Everyday sweet life

LOTTE

OUR LOTTE MIRAI CHALLENGE 2048

Goals to Achieve by the 100th Anniversary



Sustainability Report 2026

OUR
LOTTE MIRAI CHALLENGE 2048

Goals to Achieve by the 100th Anniversary

The year 2048 will mark the 100th anniversary of LOTTE CO., LTD. Amid dramatic changes taking place around the world, we had serious discussions about how to approach an uncertain future, how to ensure our survival, and what an ideal LOTTE would be in that future.

The outcome of these discussions was a vision for what we want to be in the year of our 100th anniversary, organized into three sustainability visions derived from our Purpose.

Yutaka Yamamoto
General Manager,
Logistics Department
SCM Division



Naho Koyanagi
Legal Team Legal Group
Legal Department
LOTTE HOLDINGS CO., LTD.



Kazuki Iida
Assistant Manager,
Ghana Brand Section
Brand Strategy Department 1
Marketing Division



Sanae Abe
Administrative Support Section
Business Department
Sales Division



Evolving Our Brand Tailored to Customers for a Happier Future

We envision a future where every product and service our customers choose ultimately contributes to their happiness. To achieve this, we are exploring potential new value while transforming every aspect of our value chain into a more sustainable one.

Jun Kawamura
Assistant Manager,
KAMUKOTO Research Department
R&D Center



Yuko Kanemaru
Assistant Manager,
Production Strategy Section
Production Strategy Department
Production Division



Connecting People, Creating a Sustainable Planet

LOTTE does not operate in isolation—we work with many stakeholders across our value chain. We will continue to lead the way in connecting and engaging stakeholders, learning from one another, and driving the shift toward sustainable business.

Becoming a Company with Diverse Talent and Continuous Innovation Through Original Ideas

To continue to achieve growth through innovation during our progress toward 2048, LOTTE needs to be a place where diverse talent can thrive and fully realize their potential. We will continue to evolve so that people will want to work at LOTTE and be satisfied with their choice.

Aya Suzaki
Team Leader,
Labor Relations & Welfare Team
Labor Relations Group
Human Resources Department
LOTTE HOLDINGS CO., LTD.



LOTTE MIRAI CHALLENGE 2048

Key Initiatives Leading Up to Our 100th Anniversary

Published Estimates of the Social Impact of Promoting *KAMUKOTO**

In October 2025, we announced that participation in a chewing gum-based oral health program could reduce long-term nursing care expenses by approximately ¥42,000 per participant per year. If all adults aged 65 and older who do not require long-term nursing care were to participate across Japan, the potential annual reduction in long-term expenses could reach approximately ¥1.2 trillion.

* *KAMUKOTO* means "Mastication" or "Chewing" in English, which involves the movement of the muscles around the mouth and tongue used for eating. KAMUKOTO has many benefits for the body, such as increasing cerebral blood flow and activating brain functions.



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. 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).

LOTTE Family Day

Since FY2024, we have held LOTTE Family Day annually at our head office and the Urawa Factory as a way to express our gratitude to the families and partners who support LOTTE Group employees. We continue to enhance and expand the program each year.





Transition to Environmentally-Friendly Packaging

In FY2024, we reduced the amount of plastic used in large packages of *Choco Pie*, *Custard Cake*, and *Toppo*. As a result, plastic usage across the three products has fallen by approximately 88.7 tons* annually. We will continue updating our packaging to be even more environmentally friendly.

スマイル エコ

* Estimated based on FY2025 procurement results.

Formulation of LOTTE MIRAI CHALLENGE 2048

As we developed our sustainability visions and targets, we were careful to reflect the viewpoints of the generations who will shape the future. In that same vein, the project team leading discussions was composed of early-career and mid-career employees.

2023

2024

2025

2048

Our 100th Anniversary

Recipient of the Cabinet Office Minister of State for Special Missions Award for Teaching Materials

At the 2025 Consumer Education Materials Awards, hosted by the National Institute on Consumer Education, "Your Choice Will Create a Happier Future," an educational program for junior high school students, 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.

