



*M. Yamauchi*

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## A Letter to Our Stakeholders

Centered on its core business of *TA-Q-BIN*, the Yamato Group has achieved steady growth by combining its core competencies of information technology (IT), logistics technology (LT), and financial settlement technology (FT) to provide added value to its customers. However, the Group has recently been dealing with the significant changes that are occurring in the business environment, such as the shrinking workforce and the rapid expansion of the e-commerce market that has followed the diversification of consumer behavior. As a result, the Group has been falling behind with respect to building an operational framework to respond to these changes, and this has placed a heavy burden on the employees who work on the front lines. We are reflecting deeply on our inability to keep up with the changes in the business environment, which has led to a downturn in our business performance. At the same time, to realize further growth in the future, we are committed to achieving success in carrying out reforms to our business and management structures.

The Yamato Group is approaching its 100-year anniversary in November 2019, and we believe that this anniversary represents a major milestone for us as a corporate group. To resolve the issues we currently face and achieve sustainable growth for the next 100 years, we have formulated a new long-term vision for 2025 and commenced a new three-year medium-term management plan, "KAIKAKU 2019 for NEXT100."

Amid a business environment that is undergoing significant changes, our new long-term vision was formulated to provide a pathway and a blueprint for realizing sustainable growth. Going forward, we will

maintain our corporate stance of enriching our society as a crucial part of social infrastructure, which we have continued to place great importance on throughout the years. Meanwhile, with the further progression of digitization, we will incorporate the information we obtain through our daily business activities in our logistics operations, which will not only allow us to continue moving packages but also help us reduce social costs and realize an optimal logistics framework that leverages the latest information. In doing so, we will offer new added value to our customers.

One of the Group's founding principles is "inclusive management." Inclusive management entails having all our employees give consideration to our customers and make decisions based on their own judgment. This style of management represents a significant Groupwide strength that we can leverage to its fullest by enabling our employees to work in a highly motivated and energetic manner.

We have positioned the three-year period leading up to our 100-year anniversary as a time in which we will solidify our management foundation. To this end, we are pursuing three kinds of reforms: "Structural Reform in the Delivery Business," "Reform of Revenue and Business Structure Geared to Achieving Discrete Growth," and "Reform of Group Management Structure Geared to Achieving Sustainable Growth," while also placing "Reforming Working Styles" at the center of our management. Leveraging this solidified foundation, we will realize steady growth for the next 100 years.

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### Vision for 2025

**At the Yamato Group, with transportation itself as the catalyst, we will create new value by developing open platform solutions through leveraging the strengths of our points of contact with local communities and companies based in Japan and overseas, and the information these provide.**