# The Yamato Group's Business Environment

The business environment surrounding the Yamato Group is experiencing significant and rapid changes. Carrying out business activities in a similar manner as we have in the past will not lead to sustainable growth. Moreover, as a company that serves as a crucial part of social infrastructure, the Group must reinforce its initiatives for realizing a sustainable society in order to address social issues, which are becoming increasingly critical. Based on the awareness of the following social issues, the Group will pursue further reform of its management structure.

Social Issues
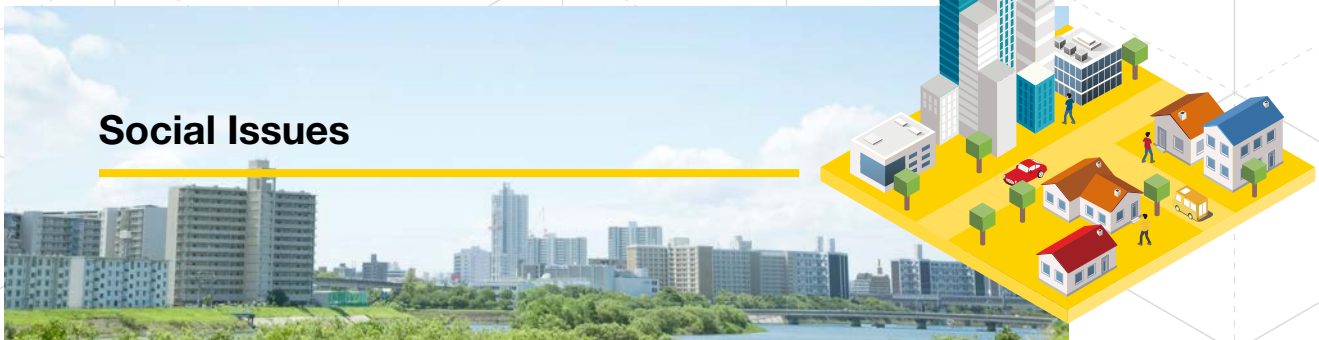
Diversification of customer needs

Rapid growth of EC market

Declining population & decaying regional infrastructure

Declining working population

Climate change and resource scarcity

Challenges for the Yamato Group

▶ Deepen the understanding of customers to create new services in addition to diversifying package delivery method

▶ Actively position Yamato at the forefront of the rapidly growing EC market, in view of opportunity for high growth. To that end, restructure management structure and shift to data-driven management

▶ Build a supply chain as regional infrastructure to contribute to the sustainability of local communities in which Yamato is deeply rooted

▶ Achieve "minimal workforce personnel in response to growing workload" through thorough mechanization

▶ Fulfill responsibilities for sustainability as a crucial part of social infrastructure