

Society



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01 Human Rights

Basic Approach

At LOTTE CO., LTD. and its Group companies, we ensure human rights are respected in all our business activities. We make every effort to ensure that we do not commit any direct human rights violations as a matter of course. In addition to complying with international standards, including the International Covenants on Human Rights and the Guiding Principles on Business and Human Rights, we endorsed the UN Global Compact in April 2021. We have also expressed our alignment with the Basic Guidelines for the Acceptance of Foreign Nationals, issued by The Federation of Consumer Goods Industries and Consumer's Associations (SEIDANREN) since 2024.

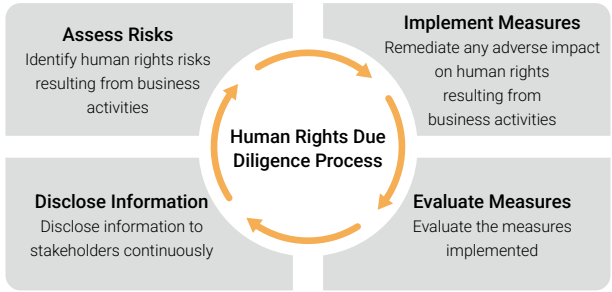
Policy on Human Rights
https://www.lotte.co.jp/english/charter/pdf/humanrights.pdf

Human Rights Due Diligence

To ensure human rights are respected for all individuals affected by our business throughout our entire supply chain, we undertake human rights due diligence according to the procedures specified in the United Nations Guiding Principles on Business and Human Rights, seeking to identify and mitigate such risks. The first step of identifying human rights-related risks is to reference international standards and guidelines*1. We conducted an assessment*2 of human rights-related risks resulting from business activities and identified potential issues associated with human rights. Furthermore, we conduct field surveys through questionnaires and interviews and take corrective measures for any identified human rights-related risks. To accommodate changes in the business environment whenever appropriate, we regularly perform assessments. In 2024, we evaluated the identified risks again and confirmed that there were no major changes.

*1 The Ten Principles of the UN Global Compact, the Global Reporting Initiative (GRI) Standards, the UN Guiding Principles on Business and Human Rights, the OECD Due Diligence Guidance for Responsible Business Conduct, etc.

*2 Indices including the ITUC-Global Rights Index and the Global Slavery Index used as the input data.



Main Initiatives

2019 to 2020	• Conducted assessments and field surveys on Group companies in Japan • Identified human rights risks with highest priority
2021 to 2022	• Started and expanded human rights training for employees • Conducted field surveys at Group companies overseas and took corrective action for identified risks • Requested major suppliers to join Sedex* and started risk assessments
2023 to 2024	• Conducted field surveys on trading companies that handle main raw materials, contracted factories in Japan, and some Group companies in Japan • Conducted reassessments and reviewed which human rights-related risks should be prioritized
2025 to 2026	• Re-conducted surveys to understand the actual situation at overseas Group companies and some Group companies in Japan • Established a grievance mechanism for business partners • Revised the Policy on Human Rights and the Policy on Procurement • Formulated the Policy on Customer Harassment • Held orientations for suppliers to explain revisions to Supplier Guidelines • Re-conducted field surveys on trading companies that handle main raw materials and contracted factories in Japan

* Supplier Ethical Data Exchange. An NPO set up in the UK in 2004 that provides a platform for sharing and managing companies' ethical data with the aim of establishing responsible business practices within supply chains.

Human Rights Management System

Our risk management team, led by the Risk and Crisis Management Committee, is ready to respond to risks that may have a significant impact on our business (page 66). Human rights issues are considered to be the most critical management risks of all.

The Planning Section of the Sustainability Department manages human rights-related risks, with the officer in charge of the Sustainability Department serving as director. Together with the related departments and Group companies, they identify risks and actions and then report progress to the Risk and Crisis Management Committee at least once a year. The Risk and

Crisis Management Committee examines business risks and countermeasures based on these reports, then escalates them to the Executive Committee and the Board of Directors for decisions.

Human Rights Education & Promotion

Group companies provide human rights education and raise awareness among their employees to ensure that business activities are conducted in line with the human rights principles.

Human Rights Training

In 2021, we started offering e-learning courses on human rights to all the employees of LOTTE CO., LTD. and its Group companies in Japan. Approximately 3,300 employees took the training courses in FY2025. In addition to promoting a basic understanding of human rights, including the prohibition of discrimination and unconscious bias, the training also made use of case studies to explain specific situations in which employees should take care during the course of business activities. We also distribute leaflets translated into local languages to Group companies overseas to promote awareness and understanding of our human rights policy. In FY2025, these leaflets were revised to reflect updates to our Policy on Human Rights.

Education for Personnel Engaged in Hiring

In order to ensure the fairness of our recruitment process, LOTTE CO., LTD. and its Group companies have established guidelines that outline key principles for hiring and provide education for personnel engaged in hiring. From the perspective of eliminating child labor, we also make sure that candidates meet the minimum age requirement stipulated by law at the time of hiring.

Education for Personnel Engaged in PR and Marketing

To ensure that our PR and marketing activities are aligned with human rights principles, LOTTE CO., LTD. and its Group companies have established guidelines outlining key principles for respecting human rights. Additionally, we make sure that external communications will not lead to discrimination or prejudice, nor will they be interpreted as explicit or implicit stereotyping.

Guidelines for Respecting Human Rights in Public Relations and Marketing (Japanese only)
https://www.lotte.co.jp/corporate/sustainability/pdf/respect_human%20rights_guideline.pdf

Whistleblowing System

Internal Whistleblowing

We have opened a whistleblowing hotline called "Clean Line" (see "Whistleblowing System" on page 67) to provide employees with a platform to seek advice or report cases, both from within and outside LOTTE and its Group companies. We teach about this hotline as part of our annual human rights training and also as part of training for new employees.

External Whistleblowing

We have established a grievance mechanism in the form of a hotline that enables business partners and prospective employees to consult or report on matters related to human rights. All reports are handled with due consideration for privacy, and no one is to be subjected to adverse treatment as a result of reporting a violation. There is also an option for reporting anonymously.

Grievance Contact Point
https://koueki-tsuhou.com/customer/LVxDeuZ2C9N7/

Progress in Addressing Human Rights Risks

	Human Rights Risks Identified	Specific Concerns	Action	Progress	Action Plan	Relevant Page
Business as a whole	Grievance mechanism	Lack of a contact point for external stakeholders	● Establish a hotline to report grievances	● Established a hotline to report grievances ● Hold explanatory briefings for suppliers	● Expand scope of applicable users	37
In our own operation (Japan)	Discrimination and harassment	Insufficient human rights education for employees	● Provide training on human rights ● Prepare guidelines	● Provided e-learning for all employees in Japan ● Communicated guidelines and verified operation	● Continue to provide annual training ● Conduct a periodic review of the guidelines	37
		Insufficient support for minorities, including the LGBTQ+ community and people with disabilities	● Provide training to promote awareness and plan actions	● Started the ALLY* community ● Extending benefits programs gradually for spouses to include same-sex partners (ongoing)	● Ensure a safe workplace for everyone ● Expand hiring of people with disabilities and provide accommodations	57
In our own operation (Overseas)	Discrimination and harassment	Insufficient communication about the whistleblowing hotline or human rights education for employees	● Raise awareness of human rights and notify employees that the whistleblowing hotline is available	● Distributed leaflets to raise awareness about human rights and inform employees of the whistleblowing hotline	● Monitor whistleblowing hotline operations on a regular basis	37
Supply Chain	Discrimination and harassment Prohibition of forced and child labor Respect for fundamental rights of workers Indigenous people and local residents' rights to be respected	Insufficient supply chain management capacity	● Implement supplier management using Sedex and conduct field surveys for contracted factories	● Encourage suppliers to join Sedex ● Conducted on-site surveys on trading companies and the subcontracted factories	● Continuous management using Sedex ● Engage continuously with trading firms and subcontracted factories	38
		Child labor in regions producing cocoa beans	● Promote monitoring through LOTTE Sustainable Cocoa procurement to prohibit child labor and ensure fair practices	● LOTTE Sustainable Cocoa procurement: 84% (100% of which was produced in Ghana; FY2025)	● Promote activities to achieve goals	38–43
		Forced and child labor in regions producing palm oil	● Support producers through procurement of third-party-verified oil	● RSPO-certified oil procurement ratio: 88% (FY2025, in Japan)	● Promote continuous procurement of third-party verified palm oil	43

* A person who understands and supports LGBTQ+ people and their issues.

02 Sustainable Procurement

Basic Approach

While the role of safety and reliability in the stable provision of high-quality goods and services cannot be overstated, we also believe in the importance of sustainable procurement of ingredients with due consideration given to the environment and society. To this end, we are working with clients and stakeholders both inside and outside the food industry to promote sustainable procurement throughout the supply chain. In 2018, we developed the Policy on Procurement and defined our approach to this matter.

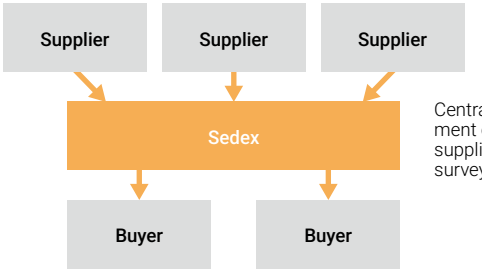
Policy on Procurement
https://www.lotte.co.jp/english/charter/pdf/procurement.pdf

Building a Responsible Supply Chain

We advocate for sustainable procurement based on our procurement policy. This policy outlines ethical business practices and quality and safety standards, alongside environmentally-friendly practices and consideration for society. However, as our supply chain becomes more globalized, it is more difficult to control every aspect and therefore difficult to control environmental and social impacts on our own. For this reason, working alongside our suppliers is essential and we formulated the LOTTE CO., LTD. Supplier Guidelines in April 2019. These guidelines allow us to share our fundamental value system with suppliers and, coupled with more effective relationships built through dialogue, are helping achieve our goal of realizing a sustainable society. We hold regular orientations on these guidelines to further deepen understanding and strengthen supplier relationships.

LOTTE CO., LTD. Supplier Guidelines (Japanese Only)
https://www.lotte.co.jp/corporate/sustainability/pdf/supplier_guideline.pdf

Since 2021, we have been a member of Sedex, the world's largest platform for sharing sustainability-related data and other results from in-house surveys and audits. We will evaluate our suppliers and gather data using Sedex while encouraging our primary suppliers to join and share information on this platform. As of June 30, 2026, about 60% of our primary suppliers (based on the amount of raw material transactions) share questionnaire results and evaluation with us via Sedex.



Primary Raw Materials

After a comprehensive assessment based on quantities used, dependence level, availability of alternative items, and environmental and social factors, we evaluate which of the ingredients will be considered our primary raw materials. We regularly review and update the primary raw materials to respond to the needs of society and changes to our business and the global environment.

Primary Raw Materials

Cocoa beans	Main ingredient in chocolate products
Palm oil	Oil used in a wide range of products and food additives
Paper	Packaging for a wide range of products

Cocoa beans

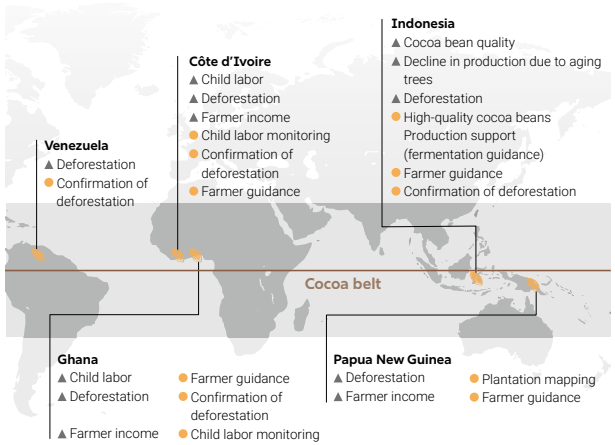
With chocolate being one of our core products, sustainable procurement of cocoa beans is vital. Cocoa bean-producing regions are affected by a range of issues, including child labor, deforestation, and yield reduction stemming from climate change. We maintain ongoing dialogues with the locals in an effort to address these issues.

Our mission, in these efforts and others, is to contribute to the happiness of all people involved in the chocolate industry. We also strive to gain the understanding and support of our customers so that we can work hand in hand to address the challenges facing the industry and create "A Happy Cycle with Cocoa" that brings us closer to a sustainable future.

Issues in Production Areas and Supporting Measures

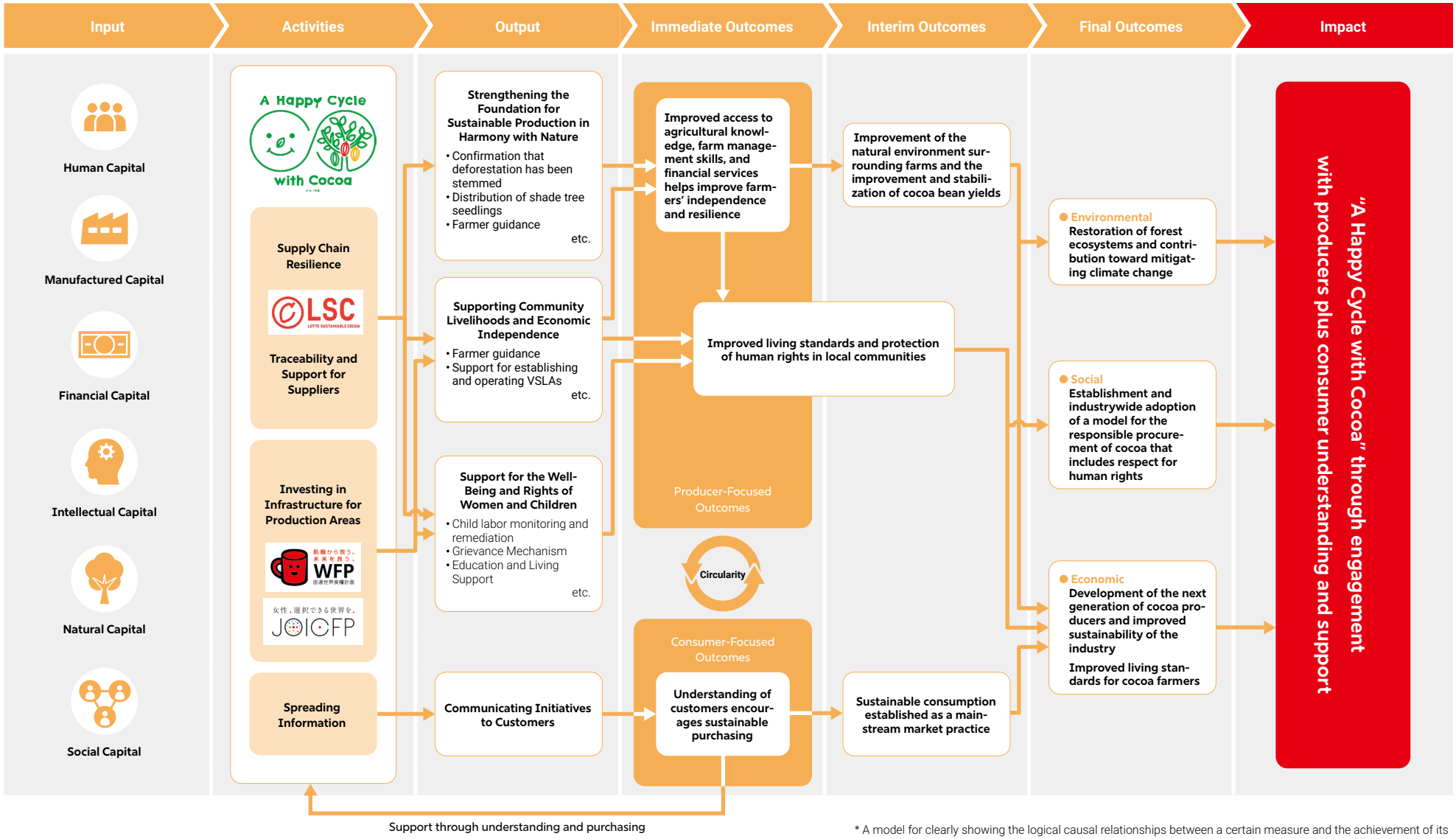
We procure cocoa beans from many regions, including Ghana. By understanding the specific social and environmental challenges faced by each production area and providing support tailored to local needs, we strive to achieve sustainable procurement.

