

ONE 2030

19th March 2024





Image of Overall ONE 2030



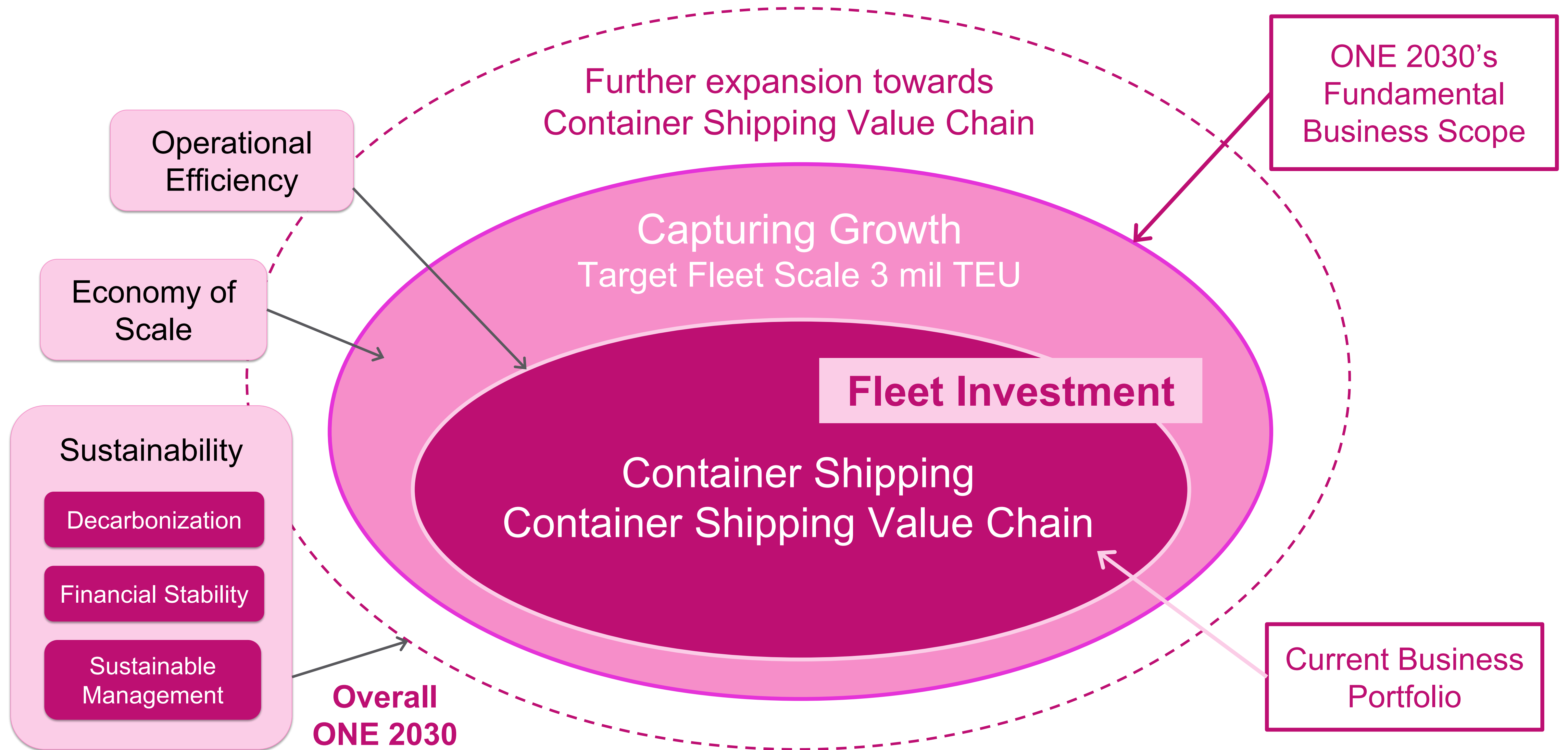
Gist of ONE 2030 and
its Main Business Strategy



