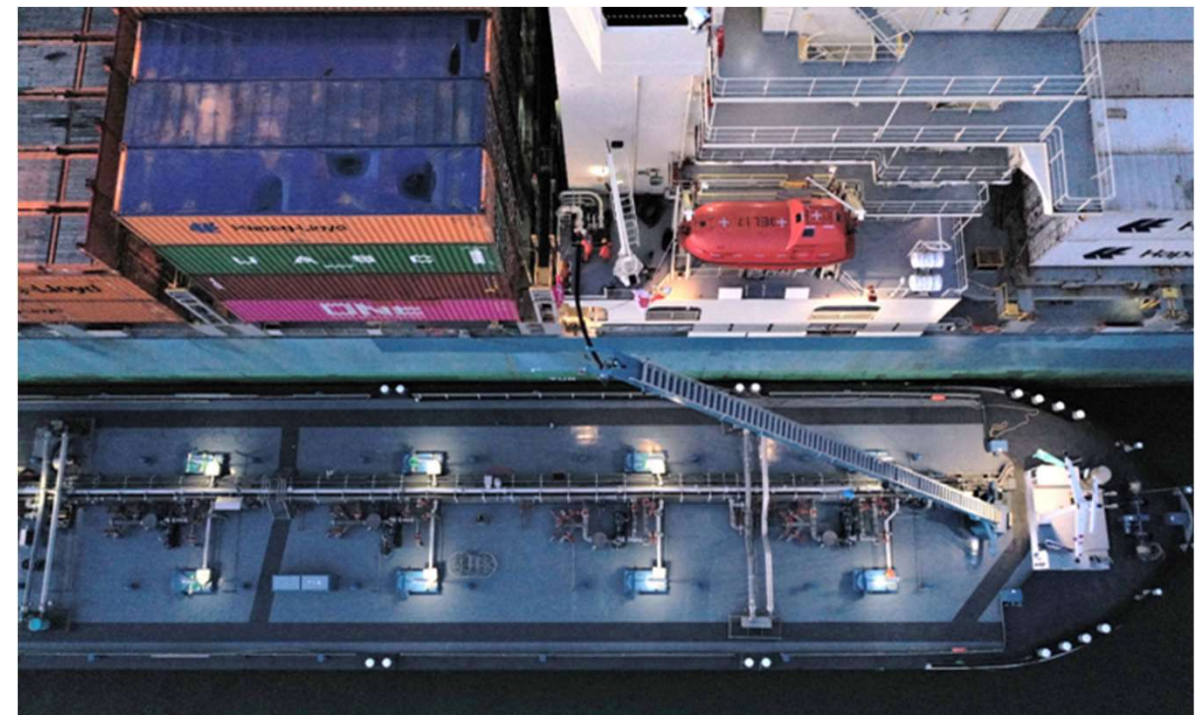
There are already environmental measures in place, including decarbonization

ONE Green Initiatives

- ✓ Achieved over 50% carbon intensity improvement in 2022 (against base year of 2008)
- ✓ Ongoing projects under the partnership of the Global Centre for Maritime Decarbonization (GCMD)
- ✓ Green Investment on track
(20 methanol/ammonia-ready vessels for delivery in 2025/2026, Installation of Bow windshields, etc.)



Bow windshields



Biofuel Trial as part of GCMD pilot project

ONE's Strategy Update

Introduction of “Sustainable Growth”



- Successful integration and establishment
- Achieved Top-tier profitability with a net profit of USD 34.5 billion within the first five years

- Long term contribution to broader stakeholders
- Grow sustainably as a global social infrastructure
- Commitment to industry decarbonization

Key Highlights

1. ONE achieved global top-tier profitability within 5 years of its establishment
2. ONE is shifting gears towards "**Sustainable Growth**", working to become one of the world's leading container shipping companies
3. ONE plans to make necessary investments to achieve "Sustainable Growth"