Issues in production areas and supporting measures : ▲ Issues ● Support



Visualizing Impact

Sustainable cocoa sourcing generates a wide range of positive social impacts, including the elimination of child labor and the protection of forests. We developed a logic model* to illustrate how our initiatives create change in production areas and ultimately contribute to positive impacts. This model demonstrates our commitment to working closely with production areas and shows how we seek to achieve A Happy Cycle with Cocoa. We hope this will help foster a deeper understanding of and support for our initiatives.



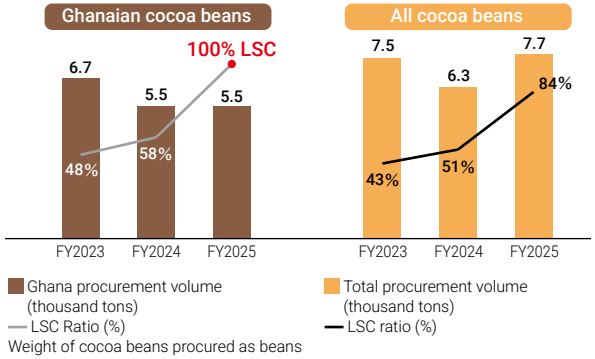
* A model for clearly showing the logical causal relationships between a certain measure and the achievement of its objective; it is composed of four elements: inputs, activities, outputs, and outcomes.

Supply Chain Resilience

Goals

Our efforts to build a sustainable supply chain include traceability of the cocoa beans we procure, down to the farm they were sourced from, and providing support for local communities to overcome challenges. Cocoa beans procured with such traceability intact are called LOTTE Sustainable Cocoa (LSC). We have worked to increase our procurement ratio of LSC, achieving our target of switching all cocoa beans procured from Ghana to LSC by FY2025. Currently, we are focused on our next goal, of switching over the rest of our procured cocoa beans to LSC by FY2028. As part of that effort, we are helping LSC suppliers with issues facing their respective production areas.

Amount of Cocoa Beans Procured



Scope of Tabulation

LOTTE CO., LTD.

Traceability

We believe that traceability is essential for a sustainable supply chain, and we are working to ensure farm-level traceability at on-site warehouses dedicated to our products, in addition to keeping track of the farmers we source from.

LSC Sourcing Farmers (Ghana)

	Harvest Year*		
	2022/23	2023/24	2024/25
Number of LSC sourcing farms	3,188	4,696	11,057

* For West Africa, the largest cocoa bean-producing region in the world, the harvest year is from October through the end of September of the following year, based on the harvesting of cocoa beans. The description "2024/25" means the period from October 2024 to the end of September 2025.

LSC Procured Region (2024/25 Harvest Year Results)

Country	Region	District
Ghana	Ashanti	Juaso / Konongo / New Edubiase / Offinso / Ofoase
	Central	Breman Asikuma / Dunkwa / Twifo Praso
	Eastern	Achiase / Akim Oda / Akoase / Asamankese / Suhum
	Western	Manso Amenfi / Prestea Nkwanta / Wassa Akropong F
	Western South	Samreboi

Strengthening the Foundation for Sustainable Production in Harmony with Nature

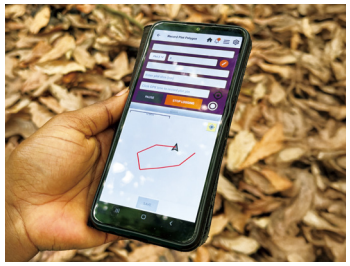
Deforestation Survey

In LSC sourcing regions in Ghana, we are conducting GPS-based mapping of cocoa farms and monitoring activities aimed at stemming deforestation. No instances of deforestation were identified during on-site verification activities conducted in FY2025.

Mapping Status (Ghana)

		Harvest Year		
		2022/23	2023/24	2024/25
Number of mapped farms		3,100	4,356	8,622
	Coverage ratio	97.2%	92.8%	78.0%

Coverage ratio = Number of mapped farms/Number of LSC sourcing farms

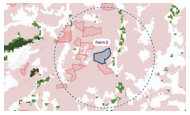


Plantation mapping using smartphone GPS app

Monitoring Process

STEP 1 Desk Research

Plantation mapping data collected using a GPS app is cross-checked against satellite data through the Satelligence* platform to assess deforestation risk at the individual farm level.



Satelligence map

STEP 2 Onsite Research

Where desk research indicates a potential risk of deforestation, the Company or its suppliers conduct on-site assessments to verify whether the farm is in fact associated with deforestation.



Onsite research by our employees

STEP 3 Farmer Training and Restoration Support

If a farm is confirmed to be involved in deforestation, we will facilitate training and support for forest restoration.

* A monitoring tool satellite images and AI to locate deforestation.

Number of Risk Cases Identified Through Desk Research and Number of On-site Confimations Completed (Ghana, as of July 2026)

	Harvest Year
	2024/25
Number of risk cases identified through desk research	51
Number of onsite confirmations completed	6

Number of risk cases identified through desk research = Number of farms that have undergone Satelligence plantation mapping and were determined to be inside or in the presence of protected areas.

Verifying the Effectiveness of Regenerative Agriculture Using Biochar Derived from Cocoa Pods

Since 2024, four companies (Fuji Oil Co., Ltd., MC Agri Alliance Ltd., olam food ingredients, and LOTTE CO., LTD.) have been conducting a joint pilot project to verify the effectiveness of regenerative agriculture in LSC sourcing areas, spreading biochar derived from cocoa pod husks on cocoa plantations, with eyes on commercialization. This test is expected to improve soil quality and aid with decarbonization. Cocoa pod husks are a by-product of cocoa farms that are typically left unused. These husks will be converted to biochar via combustion and spread on cocoa plantations to test their effectiveness.



Post-combustion biochar



Spreading biochar

Agroforestry Promotion Project

Since 2026, we have been working with the Ashanti Regional Office and Offinso District Office of Ghana's Cocoa Health and Extension Division (CHED)*1 to promote the adoption of agroforestry.*2 This is a three-year project covering cocoa production areas in Ghana, including Offinso, an LSC sourcing area. To support sustainable cocoa production, improve farmer livelihoods, and address local environmental issues, we will cultivate and distribute a diverse range of shade tree seedlings suitable for local growing conditions over a three-year period. As part of this project, we plan to establish three community-based nurseries, providing a total of 500,000 seedlings to be distributed to approx. 8,000 farmers. In addition, farmer training and continuous support from CHED will help embed agroforestry practices and strengthen sustainable agricultural systems throughout the region.

*1 A specialized division of the Ghana Cocoa Board (COCOBOD), a government agency of Ghana that supports cocoa farmers through agricultural extension services, pest and disease control programs, and seedling distribution to improve cocoa quality and farmer livelihoods.

*2 A portmanteau of the words agriculture and forestry. A sustainable farming approach that integrates shade trees and fruit trees into cocoa farms to protect cocoa trees from excessive sunlight, conserve the natural environment, and diversify farmer income.



Training session



Seedling cultivation center

Supporting Community Livelihoods and Economic Independence

Providing Guidance to Farmers

We provide guidance to farmers based in Ghana who produce LSC on proper use of fertilizers and pesticides and agricultural methods that lead to higher yields.

Status of Farmer Guidance (Ghana)

		Harvest Year		
		2022/23	2023/24	2024/25
Number of farms receiving farmer guidance		2,368	3,729	7,714
	Participation rate	74.3%	79.4%	69.8%

Participation rate = Number of farms that participated in farmer guidance/Number of LSC sourcing farms

Support for Establishing VSLAs

We help set up and operate Village Savings and Loan Associations (VSLAs)* for farming communities in LSC sourcing regions with limited access to financial services. Community members can use funds borrowed from the VSLA to purchase pesticides, fertilizers, and other products and also to pay for life events.

* An organization that provides savings and loan services operated by members in the village. Regular meetings and discussions held by members help the community and its members to become more self-reliant.





Number of New VSLA Support Cases (Ghana)

	Harvest Year		
	2022/23	2023/24	2024/25
Number of new VSLA support cases	8	19	28

Topic

Initiatives in Indonesia

On Indonesia's Sulawesi Island, we, via the Dari K Department, practice sustainable chocolate production through the 'All win Chocolate' concept, aiming to bring smiles to cocoa bean producers and consumers, and ensure a happy, protected environment. The department is also pushing the boundaries of what is possible with cocoa beans, which includes the establishment of special fermentation technology for the fermentation of a combination of fruits, spices, and cocoa beans. In addition, it is providing farmers with guidance for cultivating high-quality cocoa and then purchasing harvested cocoa directly from them, thereby supporting stable farmer incomes and the development of sustainable cocoa farming.

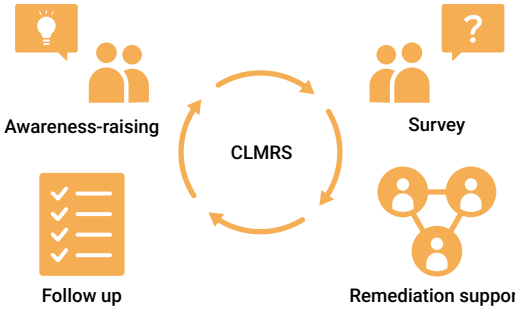
Support for the Well-Being and Rights of Women and Children

Child Labor Monitoring and Remediation

To eliminate child labor, a key social issue in West African cocoa-producing areas, we have implemented either CLMRS* or a comparable system to monitor child labor in collaboration with local partners at LSC sourcing locations in Ghana. The first step of CLMRS is to teach the definition of child labor and the importance of sending children to school. In addition to finding and remediating child labor, we aim to identify issues unique to the region by continued monitoring and making continuous improvements through follow-up actions.

* CLMRS is a child labor monitoring and improvement system developed by the International Cocoa Initiative (ICI), an NPO that promotes activities to eliminate child labor in cocoa-producing areas.

Overview of CLMRS



CLMRS Usage (Ghana)

		Harvest Year		
		2022/23	2023/24	2024/25
Number of farmers using CLMRS		3,083	4,696	11,057
	Adoption rate	96.7%	100%	100%

Adoption rate = Number of farms with CLMRS adopted/Number of LSC sourcing farms

Number of Child Labor Cases Identified and Remediated (Ghana)

	Harvest Year	
	2023/24	2024/25
Number of child labor cases identified	184	478
Number of child labor cases remediated	548	478

Grievance Mechanism

In LSC sourcing regions in Ghana, we have a system that allows farmers to report suspected human rights violations, such as child labor in their communities, to CLMRS and local partners who provide guidance to farmers. This system has been implemented for farmers across all cocoa-sourcing regions in Ghana.

Education and Living Support

Water Well Donation

We donated wells to supply clean water essential for people's lives. This project has also reduced the workload of women and children, who are primarily responsible for fetching water, helping reduce the risk of child labor.





Gender-Responsive Support

To mark Menstrual Hygiene Day, we supported the Menstrual Hygiene Week Celebration organized by Ghana's CHED. As part of this initiative, menstrual hygiene products were donated and workshops conducted for selected communities in LSC sourcing areas.

This initiative aims to improve access to menstrual hygiene products in an effort to remove barriers to girls' education, while also raising menstrual health awareness across local communities. We are fully committed to initiatives that address child labor by incorporating gender perspectives.



Construction of Teacher Housing

In coordination with the Dwirigum Basic School Building Construction Project, implemented under the Ministry of Foreign Affairs of Japan's Grant Assistance for Grassroots Human Security Projects (GGP)*, we constructed new teacher accommodation in Jurigung, Wassa Amenfi Central District, Ghana.

A CLMRS survey conducted in the Dwirigum area revealed that some children are unable to attend school despite wanting to do so due to the deteriorated condition of school buildings. By maintaining close engagement with local communities and understanding the issues they face, we will be better able to provide children with a safe and comfortable learning environment.

* A Japanese Official Development Assistance (ODA) program that supports organizations undertaking community-based development projects in developing countries, with the aim of addressing basic human needs and enhancing human security. The program is distinguished by its ability to provide direct and flexible support to underserved communities and vulnerable populations with limited access to public services in priority areas related to basic human needs and security, including education, healthcare, water and sanitation, demining, and disaster risk reduction.


Exterior view of teacher housing


Interior view of teacher housing

Donation of School Supplies

During a visit to an elementary school in Ghana in December 2025, LOTTE employees donated original notebooks and conducted a special lesson for students. We explained to the children how cocoa beans produced locally become chocolate in Japan, which brings joy to people around the world and helps people express gratitude and affection to others.



Investing in Infrastructure for Production Areas

Women's Empowerment

Since 2007, we have been providing support for community health services in Ghana through JOICFP, an international NGO founded in Japan in 1968 to protect the lives and well-being of women. Our activities include donating refurbished bicycles for community health volunteers to use for health education outreach and providing aid for the construction of wells to provide safe and clean water. In recent years, we have offered support for healthcare facilities to improve their sanitary environment and training of healthcare staff, alongside awareness-raising and educational programs for young people.

女性・選択できる世界を。
JOICFP

School Meal Support

We support the school meal support program in Ghana as a member of the Red Cup Campaign, which is run by the UN World Food Programme (WFP), a UN agency dedicated to achieving zero hunger.

飢餓から救う。
未来を救う。
WFP
国連世界食糧計画


© WFP/Derrick Botchway

Collaboration with Stakeholders

We have been a member of the Platform for Sustainable Cocoa in Developing Countries, founded by the Japan International Cooperation Agency (JICA), since its establishment in 2020. The platform provides an opportunity for stakeholders in the cocoa industry, including industry associations, chocolate manufacturers, trading companies, consulting firms, and NGOs, to work collaboratively toward a socially, economically, and environmentally sustainable cocoa industry. We also endorsed the Action Plan to Eliminate Child Labor in the Cocoa Industry (announced in September 2022), specific activity goals announced to identify, prevent, and reduce the risks of child labor in the cocoa industry.

Platform for Sustainable Cocoa in Developing Countries

Additionally, we take part in the activities of the World Cocoa Foundation, an international non-profit organization established in the United States in 2000 to support cocoa farmers, provide technical guidance in the equatorial cocoa growing regions, and support activities to eliminate exploitative child labor in society.

World Cocoa Foundation

Palm oil

As an effort to promote sustainable sourcing of palm oil, we became a member of the RSPO*. Through this membership, we will contribute to the sustainable development of the palm oil industry by working in solidarity with member companies and organizations.

* An international NPO founded to promote the sustainable production and use of palm oil.

Amount of Palm Oil Procured

FY2023	15.2 thousand tons, third-party verified oil 89%
FY2024	14.4 thousand tons, third-party verified oil 89%
FY2025	13.3 thousand tons, third-party verified oil 88%

Weight of palm oil contained in oil and oil processed goods

Scope of Tabulation

LOTTE CO., LTD. and its major Group companies in Japan

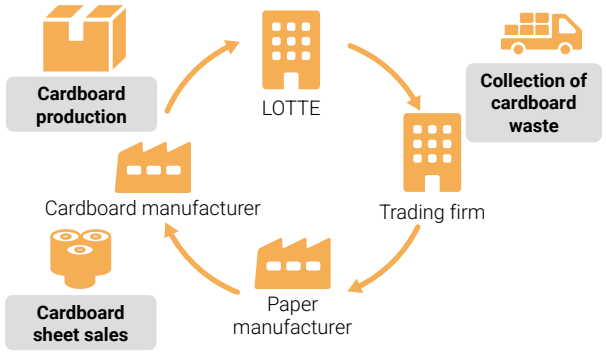
Paper

In FY2025, 39.9 thousand tons of paper was procured for product containers and packaging in Japan, of which 94% was environmentally-friendly paper. We will continue to ensure sustainable paper procurement and increase the percentage of eco-friendly paper procurement from certified forests.