Investment and Finance Strategy



Image of Overall ONE 2030



Gist of ONE 2030 and its Main Business Strategy

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

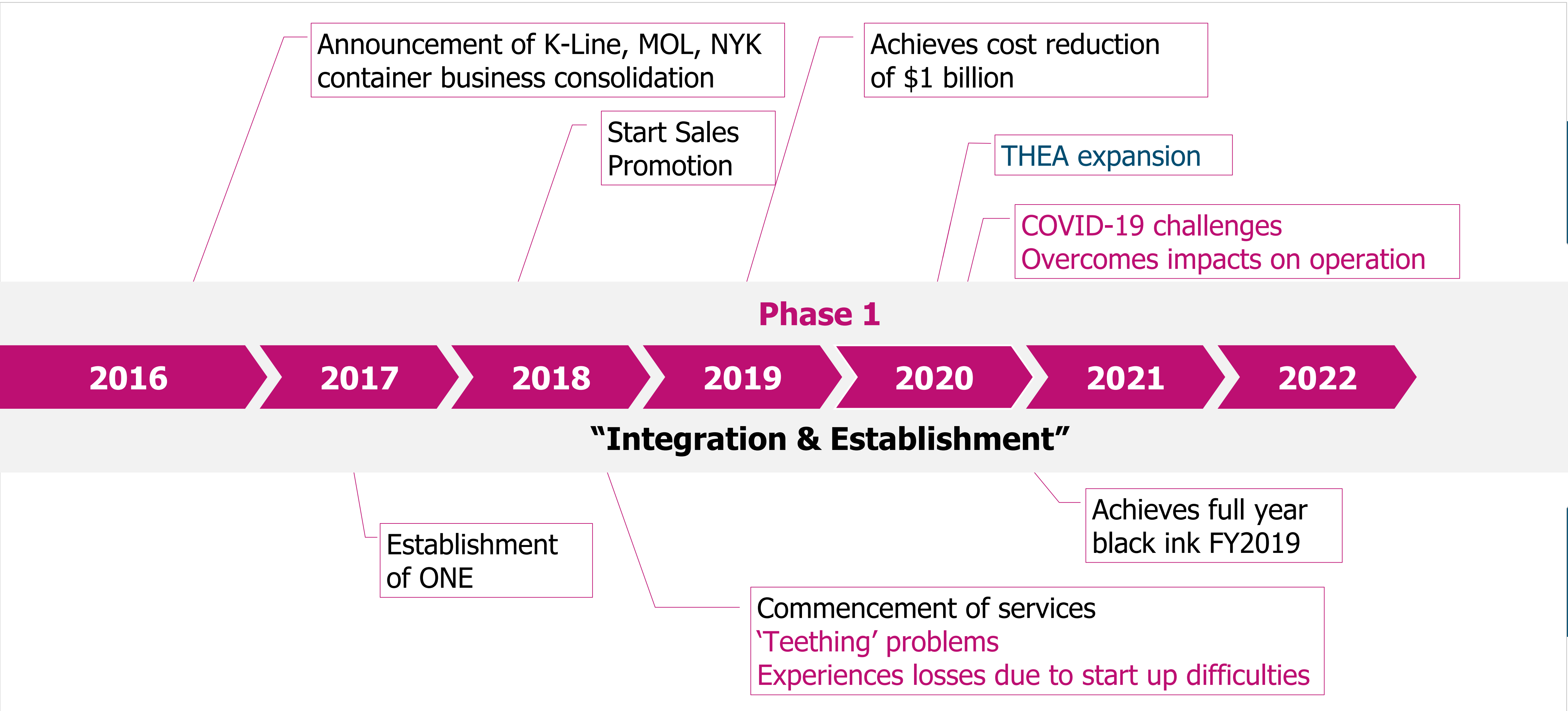
Promote a strong corporate culture and talent pool

Achieve high financial performance and stability



Long-term contribution to broader stakeholders

5 years has passed since Day 1 of establishment





- 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

Investing into Sustainability as new pillar of competition



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Continue to improve our major competency



