Form 5500

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Annual Return/Report of Employee Benefit Plan

This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6057(b) and 6058(a) of the Internal Revenue Code (the Code).

▶ **Complete all entries in accordance with the instructions to the Form 5500.**

OMB Nos. 1210-0110
1210-0089

2019

This Form is Open to Public Inspection

Part I Annual Report Identification Information

For calendar plan year 2019 or fiscal plan year beginning 01/01/2019 and ending 12/31/2019

A This return/report is for:
- ☐ a multiemployer plan
- ☐ a multiple-employer plan (Filers checking this box must attach a list of participating employer information in accordance with the form instructions.)
- ☒ a single-employer plan
- ☐ a DFE (specify) ____

B This return/report is:
- ☐ the first return/report
- ☐ the final return/report
- ☐ an amended return/report
- ☐ a short plan year return/report (less than 12 months)

C If the plan is a collectively-bargained plan, check here. . . . . ▶ ☐

D Check box if filing under:
- ☒ Form 5558
- ☐ automatic extension
- ☐ the DFVC program
- ☐ special extension (enter description)

Part II Basic Plan Information—enter all requested information

1a Name of plan
KAO AMERICA INC. PENSION PLAN

1b Three-digit plan number (PN) ▶ 002

1c Effective date of plan 01/01/1992

2a Plan sponsor's name (employer, if for a single-employer plan)
Mailing address (include room, apt., suite no. and street, or P.O. Box)
City or town, state or province, country, and ZIP or foreign postal code (if foreign, see instructions)
KAO AMERICA INC.

2535 SPRING GROVE AVE
CINCINNATI, OH 45214-1729

2b Employer Identification Number (EIN)
52-2064483

2c Plan Sponsor's telephone number
513-421-1400

2d Business code (see instructions)
325600

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE	Filed with authorized/valid electronic signature.	10/12/2020	DEB LAWRENCE
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

3a Plan administrator's name and address [X] Same as Plan Sponsor	**3b** Administrator's EIN	
	3c Administrator's telephone number	
4 If the name and/or EIN of the plan sponsor or the plan name has changed since the last return/report filed for this plan, enter the plan sponsor's name, EIN, the plan name and the plan number from the last return/report: **a** Sponsor's name **c** Plan Name	**4b** EIN **4d** PN	
5 Total number of participants at the beginning of the plan year	**5**	2584
6 Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines **6a(1), 6a(2), 6b, 6c,** and **6d**).		
a(1) Total number of active participants at the beginning of the plan year	**6a(1)**	848
a(2) Total number of active participants at the end of the plan year	**6a(2)**	793
b Retired or separated participants receiving benefits	**6b**	533
c Other retired or separated participants entitled to future benefits	**6c**	1079
d Subtotal. Add lines **6a(2)**, **6b**, and **6c**	**6d**	2405
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.	**6e**	142
f Total. Add lines **6d** and **6e**	**6f**	2547
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	**6g**	
h Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested	**6h**	3
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	**7**	

8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions:

1A 1C 3H

b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:

9a Plan funding arrangement (check all that apply)		**9b** Plan benefit arrangement (check all that apply)	
(1)	[X] Insurance	**(1)**	[X] Insurance
(2)	[ ] Code section 412(e)(3) insurance contracts	**(2)**	[ ] Code section 412(e)(3) insurance contracts
(3)	[X] Trust	**(3)**	[X] Trust
(4)	[ ] General assets of the sponsor	**(4)**	[ ] General assets of the sponsor

10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

a Pension Schedules

- **(1)** [X] **R** (Retirement Plan Information)
- **(2)** [ ] **MB** (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary
- **(3)** [X] **SB** (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary

b General Schedules

- **(1)** [X] **H** (Financial Information)
- **(2)** [ ] **I** (Financial Information – Small Plan)
- **(3)** [X] 1 **A** (Insurance Information)
- **(4)** [X] **C** (Service Provider Information)
- **(5)** [ ] **D** (DFE/Participating Plan Information)
- **(6)** [ ] **G** (Financial Transaction Schedules)

Part III Form M-1 Compliance Information (to be completed by welfare benefit plans)

11a If the plan provides welfare benefits, was the plan subject to the Form M-1 filing requirements during the plan year? (See instructions and 29 CFR 2520.101-2.) ..... ☐ Yes ☐ No

If "Yes" is checked, complete lines 11b and 11c.