Committed to providing high-quality and safe global shipping services

Enhance operational efficiency

Maintain and enlarge fleet capacity to capture market organic growth

Invest in green and digital transformation

Promote a strong corporate culture and talent pool

Achieve high financial performance and stability

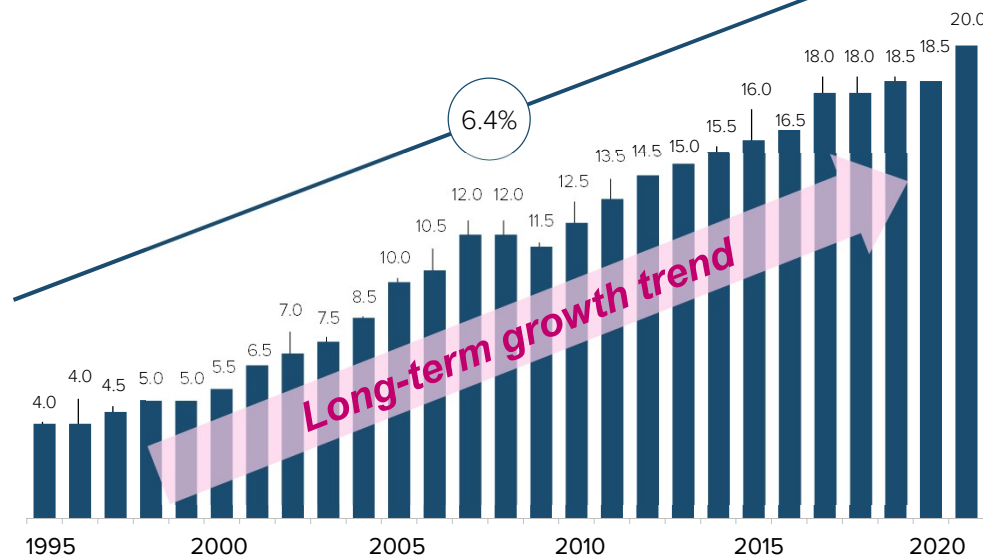


Long-term contribution to broader stakeholders

ONE expects changes in the trade environment with an increasing requirement for decarbonization while demand will grow in the long run

Demand growth

Container cargo [100Mn ton]

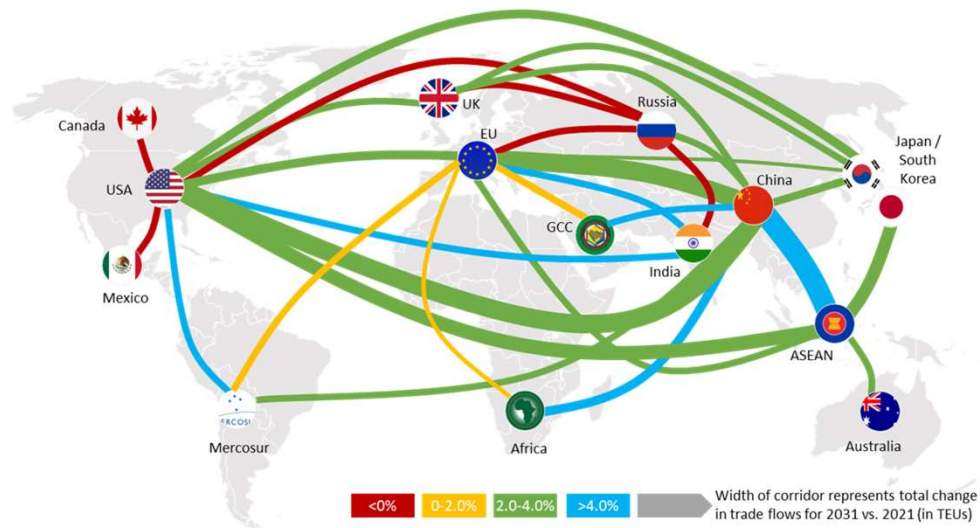


Mid-to-long term container demand is predicted to rise steadily

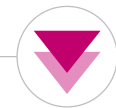


Investment with long-term strategic perspectives

Trade diversification



Diversification of global cargo flow



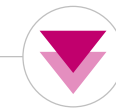
Respond to diversifying global trade patterns with sufficient scale and partnership

Decarbonization

Top 5 issues in Maritime industry in 2022

- 1 Decarbonization of Shipping
- 2 New Environmental Regulation
- 3 Global Economic Crisis
- 4 Pandemics
- 5 Societal Demands for Sustainability

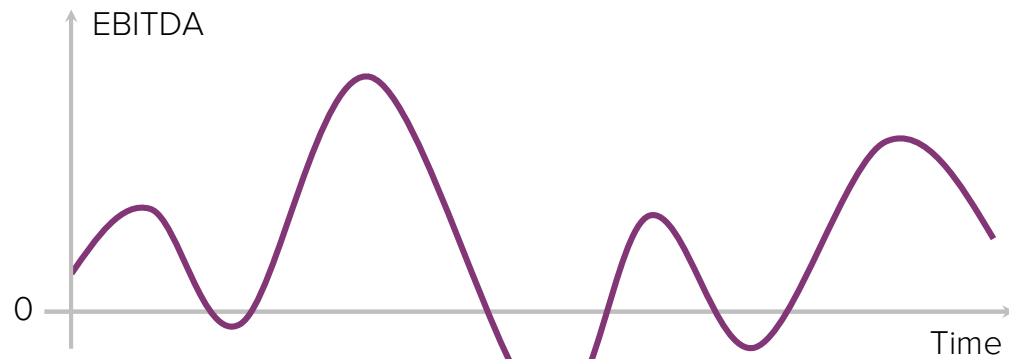
Decarbonization is the top agenda of the industry