Secure Economy of Scale



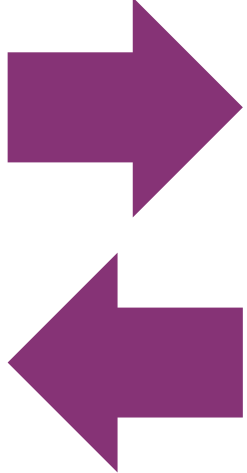
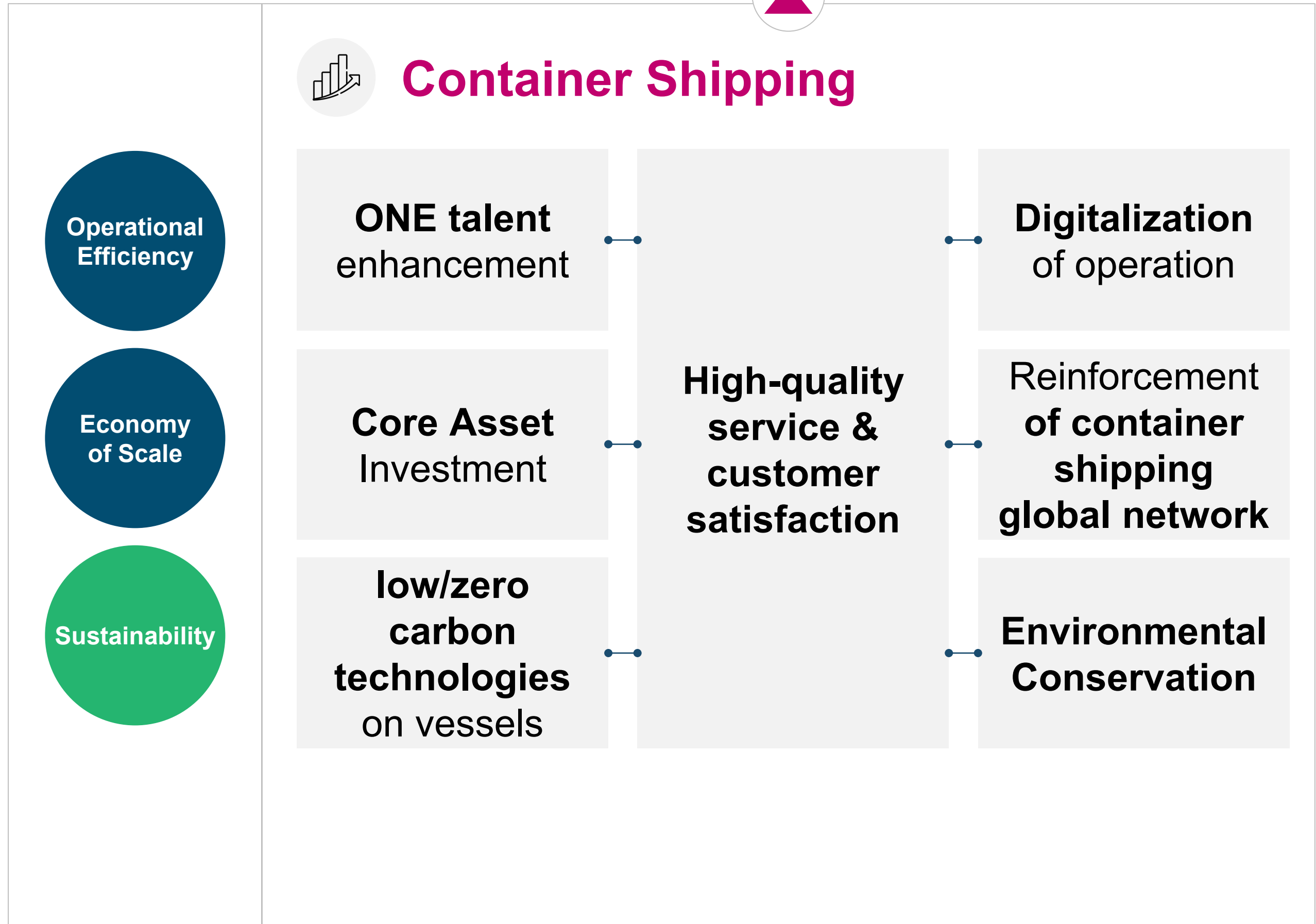
Decarbonization
Financial stability
Sustainable organization



