2021 ANNUAL REPORT

CEO LETTER

In 2021, the global pandemic presented challenges and opportunities for Matson's ocean transportation and logistics businesses as domestic consumption of goods greatly increased and the transpacific supply chain infrastructure strained to meet this sustained, elevated level of demand.

Our experience and history in serving lifeline communities prepared us well for these challenges, but it is our long-standing customer relationships in both Ocean Transportation and Logistics as well as our commitment to fast, reliable ocean services that provided significant results throughout the year as well as opportunities to drive long-term future growth.

In 2021, we (i) invested $325.3 million in our vessel and shoreside operations, (ii) reduced debt by $131.1 million, and (iii) returned $246.0 million in capital to shareholders in the form of share repurchases and dividends.

To grow shareholder value, we remain focused on putting your cash to work and to achieving returns that are more than our cost of capital over time, which is especially important to long-cycle, asset-intensive businesses such as ours. To achieve this goal, we view return on invested capital (ROIC) and growth in book value as essential barometers of our success. In 2021, our ROIC increased significantly to 47.1% due to extraordinary financial results, meaningful debt reduction and expanded return of capital. Since our company became public in 2012, our focus on capital allocation and ROIC has produced a 6.3x increase in the book value per share, a compounded annual growth rate of 21.4%.[1]

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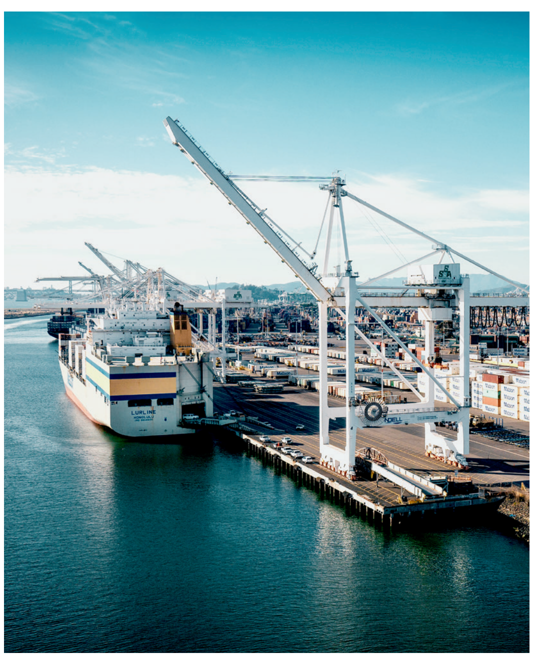

In 2021, we launched our China-California Express (CCX) service to alleviate some of the congestion pressure our customers faced, providing them an alternative to getting their goods to markets.

Regarding the economic and market climate, I don't know yet what the "new normal" will look like. I suspect it may take longer for industry normalization to arrive than others believe, but I believe that

1. Book value per share defined as shareholders' equity divided by shares outstanding, and is based on the 2021 shareholders' equity excluding the cumulative net positive adjustment of $154.0 million related to the 2017 Tax Cuts and Jobs Act. Including the adjustment, the compounded annual growth rate would be 22.7%.

Matson Hawaii serves in our Alaska-Asia Express (AAX) as a backhaul service, an integral part of our expanded network.

business *and* consumer consumption patterns have been inexorably changed. Furthermore, I do know that market conditions will undoubtedly shift again, and perhaps quite rapidly, in the coming year(s) as supply chain congestion unwinds and e-commerce becomes an increasingly larger driver of our economy.

I do know too that your company is well prepared for these changes. We have delivered in a rapidly evolving environment, and we will remain flexible to reposition assets and allocate capital to its best and highest use to drive more growth opportunities. Above all, we will remain steadfast in our mission — *move freight better than anyone*.

THE FASTEST, MOST RELIABLE SERVICE – A DIFFERENTIATED MODEL

The past 12 months have proven to be increasingly uncertain, characterized by global supply chains that have been disrupted and reshuffled, especially in key markets where we operate, the U.S. West Coast and China. The adoption of e-commerce significantly accelerated in the pandemic, and the consumption of goods pulled forward at an unprecedented rate. Record import volume vastly exceeded supply chain capacity (air cargo capacity, vessel capacity, marine terminal space, warehouse space, available labor, intermodal capacity, truck chassis and shoreside equipment), leading inevitably to significantly higher freight rates in certain critical routes. From factory floor to household door, the delivery of goods directly to consumers transformed the economy forever, but the financial impact to businesses has been uneven.