Going green as the next competitive pillar

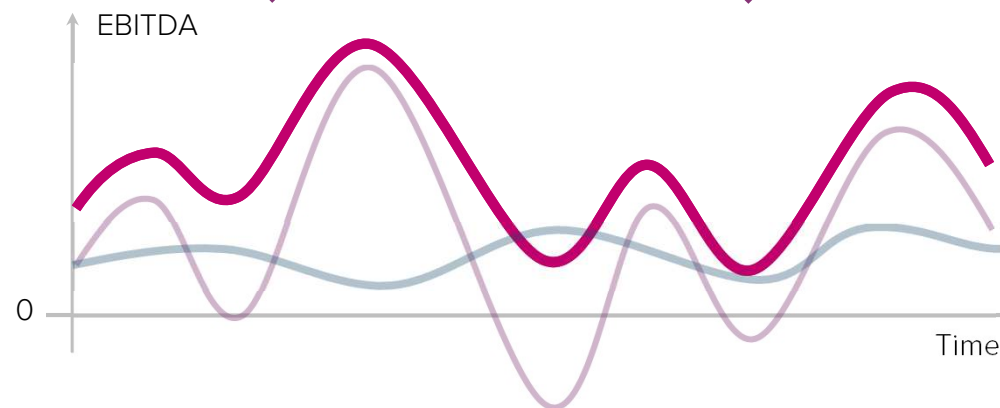
As the container shipping market remains volatile, ONE believes that financial stability can be achieved through the combination of a stable business portfolio.

High volatility of Container Shipping

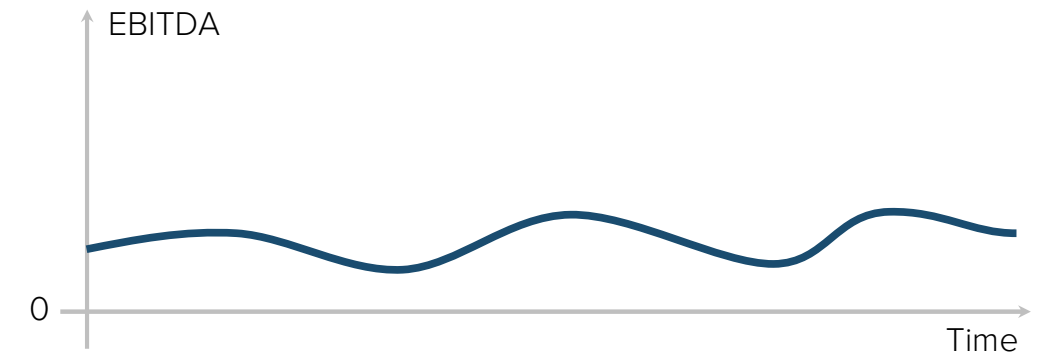


Traditional container shipping business is exposed to a highly volatile market environment

Combining and creating synergy among multiple business will create improved financial stability