Paper Resource Recycling

Our Urawa and Kyushu factories engage in closed-loop recycling, whereby discarded cardboard is reused in-Company. Previously, cardboard boxes no longer needed after being used as raw material packaging, or generated as waste material from production, were disposed of, creating paper waste. However, recycling these materials internally has enabled us to maintain a stable supply of resources. Beginning in January 2025, the Sayama Factory began an initiative to recycle paper waste, such as product boxes generated through production, as materials for *Koala's March* product boxes. These efforts are aimed at ensuring a stable supply of raw materials in the form of used paper and to maintain their quality, making them an important step toward realizing a recycling-oriented society.

Closed-Loop Recycling for Cardboard Boxes



Working with Production Areas for Sustainable Procurement

Glutinous Rice

To deliver the soft and chewy texture characteristic of *Yukimi Daifuku*, even when frozen, we place great importance on the quality of the glutinous rice used as an ingredient. Therefore, to ensure the sustainable procurement of this rice, we work closely with producers and strengthen partnerships in sourcing areas through ongoing dialogue.

● Key Sourcing Areas

Hokkaido Prefecture, Iwate Prefecture, Miyagi Prefecture

● Key Social Issues

Production areas for glutinous rice face structural challenges that include an aging farming population and a lack of successors. These factors, combined with rising agricultural input costs in recent years, have made it increasingly difficult to ensure a stable supply of high-quality glutinous rice. Other standout issues are the limited insight into conditions in these areas and the lack of strong partnerships needed to respond collaboratively with producers when significant changes occur in the external environment.

● Addressing These Issues

To address the increasingly complex challenges facing production, we are pursuing an approach that starts with direct engagement with glutinous rice producers. To facilitate dialogue on the future of sustainable glutinous rice production, we launched regular engagement meetings with stakeholders in production areas. We spoke directly with producers in Hokkaido, Iwate, and Miyagi prefectures, our key sourcing areas, and learned about real-life situations on the ground, such as how the demands of daily farm work often lead farmers to postpone replacing consumable items such as work gloves. In response, we provided work gloves as a practical necessity for their duties. In May 2026, we visited producers in Miyagi Prefecture to gain a deeper understanding of the issues they face and to learn about their commitment to glutinous rice cultivation. Our support also included active participation by 17 LOTTE employees, who assisted with rice planting. Going forward, we will continue to build strong relationships of trust through dialogue with stakeholders on the ground and work toward the sustainable production and procurement of glutinous rice in collaboration with production areas.



Quince

Quince is a key ingredient used in products such as throat lozenges. We work closely with production areas in Japan to promote sustainable procurement while also contributing to local communities.

● Key Sourcing Areas

Kagawa Prefecture, Nara Prefecture, Yamagata Prefecture

● Key Social Issues

The volume of quince produced in Japan has fallen to under 100 tons, which is less than half of what production was at its peak. Consumers are generally unaware of the strong value of quince as an ingredient, exacerbating the decline of the primary production bases and threatening the very existence of the quince industry.

● Addressing These Issues

To ensure the future of Japan's quince industry, we switched the quince used in our products to quince produced in Japan. Our goal is sustainable procurement made possible by creating stable domestic demand and working with producers to promote the value of quince and its associated culture.

To this end, we undertake a range of initiatives in key sourcing areas, including educational programs for younger generations such as outreach classes at local elementary schools, hands-on harvesting experiences, promotional activities through pop-up shops, and measures to increase production, implemented in collaboration with JAs and producers. We will continue working together with our partners in production areas to ensure the sustainable procurement of quince produced in Japan.



▶ *NODOAME* website (Japanese only)
https://www.lotte.co.jp/products/brand/nodoame/

▶ Karin 100% Magazine (Japanese only)
https://www.lotte.co.jp/corporate/karin/

Natural Chicle

With regard to natural chicle, a key ingredient for the gum base used in chewing gum, we promote sustainable procurement practices that protect forest resources and which aim to coexist with local communities. The use of natural chicle in our gum base helps create the rich, satisfying chewing experience of our chewing gum products.

● Key Sourcing Areas

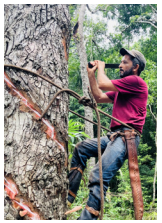
Mexico, Guatemala

● Key Environmental Issues

Natural chicle is derived from the sap of the chicle tree. The sustainable harvesting of high-quality sap depends on a proper harvesting cycle that allows tapped trees to rest and recover for several years in accordance with natural regeneration processes. The main production areas are located in the tropical rainforests of Mexico and Guatemala, surrounding Mayan archaeological sites where ancient cultural heritage and rich natural ecosystems are protected as part of an integrated conservation landscape. Protecting both cultural heritages and forest ecosystems requires compliance with established harvesting cycles and forest conservation rules, making the long-term sustainability of the industry a key issue.

● Addressing These Issues

As part of our commitment to preserving ancient city ruins and lush tropical rainforests for future generations, we procure natural chicle produced in compliance with local rules and following the appropriate harvesting cycles. In addition to procurement, we work with producers to improve quality by offering technical support, which includes on-site guidance on quality control. We believe that the continued, steady procurement of responsibly harvested natural chicle supports the livelihood of local farmers and ultimately contributes to forest conservation. In order to keep delivering high-quality chewing gum to our customers, we will pursue responsible and sustainable procurement based on coexistence and mutual prosperity with local farmers and nature itself.



03 Sustainable Food Offerings

Plant-Based Food

As a solution to food shortages arising from global population growth and climate change, we are working on the development of plant-based foods. Since March 2023, *COOLish Green Vanilla*, made with plant-based milk, has been available throughout Japan (except convenience stores).



04 Animal Welfare

Animal Testing

We have formally determined our Approach to Animal Testing.

Approach to Animal Testing

We will not engage in testing involving animals or outsource such testing to others unless (i) we are required to do so to fulfill our duty of accountability to society, (ii) no appropriate alternative method of testing is available, or (iii) we are required to perform such tests for regulatory reasons or at the request of the authorities. If testing involving animals is unavoidable, we will observe the principles of the 3Rs* in conformity with applicable laws, regulations, and guidelines.

* Replacement (use alternative methods), reduction (minimize the number of animals used), and refinement (minimize suffering).

Primary Raw Materials and Dialogues with Society

LOTTE and its Group companies use eggs and milk (including dairy ingredients) as the main ingredients derived from animals. Eggs are the primary raw materials to consider from the perspective of animal welfare, based on a comprehensive evaluation of factors, including usage volume and rearing conditions. To remain in line with animal welfare trends in Japan and abroad and to fulfill society's current requirements on eggs, we engage in dialogue with NPOs specializing in the field.

LOTTE Wedel, our Group company in Poland, transitioned to sourcing exclusively cage-free eggs in 2025. We will continue working with suppliers to better understand and address procurement-related issues, taking into account local market conditions, including consumer demand and availability of supply, as we strive to make procurement more sustainable.

05 Food Safety and Reliability

Basic Approach

Quality is one of the LOTTE Values, essential to the Company since its founding. In the process of pursuing quality of the highest order, we also strive to ensure food safety and reliability. In food manufacturing, safety, reliability, and product quality are all

must-haves, but we believe that our products must also be able to convey the added values of "enjoyment," "delicious flavor," and "repose." All of these contribute to the "Quality" that we strive for, something that each of our employees works to further improve. In 2018, we developed the Policy on Quality and the Policy on Food Safety and defined our approaches to these matters.

Policy on Quality
https://www.lotte.co.jp/english/charter/pdf/quality.pdf
Policy on Food Safety
https://www.lotte.co.jp/english/charter/pdf/foodsafety.pdf

LOTTE ADVANCE, Our Quality Assurance System

The factories of LOTTE CO., LTD. and its Group companies have already obtained certification under the Global Food Safety Initiative (GFSI)*1 approval scheme (FSSC 22000*2 / BRCGS*3), which serves as the benchmark for international food safety standards. Our goal is to uphold compliance with the scheme or to promote the food safety initiatives aligned with the approval scheme.

To further improve quality and ensure a high level of safety in the future, we rolled out LOTTE ADVANCE, our proprietary quality assurance system, beginning in FY2023.

LOTTE ADVANCE is built upon food safety initiatives aligned with the approach of the GFSI-approved scheme, which is an international food safety certification. LOTTE ADVANCE incorporates the approach of ISO 9001*4 and the International Organization for Standardization's standard for quality management systems, as well as our proprietary rules for high quality and safety. Focusing primarily on products sold in Japan, we will adopt this new system with the capacity to assess food safety-related risks from the product design and development stage to reduce risks throughout the entire supply chain from an even wider variety of perspectives than ever before. We have also set a high standard for overall quality and safety, which previously varied by regions or items manufactured.

LOTTE ADVANCE will be adopted for our mainstay products of confectionery and frozen desserts. It comprises provisions associated with the Policy on Quality, the Policy on Food Safety, Group Common Standards and individual Group companies' guidelines, specifications, Standard Operating Procedures, and so on. Our Quality Assurance Department plays a central role in determining standards and guidelines, which are also applicable to the Group companies.

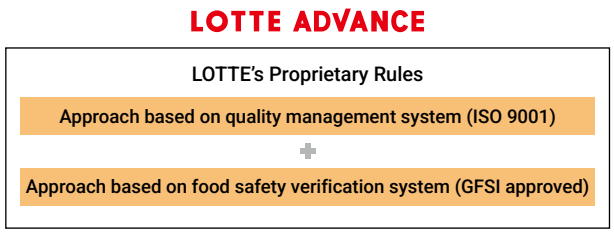
*1 A non-profit organization established in May 2000 operating globally to promote the continuous improvement of the Food Safety System.

*2 A globally recognized food safety standard that supplements ISO 22000, the International Organization for Standardization's standard for food safety management systems, with additional requirements.

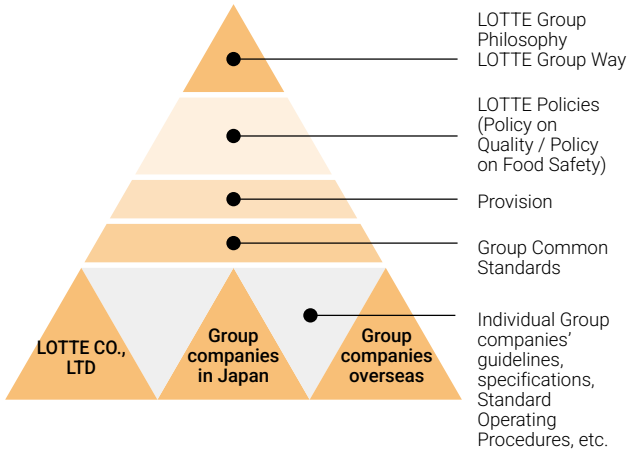
*3 Brand Reputation through Compliance Global Standards. A food safety and quality management standard developed by the British Retail Consortium (BRC). The BRC provides third-party certification to ensure food safety.

*4 The International Organization for Standardization's international standard for quality management systems aimed at enhancing customer satisfaction by supplying products and services of consistent quality.

LOTTE ADVANCE Framework



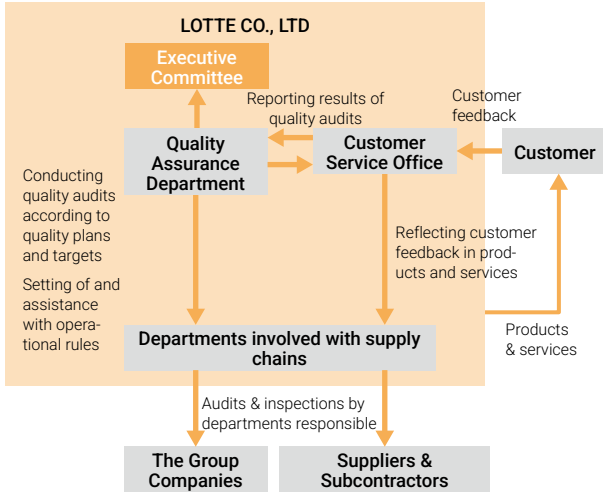
LOTTE ADVANCE-Related Documentation



Quality Assurance Promotion System

Our Quality Assurance Department takes the lead in quality assurance throughout the entire supply chain of our products sold in Japan, from product development to communication with customers. We also provide internal training related to quality and sanitation in order to improve the skills of personnel at respective departments and Group companies.

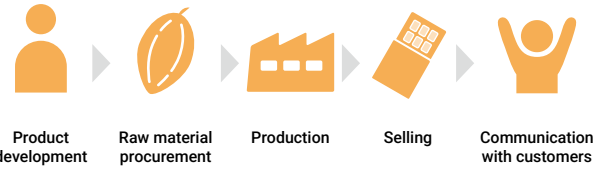
Quality Assurance System



Quality Assurance in the Supply Chain

Our Group is committed to ensuring quality at every stage of the supply chain as defined in the Policy on Quality and the Policy on Food Safety.

Supply Chain



Product Development

To deliver safe, high-quality products to customers, we will adopt a risk assessment system, focusing primarily on products sold in Japan, and assess risk at each stage of product development. This will enable us to reduce risk further by broadening the scope of our safety and reliability measures, which in the past focused primarily on manufacturing processes.

Raw Material Procurement

We inspect every lot of purchased raw materials, manage them appropriately, and ensure traceability so that we know which products use specific lots. We also evaluate suppliers based on safety and quality, followed by a sanitation inspection. Thus, we strive to continuously improve quality by working with our suppliers. Our sanitation inspections entail the use of a checklist to verify all the required items in full, after which we request remedial measures where necessary, and then check the results of such remedial measures.

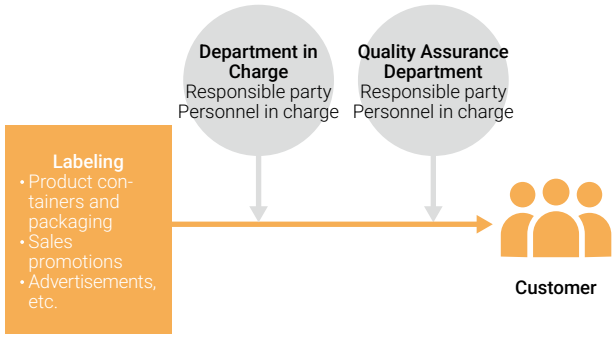
Production

Measures to protect against contamination from foreign substances are implemented at factories belonging to LOTTE CO., LTD. with great care. Those entering a production site must wash their hands and use an alcohol disinfectant as a standard measure and then must undergo an additional three-step process to remove any foreign hair or dust affixed to their clothing, comprising an air shower that uses pneumatic jets, a vacuum hair-and-dust removal system, and an adhesive roller system. In the manufacturing process, metal detectors, X-ray devices, and several other tools are employed to inspect for foreign objects and ensure safe products.

Selling

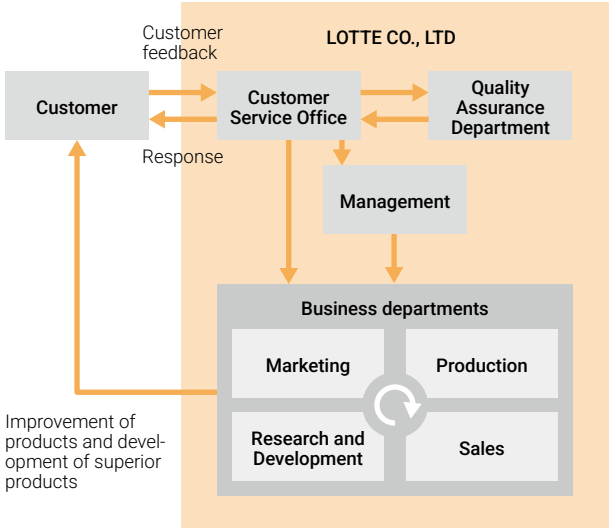
To enable customers to buy and consume our products with peace of mind, labeling related to product packaging, sales promotions, and advertisements is conducted in accordance with all relevant laws and regulations, with every effort made to provide information to customers in an easy-to-comprehend manner that avoids misunderstandings. We maintain a system where information to be disclosed is subject to checks by multiple departments and people in order to prevent errors. Furthermore, the Quality Assurance Department leads in-house training on food labeling to improve the knowledge of those in charge of the task. We also defined human rights guidelines for expressions that may lead to harmful stereotyping, discrimination, or negative influence on minors, ensuring that our materials do not include such.