Some, like Matson, have disproportionately thrived amid this uncertainty. This was due to a combination of factors, some decades in formation and others the result of opportune adjustments we made throughout our ocean and logistics network in the past few years. In short, we were well-positioned to help customers in all of their needs, from over-the-ocean transport to overland transportation brokerage, supply chain services and Alaska freight forwarding. The foundation of this recent success, however, are the very tenets upon which Matson began operations 139 years ago — the delivery of vital goods, reliably on-time and with exceptional customer service to markets throughout the Pacific.

We have benefited from the decades-long investments we have made — from vessels to containers to chassis to cranes. And, unlike most ocean carriers, we operate independently, which means we directly control much of our network. By owning most of our ships, operating them at the fastest speeds in the industry, owning our shoreside equipment, having dedicated West Coast terminals managed by the leading operator SSAT, and having strategic access to off-dock facilities at key chokepoints in the supply chain, we serve our customers in ways that other operators cannot. For example, for our owned vessels arriving from China and berthing at Oakland and Long Beach, we offer first-in, first-off loading of customer cargo onto our chassis, cargo availability within 24 hours of arrival at berth, and reduction in truck turn times to industry-leading levels at 23 minutes or less.

More recently, in 2020 we expanded operations and introduced our second China-Long Beach Express service (CLX+) and an Alaska-Asia Express (AAX) as a backhaul to the CLX+ service utilizing chartered vessels to meet growing demand. In 2021, we launched our China-California Express service (CCX) and the China-Auckland Express (CAX) with our owned vessels. CCX calls Oakland, California first, berthing at our dedicated terminal. This opportunistic, short-term addition alleviates some of the congestion pressure our customers face in Long Beach and provides them an alternative to getting their goods to markets. The CAX provides another gateway from China for us with direct service to New Zealand as well as potential growth opportunities in feeder markets and communities throughout the South Pacific.

What we have re-learned over the past two years is that especially during times of uncertainty, when there can be equipment, vessel, network and personnel shortages, speed to market and reliability are critical to our customers' success. And with their success, ultimately, we believe, will come ours.

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CAPITAL ALLOCATION

Our expectations for cash generation were vastly exceeded in 2021, driven by higher-than-expected rates across all of our China ocean services, the addition of the CCX service in July, and continuing efficiencies derived from our recent Hawaii re-fleeting. This additional cash generation provided us new opportunities to return capital to our shareholders, to make larger investments in essential assets, to lower our debt level and to opportunistically put our balance sheet to work, as described below.

To meet surging demand from China and ensure fluidity in our network, we purchased dry and refrigerated containers and chassis throughout 2021.

Expand Our Asset Base

Our priority for the use of cash is to maintain and grow our fleet and shoreside operations as well as our logistics businesses. In 2021, capital allocated to this was $325.3 million, which was a twofold increase from what we anticipated at the start of the year. Of this amount, $121.1 million was "growth capital," investments in equipment to support our new tradelane services that capitalized on surging demand out of China. Another $117.3 million was related to the opportunistic termination and buyout of vessel and equipment operating leases, accretive transactions that also provided greater operational control over these assets. The balance of $86.9 million was for maintenance expenditures across the company, installation of our last scrubber and construction of a new Hawaii neighbor island barge. Details around these investments in 2021 and our expectations for 2022 are provided below:

- **Growth Capital**
  As referenced above, we initiated four new ocean services in the past two years: the CLX+, AAX, CCX and CAX. We purchased additional containers (dry and refrigerated) and chassis in the second half of 2020 and throughout 2021 to support this growth and ensure fluidity in our network. In 2021, we committed approximately $159 million

Matsonia, a 2020 LNG-capable new-build, added cargo, reefer and auto capacity into our Hawaii tradelane, shown departing from our dedicated Long Beach terminal.

to purchase nearly 11,100 containers and over 3,100 chassis. The payback on these equipment purchases is measured in months given the present high-demand environment. We will continue to be focused on driving more organic growth opportunities as these tend to be relatively lower risk, high return.