Stable profit from Container Shipping Value Chain



Various businesses which could earn stable profit with less volatility

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Investing in people

and processes to develop high-performing teams with a long-term view

7th Largest Carrier

large enough to survive but small enough to effectively serve global markets

Top tier profitability

among industry peers

“Sustainability” as ONE’s New Key Success Factor

Investing into Sustainability as new pillar of competition



X



X



=



Continue to improve our major competency



Secure Economy of Scale



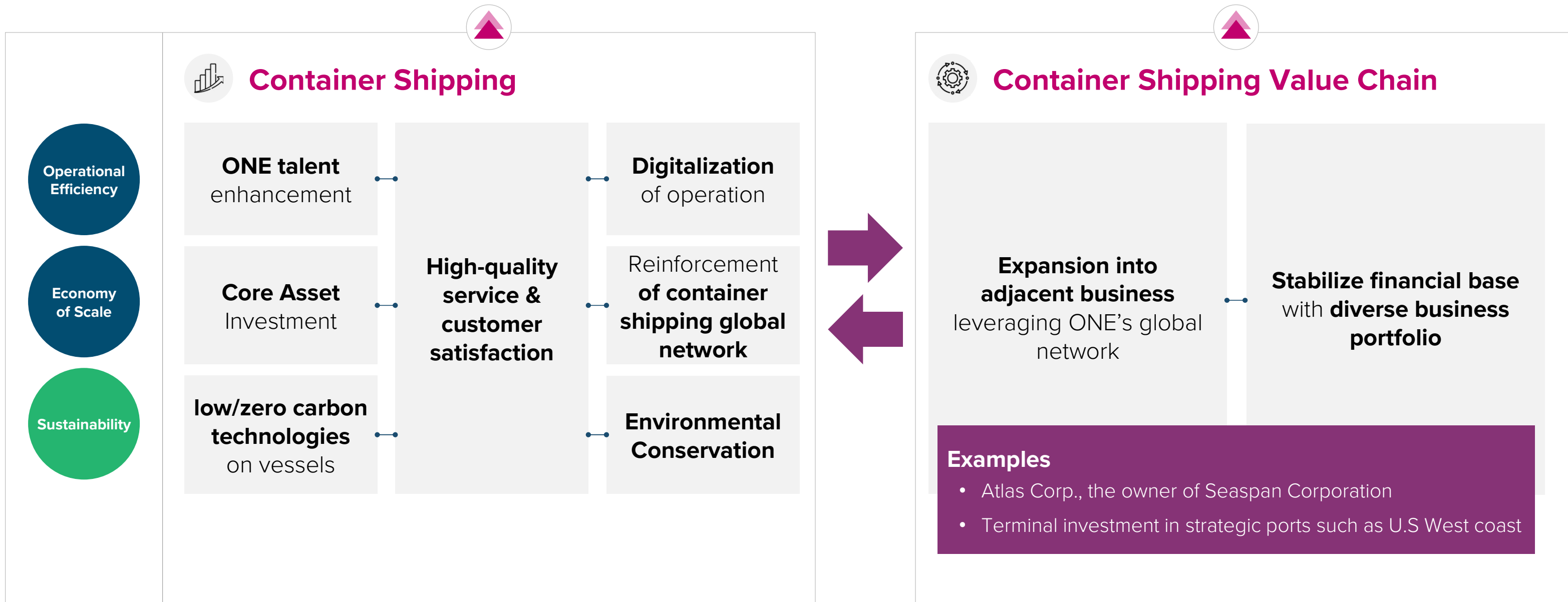
Decarbonization
Financial stability
Sustainable organization



Sustainable Growth

Develop a stable business portfolio that allows for growth in the Container Shipping business with low volatility

Sustainable Growth





ONE's Growth Strategy, supported by 5 strategic pillars


Sustainable Growth


Growth Strategy




1 
Green Strategy

2 
Digital Strategy

3 
Talent Strategy

4 
Finance Strategy

5 
Global Strategy

ONE's Vision, Mission, and Targets for decarbonization and environmental measures

Green Vision

- To be a **global leader** in the realization of **environmentally sustainable shipping**

Green Mission

- **ONE will achieve carbon net-zero shipping** in order to protect our planet via **lean and agile** best practices and **open collaboration**

Decarbonization targets

- **Emissions intensity:**
To **Reduce scope 1 GHG** emissions **by 70% ⁽¹⁾** per TEU km **by 2030**
- **Absolute emissions:**
Achieve net-zero GHG emissions (including scope 2 & 3) **by 2050**

Environmental Compliance

- **Ship recycling:**
Ensure partner yards **comply with the highest internationally-recognized standards**
- **Environmental conservation:**
Ensure ZERO significant spills for all vessels