ロッテ エシカル消費プログラム
あなたの選択から創る
しあわせな未来

公益財団法人 消費者教育支援センター 主催
消費者教育教材資料表彰2025
内閣府特命担当大臣賞

Solar Power Equipment at Factories

As part of our decarbonization efforts, we are moving forward with installation of solar power generation systems. In FY2025, we installed new solar power generation equipment with a generation capacity of approximately 450 kW at the Shiga Factory in Japan and approximately 730 kW at the Bekasi Factory in Indonesia.



Launch of Forest Monitoring in Cocoa Bean Sourcing Areas

We initiated monitoring efforts via a smartphone GPS app to map cocoa farms, using satellite data and other information to check impact on deforestation. When farms are deemed high risk, we verify with our suppliers and consider measures to improve the situation.



Message from the President



The phrase "Everyday Sweet Life" reflects our enduring commitment to be loved for generations as we continue to add sweetness to people's lives, each and every day.

Hideki Takashima
President / Representative Director

Sustainable Procurement for Resilience in the Face of Emergency

The business environment in which LOTTE operates has seen a rise in uncertainty in recent years. Notably, the recent tensions surrounding the Strait of Hormuz have intensified concerns over naphtha supply and rising prices, both of which have far-reaching implications for supply chains across several industries. LOTTE is no exception in this regard. In such turbulent times, we are able to find stability through our sustainable procurement initiatives, which have come to serve a dual purpose. On one hand, these measures address risks related to human rights and the environment. On the other, they ensure resilience in the face of emergency.

Chocolate is a core business of LOTTE, and cocoa beans are an essential component of chocolate. This crucial ingredient has been subject to a historic rise in market prices following poor harvests in West Africa, among other factors. However, reports from local sources indicate that the impact of poor harvests was somewhat limited in the regions where we have offered continued support for several years. Some of this support included efforts to eliminate child labor, stem deforestation, and deliver agricultural guidance to improve productivity. This is proof positive that our long-standing sustainability-related activities have been effective in ensuring resilience in times of emergency.

Going forward, LOTTE will expand this support to more regions while also diversifying risk by establishing a wider range of procurement sources. Regarding the concerns over naphtha mentioned at the outset, we are currently investigating a shift away from plastic packaging toward more environmentally conscious materials, which I believe will reduce our dependence on fossil fuels and hedge against geopolitical risks.

In this way, our sustainable procurement initiatives are extending beyond cocoa beans to encompass other raw materials. We are also working alongside local communities to advance projects that tackle issues affecting production areas for the glutinous rice used in *Yukimi Daifuku*, the quince used in *Nodoame*, the natural chicle used in our chewing gum, and other raw materials. Together, these initiatives form the basis for a strong and robust business foundation that will ensure LOTTE remains steady and stable amid shifting and uncertain external environments. We will remain firmly committed to these efforts and will further accelerate our initiatives in the years ahead.

Exploring the Value of *KAMUKOTO* for Society

Our corporate slogan, "Everyday Sweet Life," reflects our enduring commitment to capture the hearts of people across generations as we continue to add sweetness to people's lives, each and every day. This same spirit is infused in our Purpose, formulated in 2023, "to create a happier future." The phrase "a happier future" reflects our determination to help realize a sustainable planet and society, and to bring prosperity to the lives of all people.

At LOTTE, we have a distinct approach to achieving this future that involves spreading awareness of proper chewing, or *KAMUKOTO* in Japanese, as a way to contribute to physical and mental well-being. Based on research conducted to date, last year we announced estimates indicating the degree to which an oral health program incorporating chewing gum could help reduce future long-term care costs. In this same vein, exploring the value of *KAMUKOTO* and expanding it throughout society is significant because it could extend healthy life expectancy and help address social issues. On a personal note, my own parents are in their nineties and I care deeply about their health. So, I send them chewing gum on a regular basis out of the hope they will enjoy good oral health for many years to come.

To bring the value of *KAMUKOTO* into greater society, we launched a cross-departmental project this year. Through this project, we will consolidate relevant knowledge and evidence and actively communicate the value of *KAMUKOTO* both inside and outside the Company. In addition to broad support from companies and organizations for spreading the importance of *KAMUKOTO*, we have established partnerships with more than 20 local governments that are committed to promoting health within their communities. Across LOTTE, we aim to redouble our efforts to contribute to mental and physical well-being by promoting the adoption of *KAMUKOTO*.