- **Opportunistic Capital**
  In 2021, we paid $95.8 million to terminate the operating lease on *Maunalei* and acquire the vessel. The lease termination resulted in approximately $6 million of lower cash operating costs in the second half of 2021 and was 10 cents accretive to 2021 EPS. Additionally, we terminated the operating lease on *Mauna Loa* early, thereby acquiring the barge, and bought out other equipment leases all to better control assets that are in high demand.

- In 2022, capital expenditures are expected to range between $160 to $180 million; approximately (i) $80 to $90 million for maintenance of our expanded fleet and shoreside assets, (ii) $55 to $60 million for additional equipment to support the new tradelane services, (iii) $15 to $20 million for LNG equipment to be installed on vessels (as described below) and (iv) $10 million to complete our new flat-deck, inter-island barge for our Hawaii operations.

Support Our Balance Sheet and Reduce Debt
We ended 2021 with $282.4 million of cash and cash equivalents, $131.1 million in less debt compared to year-end 2020 and a leverage level of 0.5x.[2] As we have indicated before, we are committed to maintaining investment-grade credit metrics and preserving our low-cost balance sheet, which we view as a competitive advantage. We believe that our through-the-cycle leverage target of the "low 2s" provides appropriate financial leverage for our asset intensity. We know that during cycle peaks we may be below this level as we generate more cash, but we believe a continuing sound approach to supporting our balance sheet makes sense over the long term. For 2022, we expect to continue to reduce our outstanding debt through scheduled repayments of $65.0 million on our long-term debt.

Return Capital to Shareholders
In June 2021, we announced a 30.4% increase in our quarterly dividend to $0.30 per share and a share repurchase program of 3 million shares or approximately 7% of the then outstanding common shares. In 2021, we repurchased approximately 2.5 million shares for a total cost of $200.1 million and paid dividends of $45.9 million. Since the 2012 separation, we have returned $585.2 million to shareholders (approximately 19.3% of our cumulative cash

2. Based on Total Debt of $629.0 million and EBITDA per our amended debt agreements of $1,373.2 million. Total Debt is presented before any reduction for deferred loan fees as required by GAAP.

flow from operations)[3] in the form of dividends and share repurchases. We have raised the quarterly dividend annually and we plan to continue growing the dividend in line with growth in the long-term cash flows. In early 2022, the Board of Directors amended our share repurchase program to include an additional 3 million shares.

Acquire Businesses

Although we evaluated several potential acquisitions in 2021, we did not execute on any of them. We continue to exercise discipline and not chase sizable acquisition opportunities near the top of a cycle with high valuations and increased risk of meeting financial projections. In the meantime, we remain vigilant in adhering to our core acquisition criteria, fortifying our balance sheet in preparation to move quickly when the cycle turns so we can flex our investment philosophy.

Moving forward, I remain confident that the secular tailwind of e-commerce adoption and our unique positioning in the Pacific, a position bolstered by an expanded network and superior service offerings, will result in sustainable, higher levels of cash generation than anticipated a year ago, and meaningfully higher than our pre-pandemic 2019 base.

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With that as precedent, we now expect to (i) meet future re-fleeting initiatives and sustainability goals (outlined below) tax-efficiently, (ii) continue a robust return of capital, and (iii) be opportunistic in potential acquisitions while maintaining an investment-grade balance sheet *without* greatly surpassing our long-term financial leverage target.

OUR SUSTAINABILITY STRATEGY

In February 2021, Matson published its first sustainability report. The report details our deep commitment to environmental stewardship, being a trusted and reliable employer and community partner, and operating our business with integrity. I strongly encourage all stakeholders to read the report in its entirety.

In November 2021, we published a supplement to the report in which we announced medium- and long-term environmental goals that reflect Matson's commitment and contribution to help the world decarbonize and limit climate change. These ambitious but achievable goals are to:

- Reduce Scope 1 greenhouse gas (GHG) emissions from our owned fleet by 40% by 2030; and
- Achieve net zero total Scope 1 GHG emissions from our fleet by 2050.