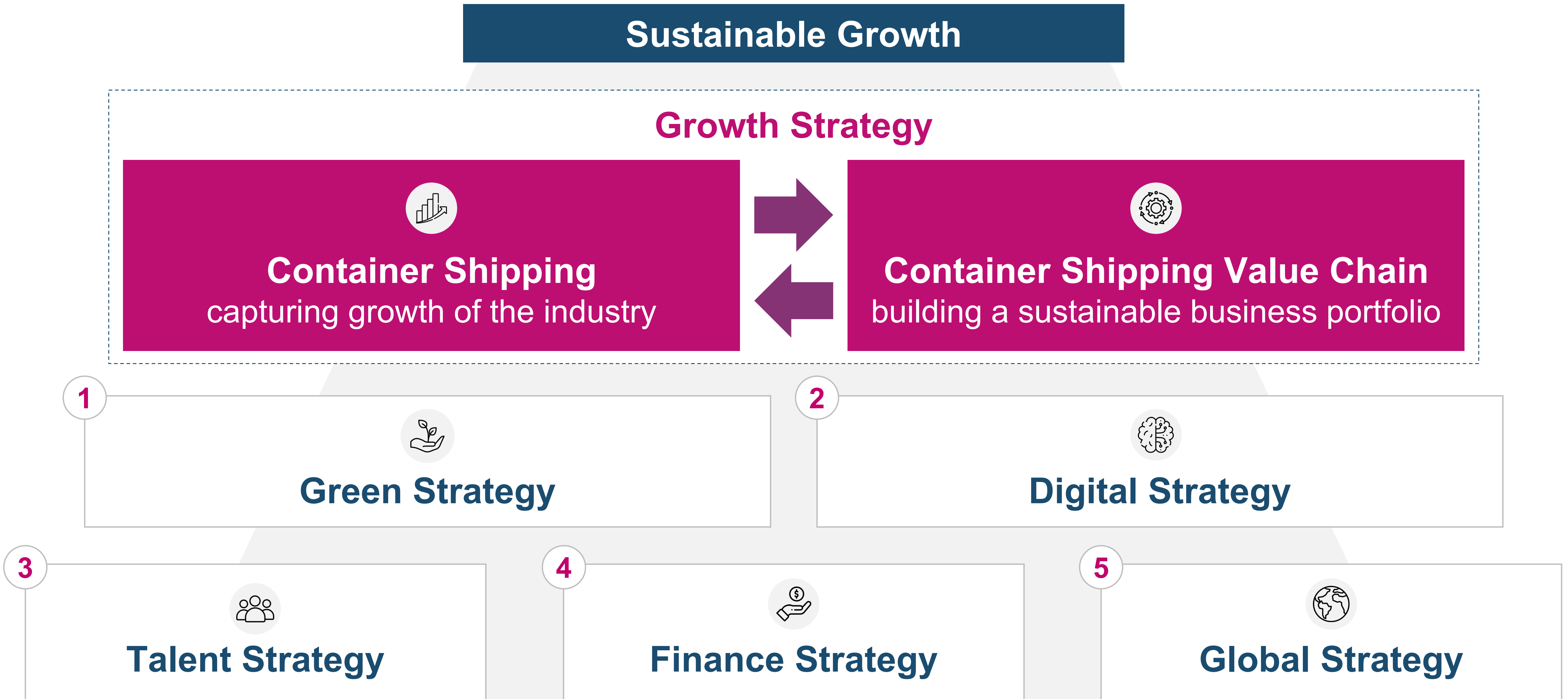
Sustainable Growth

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



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

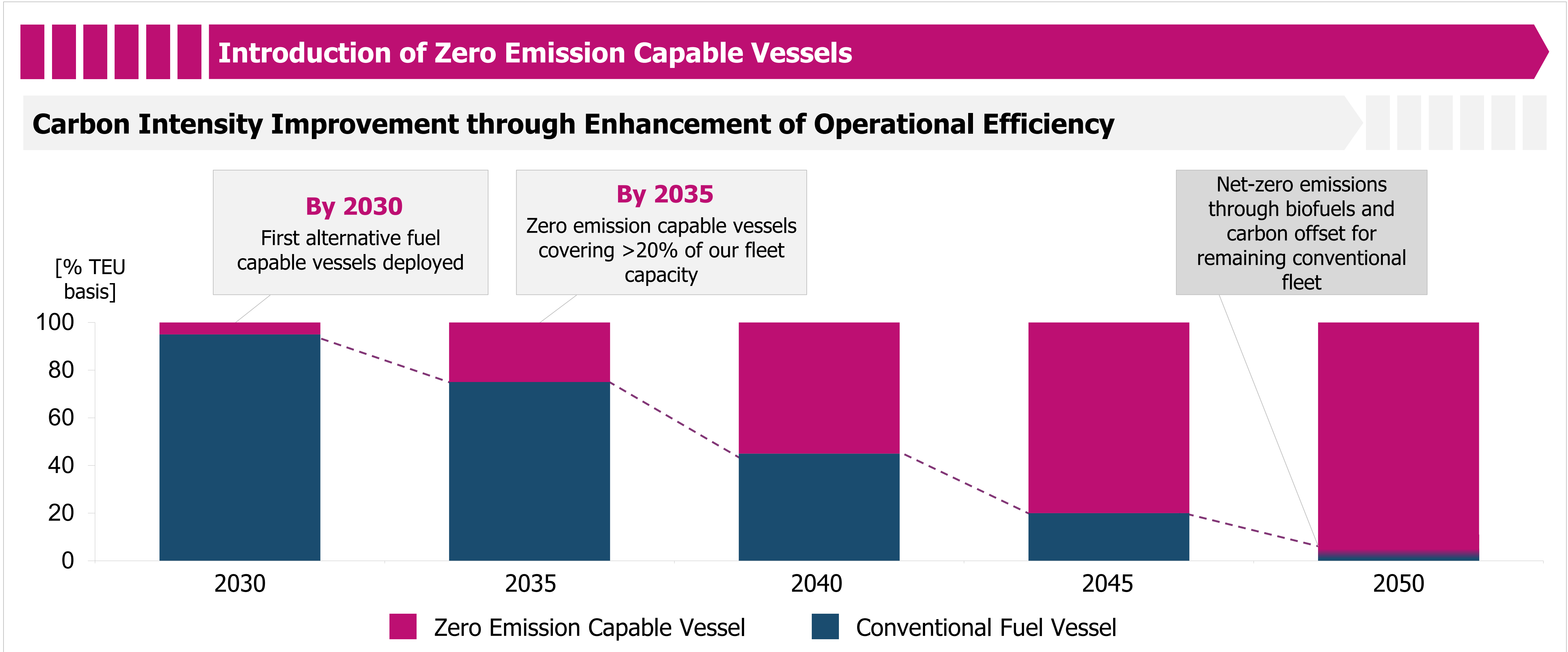
- **Emissions intensity:**
To **Reduce scope 1 GHG** emissions **by 70% (1)** per TEU km **by 2030**
- **Absolute emissions:**
Achieve net-zero GHG emissions (including scope 2 & 3) **by 2050**

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.

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

Operational Excellence

Channel digitalization

Operation digitalization

Digital enabled new services

Digitalization Foundation

In-house development resources



Lean & Agile corporate culture

Ecosystem Enhancement

ONE aims to deepen collaboration with our external partners to make changes that cannot be achieved alone

Industry DX



and more...

Digital Technology Trends

Constantly updating our strategy by harnessing the latest trends in digital technology



Data Driven Enterprise



AI/Machine Learning



IOT Technology



New Value Creation

Using our digital problem-solving expertise, we envision creating new value chains and transforming business models across industries

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



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% or more

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

Investment and Finance Strategy

- The initial 2 years of ONE 2030 are the years which the industry may be affected by new buildings, however, due to geographic and political factors such as the undergoing Red Sea situation, it is rather difficult to predict the profit level in a logical manner. FY2024 outlook shall be disclosed during the three shareholders' IR financial result disclosure for FY2023.