Fostering an Organizational Culture Where Everyone Can Demonstrate Their Unique Abilities

The greatest driving force for implementing these initiatives and achieving sustainable growth is none other than human capital. I see employee engagement as a key indicator of good management. Therefore, I have pledged to take our employees' voices seriously, responding to them with sincerity and using them as a bedrock for continued improvement. This year, we saw clear signs of improvement in our employee engagement score, and I myself can feel the positive changes taking place across the Company. The other day, I was pleased to hear from someone outside the Company that "LOTTE employees have a truly strong sense of camaraderie." To me, this is an affirmation of our steady efforts to build an organizational culture in which everyone can demonstrate their abilities in their own way. These efforts include expanding systems to support a wide range of workstyles, advancing women's empowerment, encouraging men to take childcare leave, and promoting diversity through respect for the LGBTQ+ community and all other forms of individual diversity.

Moreover, strong connections with society are critical for any company. Last year, I had the opportunity to serve as a food education instructor, standing in a classroom and delivering lessons to elementary school students. Sitting down and interacting with children served as a reminder that our business holds powerful value as a point of connection that can reach across generations. Getting to see our business through a lens beyond everyday operations also enabled me to rediscover both the breadth of its impact on society and the genuine value our products deliver. Taking on the role of a food education instructor alongside daily responsibilities offers an important opportunity for employees to rediscover the significance of their work and the value of our products. I sincerely hope that our employees will take on this challenge.

Going forward, we will continue to engage with society and work together with our stakeholders to pursue sustainable growth and enhance corporate value. I sincerely appreciate your support as we move forward in these endeavors.



A food education class at Saitama University Elementary School (Urawa Ward, Saitama City, December 2025)

Our Vision for a Happier Future

Our vision for a happier future includes support for people's psychological and physical well-being and a sustainable future that is in harmony with the environment and society. To realize our sustainability visions and create a happier future, we set goals leading up to our 100th anniversary in 2048.
Our **LOTTE MIRAI CHALLENGE 2048** is in motion.



Journey to a Happier Future

We have established 6 materiality themes and goals as the LOTTE MIRAI CHALLENGE 2048, which aims to realize our sustainability visions and create a happier future, as called for in our Purpose.



LOTTE Purpose

To create a happier future
by connecting people
through original ideas
and uplifting experiences.

Sustainability Visions

Evolving Our Brand Tailored to Customers for a Happier Future

Connecting People, Creating a Sustainable Planet

Becoming a Company with Diverse Talent and Continuous Innovation Through Original Ideas

6 Materiality Themes

Mental and Physical Health

Leveraging our expertise in food and health, including *KAMUKOTO*, and our deep knowledge of flavors, we will continue to challenge ourselves to create new value and contribute to the well-being of people.

Sustainable Procurement

We will work with our stakeholders to address environmental and human rights issues in our supply chain and build a sustainable supply chain.

Circular Economy

Our goal is to minimize any adverse impact on the environment across our value chain, from procurement of raw materials to consumption and disposal, aiming to realize a circular economy.

Decarbonization

Working with our stakeholders, we will achieve virtually zero GHG emissions from the Company and our supply chain in order to fulfill decarbonization targets.

Social Engagement

Through co-creation with stakeholders and communication with the outside, we contribute to society by prioritizing the resolution of social issues while helping employees and organizations thrive.

Human Capital

We will promote DEI, improve working conditions, and increase job satisfaction. This will lead to an attractive workplace for a diverse workforce and generate the continuous innovation that drives our corporate competitiveness.

LOTTE MIRAI CHALLENGE 2048

Goals to Achieve by the 100th Anniversary

To realize our sustainability visions and create a happier future, we set goals leading up to our 100th anniversary in 2048. We will periodically review these goals as we make progress, in light of societal changes, and update abstract objectives to be more concrete.