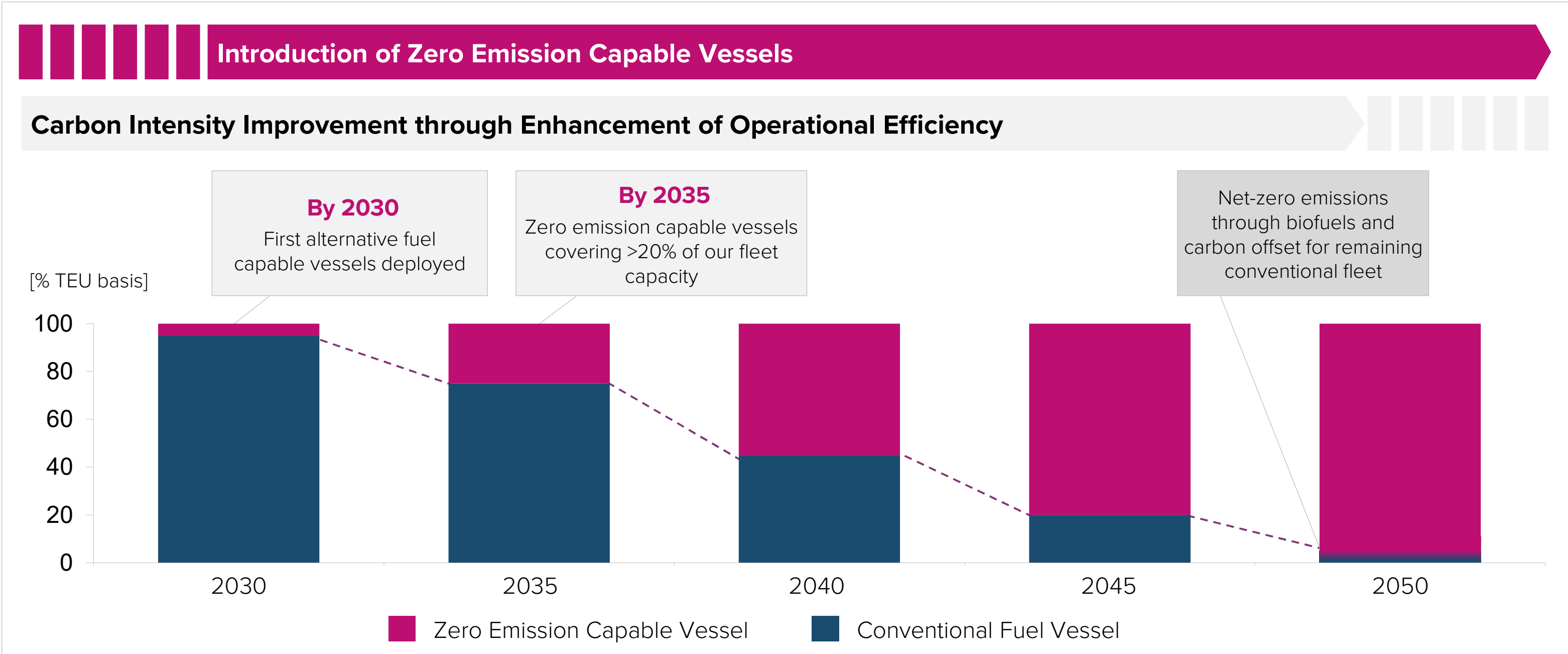
Note: (1) –Vs 2008 base line. Representing a reducing 35% by 2030 from the 2018 base line. GHG = Green House Gas.