- After the initial period, the market expects a recovery of profit levels due to improvement of supply and demand situation. Concurrently, ONE's investments shall come to effect. At the last fiscal year of ONE 2030, US\$3.8bil shall be the target profit level at FY2030.

- ONE 2030, during its period of FY2024~2030, plans to invest over US\$25bil towards Container Shipping Business. In addition, it will consider to invest maximum US\$10bil towards further expansion of Container Shipping Value Chain.
- ONE 2030 with its plans to capture growth, targets to expand its fleet scale to 3mil TEU.
- Financing for investments shall be a combination of debt and equity. A rough benchmark image would be a ratio of around 6:4.

- The required midterm return from shareholders shall be to achieve more than 10% ROE. And shareholder shall accomplish its capital policy.
- ONE's equity ratio must be considered taking in consideration of the volatile business environment as we have been in the past. On the other hand, its equity ratio requires to be adjusted to an appropriate level and in 3 years period during FY2024 to FY2026, it shall be gradually adjusted.

- In principle, annual dividend policy shall be 30% or more of net profit.
- In addition to above, basically during the period of FY2024~2026, at this moment, execution of special dividend US\$3bil is planned and out of such at least US\$1bil is planned to be added on top of the annual dividend for FY2023 in June 2024 after required resolution steps are taken.
- Dividend for FY2025 and FY2026 shall be considered accordingly monitoring the progress of investments and financing. (As a result, the special dividend amount may fluctuate upwards or downwards from above.)



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