Evolving Our Brand Tailored to Customers for a Happier Future

Connecting People, Creating a Sustainable Planet

Becoming a Company with Diverse Talent and Continuous Innovation Through Original Ideas

	Mental and Physical Health	Sustainable Procurement	Circular Economy	Decarbonization	Social Engagement	Human Capital
100th Goals FY2048	● Create a happier future by introducing new products, services, and businesses to improve well-being	● Create a sustainable supply chain for all raw materials	● End usage of petroleum-based, single-use plastics for containers and packaging ● Work with stakeholders to minimize food loss and waste (FLW)	● Achieve carbon neutrality goals for Scope*2 1+2+3 emissions	● Link co-creation efforts with outside stakeholders to individual and organizational growth and contribute to the resolution of social issues	● Create a workplace where diverse global talent can join and thrive
90th Goals FY2038	● Spread awareness about the health benefits of *KAMUKOTO* ● Update products and services to better contribute to well-being	● Build a sustainable supply chain for key raw materials	● Minimize the use of plastics in containers and packaging or switch to recyclable materials	● Reduce energy-related CO_2 emissions by 62% or more compared with FY2019 (Scope 1+2) ● Reduce GHG emissions in the supply chain by 50% or more (Scope 3 emissions in key categories)	● Promote individual contribution to decarbonization across the entire value chain and to the realization of circular economies ● Create a positive feedback loop in which employees use their experiences and skills to aid society and use these diverse experiences to prompt individual and organizational growth	● Eliminate the gender wage gap ● Be socially recognized as a good company to work for
80th Goals FY2028	● Promote the health benefits of *KAMUKOTO* and increase the number of checks using *Mastication Check Gum* to more than 1 million a year	● Ensure traceability of all cocoa beans procured (all Ghana-produced beans by FY2025) and provide support for issues facing production areas	● Update packaging for three of our main products ● Reduce FLW per unit by 50% or more compared with FY2019	● Reduce energy-related CO_2 emissions by 23% or more compared with FY2019 (Scope 1+2) ● Use primary data to calculate the amount of GHG emissions in the supply chain (Scope 3) that can be feasibly reduced	● Achieve a 100% completion rate for the environmental training taken by officers and employees ● Conduct food education with at least 20% of employees participating once per fiscal year (LOTTE CO., LTD.)	● Increase the ratio of women in management to 10% or higher (Japan) ● Achieve an engagement rating*4 of A or higher (LOTTE CO., LTD.)
Current Progress FY2025	● Conducted 540 thousand checks using *Mastication Check Gum*	● Procurement rate of LOTTE Sustainable Cocoa (LSC)*1: 84% (100% of which was produced in Ghana)	● Formed a cross-departmental project team that is looking into target products for updated packaging ● Reduced FLW per unit by 24% compared with FY2019	● Reduced energy-related CO_2 emissions by 17% or more compared with FY2019 (Scope 1+2)	● Implemented environmental training for officers ● Implemented environmental training for employees ● Participation rate of employees in food education activities: 20.9% (based on a survey of full-time and contract employees of LOTTE CO., LTD.)*3	● Ratio of women in management: 9.1%*5 (Japan) ● Engagement rating: BBB (LOTTE CO., LTD.)

*1 Refers to cocoa beans that can be traced to their production area. We are currently supporting LSC suppliers to help them with issues that face their respective production areas.
*2 Classification of calculation boundaries for GHG emissions based on the GHG Protocol.
*3 Based on 2,919 people surveyed, 1,581 valid responses, 330 people participated in food education activities, etc. (number of people who participated in food education activities, seminars other than food education, and community / social contribution activities).
*4 An indicator of company-employee engagement (degree of mutual understanding and affinity) rated at 11 levels from AAA to DD.
*5 Parent company LOTTE HOLDINGS CO., LTD. included in the calculations.