Our Labeling Check System



Communication with Customers

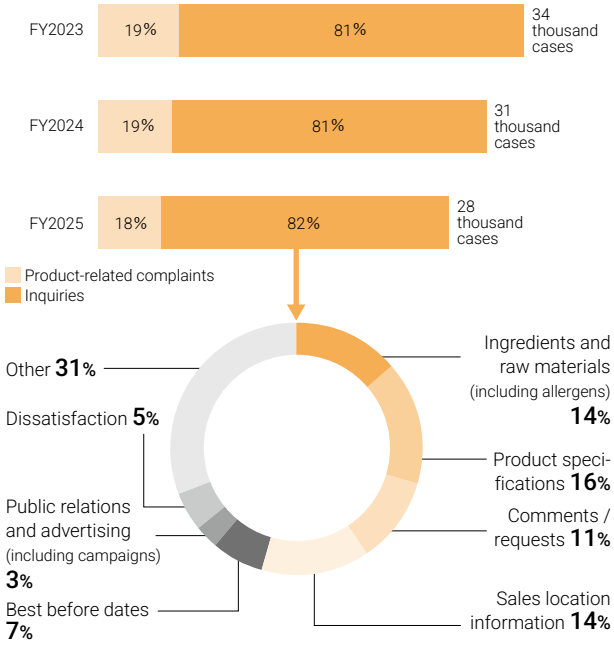
We have established a Customer Service Center as a means to handle customer inquiries and consultations, which is part of our commitment to providing sincere support and clear information so that customers can use our products and services with peace of mind. Customer feedback is shared with management and related departments to develop new products and improve existing products.



Number of Inquiries from Customers and Breakdown

In FY2025, our Customer Service Center received roughly 28 thousand inquiries from our Group companies' customers in Japan.

Number of Inquiries from Customers



Scope of Tabulation

LOTTE CO., LTD. and its major Group companies in Japan

Recalls and Legal Violations

In FY2025, there was one product recall. In response, we are conducting a thorough investigation to determine the cause and taking action to prevent a recurrence. In addition, none of the Group companies were reported to have violated the Act against Unjustifiable Premiums and Misleading Representations stipulated by Japan's Consumer Affairs Agency.

● Recalled Product

Fusen no *Mi Bottle Wakuwaku Mix!* chewing gum and two varieties of *Mecha Fukuramu Fusen Gum* (approximately 30 thousand units collected*; about 4.5 tons)

* Collection figures represent the estimated number of recalled products expected to be recovered and their total weight, including packaging.

06 Development of Easy-To-Use Packaging

Universal Design

Our goal is to make products that are more accessible and user-friendly for everyone. To that end, we promote packaging development based on universal design principles.

COOLish

To further enhance the convenience and accessibility that make *COOLish* so special, we have improved its packaging based on "human engineering for quality life," or engineering centered on improving people's lifestyles. In 2026, these efforts were recognized when *COOLish* became the first food product to receive the Human Engineering Certification established by the Research Institute of Human Engineering for Quality Life. The following three functions were certified.

- Cap designed for easier opening
- Spout designed for easier consumption
- Pouch designed to reduce cold sensation in the hand

Going forward, we will continue to leverage insights from human life engineering to enhance *COOLish* and provide all customers with enjoyable and accessible experiences.

Certified functions

人間生活工学認証



Cap designed for easier opening

Spout designed for easier consumption

Pouch designed to reduce cold sensation in the hand

Crunky

We developed "Snap & Open" packaging, which can be opened by simply folding the carton at the center, providing an alternative to the conventional opening method. In addition to requiring less time to open than previous packaging, it generates less small debris, making it easier to share and enjoy with others. The distinctive snapping action also adds a new dimension to the product experience, offering consumers a sense of enjoyment before they have even taken their first bite.



Inclusive Design

Unlike universal design, which aims to make products and services accessible to as many people as possible from the outset, inclusive design involves engaging people with specific challenges, such as older adults and people with disabilities, starting from an early stage and continuing throughout the planning and development process. A key feature of this approach is that it involves close interaction with the very people who face these challenges and working with them to explore solutions. This often results in innovative ideas and products that are more accessible and easier for a broader range of people to use.

KOKOYOMU: A Way to Provide Access to Product Information Through Touch, Without Relying on Vision

KOKOYOMU (Japanese for "read it here") was developed to meet the needs of people with visual impairments and incorporates a tactile square groove on paper carton packaging that can be easily identified by touch. Key product information, including the product name, best-before date, and allergen information, is displayed in the same panel to improve accessibility. This enables users to find product information they may need to know without relying on vision. This feature, which was introduced in September 2026, has been gradually rolled out across boxed paper packaging for *Premium Ghana, Choco Pie, and Custard Cake*, among other products. However, for this initiative to truly increase user convenience, it needs to be adopted as a common framework, beyond the scope of a single company. Therefore, we will encourage the implementation of *KOKOYOMU* for other like-minded companies, aiming to establish it as a part of social infrastructure that extends beyond corporate and national boundaries.



*1 Based on a survey of publically available information conducted by the Company on May 26, 2026.

*2 Based on interviews conducted by the Company with people with visual impairments.

● Key Features of *KOKOYOMU*

Usable with Existing Tools

The tactile groove allows users with visual impairments to easily locate the correct side of the package and access information using the voice reader features available on their smartphones. In addition, for users who rely on magnifiers, it provides a helpful reference point when searching for product information.

Versatile, Easy-to-Implement Design

Applying the *KOKOYOMU* groove to packaging does not require any special technology, capital investment, or additional material costs, meaning it can be implemented in various paperboard packaging formats.

07 Occupational Health and Safety

Promotion System

Our Central Health and Safety Committee works with the Health and Safety Committee at each business location and coordinates efforts to reduce the risk of occupational accidents. In addition, to prevent the recurrence of accidents, we promote education that includes sharing cases of past accidents through bulletins and training.

Occupational Health and Safety Education

We provide a range of occupational health and safety education to prevent accidents from occurring. For employees starting work in factories for the first time, we offer basic safety education and

a first aid course. In addition, we run regular training sessions at our facility for hands-on education (the Safety Dojo) to develop employees' sensitivity to hazards. These forms of education are supplemented by annual hazard awareness training at which employees from different business locations share information about hazards and discuss remedial measures.



Annual hazard awareness training

Safety Audits and Inspections

We conduct safety audits and inspections to safeguard against compliance violations and reduce the risk of occupational accidents. To reduce occupational accidents, each department reports close calls at factories from the previous day during the morning meeting. If a case is reported, the site will be reviewed during the management meeting so that we can take action accordingly. In the unfortunate occurrence of an accident, a thorough investigation is coupled with extensive countermeasures in order to prevent recurrences.

Examples of Risk Reduction Measures

- Raising awareness of occupational accident risks through equipment that enables employees to experience potential dangerous situations
- Improvement of workbenches to prevent accidental tripping and falling
- Implementation of measures to prevent overturning or collision outside production lines
- Use of highly protective gear (goggles) to prevent chemical splashing

Preventing Occupational Accidents

If an occupational accident occurs, we take action to prevent repeat occurrences, conducting a thorough investigation and a safety inspection of equipment and implementing countermeasures. At the same time, we share information among business locations to prevent a similar accident from happening again.

08 Mental and Physical Health

Basic Approach

Our goal toward FY2048 is to create a happier future with new products, services, and businesses that contribute to well-being. Leveraging the knowledge and technology developed since our founding, we will continue our growth by providing new value to local communities and society. For example, *Xylitol Gum*, launched in 1997, contributed to society and created new value as a chewing gum that helps keep teeth strong and healthy. We will continue to put our efforts into the research and development of products that are beneficial for our physical and mental health, as well as communication and promotion activities, and help solve social issues by providing health-oriented value through delicious food we take pride in. In 2018, we developed the Policy on Sustainability and defined our approach to this matter.

Policy on Sustainability
https ://www.lotte.co.jp/english/charter/pdf/sustainability.pdf

Spreading *KAMUKOTO* (Chewing) Awareness

Founded as a chewing gum company during the postwar era, we have a long history of research on *KAMUKOTO*, which means chewing in Japanese. As a result, we have come to understand that *KAMUKOTO* is closely associated with the health of the entire body. We will create a happier future by developing new products, services, and businesses that enhance well-being through researching and communicating the health benefits of *KAMUKOTO* and raising public awareness.

Our goals to realize this vision include the promotion of chewing to enhance health and increasing the number of assessments using *Mastication Check Gum* to over 1 million per year by FY2028, as well as spreading awareness about the health benefits of chewing by FY2038.

Number of Checks Using *Mastication Check Gum*

FY2023	470 thousand
FY2024	490 thousand
FY2025	540 thousand

Previous data has been revised retrospectively following the adoption of a more appropriate calculation methodology.

Research and Communication

To achieve these targets, we established the *KAMUKOTO* Research Department within the Research and Development Center. The *KAMUKOTO* Research Department specializes in research on chewing and shares the outcome with the public. We have come to understand that *KAMUKOTO* is closely associated with the health of the entire body, and we believe that it can be used to help resolve a range of societal challenges relating to health longevity and well-being. We are also working to popularize chewing gum as a means to put *KAMUKOTO* into practice. In FY2018, we also launched the *KAMUKOTO* Institution, which aims to research the relationship between chewing and overall health, and to build a network for exchanging related information. This is the first initiative of its kind, aimed at conducting multifaceted research on *KAMUKOTO* in cooperation with researchers from different fields, such as medicine, nutrition, and sports science, as well as dentistry. Topics under investigation include establishing a rule of thumb for the number of chews that contribute to good health.

In FY2026, we launched a Companywide, cross-departmental Chewing Innovation Project Team to accelerate these efforts.

KAMUKOTO Laboratory (Japanese only)
https ://www.lotte.co.jp/kamukoto/

KAMUKOTO Institution (Japanese only)
https ://kamukotokenko.jp/

● Bubble Gum Training Helps with Developing Oral Functionality in Children

Since FY2023, we have worked with the Yamaguchi Dental Association to provide an annual, two-month bubble gum training program to senior kindergarten children (age 5–6) in Yamaguchi Prefecture. We continued this program in FY2025, reaching approximately 1,100 children. As a result of the program, 59% of participating children demonstrated improved chewing ability compared with pre-program levels. Among children who exhibited these symptoms, improvements were observed in 44% for oral incompetence (mouths hanging open), 52% for chewing sounds during meals, and 47% for snoring during sleep. Teacher survey results showed a high satisfaction rate of 97%, while 86% reported positive changes in children's oral health awareness and behavior. These findings confirm that bubble gum training contributes to children's oral development and behavioral change.

● Confirmation of the Positive Effect of Gum Chewing on Cheek Elasticity

Earlier research has found that regular gum chewing by women was associated with a toning effect on facial contour. We

conducted a study assessing the impact of 12 weeks of gum chewing on skin elasticity among healthy adults in their 30s to 50s. The results showed greater improvement in cheek skin elasticity among participants who chewed gum compared with those who did not. These results suggest that activation of the masticatory muscles through gum chewing may influence the muscles surrounding the cheeks, contributing to improved cheek elasticity.

Initiatives with Local Governments and Other Organizations

As part of our efforts to promote the importance of *KAMUKOTO*, we are working in collaboration with local governments and regional dental associations. Our goal is to extend health longevity by spreading awareness and promoting dental and oral health among residents. To do this, we will provide information about the health benefits of *KAMUKOTO* and provide assessments of chewing ability, among other initiatives.



Ceremony with the mayor of Naha City for entry into a collaborative agreement

Year of agreement	Collaborating partner
FY2023	Chino City, Nagano Prefecture
	Nishitokyo City, Tokyo
	Fujimi City, Saitama Prefecture
	Tochigi Dental Association
	Osaka City Board of Education / Osaka City School Dental Association / Osaka University
FY2024	Atsugi City, Kanagawa Prefecture / Atsugi Dental Association
	Naha City, Okinawa Prefecture / Southern District Dental Association
	Tama City, Tokyo / Tokyo Hachinan Dental Association Tama Branch
	Gifu Prefecture Dental Association
	Chiba Prefecture / Chiba Prefecture Dental Association
	Chiba City, Chiba Prefecture / Chiba City Dental Association
FY2025	Kagamino Town, Okayama Prefecture
	Kochi City, Kochi Prefecture / Kochi City Dental Association
	Nagaokakyo City, Kyoto Prefecture
	Fukuoka City, Fukuoka Prefecture / Fukuoka City Dental Association
	Miyoshi Town, Iruma District, Saitama Prefecture / Miyoshi Town Dental Association
	Japan Health Insurance Association Chiba Branch / Chiba Prefecture Dental Association
	Ryugasaki City, Ibaraki Prefecture / Ryugasaki City Dental Association

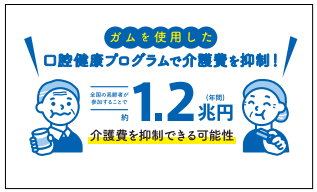
Estimating Social Impact

We are working to quantitatively visualize the social impact created by our sustainability activities using a logic model. We believe this will enable us to prioritize our efforts and make efficient investment decisions. It will also make it easier to convey the impact of our activities to stakeholders, which we expect to ramp up co-creation and expand our positive effect on society.

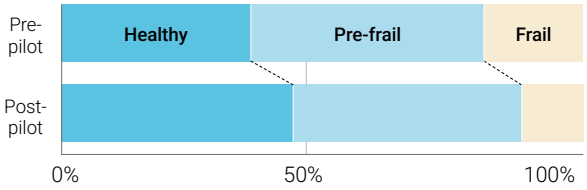
Estimation of the Effect of *KAMUKOTO* on Reducing Nursing Care Expenses

In FY2025, we estimated the potential reduction in long-term nursing care expenses*1 resulting from broader implementation of a chewing gum-based oral health program*2 as one of the social impacts associated with popularizing proper *KAMUKOTO*. Analysis of data from a pilot project in Toyota City, Aichi Prefecture, showed that participation in the program improved participants' health, while reducing long-term nursing care expenses by an estimated amount reaching approximately ¥42,000 per participant per year. If all adults aged 65 and older who do not require long-term care were to participate across Japan, the potential annual reduction in long-term care costs could reach approximately ¥1.2 trillion. Compared with other exercise-based interventions, this program is relatively easy to implement. The findings of this analysis suggest that it has the potential to generate meaningful social impact by serving as an accessible entry point to extending healthy life expectancy.

*1 Analysis of data from a pilot project in Toyota City, Aichi Prefecture estimated the potential reduction in long-term nursing care expenses associated with the prevention and improvement of oral frailty and overall frailty among older adults across Japan. (Data collected and analyzed by LOTTE).
*2 The oral health program combines oral exercises, including chewing gum three times a day for 2.5 months, with monthly long-term nursing care prevention classes.



Pre-Pilot and Post-Pilot Changes in Program Participants



Raising Awareness Among Employees

To ensure that the value of *KAMUKOTO* is reflected throughout our organization, we believe it is essential for employees to understand its significance and make it part of their everyday habits. Therefore, we promote awareness through a variety of initiatives, including continuous communication through internal newsletters and informational leaflets, hosting oral function assessment events that measure tongue pressure and bite force, and offering *KAMUKOTO* menu options at the employee cafeteria at our head office.

Dental and Oral Health

Starting out as a chewing gum company, we have studied dental and oral health for many years. In the 1970s, we began researching xylitol, which had captured our attention due to its role in Finnish dental health. In 1997, when xylitol was approved as a food additive in Japan, LOTTE was the first company to commercialize xylitol and make it available to the public, and our approach helped address the importance of having cavity-free teeth in society. In 2020, we launched "Project Xylitol: Your Own Teeth for 100 Years" aiming to enrich people's lives through researching health benefits and raising public awareness about the dental and oral health benefits of xylitol. Following the example of Finland, a leader in preventive dentistry, we are working with local governments and regional dental associations on initiatives to spread oral care habits comprising toothbrushing, fluoride, and xylitol, supplemented by regular dental checkups.