Various measures are on track, and actively progressing as planned

Current major achievement	Status and progress in 7 key initiatives																
<div data-bbox="93 600 1075 1116" style="background-color: #e91e63; color: white; padding: 20px; text-align: center;"> <p>>50% reduction of CI <i>(from 2008 to 2022, g/TEU-km)</i></p> </div> <div data-bbox="93 1145 478 1362"> </div> <div data-bbox="534 1213 1050 1298"> </div> <div data-bbox="105 1459 366 1649"> </div> <div data-bbox="428 1483 795 1636"> </div> <div data-bbox="851 1451 1069 1665"> </div>	<p>Decarbonization initiatives</p>	<table border="1"> <tr> <td data-bbox="1280 600 1703 762"> <p>1 Green Investment</p> </td> <td data-bbox="1709 600 3027 762"> <ul style="list-style-type: none"> 20 methanol/ammonia-ready vessels for delivery in 2025/2026 Installation of Bow windshields </td> </tr> <tr> <td data-bbox="1280 766 1703 923"> <p>2 Alternative Fuels</p> </td> <td data-bbox="1709 766 3027 923"> <p>Various projects and discussion involving external industry partners (e.g., Study of alternative fuels)</p> </td> </tr> <tr> <td data-bbox="1280 927 1703 1084"> <p>3 Carbon Management</p> </td> <td data-bbox="1709 927 3027 1084"> <ul style="list-style-type: none"> ONE Eco Calculator for customers released Study of CCS installation </td> </tr> <tr> <td data-bbox="1280 1088 1703 1245"> <p>4 Operational Efficiency</p> </td> <td data-bbox="1709 1088 3027 1245"> <ul style="list-style-type: none"> Core operating systems are continuously upgraded Vessel operation system to manage CII ratings </td> </tr> <tr> <td data-bbox="1280 1249 1703 1407"> <p>5 Ecosystem Building</p> </td> <td data-bbox="1709 1249 3027 1407"> <p>Participation in and sponsorships of various industry movements (e.g., Collaboration with GCMD⁽¹⁾)</p> </td> </tr> <tr> <td data-bbox="1125 1411 1268 1721" style="background-color: #4a7c9c; color: white; text-align: center; vertical-align: middle;"> <p>Environmental initiatives</p> </td> <td data-bbox="1280 1411 1703 1568"> <p>6 Ship Recycling</p> </td> <td data-bbox="1709 1411 3027 1568"> <p>Preparation of sustainable and transparent ship recycling</p> </td> </tr> <tr> <td data-bbox="1280 1572 1703 1721"> <p>7 Environmental Conservation</p> </td> <td data-bbox="1709 1572 3027 1721"> <p>Active participation in ecological conservation programs</p> </td> </tr> </table>	<p>1 Green Investment</p>	<ul style="list-style-type: none"> 20 methanol/ammonia-ready vessels for delivery in 2025/2026 Installation of Bow windshields 	<p>2 Alternative Fuels</p>	<p>Various projects and discussion involving external industry partners (e.g., Study of alternative fuels)</p>	<p>3 Carbon Management</p>	<ul style="list-style-type: none"> ONE Eco Calculator for customers released Study of CCS installation 	<p>4 Operational Efficiency</p>	<ul style="list-style-type: none"> Core operating systems are continuously upgraded Vessel operation system to manage CII ratings 	<p>5 Ecosystem Building</p>	<p>Participation in and sponsorships of various industry movements (e.g., Collaboration with GCMD⁽¹⁾)</p>	<p>Environmental initiatives</p>	<p>6 Ship Recycling</p>	<p>Preparation of sustainable and transparent ship recycling</p>	<p>7 Environmental Conservation</p>	<p>Active participation in ecological conservation programs</p>
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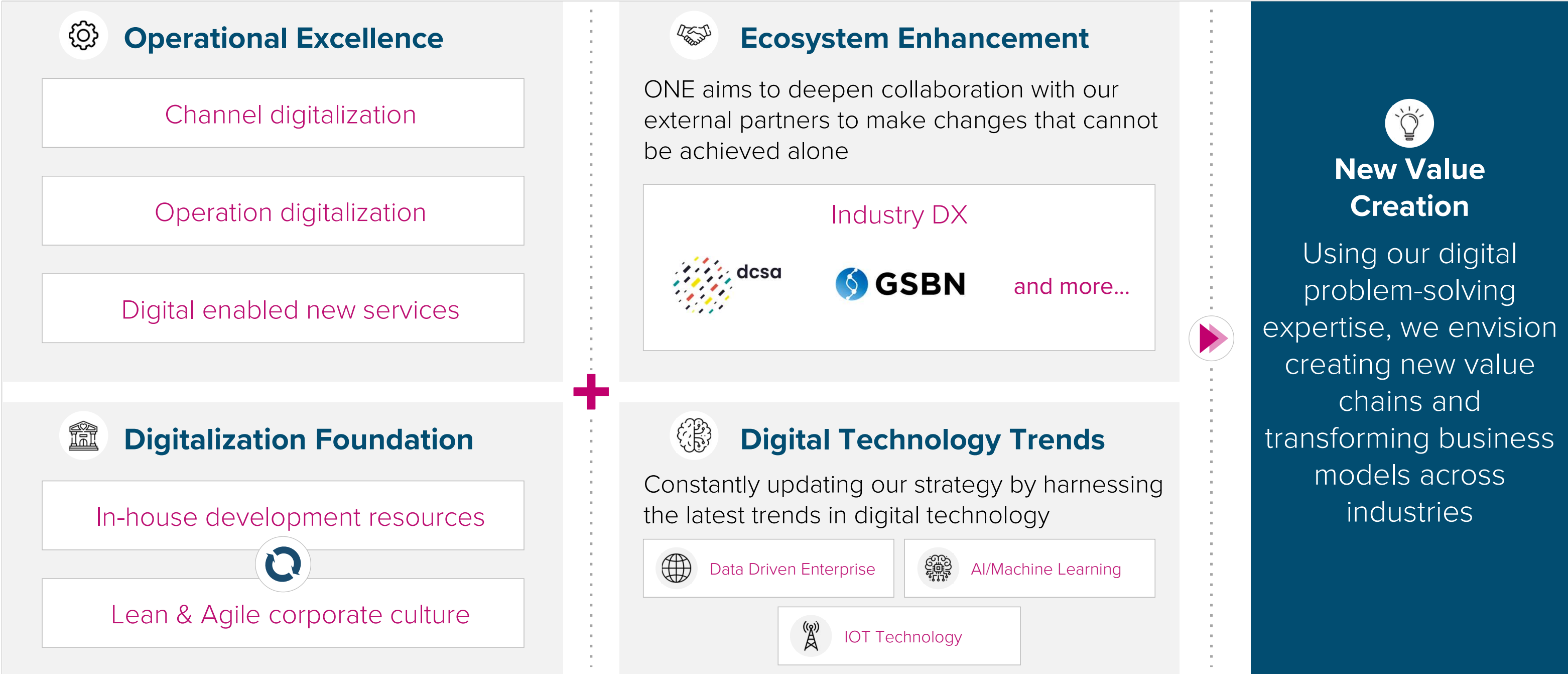
Note: (1) Global Centre for Maritime Decarbonisation