Our Activities
01

A Happy Cycle with Cocoa

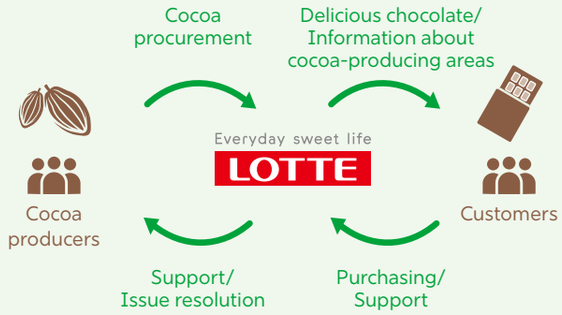
With chocolate being one of our core products, establishing a sustainable supply chain for cocoa beans is a key issue for management. Cocoa bean-producing regions are affected by a range of issues, including child labor, deforestation, and yield reduction stemming from climate change. We maintain ongoing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





LOTTE's Mission to Connect Producers and Consumers

Our mission is to help create happiness for everyone connected to chocolate. Fueled by the empathy and understanding of those who enjoy our chocolate, we are working to address the challenges surrounding cocoa and to create A Happy Cycle with Cocoa for a more sustainable future.





To help customers better understand and relate to our initiatives, 2D barcodes linking to an informative website are displayed on the packaging of selected chocolate products.

Building a Sustainable Supply Chain

We refer to cocoa beans that are traceable to the farm level as LOTTE Sustainable Cocoa (LSC). Our goal is to build a sustainable cocoa supply chain by increasing the proportion of LSC in the total amount of cocoa we procure. At the same time, we support efforts to address a range of issues facing LSC sourcing areas, including child labor, deforestation, and declining cocoa yields caused by pests and diseases.

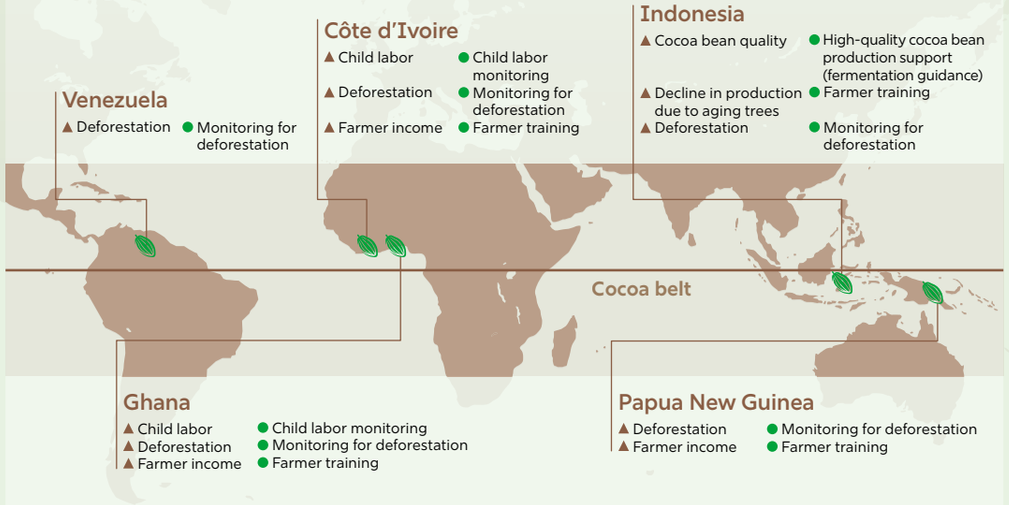
LSC
LOTTE SUSTAINABLE COCOA





Issues in production areas and supporting measures

▲ Issues ● Support





Our Commitment to Addressing the Real Needs of Farmers and their Communities

For over 50 years, we have visited cocoa farmers in Ghana and provided ongoing support to local communities. While our early support efforts focused primarily on financial assistance, we have since launched our own program, LOTTE Sustainable Cocoa, to address the challenges facing the cocoa sector.

We also provide support tailored to the specific needs of local communities, including farmer guidance and well construction projects. These sustained on-the-ground efforts have started to show their impact, strengthening resilience against adverse weather conditions and pest infestations, which have helped to mitigate declines in cocoa yields. Going forward, we will continue to engage in dialogues with the local population as we work to contribute toward a happier future for everyone involved in cocoa.







Initiatives in Ghana

Below are some of our initiatives in Ghana, a key sourcing area for our cocoa.

01. A Better Future for Children



Child Labor Monitoring and Remediation

In Ghana, child labor on cocoa farms has been identified as a social issue. To ensure children are never engaged in hazardous work and have access to suitable education, we have implemented child labor monitoring systems such as the Child Labor Monitoring and Remediation System (CLMRS)*. We implement measures that meet the specific needs of each community and household to address any issues identified.