Project Xylitol: Your Own Teeth for 100 Years

Overall Purpose of Initiatives

To increase the percentage of people who have made xylitol part of their daily lives for the sake of their dental and oral health in Japan to at least 50% by 2028

Goal of Initiatives

Spread the habits of toothbrushing, fluoride, and xylitol, supplemented by regular dental checkups, to help maintain dental health in Japan

Details of Initiatives

1. Recommendation of cavity-prevention programs through coordination with local governments and dental associations
2. Provision of xylitol tablets and soft candies to educational institutions such as kindergartens and nursery schools

As the first step of this project, we supplied xylitol tablets and soft candies packed in special dispensers to kindergartens and nursery schools in the city of Aizuwakamatsu, Fukushima Prefecture, with the support of the local government. As of today, kindergartens / nursery schools in 12 municipalities (Hokkaido, Goshogawara City in Aomori Prefecture, Aizuwakamatsu City in Fukushima Prefecture, Chiba Prefecture, Ebina City in Kanagawa Prefecture, Gifu Prefecture, Kamikitayama Village in Nara Prefecture, Yamaguchi Prefecture, Kitakyushu City in Fukuoka Prefecture, Okayama Prefecture, Kumamoto Prefecture, and Naha City in Okinawa Prefecture) have used our products. We will encourage children to have good oral care habits from an early age, and plan to be involved in activities based on the cavity ratio of children by working together with the city's dental associations.

We are also moving forward with SMART HABIT, a borderless project in Japan, Korea, and Vietnam to raise awareness about dental health by adopting Finland's approach of using xylitol to realize a cavity-free society in Japan and on a global scale. To contribute to the dental health of people around the world beyond our product rollout, we will eliminate the cultural and customary barriers between borders and countries and spread this "smart xylitol habit" from Asia to the world, bringing smiles and creating a healthy and sustainable society worldwide.



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SMART HABIT

Xylitol Explained

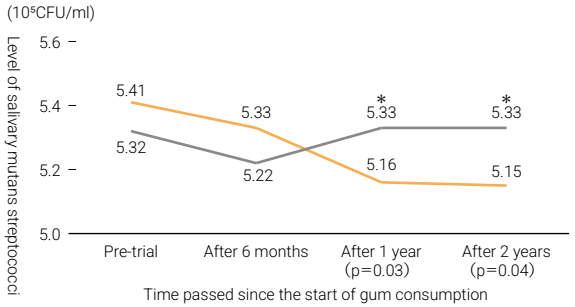
Xylitol is a type of sugar alcohol that does not create the acid that causes cavities; it is made from trees such as white birch and oak. It is roughly as sweet as sugar but has fewer calories at around 3 kcal/g, compared with sugar's 4 kcal/g. Xylitol's key distinguishing feature is the smooth burst of refreshing coolness it delivers.

Reduction of Mutans Streptococci

Mutans streptococci are bacteria that exist inside almost everybody's mouth. They create dental plaque and use the sugars inside the mouth as food to reproduce, creating the acid that causes cavities. Xylitol has been reported to reduce the level of mutans streptococci in the mouth, decreasing the risk of cavities.

In research that targeted adults with high levels of mutans streptococci, a group of individuals consumed chewing gum containing xylitol for one year, then underwent follow-up observation during the following year when they did not consume any gum. The results showed that, compared with a control group, the level of salivary mutans streptococci in the gum-consuming group was reduced and cavity progression was held in check.

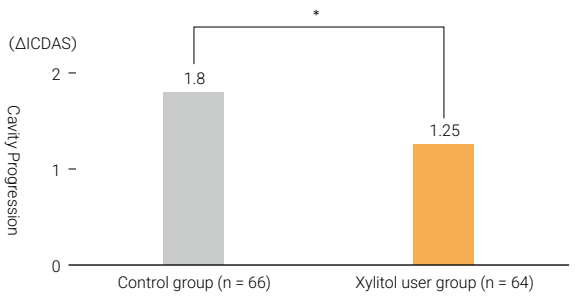
Changes in Level of Salivary Mutans Streptococci after Consuming Chewing Gum Containing Xylitol



* Shows a statistically significant difference

Effects of Xylitol Consumption on

ΔICDAS score for severe caries, filled teeth, and extracted teeth over the entire trial period (one year of gum consumption and one year of follow-up)



* Shows a statistically significant difference (P=0.01)
Source: Cocco, F., Carta, G., Cagetti, M.G. et al. Clin Oral Invest (2017) 21: 2733.
©2017 The Author(s); Creative Commons Attribution 4.0 International License. Every day for a year the xylitol user group consumed six tablets of chewing gum containing 30% xylitol, equating to 2.5 grams of xylitol per day. During the following year, when they did not consume any gum, they underwent follow-up observation. The control group consumed chewing gum that contained no xylitol for a year, and during the following year, when they did not consume any gum, they also underwent follow-up observation.

Mitigation of Risk of Transmission from Mother to Baby

No mutans streptococci exist inside the mouth of a newborn baby, but practices such as sharing a spoon between a baby and an adult transmit the bacteria through saliva, and the bacteria become established inside the baby's mouth. However, xylitol is an ingredient with the capacity to reduce mutans streptococci and it has been reported that, when prospective mothers start consuming xylitol continuously during pregnancy, the transmission of mutans streptococci to their babies is slowed.

In research that targeted pregnant women with high levels of mutans streptococci, the control group received guidance on maintaining good health, including advice on cleaning their teeth and on meals. The xylitol user group also received health guidance and consumed chewing gum containing xylitol as their only sweetener for 13 months. The xylitol consumption targeted was 5 grams or more per day, but the actual average amount consumed was 3.83 grams per day. When the researchers assessed the percentage of babies in whom mutans streptococci was detected (the "detection rate"), it was found that during the period from 9 to 24 months after birth, the mutans streptococci detection rate was significantly lower for the xylitol user group's babies than the control group's babies.

09 *SHOKUIKU* (Food Education)

Concept and Goals

We view food as a resource for good health and, on that basis, we use a variety of means to engage in food education activities aimed at spreading accurate food knowledge and promoting greater understanding. Our goal is to increase employee participation in food education activities to more than 20% by FY2028. Also, by FY2038, we expect our employees to apply their experience and skills to society under the belief that diverse experiences outside the Company will drive individual and organizational growth.

Participation rate in food education activities

	FY2024	FY2025
Number of people surveyed	2,655	2,919
Number of respondents	1,819	1,581
Number of participants in food education activities	264	330
Participation rate	14.5%	20.9%

Scope of Tabulation

LOTTE CO., LTD. (Via survey of full-time and contract employees)
Number of people who participated in food education activities, seminars other than food education, and community / social contribution activities

External Recognition

In the 13th Career Education Award hosted by METI Japan, "LOTTE Innovation Challenge—Future Okashi Lab" and "Be a *KAMUKOTO* Master—Chew & Stay Healthy!" received the Encouragement Award for large enterprises.

At the 2025 Consumer Education Materials Awards, hosted by the National Institute on Consumer Education (NICE), the program Your Choice Will Create a Happier Future received the Cabinet Office Minister of State for Special Missions Award, the top prize for outstanding teaching materials, in the corporations and industry associations category.





Main Initiatives

Category	Name of Initiative	Details of Initiative	
Factory Tour	*OKASHI* SCHOOL	This tour facility, themed around learning about food, was renovated and reopened in 2022, with digital technology added.	 https://www.lotte.co.jp/kengaku/ (Japanese only)
Online	Chocolate Seminar Online	Visitors can learn about our approach and unique ideas regarding the ingredients and production methods of *Ghana Milk Chocolate.*	 https://www.lotte.co.jp/kengaku/remote-seminar/ (Japanese only)
	Virtual Factory Tours	Visitors can learn about our processes from raw material sourcing to production for each product.	 https://www.lotte.co.jp/entertainment/factory/ (Japanese only)
Visiting Lecture	Visiting Lecture LOTTE Innovation Challenge —Future *OKASHI* Lab	LOTTE employees provide lectures for senior elementary school students to learn about important concepts in product development and to inspire them with creative ideas. In FY2023, we introduced a concurrent instructor system allowing employees to visit schools as a dedicated lecturer while continuing their current duties. Concurrent instructors FY2023: 21 FY2024: 25 FY2025: 34	 https://teacher-site.net/lotte/innovation/index.html (Japanese only)
Providing Teaching Materials	Be a *KAMUKOTO* Master	This is a set of educational materials for the first and second grade of elementary school to learn about the importance of chewing and tips on how to chew well and make it a habit.	 https://teacher-site.net/lotte/kamukoto/index.html (Japanese only)
	Your Choice Will Create a Happier Future	This is a program for junior high school students focused on ethical consumption, providing an opportunity to find a link between their choices and society, and to have an in-depth look at their consumer behavior.	 https://teacher-site.net/lotte/ethical/index.html (Japanese only)

10 Employee Empowerment

Basic Approach and Goals

The most important pillar of support for a business is its human capital. Our goal for FY2048 is to offer a workplace where a diverse global workforce comes together and participates in our continued growth through innovation. For this to happen, it is important to create an environment where each and every employee can maximize their potential while being motivated and physically and mentally healthy. In 2018, we developed the Policy on Human Resources and defined our approach to this matter.

Policy on Human Resources
https://www.lotte.co.jp/english/charter/pdf/humanresources.pdf

Human Capital Strategy

To achieve sustainable growth, it is essential to have the human capital to execute business strategies. We have established a human capital strategy that is interlinked with our business strategies and are working to cultivate human capital while also building a foundation and organization that can support them, following an approach that values autonomy and a challenge-seeking spirit.

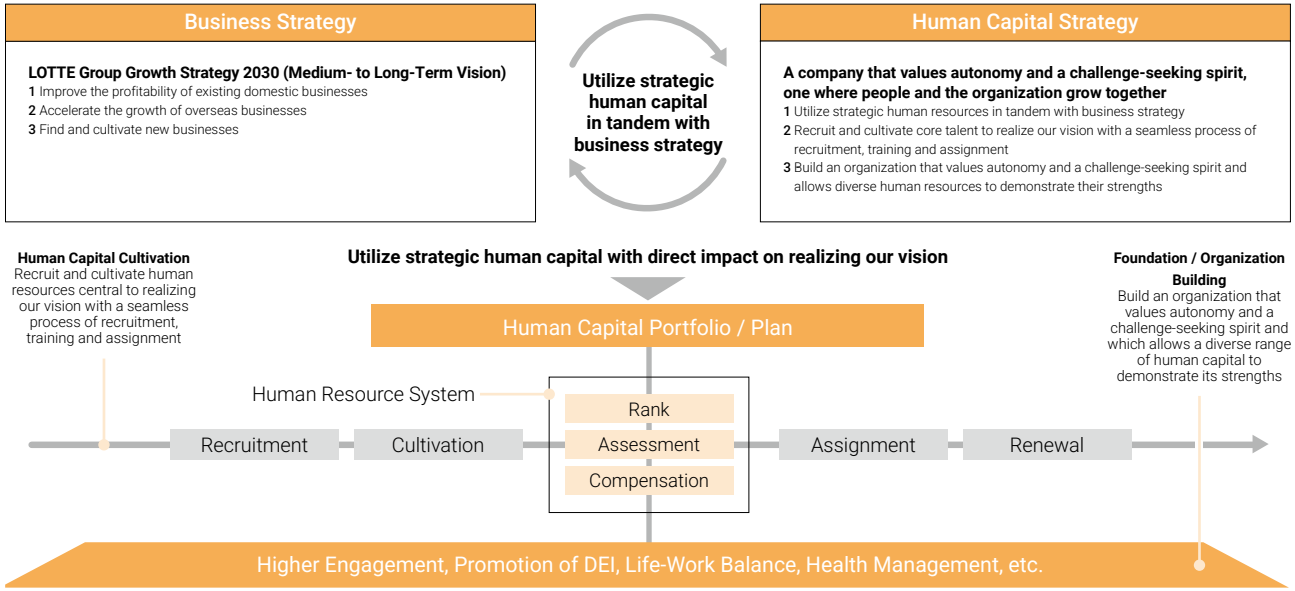
Profile for Ideal LOTTE Talent

We recruit and develop human capital using a common Groupwide profile for ideal LOTTE talent. This ensures that employees can thrive as part of the Group, which operates a diverse range of businesses worldwide.

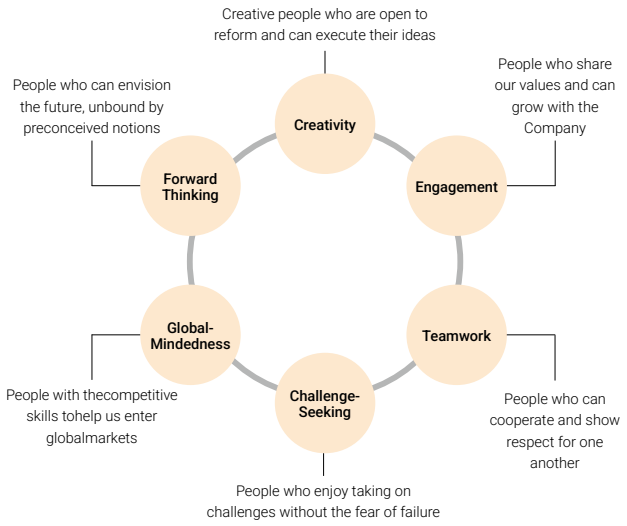
Human Capital Portfolio

We are building a portfolio of human capital based on our business strategies and our profile for ideal LOTTE talent. Human capital that is central to executing our management strategy are designated as "strategic human capital," and we work actively to recruit and cultivate such people. At the same time, we strive to establish a foundation that will enable a wide and diverse range of human capital to thrive, including those hired from outside the Group.

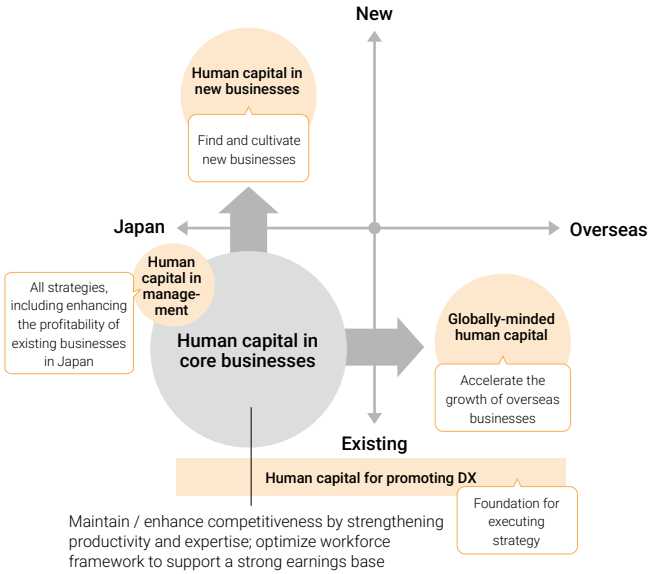
Overview of Human Capital Strategy



Profile for Ideal LOTTE Talent



LOTTE Group's Ideal Human Capital Portfolio (Strategic Human Capital)



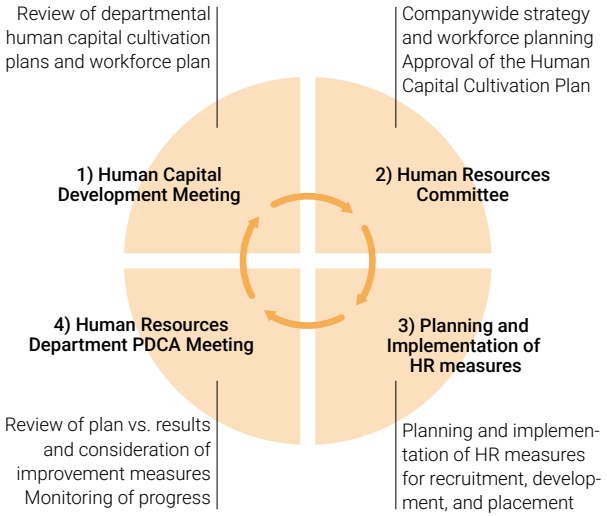
Strategic Human Capital

Human capital that plays a central role in executing our management strategy, namely those in the fields of management, global business, new business, and DX, is considered to be strategic human capital. To support the achievement of LOTTE Group Growth Strategy 2030, we have established structured human resource cultivation models based on these roles and the requirements of each category and set target headcounts for 2030.