To meet our 2030 target, we believe we will need to have eight of our vessels operate on liquefied natural gas (LNG). LNG is a cleaner, commercially available fuel alternative that produces lower nitrogen oxides and almost no sulfur oxides, and emits approximately 24% less CO_2 on a per unit of energy basis than the very low sulfur fuel available today.[4] It is however a "bridge" fuel only, instrumental to achieving our 2030 goal but not a solution to attaining net zero emissions by 2050. For that, new fuel alternatives will need to be developed.

Since 2018, we have launched four new, LNG-capable, state-of-the-art vessels that have already helped us reduce our overall GHG emissions. Those vessels will be

3. Based on cumulative cash flow from operations from July 1, 2012, through December 31, 2021, of $3,030.4 million.

4. Source: Marine Environment Protection Committee (MEPC), MEPC73/19/Add. 1 Annex 5, Resolution MEPC.308(73) adopted on October 26, 2018, "2018 Guidelines on the Method of Calculation of the Attained Energy Efficiency Design Index for New Ships." Lower CO_2 emissions based on information in section 2.2.1 after converting LNG and Heavy Fuel Oil to CO_2 per unit of energy.

among the first in our fleet to transition to operating on LNG after additional necessary equipment is installed. A fifth current vessel will be re-engined and we expect to build three LNG-ready vessels for delivery near the end of the decade as part of our original plan for the Alaska trade lane re-fleeting. The estimated cost to alter the five current vessels is approximately $210 million, and work is expected to begin as early as 2023 with the first LNG installation on *Daniel K. Inouye*, followed by LNG installations over the next several years on *Manukai, Kaimana Hila, Lurline* and *Matsonia*.

IN CLOSING

We remain focused on sustaining the confidence our customers place in us every day to move their goods in an expedited manner — it is the Matson way. And we know and deeply appreciate that with the strengthening of every customer relationship comes a new set of opportunities. To grow deeper into supply chains, to open new markets, to offer new services, and to continue to earn our customer's trust. It is not a simple or ordinary bond.

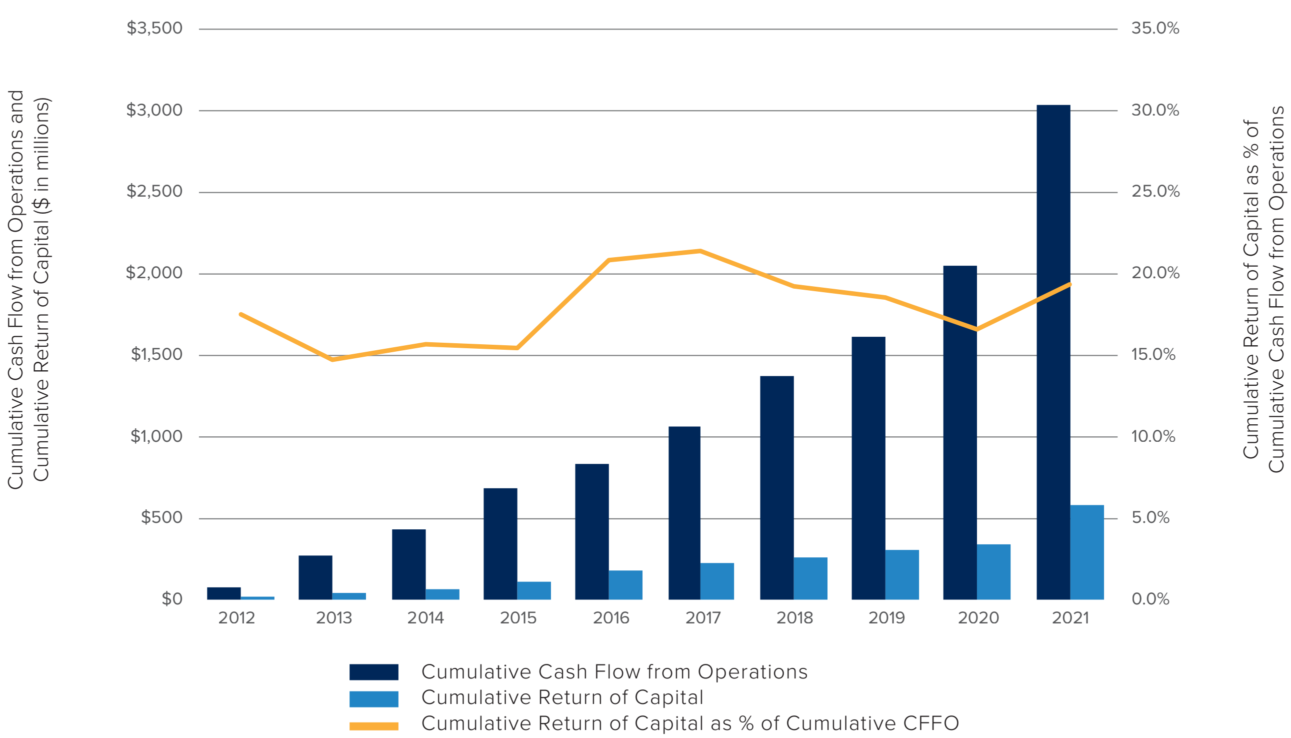
Finally, and most importantly, the strength of any organization begins and ends with its people. I am honored to serve beside the outstanding women and men of Matson, from those on the line to those behind the scenes, whose tireless work ensure that we move freight better than anyone.

