To Whom It May Concern,

Kawasaki Kisen Kaisha, Ltd.
IR & PR Group

Mitsui O.S.K. Lines, Ltd.
Corporate Communication Division

Nippon Yusen Kabushiki Kaisha
IR Group

Notice of Revisions in First Half and Full Year Consolidated Business Forecasts of Integrated Container Shipping Operating Company Ocean Network Express Pte. Ltd.

Ocean Network Express Holdings, Ltd. (hereinafter referred to as “ONE Holdings,” which was established by Kawasaki Kisen Kaisha, Ltd., Mitsui O.S.K. Lines Ltd., and Nippon Yusen Kabushiki Kaisha (hereinafter referred to as “the three parent companies”) as a holding company for the integration of the three parent companies’ container shipping businesses, commenced the business in April 2018 through its subsidiary, the integrated business operating company Ocean Network Express Pte. Ltd. (hereinafter referred to as “ONE”).

ONE Holdings and ONE have engaged in the businesses by steadily creating synergistic effects through the business integration to achieve profitability from the initial year after the commencement of services. However, the three parent companies have received a report from ONE Holdings of a downward revision in ONE’s first half and full year consolidated business forecasts.

Although ONE is the equity-method company of each of three parent companies, the companies today announced the revisions as follows to ONE’s consolidated financial forecasts announced on July 31, 2018, in light of the impact that ONE’s revisions will have on the consolidated financial forecasts of each parent company.

Meanwhile, each of the three parent companies will individually disclose any revision to its consolidated financial forecasts, if necessary.

1. Revisions to ONE’s consolidated business forecast for the first half of FY2018 (April 1, 2018 to September 30, 2018)
2. Revisions to ONE’s consolidated business forecast for FY2018 (April 1, 2018 to March 31, 2019)

<table>
<thead>
<tr>
<th></th>
<th>Revenue</th>
<th>Profit/Loss after Tax</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>US$ million</td>
<td>US$ million</td>
</tr>
<tr>
<td>Previous Forecast (A)</td>
<td>5,442</td>
<td>-38</td>
</tr>
<tr>
<td>Revised Forecast(B)</td>
<td>5,030</td>
<td>-310</td>
</tr>
<tr>
<td>Change (B-A)</td>
<td>-412</td>
<td>-272</td>
</tr>
<tr>
<td>Change (%)</td>
<td>-7.5%</td>
<td>-</td>
</tr>
</tbody>
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Reference: Assumption of bunker prices: Previously US$440.00, currently US$434.00

3. Reason for revision of forecast

For the first half of the fiscal year, synergistic effects of the business integration have emerged steadily. On the other hand, liftings and utilization dropped due to the impact of teething problems immediately after the commencement of services in April of this year. ONE sought to regain lost ground during the peak season from July to September, but liftings and utilization remained lower than the outlook because the negative impact remained on its main Asia-North America routes and Intra-Asia routes. ONE made a downward revision in the previously announced forecast due to the decrease in revenue resulting from the above-mentioned lower liftings and utilization, with additional negative effects from the higher cost of returning containers brought on by decreased liftings on backhaul voyages (from North America to Asia, Europe to Asia, etc.).

The teething problems regarding ONE’s services have already been resolved, and both ONE Holdings and ONE are working earnestly to restore the trust of customers and further improve service quality. However, liftings and utilization are still on the way to recovery, and the target for additional cost reduction to address increased bunker prices, is expected to be lower than the target in the previously announced forecast. Therefore, ONE made a downward revision in the previously announced full-year business forecast as well.
[Note] The future forecast described above is issued on the basis of currently available information as of the announcement date. Please note that the actual results may differ from this forecast due to various factors in the future.

(Attachment) Supplemental Explanation

Q1 Can you provide details on specific factors and specific routes responsible for the downward revision? What are the results for liftings and utilization for the second quarter of the fiscal year?
A1 The three parent companies will disclose details including numbers on the day when each of them announces second quarter financial results, upon compiling and analyzing these details. Nevertheless, the first factor behind the downward revision is the stagnation of liftings and utilization, and the second is the underachievement in the additional cost reduction to address increased bunker prices, which are included in the full-year forecast announced at the time of the first quarter financial results.

Q2 Can you elaborate on the teething problems regarding bookings immediately after the commencement of services?
A2 Booking reception and documentation operations were delayed because ONE staff were not completely familiarized with the newly introduced IT system, and the staff were short-handed. This caused significant inconvenience for customers. Issues such as the staff's skill level and personnel shortages have already been addressed, and their operations have returned to normal.

Q3 Is there any concern about underachievement of the synergic effects from the business integration?
A3 The synergistic effects for the initial year turned out to be higher than the initial outlook. The factors for the downward revision are due mainly to stagnation in liftings and utilization, and underachievement of the additional cost-reduction plan to address rising bunker prices.

Q4 Have you already factored in the impact of the U.S.-China trade friction?
A4 A certain degree of that impact is included in the second half outlook in consideration of current trends in cargo trade.
Q5  Wasn’t it necessary to make a downward revision at the time of announcing the first quarter financial results (end of July of this year)?

A5  Liftings and utilization were expected to improve in the peak season starting from July and continuing through September at the time, but consequently, ONE did not achieve these targets.

Q6  Does ONE plan to make revision in the forecast for the FY2019 and FY2020 business plans, which were disclosed before?

A6  ONE will determine the need to revise the plan upon assessing the situation.