Guided by this plan, we will accelerate the strategic development and acquisition of human capital and enhance long-term corporate value by assembling an optimal human capital portfolio.

Human Capital Cultivation Plan—Formulation and Implementation

To maintain a steady rollout of strategic human resource initiatives that have a direct impact on realizing our vision, management, along with each department, and the Human Resources Department work together through a four-step PDCA cycle to drive the formulation of human capital cultivation plans and the achievement of workforce-related plans.

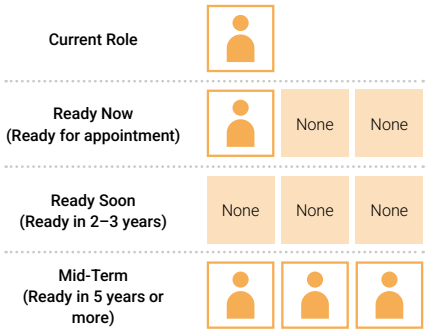


Succession Plan for Human Capital in Management

Five Steps

STEP 01 Identify key positions and define requirements
STEP 02 Select candidates
STEP 03 Develop and implement cultivation plans
STEP 04 Review progress and reassess candidates
STEP 05 Pool candidates

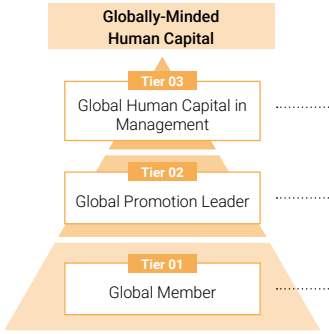
Identify successors for each key position based on their expected readiness for appointment



2030 Goals

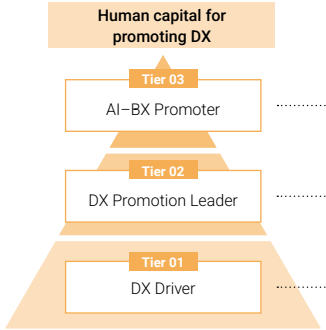
Successor readiness rate
200%
Number of successors ÷ Number of positions

Globally-Minded Human Capital: 3-Stage Cultivation Model



Roles
Take charge of **management for overseas locations** and leading **business growth and organizational integration** from a **Companywide and Groupwide perspective**
Take accountability for **performance for overseas locations in one's assigned division** and **execute head office strategies onsite**, from the perspective of **one's division outside Japan**
Develop an **interest in overseas assignments** and **prepare for future success in overseas roles** by strengthening **language skills and cross-cultural understanding**

Human capital for promoting DX: 3-Stage Cultivation Model



Roles
Look at matters from a **Companywide / Divisional** perspective and review existing business processes and business structures with an AI-first mindset, **spearheading the transformation of our business model**
Promote DX within their assigned department and take charge of implementation and establishment of DX-powered operations, as well as human capital cultivation
Utilize AI at the **individual and departmental levels** to **improve and streamline** daily operations

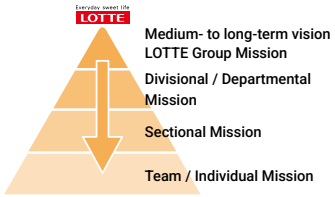
Human Resource System

We believe that it is important to set appropriate goals and provide fair and reasonable evaluations in order for employees to grow in tandem with the Company.

Mission-Based Evaluation

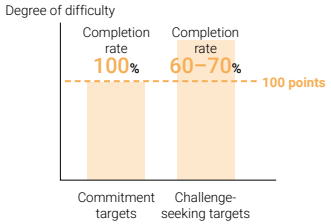
To successfully carry out our business strategy, employees set a clear mission and goals that are based on our mission as a company. We encourage employees to set challenging goals, then provide a comprehensive evaluation of their work to achieve those goals, as well as their contributions across the Company. Outside of confidential information, the LOTTE Group Mission and our goals are publicly available to all employees.

01 Mission-based evaluation



Unified Groupwide direction

02 Setting challenging goals



Dramatic growth and promotion of innovation

03 Evaluation incorporating process and contributions



Evaluating achievement, challenge-seeking, and effort

360-Degree Feedback

In FY2025, we began implementing a 360-degree feedback program for all permanent employees and reemployed contract employees. This program is designed to foster personal growth through feedback from colleagues and to enhance the objectivity and fairness of performance evaluations.

Human Capital Cultivation

To build the human capital portfolio needed to deliver on our business strategy, we are placing a strong emphasis on cultivating this human capital and increasing investment accordingly. We also make a conscious effort to ensure that employees have the environment and support framework they need to pursue self-directed growth and challenge themselves. Our wide range of learning opportunities, including off-the-job training programs and self-development initiatives, and opportunities for employees to take on new challenges through internal job posting programs and other voluntary career development initiatives.

Recruitment

To ensure we have a diverse pipeline of next-generation human capital, we promote recruiting for new graduates tailored to the aspirations and career interests of each student. To enable students to take control of how their careers unfold, we offer recruitment opportunities tailored to their expertise and aspirations, helping them start their careers in positions that are well matched to their interests and strengths. In addition, we support students throughout their job search by constantly improving the content available on our recruitment website, offering seminars on a wide range of topics, and providing transparent and accessible information about the Company and its work.

However, to hasten the creation of our ideal human capital portfolio, we also recruit talent who have built their careers at other companies and possess the necessary experience, expertise, and skills to perform in their roles. We have also introduced a "welcome-back recruitment" (alumni recruitment) program for former employees who left the Company previously, allowing them to utilize the diverse range of experience and skills they have gained outside the Group. In addition, we have established an employee referral system for full-time employees.

Cultivation

We are increasing investment in human capital and run a systematic training program aimed at increasing their capabilities. This program helps employees acquire the basic knowledge, skills, and mindset required for their work. We also value the autonomy and challenge-seeking spirit of each employee and provide opportunities for employees to take on any such challenges. This includes a system where employees can take the initiative to develop themselves or take on tasks outside of their current work.

● Position-Based Training Program

We provide group training, including new employee orientations, to equip young employees with basic skills to complete their assigned tasks independently. For individuals who are promoted, we offer position-specific programs tailored to their career stage, including mindset coaching and fundamental management courses. Concurrently, we encourage on-the-job training aimed at facilitating career advancement through practical experience in the workplace, while cultivating a team environment where young employees feel comfortable enough to take on challenges.

● Departmental Training Programs

The respective department (sales site, factory, etc.) provides training for employees to acquire specialized knowledge and skills.

Structure of Human Capital Cultivation Programs

	Position-Based Training Program	Departmental Training Programs	Elective / Voluntary Self-Development Training Programs	Support for Self-Development			
				Foreign language training	Online training and e-learning	Correspondence courses	Certification support
Manager	Manager training	Sales / Factories	Cultivation of the next generation of human capital in management				
			Cultivation of next-generation leaders				
Mid-career	Training for newly promoted employees		Cultivation of women in management				
			Cultivation of human capital for promoting DX				
			Cultivation for overseas assignees				
Entry-level	Annual training		Cultivation of globally-minded human capital				
			Cultivation of human capital in new businesses				
New employees	New employee training / OJT		–				

Elective Self-Development Training Programs

We also offer training targeting self-development, aimed at realizing our ideal human capital portfolio, which includes members of management. In 2022, the LOTTE University was established as an in-Company educational institution, offering leadership programs designed to foster the growth of LOTTE. These programs comprise lectures and discussions led by senior executives from both inside and outside the Company, along with action learning sessions where participants propose new business ideas and offer recommendations to upper management. We have also worked to include content aimed at cultivating globally- minded human capital and human capital for promoting DX.

Elective / Voluntary Self-Development Training Programs (Results for FY2025)

		Program Name	Program Goal	Number of Attendees	Average Class Time Per Person (Hours)
Management	Cultivation of the next generation of human capital in management	• Transformational Leadership Program • Kyoto University Executive Business Program • Management of Technology (MOT) School • Creating Shared Value (CSV) Forum	• Cultivation of candidates for the next generation of top management • Expansion of personal network through external assignments	5	204
	Cultivation of next-generation leaders	• LOTTE University	• Cultivation of candidates for the next generation of executives • Acquisition of advanced knowledge necessary for managers and exploration of new business opportunities	28	140
	Cultivation of women in management	• GLOBIS Women's Leadership Program • Tokyo Women's Career College	• Cultivation of the next generation of women in management • Acquisition of practical know-how, including logical thinking, problem-solving, and communication skills	4	20
Cultivation of human capital for promoting DX		• Cultivation and training for human capital for promoting DX	• Cultivation of human resources to lead digital and corporate transformation • Acquisition of knowledge in digital fields to facilitate proposals aimed at transforming the Company	28	80
Global	Cultivation for overseas assignees	• Global business training	Cultivation of human resources capable of succeeding globally as overseas assignees	2	1,677
	Cultivation of globally-minded human capital	• Global Academy Basic Internship	Deepening of global understanding and cultivation of human capital that can thrive both in Japan and overseas	33	39
Cultivation of human capital in new businesses		• Value Innovation Workshop	Cultivation of human capital with a deep understanding of new businesses and the ability to thrive in new business fields	21	30

Support for Self-Development

We value autonomy and a challenge-seeking spirit in each individual. Therefore, we have established the LOTTE-Novation College as a place of learning where employees who possess this spirit can participate voluntarily. We also offer foreign language training, e-learning, and correspondence courses to help in gaining a diverse set of knowledge and skills. In addition, we give employees support toward acquiring certifications and qualifications.

Internal Awards System

The LOTTE Awards, a Groupwide internal awards system, celebrate the success of teams as achieved through the practice of the LOTTE Group Philosophy. We have also established the "Nice Challenge Award" to recognize those individuals who proactively take on new challenges. These awards encourage autonomy and a challenge-seeking spirit, helping to cultivate our human capital.



Assignments and Career Development

We assign human capital strategically to enable growth for both our employees and the Company. We also have a career development support system in place to encourage autonomy and a challenge-seeking spirit.

Career Design System (Self-Reporting)

We offer a Career Design System, through which employees can reflect on their experiences and directly share their future career aspirations with the Company. Once a year, employees identify their strengths and career goals to foster self-directed growth and discuss future development plans and priorities with their supervisors. The aggregated data is used to help place employees in the positions that best suit them and to assist with human capital cultivation planning.

Job Rotation (Three Times in Ten Years)

As a basic policy, new graduates undergo a job rotation program, in which they gain experience working in three different departments, within the first 10 years of joining the Company. Gaining experience across a wide range of duties within the Group early in their careers broadens employees' perspectives and expands their opportunities for career development.

Internal Recruitment System

In FY2022, we implemented a system for open recruitment within the Company as another way to support autonomy and challenge-seeking. Since FY2024, the scope of eligible positions has been expanded to include opportunities at Group companies, enabling employees to proactively shape their future careers through these new opportunities for self-betterment.

1-on-1 Meetings

All employees are invited to have regular 1-on-1 meetings with their manager. In addition to discussing work progress, these meetings are intended to support employees' career development and growth, strengthen trust between managers and team members, and promote employee well-being.

Career Development Support Across Career and Life Stages

We provide opportunities and programs at key life-stage milestones to help employees take an active role in shaping their careers.

Young Employees

A career interview is scheduled once a year for all young employees. Employees discuss career plans with their supervisor, providing employees with an opportunity to reflect on their career paths.

Mid-Career and Higher-Level Employees

Mid-career and higher-level employees take part in career design workshops at specific milestones. These workshops foster a stronger sense of connection with the organization and commitment to work, contributing to a more engaged and motivated workplace.

Employees in Their 50s

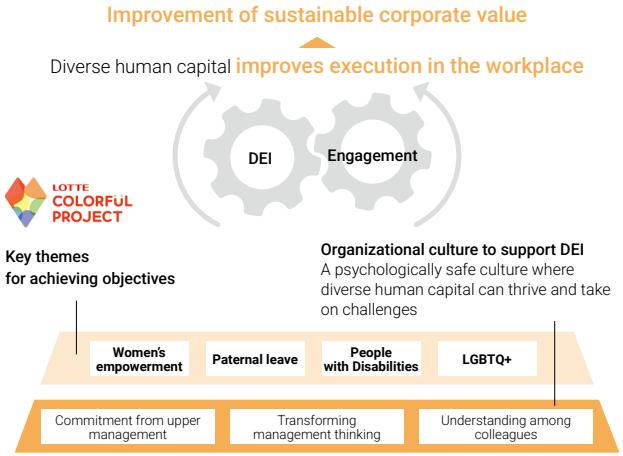
We provide a support program called the Second Career Plan to help employees leverage their experience and pursue fulfilling career opportunities in the next stage of their professional lives.

Retired Employees

We offer a post-retirement reemployment program for all interested employees, enabling them to continue contributing and applying their experience after reaching the mandatory retirement age.

Foundation / Organization Building

Framework for Promoting DEI & Engagement



Employee Engagement

LOTTE and its Group companies strive to create workplaces and foster a corporate culture that helps our employees grow and feel engaged at work. We believe that a workplace where employees can perform their duties in a lively manner while staying motivated and aware of their own development is linked to both personal and corporate growth and leads to higher corporate value. We remain committed to pursuing strategies that enhance employee motivation and job engagement.

● LOTTE Family Day

In FY2024, we held our inaugural LOTTE Family Day, an in-Company event for employees and their families. We introduced the event to inspire a feeling of pride among LOTTE Group employees, establish LOTTE as a company that is open and appreciative of its employees and their families, and increase employee engagement. In FY2025, we expanded the number of event venues to include factories across Japan and ZOZO Marine Stadium, further broadening participation opportunities.





● Employee Satisfaction Survey

We conduct an employee satisfaction survey every year to ascertain employee engagement. The results are converted to an engagement rating*, and we work to identify and improve any issues to receive a rating of A or higher.

* An indicator of company–employee engagement (degree of mutual understanding and affinity) rated at 11 levels from AAA to DD.

Engagement Rating

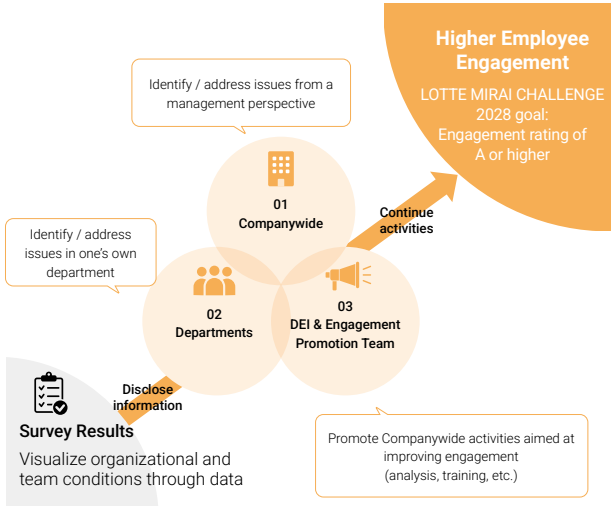
FY2023	B
FY2024	B
FY2025	BBB

Scope of Tabulation

LOTTE CO., LTD.

Survey results are used to drive initiatives aimed at enhancing employee engagement. Across the Company, management identifies and addresses issues from a business management perspective, while each department proactively implements improvements based on its own priorities. The DEI & Engagement Promotion Team within the Human Resources Department coordinates these efforts, enabling the entire Company to work together to reach their targets.

Actions to Increase Employee Engagement



Diversity, Equity & Inclusion (DEI)

We promote DEI based on the belief that, for each employee to truly flourish, we need to foster a corporate culture that celebrates a broad spectrum of values.

● LOTTE COLORFUL PROJECT

The LOTTE COLORFUL PROJECT was launched in FY2023 to advance DEI across the Company. As part of our efforts to create a workplace where everyone can contribute and thrive, we organize seminars, events, and internal communication initiatives.