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

Teacher Housing

In the Dwirigum area of Ghana, an LSC sourcing area, a school was found to be effectively closed due to deteriorating facilities and a shortage of teachers. This situation caused a rise in child labor in the community, so we worked to improve local educational infrastructure through a public–private partnership project*. By constructing new housing for schoolteachers, we have been able to support the recruitment and retention of teaching staff and contribute to building a safe and supportive learning environment for children.





* Project conducted 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).

I also had the opportunity to participate in a workshop held at an elementary school in Ghana. One of the most memorable moments was seeing the happiness on the faces of the children's families when the children presented them with chocolates as a token of their appreciation. LOTTE intends to keep going forward with initiatives through "A Happy Cycle with Cocoa" that will help create a happier future for children and everyone with a connection to chocolate.



Kazuki Iida
Assistant Manager,
Ghana Brand Section
Brand Strategy Department 1
Marketing Division

Notebook donations and an Educational Workshop

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



02. Protecting Thriving Forests

In LSC sourcing regions, we use the following processes to verify that cocoa farms are not contributing to deforestation.

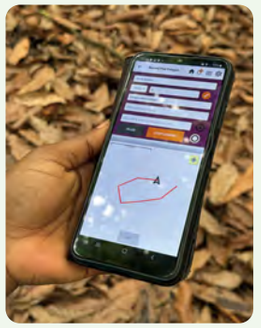
STEP 1 Mapping
We collect accurate mapping data for each farm using dedicated smartphone applications and GPS data gathered by physically surveying farm boundaries.

STEP 2 Monitoring
Mapping data is cross-checked against satellite imagery to verify any deforestation risks.

STEP 3 Field Surveys
When a farm is flagged as high risk, an onsite field survey is conducted by LOTTE CO., LTD. or its suppliers.

Field surveys conducted to date have found no evidence of deforestation in LSC sourcing areas. We will continue to monitor conditions going forward.







03. Addressing Issues in Procurement Areas

Tackling Biochar-Related Solutions

Fuji Oil Co., Ltd., MC Agri Alliance Ltd., olam food ingredients and LOTTE CO., LTD. are conducting a joint pilot project to convert cocoa pods, an underutilized by-product of cocoa farming, into biochar for beneficial use. Biochar improves soil permeability, water retention, and aeration, while helping restore biodiversity and increasing soil fertility. It is expected to reduce reliance on chemical fertilizers and pesticides and improve agricultural productivity. In addition, alkaline biochar is expected to help neutralize acidic soils in Africa, creating soil conditions more suitable for cocoa cultivation. Biochar also contains stable carbon that can remain stored in the soil for extended periods of time, contributing to decarbonization as a result.



Dried cocoa pods to be used as biochar



Our Activities
02

KAMUKOTO





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.

"Chew your food!" "Chewing is good for you!" We have all heard these words at some point, but it turns out there are good reasons for doing so.

So why is *KAMUKOTO* so important anyway?

As Japan's population continues to age, extending healthy life expectancy and helping people stay healthy and active for longer has become an increasingly important social issue. As we age, we become more prone to frailty, a condition characterized by declining physical and mental functions, which can reduce our quality of life. Believe it or not, *KAMUKOTO* plays an important role in preventing frailty. In recent years, fewer people are engaging in sufficient *KAMUKOTO* due to the widespread consumption of soft foods and faster eating habits. Experts have warned that the resulting decline in chewing ability may negatively affect overall health in various ways.

Brain and Mind

The rhythmic motion of good *KAMUKOTO* stimulates the brain and can have a positive effect on concentration, memory, and stress levels.

Physical Health

Reduced chewing ability has been associated with an increased risk of obesity and other lifestyle-related diseases.

Dental and Oral Health

KAMUKOTO is closely associated with maintaining a healthy oral environment by stimulating saliva production and supporting the development and maintenance of oral function.

Beauty

Proper *KAMUKOTO* contributes to dieting and improves the facial line and skin elasticity.

Sports

KAMUKOTO can enhance athletic performance by promoting improved balance and relaxation.

