



Date: November 28, 2017

Subject: Hawaii Service – 2018 General Rate Increase

Dear Matson Customer,

Consistent with our continuing substantial investments in improving our Hawaii service, our Hawaii tariff will increase by \$225 per westbound container and \$110 per eastbound container, effective January 7, 2018. No adjustment will be made to the company's terminal handling charge (THC).

This rate adjustment is designed to help offset increasing costs of operation and ongoing investments in our Hawaii service, including:

- **Hawaii Fleet Renewal Program:** Four new vessels designed specifically for Matson's Hawaii service are currently on order at a cost of \$930 million. Construction of the first of two 'Aloha Class' 3,600 TEU containerships, is progressing at Philly Shipyard. That vessel, to be christened *Daniel K. Inouye*, is expected to be in service in the third quarter of 2018.
- **Honolulu Terminal Modernization:** Matson's Sand Island Terminal is the operational hub for our Hawaii service. In coordination with our new vessel program, we are expanding and upgrading the terminal, including purchasing three new cranes and refurbishing three others. Total cost of the Sand Island improvements is projected to be \$60 million.
- **New container equipment and information technology:** Matson continues to invest in new equipment to provide customers the most modern fleet of containers in Hawaii. Additionally, our investment in information technology improvements will ensure the smooth flow of operations in Hawaii.

Matson's mission is "To move freight better than anyone," and these investments are being made to ensure we continue to achieve that goal well into the future.

If you have any questions, please contact your local account executive or our Customer Service Center at 1-800-4MATSON (800-462-8766) or customerservice@matson.com.

Thank you for shipping with Matson.