11b Is the plan currently in compliance with the Form M-1 filing requirements? (See instructions and 29 CFR 2520.101-2.) ..... ☐ Yes ☐ No

11c Enter the Receipt Confirmation Code for the 2019 Form M-1 annual report. If the plan was not required to file the 2019 Form M-1 annual report, enter the Receipt Confirmation Code for the most recent Form M-1 that was required to be filed under the Form M-1 filing requirements. (Failure to enter a valid Receipt Confirmation Code will subject the Form 5500 filing to rejection as incomplete.)

Receipt Confirmation Code_____

SCHEDULE A (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Insurance Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).

▶ **File as an attachment to Form 5500.**

▶ Insurance companies are required to provide the information pursuant to ERISA section 103(a)(2).

OMB No. 1210-0110

2019

This Form is Open to Public Inspection

For calendar plan year 2019 or fiscal plan year beginning 01/01/2019 and ending 12/31/2019

A Name of plan
KAO AMERICA INC. PENSION PLAN

B Three-digit plan number (PN) ▶ 002

C Plan sponsor's name as shown on line 2a of Form 5500
KAO AMERICA INC.

D Employer Identification Number (EIN)
52-2064483

Part I **Information Concerning Insurance Contract Coverage, Fees, and Commissions** Provide information for each contract on a separate Schedule A. Individual contracts grouped as a unit in Parts II and III can be reported on a single Schedule A.

1 Coverage Information:

(a) Name of insurance carrier
AETNA LIFE INSURANCE COMPANY

(b) EIN	**(c)** NAIC code	**(d)** Contract or identification number	**(e)** Approximate number of persons covered at end of policy or contract year	Policy or contract year	
				(f) From	**(g)** To
06-6033492	60054	000359	2547	01/01/2019	12/31/2019

2 Insurance fee and commission information. Enter the total fees and total commissions paid. List in line 3 the agents, brokers, and other persons in descending order of the amount paid.

(a) Total amount of commissions paid	**(b)** Total amount of fees paid

3 Persons receiving commissions and fees. (Complete as many entries as needed to report all persons).

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		**(e)** Organization code
	(c) Amount	**(d)** Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		**(e)** Organization code
	(c) Amount	**(d)** Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		**(e)** Organization code
	(c) Amount	**(d)** Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		**(e)** Organization code
	(c) Amount	**(d)** Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		**(e)** Organization code
	(c) Amount	**(d)** Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		**(e)** Organization code
	(c) Amount	**(d)** Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		**(e)** Organization code
	(c) Amount	**(d)** Purpose	

Part II Investment and Annuity Contract Information

Where individual contracts are provided, the entire group of such individual contracts with each carrier may be treated as a unit for purposes of this report.

4	Current value of plan's interest under this contract in the general account at year end	4	
5	Current value of plan's interest under this contract in separate accounts at year end	5	

6 Contracts With Allocated Funds:

a State the basis of premium rates ▶

b	Premiums paid to carrier	6b	
c	Premiums due but unpaid at the end of the year	6c	
d	If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, enter amount.	6d	

Specify nature of costs ▶

e Type of contract: (1) ☐ individual policies (2) ☐ group deferred annuity

(3) ☐ other (specify) ▶

f If contract purchased, in whole or in part, to distribute benefits from a terminating plan, check here ▶ ☐

7 Contracts With Unallocated Funds (Do not include portions of these contracts maintained in separate accounts)

a Type of contract: (1) ☐ deposit administration (2) ☐ immediate participation guarantee

(3) ☐ guaranteed investment (4) ☒ other ▶ ANNUITY

b	Balance at the end of the previous year			7b	1428916
c	Additions: (1) Contributions deposited during the year	7c(1)			
	(2) Dividends and credits	7c(2)			
	(3) Interest credited during the year	7c(3)	46394		
	(4) Transferred from separate account	7c(4)			
	(5) Other (specify below)	7c(5)			
	▶				
	(6) Total additions			7c(6)	46394
d	Total of balance and additions (add lines **7b** and **7c(6)**)			7d	1475310
e	Deductions:				
	(1) Disbursed from fund to pay benefits or purchase annuities during year	7e(1)			
	(2) Administration charge made by carrier	7e(2)	8500		
	(3) Transferred to separate account	7e(3)			
	(4) Other (specify below)	7e(4)			
	▶				
	(5) Total deductions			7e(5)	8500
f	Balance at the end of the current year (subtract line **7e(5)** from line **7d**)			7f	1466810

Part III Welfare Benefit Contract Information

If more than one contract covers the same group of employees of the same employer(s) or members of the same employee organizations(s), the information may be combined for reporting purposes if such contracts are experience-rated as a unit. Where contracts cover individual employees, the entire group of such individual contracts with each carrier may be treated as a unit for purposes of this report.