Though these past two years will be remembered as among the most difficult we have faced in our long history, we responded to the challenges like we have always done — with grit and humility.

Sincerely,

Matt Cox
Chairman and Chief Executive Officer
February 25, 2022

CUMULATIVE CASH FLOW FROM OPERATIONS AND RETURN OF CAPITAL[5]



Note: Return of Capital is defined as the sum of share repurchases and dividends.

5. Based on cash flow from operations from July 1, 2012, through December 31, 2021.

Matson

INVESTOR INFORMATION Corporate news releases, SEC filings, the Company's annual report and other pertinent information about the Company are available at www.matson.com.

Shareholders and institutional investors with questions about the Company may correspond with: Investor Relations, email: investor-relations@matson.com

TRANSFER AGENT & REGISTRAR | Computershare

For questions regarding stock certificates, dividends or other transfer-related matters, representatives of the Transfer Agent may be reached at: 1-800-522-6645
Computershare, P.O. Box 30170, College Station, TX 77842-3170
www.computershare.com/investor

AUDITORS | Deloitte & Touche LLP, San Francisco, CA

NON-GAAP MEASURES

Matson reports financial results in accordance with U.S. generally accepted accounting principles ("GAAP"). The Company also considers other non-GAAP measures to evaluate performance, make day-to-day operating decisions, help investors understand our ability to incur and service debt and to make capital expenditures, and to understand period-over-period operating results separate and apart from items that may, or could, have a disproportional positive or negative impact on results in any particular period. These non-GAAP measures include but are not limited to adjusted effective tax rate, Earnings Before Interest, Taxes, Depreciation and Amortization ("EBITDA"), Return on Invested Capital ("ROIC"), and Return on Equity ("ROE").

For the years ended December 31

Total debt	**629.0**	760.1	958.4	856.4	857.1
Less: total cash and cash equivalents	**(282.4)**	(14.4)	(21.2)	(19.6)	(19.8)
Less: cash on deposit in Capital Construction Fund	**–**	–	–	–	(0.9)
Net income	**927.4**	193.1	82.7[1]	109.0[2]	231.0[3]
Add: income taxes	**243.9**	65.9	25.1	38.7	(105.8)
Add: interest expense	**22.6**	27.4	22.5	18.7	24.2
Add: depreciation and amortization	**156.4**	137.3	134.0	130.9	146.6
Net income (A)	**927.4**	193.1	82.7[1]	109.0[2]	231.0[3]
Add: interest expense (tax-effected) (4)	**17.9**	20.4	16.7	14.2	14.9
Average total debt	**694.6**	859.3	907.4	856.8	798.0
Average shareholders' equity (C)	**1,314.3**	883.5	780.5	716.3	586.1
ROIC = (B)/(D)	**47.1%**	12.3%	5.9%	7.8%	17.8%
ROE = (A)/(C)	**70.6%**	21.9%	10.6%	15.2%	39.4%