Transitioning ONE's fleet towards decarbonization

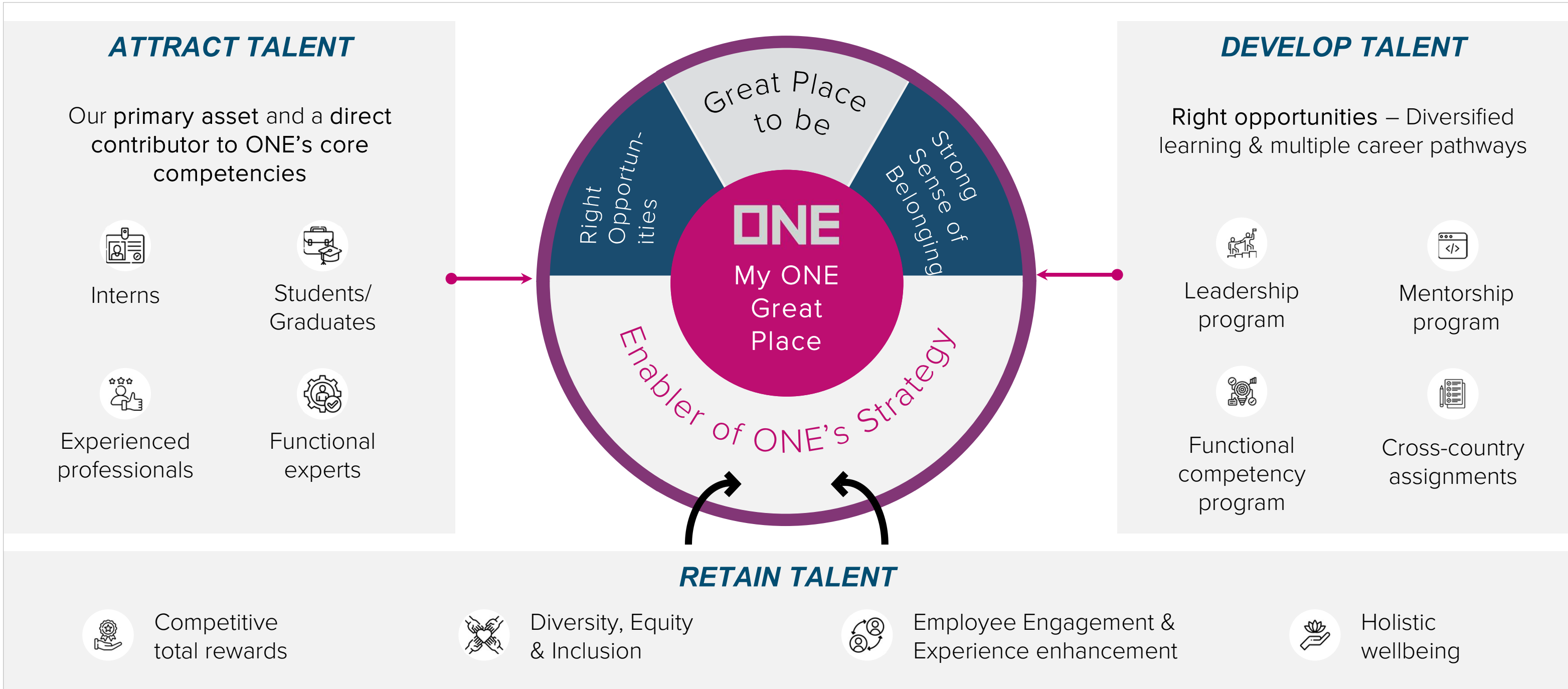


Roadmap will be continuously reviewed based on technology development, industry regulations and voices of stakeholders

ONE's new digital strategy will focus on collaboration with partners, capturing the latest trends and creating new value



ONE aims to attract a diversified talent pool and nurture our employees' development in a way that benefits them and the world







3 Talent Strategy – Example: ONE ACADEMY

Objectives

- #1 Enhance leadership, soft skills, and functional expertise training
- #2 Build strong connections and a sense of belonging by strengthening culture

Key Pillars

	'ONE' Communication Strengthen communications		'ONE' Connectedness Rebuild connections
	'ONE Learning & Development' Empower self-development		'ONE Career and Mobility' Nurture growth opportunities

Initiatives (examples)



1-1 Mentorship Program

Encourage **personal and professional development** by tapping into the experience of cross divisional leaders



ONE Immersion Program

Develop strong network through experiential learning opportunities, collaborating with industry experts to solve real business challenges



Leadership & Communication training

Groom future leaders by learning essential skills to be successful at work and accelerate career path



Cross-country & cross-functional rotations

Gain **valuable team experience**, grow strong networks and expand horizons



Informal gathering & team bonding with leaders

Stay connected, gain innovative ideas and solutions from leaders through casual conversations