Activities with Local Governments and Dental Associations



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 activities.

Estimating the Social Impact of *KAMUKOTO*

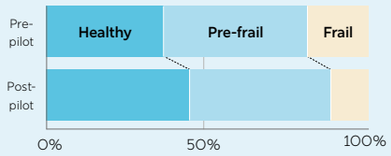
Our findings suggest that proper *KAMUKOTO* could have a considerable impact on a society facing a declining birthrate and an aging population. We will continue ramping up our research and communication efforts to help even more people incorporate *KAMUKOTO* into their everyday health practices.



Jun Kawamura
Assistant Manager,
KAMUKOTO Research Department
R&D Center

We estimated the potential reduction in long-term nursing care expenses resulting from broader implementation of a chewing gum-based oral health program*1 as one of the social impacts associated with popularizing proper *KAMUKOTO*. Analysis of data from a pilot project*2 in Toyota City, Aichi Prefecture, estimated that participation in the program could reduce long-term nursing care expenses by 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.

Pre-Pilot and Post-Pilot Changes in Program Participants





*1 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.
*2 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).

Raising Public Awareness

We conduct awareness-raising activities to promote a broader understanding of the importance of *KAMUKOTO*. To raise awareness among a broader audience, we are implementing the following key initiatives.



Seminars and Events in Collaboration with Local Governments and Dental Associations

In FY2025, we held 171 seminars/events. We hold seminars on the theme of *KAMUKOTO* and exhibit booths featuring *Mastication Check Gum*.



Raising Public Awareness Through Media Outreach

We carry out public awareness activities for a wide audience through infomercials and other media channels.



Awareness-Raising Activities for Employees

In addition to our other activities, we conduct activities to promote *KAMUKOTO* among employees. Our online internal Company newsletter communicates research results and the process behind building scientific evidence in a way that is both accessible and engaging, which helps build understanding among employees. In addition, we have introduced a range of initiatives aimed at creating conditions for employees to naturally incorporate *KAMUKOTO* into their daily lives. These include distributing special own containers of chewing gum to all employees, conducting oral function assessments (measuring tongue pressure and bite force), and offering *KAMUKOTO* menu options at the head office cafeteria.



In-Company oral function assessments





Our Activities
03

Food Education

We offer a range of food education programs.



One of the materiality themes identified under LOTTE MIRAI CHALLENGE 2048 is social engagement, which involves “co-creation with stakeholders and communication with the outside,” enabling us to “contribute to society by prioritizing the resolution of social issues while helping employees and organizations thrive.” As part of social engagement, we have set a goal for FY2028 of at least 20% of employees participating in food education activities once per fiscal year.

Through these activities, we are helping create a happier future together with the children who will shape the future of society.

Visiting Lectures

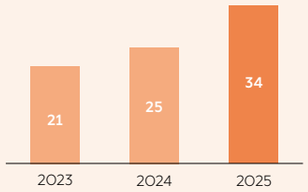
LOTTE Innovation Challenge —Future *OKASHI* Lab—

We provide lectures for senior elementary school students to learn about important concepts in product development and to inspire them with creative ideas. In addition to the members of the *SHOKUIKU* (Food Education) Section, who lead these activities, employees from sales, production, and other departments contribute as instructors while carrying out their regular responsibilities. In FY2025, Mr. Nakashima, the president and representative director of LOTTE, also took part as an instructor.



Number of Concurrent Lecturers

Across Japan, a wide range of our human capital, across generations and professional backgrounds, is making meaningful contributions.



I hope that sharing LOTTE’s approach to developing confectionery products with children will help nurture their ability to think of solutions to a range of challenges, a skill that will be highly important in the future. In exchange, the energy and enthusiasm I receive from the children motivate me in my day-to-day work.



Sanae Abe
Administrative Support Section
Business Department
Sales Division
Concurrent lecturer since FY2023



Factory Tour

LOTTE *OKASHI* SCHOOL

The Urawa Factory offers factory tours to visitors. During these tours, visitors can see our manufacturing operations firsthand while learning about our initiatives to contribute to the SDGs. Since the renovation of the tour facility in 2022, the tour has received rave reviews from many visitors. We will continue to deliver memorable experiences that inspire and delight our visitors.