● Formation of Corporate Culture

In January 2023, we signed the Women's Empowerment Principles (WEPs*) to further advance the promotion of gender equality and its related initiatives.
At the same time, we place a strong emphasis on in-Company education to form the underlying foundation that enables diverse human capital to succeed and thrive. In addition to annual Companywide diversity seminars, we conduct mandatory diversity training for managers, fostering a deeper understanding of DEI across the Company, from upper management to the front lines.

* Action principles of a company's voluntary efforts on women's empowerment created jointly with the UN Global Compact and the UN Development Fund for Women (now UN Women).

Promoting Women's Empowerment

We have set a goal for ratio of women in management of 10% or more, to be achieved by FY2028. Since 2016, we have conducted annual joint seminars on promoting women's success for six food and beverage companies to nurture the young employees who are the next generation of potential women in management. This program turned out to be successful, allowing participants to interact with other companies' women managers and explore their own career path. The seminars provide an opportunity for participants to learn about various career paths and role models so that they can envision their own career in the medium to long term.

In addition, we launched a Women's Mentoring Program in FY2025 as a new internal initiative. We plan to further expand the program to help address the shortage of role models and alleviate concerns about stepping into leadership positions.

We are also working to increase awareness of internal programs that support employees through a range of life events. These efforts have led to a steady increase of women leaders (deputy manager class) who pursue managerial positions. We also value women's success. Our target hiring ratio for women among new graduates is at least 40% or higher.





Women's empowerment seminar with six food companies

Ratio of Women Managers in Japan

	LOTTE CO., LTD. + Group companies in Japan	LOTTE CO., LTD.
As of March 31, 2024	7.5%	5.1%
As of March 31, 2025	8.2%	6.1%
As of March 31, 2026	9.1%	7.7%

Due to organizational changes, parent company LOTTE HOLDINGS CO., LTD. is included in the calculations from the end of March 2025

Employing People with Disabilities

As part of our efforts to promote DEI, we actively hire people with disabilities, whom we seek to employ at a rate above the legal requirement. To ensure a comfortable environment for a diverse group of people, we have also made renovations to restrooms and eliminated steps and stairs. To further raise awareness among employees, we offer training programs for Group companies in Japan so staff can learn about people with disabilities.

LOTTE Wedel in Poland continues to implement programs aimed at building an inclusive workplace. While the statutory employment rate for persons with disabilities in Japan is 2.7%, LOTTE Wedel achieved a disability employment rate of 6%, more than double the Japanese requirement.

Employing Retirees

LOTTE and its Group companies offer post-retirement reemployment to allow employees to continue working after retiring at the official retirement age of 60. In addition to using knowledge and skills they have cultivated over many years to perform their work, retirees play a role in guiding and nurturing younger employees.

In FY2025, we revised this system and will continue to foster an environment in which retiree human capital can remain highly motivated and thrive in their roles.

Measures to Support the LGBTQ+ Community

Our human rights policy explicitly prohibits discrimination based on sexual orientation, gender identity, or gender expression. We are engaged in a variety of LGBTQ+ positive initiatives to provide a safe work environment for everyone.

Raising awareness	• Training programs • Help desk • Communication about the existence of an LGBTQ+ ALLY* community
Recruiting	• "Other" and "Prefer not to say" added to the gender field of our entry sheet • Clear communication to staff responsible for hiring regarding guidelines to ensure compliance
Benefits	• Extension of benefits and HR programs for spouses to include same-sex partners

* A person who understands and supports LGBTQ+ communities and issues.



ALLY Koala
© L/KMP



Showing support along the Tokyo Pride Parade route

In recognition of our efforts, for the second consecutive year, we have received a Gold rating (the highest rating) in the PRIDE Index, which evaluates LGBTQ+ initiatives in the workplace.

Support for Balancing Life Events and Career Development

Support for Pregnancy

We support employees to ensure they have a worry-free start to their maternity leave and experience a smooth return to the workplace afterward. An employee's supervisor uses the Pregnancy and Parenting Related Meeting Sheet to verify the employee's health conditions and any responsibilities to be transferred. We have established systems and processes to facilitate smooth communication across all workplaces with employees who are expecting a child, as well as those whose spouses are expecting a child.

Support for Parenting

We are working to ensure employees with small children can continue their career while balancing childcare and work. The Urawa and Sayama Factory both have their own on-site daycare center. We also host workshops for employees just returned from parental leave to join with their supervisors, a lunchtime get-together for employees who have children, and networking and gathering events to cultivate a sense of security in parenting and promote understanding. To encourage male employees to take an active role in parenting, we also offer briefings and in-company training on childcare leave programs.



Popolar Urban Nursery School
(Musashi Urawa location, Saitama Prefecture)



Work–Childcare Balance Guidebook

Childcare Utilization Rate for Male Employees

	LOTTE CO., LTD. + Group companies in Japan	LOTTE CO., LTD.
FY2023	72%	71%
FY2024	67%	68%
FY2025	95%	100%

Support for Caregiving

We provide support to enable employees with caregiving commitments to continue working with peace of mind while balancing caregiving and employment. We offer a broader selection of company support

schemes than is legally required and also provide access to an external consultation desk so that employees can seek advice from experts regarding their caregiving-related concerns and problems. As a further benefit, we provide a specialized website for employees that they can use to gather information and search for care facilities and services.

Achieving Life-Work Balance

We have adopted flexible work arrangements to help a diverse workforce in all stages of their lives perform at their best. We are making use of these schemes to reduce work hours by increasing productivity, which is in turn aimed at achieving life-work balance for employees.

Promoting the Usage of Paid Leave

We actively encourage our employees to use their paid leave for leisure and self-study, fostering a life-work balance.

Telecommuting Program

Using information and communication technology, we have introduced a telecommuting program to enable effective use of time and place, promote flexible work styles, and boost productivity. This program gives options for employees to continue their career even when they face stressful life events, such as raising children or providing nursing care to their families.

Flex-Time / Staggered Working Hours

To create a work environment that can accommodate diverse lifestyles, facilitate early morning and evening work, and help employees manage their work and life duties, we offer a flextime program with no core hours, allowing employees to determine their daily start and end times, working hours, and break times at their own discretion, as well as a staggered working hours program that allows employees to select their preferred start and end times.

Office Renovation

In our headquarters building, we have renovated some office areas to include hot desking, where employees can choose a seat that best suits their needs for the day. These offices offer different seating, such as those designated for meetings or quiet places that allow people to concentrate on their tasks.





Relaxed Dress Code

To respect the diversity of our employees and to encourage creative thinking and communication, we have changed our dress code to allow casual wear at work, appropriate for the time, place, and occasion.

Health Management

We believe that the growth of the Company goes hand in hand with the health of our employees. We are committed to creating a workplace environment where employees can work with a healthy body and mind, in line with our Health Management Declaration, which articulates this belief.

Health Management Declaration

For LOTTE to thrive under the banner of 'Everyday Sweet Life' and enrich people's lives, we need to maintain our employees' physical and mental well-being. Management holds the responsibility of creating an environment that enables employees to unleash their full potential.

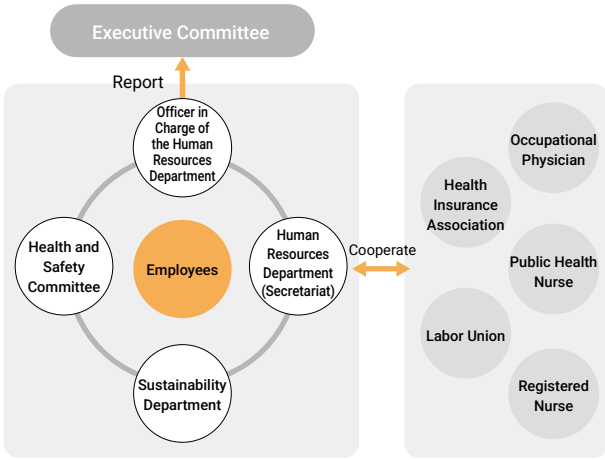
Management is dedicated to advancing health management initiatives, recognizing the well-being of employees and their families as one of their most important management issues.

1. We respect the diversity of employees and build a workplace where each one of our employees can work comfortably and have a healthy life-work balance.
2. We are committed to providing a work environment that enables employees to work comfortably and maintain their physical and mental well-being through health promotion programs for employees and their families.
3. We promote self-care awareness for employees through health management and wellness promotion activities.

LOTTE CO., LTD.

Promotion System

The officer in charge of the Human Resources Department is responsible for promoting health management. The Human Resources Department, Sustainability Department, and Health and Safety Committee collaborate with the Health Insurance Society, along with the labor union, occupational physicians, public health nurses, and registered nurses to manage employees' health.



For our efforts to promote health management, we have been recognized as a "2026 Outstanding Organization of KENKO Investment for Health" in the large-enterprise category, under the recognition program sponsored by the Ministry of Economy, Trade and Industry.

2026
健康経営優良法人
KENKO Investment for Health
大規模法人部門

Health Management (Japanese only)
https://www.lotte.co.jp/corporate/sustainability/society/healthmanagement.html

Main Initiatives

Health management	• Periodic health checkups • Specific health guidance • Severe disease prevention program • Short-term health screening • Brain checkups (MRI, etc.) • Free dental checkups • On-site dental checkups • 24-hour health consultation service • Online health consultations • Mail-in lab test • Health consultation day • Mental health counseling • Influenza vaccinations • Subsidies for detailed examination costs
Health support Life support	• Household medicine purchasing service • Support for smoking cessation • Maternity healthcare financial aid • Infant healthcare financial aid • Second opinion referral • Group health insurance plan (Medical / Specified diseases) • Outsourcing of employee benefits services • Childcare and caregiving support • Health promotion events
Improvement of health literacy	• Utilization of the health portal site *HAPPYLTH* • Utilization of the healthcare app *QOLism* • Health promotion education • Distribution of health promotion organization newsletters • Promotion of dental and oral health • Health and Safety Committee • Mental health seminars
Support for regular exercise	• Walking events • Sports gym / facility contracts • Extracurricular activities
Surveys	• Employee Satisfaction Survey • Stress checks • SPQ (Single-Item Presenteeism Question) • Pulse survey • Questionnaire on harassment

Activity Details

Health management

Specific health guidance	In accordance with applicable laws and regulations, we provide health guidance to employees whose health checkup results exceed specified thresholds and report the outcomes accordingly. The Health Insurance Association also works closely with the Company to provide health guidance through external service providers in support of achieving the established outcome indicators.
Severe disease prevention program	To optimize medical expenses, we utilize a severe disease prevention program for patients with diabetes-related kidney disease or lifestyle-related diseases who are not eligible for specific health guidance. As part of a new initiative, we encourage employees at risk of obesity to seek appropriate medical care for lifestyle-related diseases through personalized outreach communications.
Free dental checkups	We provide employees with free dental checkups at affiliated dental clinics and encourage them to take advantage of this service. Besides general dental checkups, our benefits include consultations on orthodontic treatment, cosmetic dentistry, and dental implants.
Mail-in lab test	As part of our disease prevention efforts, we offer mail-in lab tests for employees and their partners. Participants can receive one screening free of charge from a selection of nine options. We have also introduced a program that provides access to telephone-based nutrition counseling.
24-hour health consultation service	Employees are encouraged to use the telephone or web-based health consultation service, which is provided by an outside organization and available 24/7. This service comprises a wide range of support services for employees and their families, including health, medical, nursing care, and childcare consultations, as well as arrangements for second opinions and follow-up medical exams, counseling for lifestyle diseases, and other services.
Mental health counseling	As a secondary mental health issue prevention measure, we offer a consultation hotline through an organization contracted from outside the Company. The hotline is available 24/7 via phone or the Internet, allowing us to identify early signs of mental health issues and provide timely support.
On-site dental checkups	To help employees maintain good dental and oral health, we offer annual dental checkups at our facilities. Not only do the checkups help detect cavities early and encourage treatment, they also make employees more aware of their dental and oral health by teaching proper brushing techniques.

Health support / Life support

Household medicine purchasing service	As part of our efforts to promote the use of OTC products, we offer a periodic purchase option for general medications for home use at discounted prices. As discussions take place about reviewing insurance coverage for OTC-equivalent medications, we are promoting the use of OTC medicines that were formerly available only by prescription. We also encourage behavioral change through personalized outreach and communication.
Support for smoking cessation	To lower smoking rates among employees, we have introduced a no-smoking policy on our premises, including the outdoor areas of the head office building. We also make active efforts such as providing free online consultations and smoking cessation aid as part of our support program.
Utilization of employee benefits and services	As for employee benefits, we offer a comprehensive plan through an external service provider. Employees are encouraged to use healthcare and sports-related services for the improvement and management of their health.
Hosting health promotion events	Health assessment events are held at our head office and factories. On the day of the event, our experts offer advice on how to improve health based on the results of vascular age, autonomic nervous system, and Vege-Check® assessments.

Improvement of health literacy

Utilization of the health portal site *HAPPYLTH*	We use a health portal site to help improve employees' health literacy. Using the health exam data stored on the portal site, we help employees understand their current health conditions and encourage them to use the portal to manage and improve their health. We also recommend they watch and read health-related information stored on the portal site.
Utilization of the healthcare app *QOLism*	The health app '*QOLism*,' developed by QOLead, Limited was introduced to help employees adopt healthy lifestyle habits. We encourage employees to utilize the app to improve their lifestyle (diet, sleep, exercise), mental health, and daily physical conditioning.

Health promotion education	On our intranet, we have established a dedicated website featuring health-related videos and columns covering a wide range of topics aimed at promoting lifestyle improvement and enhancing health literacy. We encourage employees to watch and read the content to enhance their well-being. This website is mobile-friendly and can be easily shared with family members at home.
***KAMUKOTO*-related measures**	To enhance and promote employees' health literacy, we encourage them to chew gum as part of their health-enhancing routines. We promote the health benefits of *KAMUKOTO* for overall well-being and consumption of xylitol for dental health throughout the Company. As part of this effort, we offer *Xylitol Gum* in our cafeterias. 
Mental health seminar	As a preventive measure for mental health problems, we conduct self-care education for all employees through e-learning and booklets. We also offer line care seminars for managers and leadership personnel to help them support our employees and improve the workplace.
Approaches to women's unique health needs	To help employees better understand health issues unique to women, we distribute videos on menstruation, fertility, and menopause and encourage employees of all genders to watch them. Employee surveys are carried out as a reference to assess awareness of women's health issues and their views and needs regarding our programs and policies.

Support for regular exercise

Walking events	We host an annual walking event to help employees adopt a healthy lifestyle and exercise routine. The *QOLism* app enables employees to track their daily steps and compete with others in this event, encouraging participation and enhancing motivation.
Sports gym / facility contracts	We also encourage employees to utilize corporate gym memberships available as health promotion benefits. There are more programs to support the well-being of our employees, such as providing discounted access to golf courses and facilities operated by Group companies.

Surveys

Stress checks	We conduct regular stress checks and provide feedback to managers and department heads on the results. Based on the stress check results for each department, we analyze the data to improve the work environment.

11 Labor Relations

We have a labor union. When implementing changes that may affect employees, we consult with and reach agreement with the labor union before communicating those changes to employees.

12 Support Activities

Support for Child-Rearing Households

To support child-rearing households with financial difficulties, we donate confectionery through the Food Box for Children project of Save the Children*, an international NGO.



* An international organization that implements private-sector, non-profit initiatives to help children in approximately 100 countries, including Japan. Founded in the United Kingdom in 1919, it has worked for more than 100 years to create a world where every child can realize their rights to survival, development, protection, and participation.

13 Initiatives of Group Companies

Mary Chocolate Co., Ltd.

As a way to contribute to our community, every year Mary's Chocolate donates chocolates to children's facilities in Ota Ward in Tokyo, Matsudo City and Funabashi City in Chiba prefecture, where its factories are located, in addition to facilities near the head office. Items donated in FY2025 were distributed to children's cafeterias and other community organizations through local governments.

In addition, the company has donated chocolates to children's homes in Tokyo every Christmas since 2008 and every year children from the children's homes respond with letters expressing their gratitude.