Maintaining sound financial strength is a foundation of ONE's business

Finance Strategy



Solid & diversified funding base

- Secure a robust financial structure
- The appropriate use of financial leverage will be considered for future investments to achieve sustainable growth



Financial Stability

- Acknowledging the high volatility of the liner business and the significance of a more consistent profit, ONE will strive to stabilize the company's financial performance.
- Long-term ROE target of 10%

As a response to global trends and diversified customer needs, ONE will further enhance its network, efficiency, and quality of service



Global Strategy



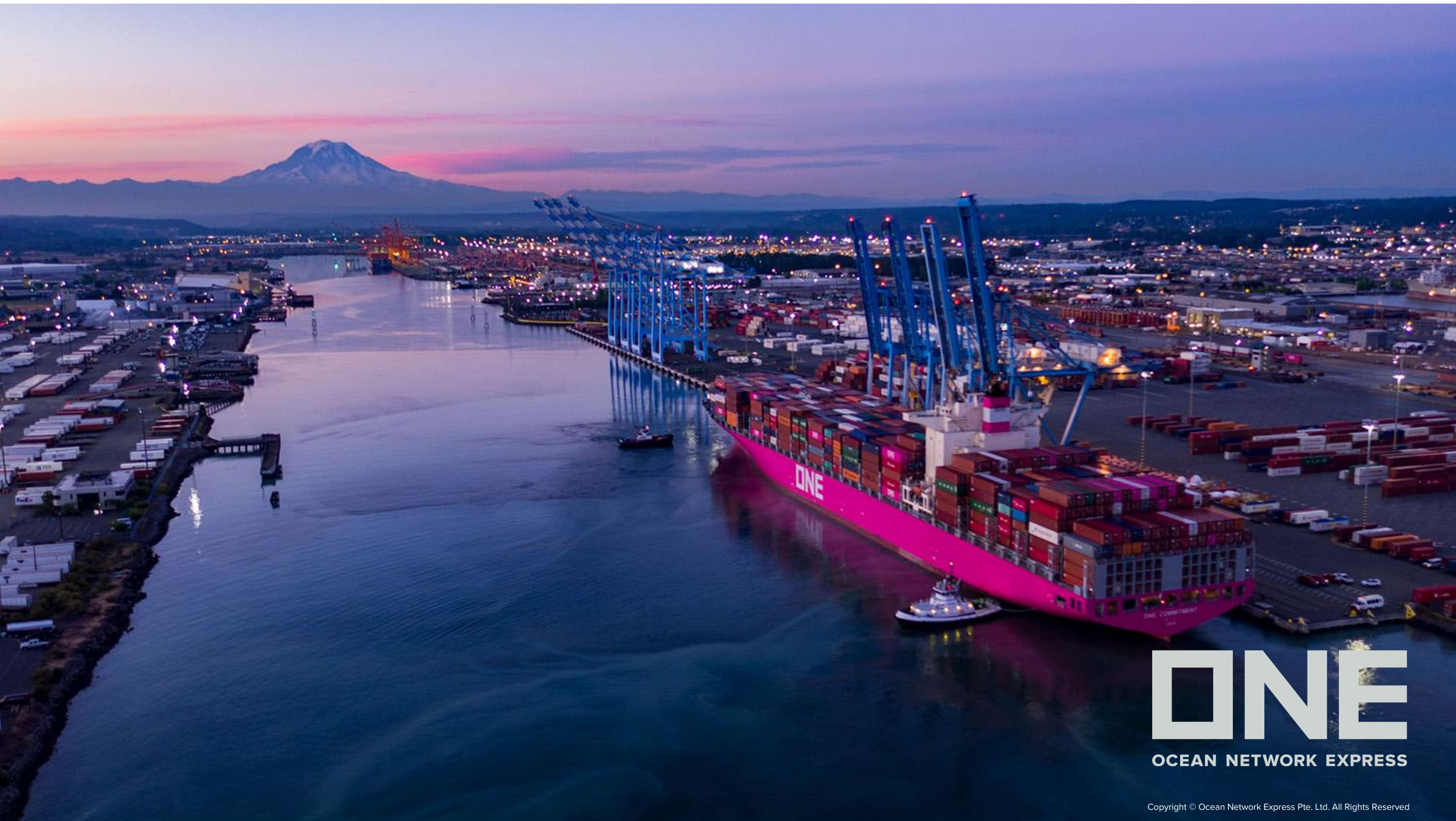
Pursue efficiency and provide high quality of service

- Identify key regions with growing cargo flows
- Strengthen customer support globally to meet changing demands
- Increase efficiency and meet customers' diversified and specialized needs through digitization



Inspire new values through global network

- Discover new business opportunities with access to our extensive global network, digital resources, and expertise



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