Providing Teaching Materials

Your Choice Will Create a Happier Future

Your Choice Will Create a Happier Future is an educational program for junior high school students designed to promote understanding of ethical consumption. We promote initiatives mindful of local communities and the environment throughout the supply chain. We use these case studies as educational materials, providing students with an opportunity to discover the link between their choices and society and to think deeply about the consumer behaviors they choose for the future. We provide teachers with lesson plans, presentation materials, video content, and online educational resources, and implement and expand the program in partnership with schools.

The program received the Cabinet Office Minister of State for Special Missions Award, the top prize for outstanding teaching materials, at the 2025 Consumer Education Materials Awards, sponsored by the National Institute on Consumer Education.



Points of Recognition

ICT-enabled learning allows students to explore topics that align with their own interests and curiosity. In addition, the key concepts of ethical consumption, including consideration for people and society, the environment, and local communities, are presented in an easy-to-understand manner, supporting deeper learning. The presentation materials for teachers are also easy to use.

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. Working in line with local governments’ healthy life expectancy initiatives, we have developed educational materials for nursery schools and kindergartens and are promoting broader deployment of the program through local government partnerships.





Tackling Challenges as a Group
LOTTE MIRAI CHALLENGE 2048

Mary Chocolate Co., Ltd.

Upcycling Display Samples

Instead of discarding resin display samples that became obsolete following updates to the Fancy Chocolate product line, the company upcycled them into charms. Through this initiative, the company upcycled 22,700 display samples that would otherwise have been discarded, equivalent to approximately 150 kg of material. The upcycled charms were given a new life as gifts for customers who purchased the updated products.



Ginza Cozy Corner Co., Ltd.

Cake Made Without Wheat, Eggs, or Dairy

Guided by the concept of "Bringing Smiles to Everyone Through Sweets," we have developed cakes since 2013 that people with food allergies can enjoy with peace of mind. Ginza Cozy Corner continues to offer cakes made with rice flour, soybean flour, and soy milk as alternatives to wheat flour, eggs, and dairy milk. In 2025, we updated these cakes by enhancing their ingredients and formulation, delivering an unprecedented level of taste.



LOTTE VIETNAM CO., LTD.

Raising Awareness of Xylitol with the Vietnam Dental Association

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

LOTTE TAIWAN CO., LTD.

Supporting Wildlife Conservation

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. The company began providing donations in 2023, and 2025 marks the third year of our support.



THAI LOTTE CO., LTD.

Support for Local Communities

To coincide with the Children's Day event held on the second Saturday of January, THAI LOTTE donated confectionery products to the Amatanakorn Industrial Estate, home to our Amatanakorn Plant.

It also made 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.



PT. LOTTE INDONESIA

Celebration at a Children's Home

We invited children and staff from a local children's home to a venue where we donated our 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 feel their contributions to society.



LOTTE Wedel sp. z o.o.

Offering Products with Cosmetic Imperfections

LOTTE Wedel operates the "Give Them a Chance" initiative, under which products that do not meet visual specifications are sold at the E. Wedel Chocolate Factory Museum. Paper from certified forests is used for the packaging. Whole design is deliberately straightforward and transparent in message. Its quality and concept have also been recognized internationally, as the packaging received the Gold Award at the FIA UK Awards in the "Sustainability Produced Packaging" category. In addition to aligning with a low-impact, less waste approach, these products also encourage consumers to start thinking about more sustainable consumption practices.



Support for Local Communities

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.



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LOTTE CO., LTD.

For more detailed information, please refer to

Sustainability Report 2026 (Detailed Edition)

https://www.lotte.co.jp/english/sustainability/report.html



Company Profile

Company Name	LOTTE CO., LTD.
Head Office	20-1, Nishi-Shinjuku 3-chome, Shinjuku-ku, Tokyo, Japan
Founding	June 1948
Capital	217,000,000 yen
Closing Date	March 31
Full-Time Employees	2,240 6,976 (Consolidated) (As of March 31, 2026 / Data for overseas locations and Dari K Co., Ltd. is as of December 31, 2025)