RURU MARY'S promotes environmentally responsible practices through initiatives such as the use of forest-certified paper and donations of a portion of paid paper bag sales to WWF's forest conservation activities.

Ginza Cozy Corner Co., Ltd.

Based on the concepts of "appreciation for the community" and "supporting children's dreams," since 2021 Ginza Cozy Corner has been donating partial proceeds from the sales of plastic bags to an environmental organization in Saitama Prefecture. Donations to the organization are spent on purchasing books and events for the SDGs learning program at 52 elementary schools in Kawaguchi City. The company received a letter of appreciation from NPO Kawaguchi Citizen's Environmental Council for its contribution to the community in 2022.



LOTTE Wedel sp. z o.o.

Wedel continued its long-standing commitment to supporting communities through both product and financial donations. In FY2025, the company donated approximately ¥6.48 million worth of products and approximately ¥12.44 million in funds to the Warsaw Food Bank and other organizations.



LOTTE VIETNAM CO., LTD.

Since 2016, we have partnered with the Vietnam Odonto-Stomatology Association (VOSA) to deliver more than 90 training and awareness-raising events. Under the supervision of dental professionals, we provided education on the benefits of xylitol and proper oral care practices to help protect oral health, increasing oral care awareness among more than 7,000 students and healthcare professionals.



Awareness-raising event

PT. LOTTE INDONESIA

We invited children and staff from a local children's home to a venue where we donated LOTTE products and held an event to celebrate the end of Ramadan together. Not only do these activities bring joy to children, they provide an opportunity for employees to experience their contributions to society.



THAI LOTTE CO., LTD.

To coincide with the Children's Day event held on the second Saturday of January, we donated confectionery products to the Amatanakorn Industrial Estate, home to our Amatanakorn Plant. We also make donations to the Mirror Foundation, which was established in 1991 and conducts a wide range of welfare activities, from supporting ethnic minorities and preventing human trafficking to supporting IT education.



LOTTE TAIWAN CO., LTD.

LOTTE TAIWAN makes donations that contribute to the wildlife conservation activities of Taipei Zoo, offering support for protection, treatment, and enhancements to the animals' habitats. We began providing donations in 2023, and FY2025 marks the third year of our support.



14 Social Data

Employee Information

Indicators			Unit	As of March 31, 2024			As of March 31, 2025			As of March 31, 2026		
				Total	Male	Female	Total	Male	Female	Total	Male	Female
Total number of LOTTE Group employees			Persons	11,686	—	—	11,332	5,464	5,869	11,293	5,414	5,879
		Full-time employees	Persons	7,189	—	—	7,061	4,005	3,056	6,976	3,929	3,047
		Part-time employees	Persons	4,497	—	—	4,271	1,459	2,813	4,317	1,485	2,832
	Total number of employees in Japan		Persons	7,436	3,500	3,936	7,292	3,408	3,885	7,152	3,323	3,829
		Full-time employees	Persons	3,644	2,245	1,399	3,513	2,153	1,360	3,431	2,055	1,376
		Part-time employees	Persons	3,792	1,255	2,537	3,779	1,255	2,525	3,721	1,268	2,453
		LOTTE CO., LTD	Persons	4,408	2,647	1,761	4,316	2,582	1,734	4,223	2,515	1,708
		Full-time employees	Persons	2,409	1,668	741	2,299	1,597	702	2,240	1,528	712
		Part-time employees	Persons	1,999	979	1,020	2,017	985	1,032	1,983	987	996
		Group companies in Japan	Persons	3,028	853	2,175	2,977	826	2,151	2,929	808	2,121
		Full-time employees	Persons	1,235	577	658	1,214	556	658	1,191	527	664
		Part-time employees	Persons	1,793	276	1,517	1,763	270	1,493	1,738	281	1,457
	Total number of employees overseas		Persons	4,250	—	—	4,040	2,056	1,984	4,141	2,091	2,050
		Full-time employees	Persons	3,545	—	—	3,548	1,852	1,696	3,545	1,874	1,671
		Part-time employees	Persons	705	—	—	492	204	288	596	217	379
		Asia subtotal	Persons	2,835	1,558	1,277	2,787	1,442	1,345	2,863	1,448	1,415
		Full-time employees	Persons	2,520	1,386	1,134	2,536	1,373	1,163	2,569	1,410	1,159
		Part-time employees	Persons	315	172	143	251	69	182	294	38	256
		U.S. and Europe subtotal	Persons	1,415	—	—	1,253	614	639	1,278	643	635
		Full-time employees	Persons	1,025	—	—	1,012	479	533	976	464	512
		Part-time employees	Persons	390	—	—	241	135	106	302	179	123
Average age of employees in Japan			Age	40.7	41.8	39.1	40.9	41.7	39.4	40.7	41.6	39.3
	LOTTE CO., LTD		Age	39.9	40.5	38.5	40.0	40.5	38.8	39.8	40.3	38.8
	Group companies in Japan		Age	42.4	45.4	39.8	42.5	45.2	40.0	42.4	45.5	39.9
Average length of employment in Japan			Years	17.6	18.5	16.0	17.6	18.5	16.1	17.3	18.3	15.8
	LOTTE CO., LTD		Years	17.3	17.3	17.1	17.3	17.3	17.3	17.2	17.1	17.2
	Group companies in Japan		Years	18.2	22.0	14.8	18.2	22.2	14.9	17.6	21.9	14.3
Age group of employees in Japan			Persons	3,644	2,245	1,399	3,513	2,153	1,360	3,431	2,055	1,376
	20s and under		Persons	808	442	366	786	427	359	795	418	377
	30s		Persons	883	522	361	850	507	343	839	495	344
	40s		Persons	927	573	354	838	529	309	779	498	281
	50s and up		Persons	1,026	708	318	1,039	690	349	1,018	644	374

DEI (Due to organizational changes, parent company LOTTE HOLDINGS CO., LTD. is included in calculations from March 31, 2025)

Indicators			Unit	As of March 31, 2024			As of March 31, 2025			As of March 31, 2026		
				Total	Male	Female	Total	Male	Female	Total	Male	Female
Number of managers in the Group			Persons	749	587	162	785	607	178	770	576	194
		Ratio of women in management roles	%			21.6			22.7			25.2
	Number of managers in Japan		Persons	533	493	40	549	504	45	548	498	50
		Ratio of women in management roles	%			7.5			8.2			9.1
		LOTTE CO., LTD + LOTTE HOLDINGS CO., LTD.*	Persons	336	319	17	358	336	22	362	334	28
		Ratio of women in management roles	%			5.1			6.1			7.7
		New graduate hires	Persons	279	267	12	291	278	13	302	283	19
		Mid-career hires	Persons	57	52	5	67	58	9	60	51	9
	Number of managers overseas		Persons	216	94	122	236	103	133	222	78	144
		Ratio of women in management roles	%			56.5			56.4			64.9
Ratio of women supervisors (section manager class)		LOTTE CO., LTD + LOTTE HOLDINGS CO., LTD.*	%			14.1			15.6			16.7

* Results as of March 31, 2024, are for LOTTE CO., LTD only. The previously provided information has been updated due to an error.

Gender Gap in Wages

Indicators			Unit	FY2023	FY2024	FY2025
Gender gap in wages	LOTTE CO., LTD		%	62.1	62.4	63.4
		Permanent employees	%	72.5	73.7	73.8
		Contingent workers	%	70.5	71.3	73.0

Human Resource Cultivation and Life-Work Balance

Indicators			Unit	FY2023			FY2024			FY2025		
				Total	Male	Female	Total	Male	Female	Total	Male	Female
Average annual training hours per employee*1	LOTTE CO., LTD		Hours	13	—	—	16	—	—	15	—	—
Annual training expenses*1			Million yen	91	—	—	99	—	—	128	—	—
Total working hours per year	LOTTE CO., LTD. and its Group companies in Japan		Hours	1,930	—	—	1,912	—	—	1,918	—	—
Overtime work hours (excluding managers)			Hours	167	—	—	164	—	—	170	—	—
Number of paid leave days taken			Days	16.1	—	—	15.0	—	—	14.6	—	—
Paid leave utilization rate			%	81	—	—	75	—	—	73	—	—
Number of employees who took childcare leave*2	LOTTE CO., LTD. and its Group companies in Japan		Persons	105	46	59	103	61	42	113	59	54
		LOTTE CO., LTD	Persons	71	40	31	74	55	19	92	59	33
Rate of childcare leave utilization*2	LOTTE CO., LTD. and its Group companies in Japan		%	83	72	94	79	67	102	95	95	95
		LOTTE CO., LTD	%	81	71	100	75	68	100	100	100	100
Ratio of employees who returned to work after childcare leave	LOTTE CO., LTD. and its Group companies in Japan		%	99	100	98	99	100	98	100	100	100
Retention rate after childcare leave			%	98	98	98	100	100	100	100	100	100
Number of parents who worked shorter hours			Persons	211	5	206	218	3	215	190	4	186

*1 Skill development training hosted by the HR department.
*2 Calculations for FY2025 and onward are based on the methodology used for *Kurumin* Certification.

Engagement

Indicators		Unit	FY2023	FY2024	FY2025
Engagement Rating*	LOTTE CO., LTD	—	B	B	BBB

* An indicator of company–employee engagement (degree of mutual understanding and affinity) rated at 11 levels from AAA to DD.

Hiring, Dismissal, and Retirement

Indicators						Unit	FY2023			FY2024			FY2025		
							Total	Male	Female	Total	Male	Female	Total	Male	Female
Number of employees hired in the Group						Persons	1,345	887	458	1,329	823	506	1,311	784	527
	Number of employees hired in Japan					Persons	156	80	76	204	109	95	191	82	109
		New graduates				Persons	93	45	48	125	58	67	135	61	74
		Mid-career				Persons	63	35	28	79	51	28	56	21	35
			20s and under			Persons	16	10	6	31	20	11	17	4	13
			30s			Persons	26	18	8	30	21	9	22	13	9
			40s			Persons	16	6	10	12	6	6	9	2	7
			50s and up			Persons	5	1	4	6	4	2	8	2	6
		LOTTE CO., LTD				Persons	103	67	36	134	86	48	126	70	56
			New graduates			Persons	65	38	27	83	47	36	101	54	47
			Mid-career			Persons	38	29	9	51	39	12	25	16	9
		Group companies in Japan				Persons	53	13	40	70	23	47	65	12	53
			New graduates			Persons	28	7	21	42	11	31	34	7	27
			Mid-career			Persons	25	6	19	28	12	16	31	5	26
	Number of employees hired overseas					Persons	1,189	807	382	1,125	714	411	1,120	702	418
		Asia subtotal				Persons	983	690	293	885	582	303	868	548	320
		U.S. and Europe subtotal				Persons	206	117	89	240	132	108	252	154	98
Ratio of women among new graduate hires*1		LOTTE CO., LTD				%			41.5			43.4			46.5
Number of employees retired / dismissed from the Group						Persons	1,399	908	491	1,235	817	418	1,130	697	433
			Retirement			Persons	75	52	23	89	64	25	110	72	38
			Personal reasons			Persons	1,324	856	468	1,146	753	393	1,020	625	395
	Number of employees retired / dismissed in Japan					Persons	195	118	77	191	113	78	195	117	78
			Retirement			Persons	63	45	18	72	54	18	87	67	20
			Personal reasons			Persons	132	73	59	119	59	60	108	50	58
		LOTTE CO., LTD				Persons	121	84	37	92	67	25	113	85	28
			Retirement			Persons	47	34	13	40	32	8	55	48	7
			Personal reasons			Persons	74	50	24	52	35	17	58	37	21
		Group companies in Japan				Persons	74	34	40	99	46	53	82	32	50
			Retirement			Persons	16	11	5	32	22	10	32	19	13
			Personal reasons			Persons	58	23	35	67	24	43	50	13	37
	Number of employees retired / dismissed overseas					Persons	1,204	790	414	1,044	704	340	935	580	355
		Asia subtotal				Persons	1,059	716	343	911	633	278	791	510	281
			Retirement			Persons	1	1	0	4	2	2	7	1	6
			Personal reasons			Persons	1,058	715	343	907	631	276	784	509	275
		U.S. and Europe subtotal				Persons	145	74	71	133	71	62	144	70	74
			Retirement			Persons	11	6	5	13	8	5	16	4	12
			Personal reasons			Persons	134	68	66	120	63	57	128	66	62
Turnover rate at LOTTE CO., LTD.						%	3.0	2.9	3.2	2.2	2.1	2.4	2.4	2.2	2.8
			Turnover rate within 3 years for new graduates			%	14.8	—	—	10.2	—	—	9.2	—	—
Percentage of employees with disabilities in Japan						%	2.5	—	—	2.7	—	—	2.7	—	—
Number of rehired employees in Japan*2						Persons	152	122	30	162	124	38	203	158	45
		LOTTE CO., LTD				Persons	105	87	18	113	89	24	142	115	27
		Group companies in Japan				Persons	47	35	12	49	35	14	61	43	18
Reemployment ratio in Japan*2						%	96	96	97	100	100	100	100	100	100
		LOTTE CO., LTD				%	96	96	100	100	100	100	100	100	100
		Group companies in Japan				%	96	97	92	100	100	100	100	100	100

*1 The previously provided information has been updated due to an error. *2 Employees between the ages of 60 and 65 who wish to be rehired.

Occupational Health and Safety

Indicators		Unit	FY2023			FY2024			FY2025		
			Total	Male	Female	Total	Male	Female	Total	Male	Female
Number of workers involved in occupational accidents resulting in lost workdays		Persons	69	42	27	78	40	38	71	52	19
	Japan	Persons	30	14	16	25	8	17	14	4	10
	Group companies overseas	Persons	39	28	11	53	32	21	57	48	9
Number of work-related fatalities		Persons	0	0	0	0	0	0	0	0	0
Lost-time injury frequency rate		–	3.50	–	–	4.56	–	–	4.14	–	–
	Japan	–	2.08	–	–	2.21	–	–	1.24	–	–
	Group companies overseas	–	7.38	–	–	9.19	–	–	9.72	–	–
Lost-time injury severity rate		–	0.0728	–	–	0.1116	–	–	0.0625	–	–
	Japan	–	0.0205	–	–	0.0595	–	–	0.0185	–	–
	Group companies overseas	–	0.2155	–	–	0.2140	–	–	0.1473	–	–

Japan: LOTTE CO., LTD. and its Group companies in Japan.

Sustainable Procurement

Indicators			Unit	FY2023	FY2024	FY2025
Raw material procurement volume		Japan	Thousand t	224	218	207
	Amount of cocoa beans procured	LOTTE CO., LTD	Thousand t	7.5	6.3	7.7
	Ratio of LOTTE Sustainable Cocoa		%	43	51	84
	Amount of palm oil procured	Japan	Thousand t	15.2	14.4	13.3
	Ratio of third-party-verified palm oil	–	%	89	89	88
	Amount of paper procured (for product containers and packaging)		Thousand t	43.6	43.3	39.9
	Environmentally-friendly paper		%	95	95	94

Japan: LOTTE CO., LTD. and its major Group companies in Japan.

Mental and Physical Health

Indicators	Unit	FY2023	FY2024	FY2025
Number of checks using *Mastication Check Gum*[*1]	Number of assessments	470 thousand	490 thousand	540 thousand
Percentage of people who practice *KAMUKOTO*[*2]	%	21	18	20
Percentage of people who have made xylitol part of their daily lives for the sake of their dental and oral health[*2]	%	25	22	25

*1 Previous data has been revised retrospectively following the adoption of a more appropriate calculation methodology.
*2 Based on an online survey conducted by LOTTE of approximately 3,000 people. The results of the survey conducted in the spring of the following year are published (results for FY2025 will be surveyed in spring 2026). The survey method has been changed from FY2024 onward.

Food Education

			Unit	FY2023	FY2024	FY2025
Number of people surveyed			Persons	–	2,655	2,919
	Number of respondents		Respondents	–	1,819	1,581
		Number of participants in food education activities	Persons	–	264	330
		Participation rate	%	–	14.5	20.9