Note: Total debt is presented before any reduction for deferred loan fees as required by GAAP.
1. Includes a non-cash tax benefit of $2.9 million or $0.07 per diluted share related to discrete adjustments as a result of applying the provisions of the Tax Cuts and Jobs Act.
2. Includes a non-cash tax expense of $2.9 million or $0.07 per diluted share related to discrete adjustments as a result of applying the provisions of the Tax Cuts and Jobs Act.
3. Includes the benefit of a one-time, non-cash adjustment of $154.0 million or $3.56 per diluted share related to the enactment of the Tax Cuts and Jobs Act.
4. The effective tax rates each year in the period 2017-2021 were (84.5%), 26.2%, 23.3%, 25.4% and 20.8%, respectively. The effective tax rates for 2017, 2018 and 2019, excluding adjustments related to the Tax Cuts and Jobs Act, would have been 38.5%, 24.2% and 26.0%, respectively.

FORWARD-LOOKING STATEMENTS

Statements in this Annual Report that are not historical facts are "forward-looking statements," within the meaning of the Private Securities Litigation Reform Act of 1995, including without limitation those statements regarding performance and financial results, timing and level of industry normalization, business and consumer consumption patterns, supply chain congestion, e-commerce demand, organic growth opportunities, acquisitions, capital expenditures, debt reduction, debt leverage targets, cash flow expectations and uses of cash and cash flows, return of capital, execution of our share repurchase program, maintaining an investment grade balance sheet, re-fleeting initiatives, sustainability goals, environmental goals, fuel strategy, and vessel deployments and operating efficiencies. These statements involve a number of risks and uncertainties that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement, including but not limited to risks and uncertainties relating to repeal, substantial amendment or waiver of the Jones Act or its application, or our failure to maintain our status as a United States citizen under the Jones Act; changes in economic conditions or government policies; new or increased competition or improvements in competitors' service levels; our relationship with customers, agents, vendors, and third-parties and changes in related agreements; fuel prices, the availability of required fuels, and our ability to collect fuel-related surcharges; evolving stakeholder expectations relating to environmental, social and governance matters; timing or success in completing fleet upgrade initiatives; the occurrence of marine accidents, poor weather or natural disasters, including from climate change; transitional or other risks arising from climate change; the magnitude and timing of the impact of public health crises, including COVID-19; changes in significant operating agreements and leases; our ability to offer a differentiated service in China for which customers are willing to pay a significant premium; the imposition of tariffs or a change in international trade policies; any unanticipated dry-dock or repair expenses; joint venture projects, including our relationship with SSAT; conducting business in foreign shipping markets; any delays or cost overruns related to the modernization of terminals; war, terrorist attacks or other acts of violence; consummating and integrating acquisitions; competition and growth rates within the logistics industry; freight levels and increasing costs and availability of truck and rail capacity or alternative means of transporting freight; relations with our unions; satisfactory negotiation and renewal of expired collective bargaining agreements without significant disruption to Matson's operations; loss of key personnel or failure to adequately manage human capital; the use of our information technology and communication systems and cybersecurity attacks; changes in our credit profile and conditions in the financial markets; our ability to obtain future debt financings; our ability to comply with financial covenants in our credit facilities; our effective income tax rate; changes in the value of pension assets and exposure under multi-employer pension plans; the impact of future and pending legislation, including environmental legislation; and government regulations and investigations. These forward-looking statements are not guarantees of future performance. This Annual Report should be read in conjunction with our Annual Report on Form 10-K and our other filings with the SEC through the date of this report, which identify important factors that could affect the forward-looking statements in this release. We do not undertake any obligation to update our forward-looking statements.

DESIGN & PHOTOGRAPHY John McNeil Studio, CA | ADDITIONAL PHOTOGRAPHY Tim Rue, CA | Luisito Sevilla, AK | PRINTED IN CALIFORNIA by Sprinkel Media