8 Benefit and contract type (check all applicable boxes)

- **a** ☐ Health (other than dental or vision)
- **b** ☐ Dental
- **c** ☐ Vision
- **d** ☐ Life insurance
- **e** ☐ Temporary disability (accident and sickness)
- **f** ☐ Long-term disability
- **g** ☐ Supplemental unemployment
- **h** ☐ Prescription drug
- **i** ☐ Stop loss (large deductible)
- **j** ☐ HMO contract
- **k** ☐ PPO contract
- **l** ☐ Indemnity contract
- **m** ☐ Other (specify) ▶

9 Experience-rated contracts:				
a Premiums: (1) Amount received	**9a(1)**			
(2) Increase (decrease) in amount due but unpaid	**9a(2)**			
(3) Increase (decrease) in unearned premium reserve	**9a(3)**			
(4) Earned (**(1)** + **(2)** - **(3)**)			**9a(4)**	0
b Benefit charges (1) Claims paid	**9b(1)**			
(2) Increase (decrease) in claim reserves	**9b(2)**			
(3) Incurred claims (add **(1)** and **(2)**)			**9b(3)**	0
(4) Claims charged			**9b(4)**	
c Remainder of premium: (1) Retention charges (on an accrual basis) --				
(A) Commissions	**9c(1)(A)**			
(B) Administrative service or other fees	**9c(1)(B)**			
(C) Other specific acquisition costs	**9c(1)(C)**			
(D) Other expenses	**9c(1)(D)**			
(E) Taxes	**9c(1)(E)**			
(F) Charges for risks or other contingencies	**9c(1)(F)**			
(G) Other retention charges	**9c(1)(G)**			
(H) Total retention			**9c(1)(H)**	0
(2) Dividends or retroactive rate refunds. (These amounts were ☐ paid in cash, or ☐ credited.)			**9c(2)**	
d Status of policyholder reserves at end of year: (1) Amount held to provide benefits after retirement			**9d(1)**	
(2) Claim reserves			**9d(2)**	
(3) Other reserves			**9d(3)**	
e Dividends or retroactive rate refunds due. (Do not include amount entered in line **9c(2)**.)			**9e**	
10 Nonexperience-rated contracts:				
a Total premiums or subscription charges paid to carrier			**10a**	
b If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, other than reported in Part I, line 2 above, report amount			**10b**	

Specify nature of costs.

Part IV Provision of Information

11 Did the insurance company fail to provide any information necessary to complete Schedule A? ☐ Yes ☒ No

12 If the answer to line 11 is "Yes," specify the information not provided. ▶

SCHEDULE SB (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Single-Employer Defined Benefit Plan Actuarial Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500 or 5500-SF.**

OMB No. 1210-0110

2019

This Form is Open to Public Inspection

For calendar plan year 2019 or fiscal plan year beginning 01/01/2019 and ending 12/31/2019

▶ **Round off amounts to nearest dollar.**

▶ **Caution:** A penalty of $1,000 will be assessed for late filing of this report unless reasonable cause is established.

A Name of plan
KAO AMERICA INC. PENSION PLAN

B Three-digit plan number (PN) ▶ 002

C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF
KAO AMERICA INC.

D Employer Identification Number (EIN)
52-2064483

E Type of plan: [X] Single [ ] Multiple-A [ ] Multiple-B

F Prior year plan size: [ ] 100 or fewer [ ] 101-500 [X] More than 500

Part I Basic Information

1 Enter the valuation date: Month 01 Day 01 Year 2019

2 Assets:

a Market value	**2a**	136537335
b Actuarial value	**2b**	144216617

3 Funding target/participant count breakdown

	(1) Number of participants	(2) Vested Funding Target	(3) Total Funding Target
a For retired participants and beneficiaries receiving payment	575	44687341	44687341
b For terminated vested participants	1167	33058142	33058142
c For active participants	848	38657692	39386064
d Total	2590	116403175	117131547

4 If the plan is in at-risk status, check the box and complete lines (a) and (b) [ ]

a Funding target disregarding prescribed at-risk assumptions	**4a**	
b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor	**4b**	
5 Effective interest rate	**5**	5.53 %
6 Target normal cost	**6**	2542309

Statement by Enrolled Actuary

To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

SIGN HERE

Signature of actuary — Date: 06/27/2020

SAMANTHA KLINGLER — Type or print name of actuary

20-08655 — Most recent enrollment number

MERCER — Firm name

614-227-5500 — Telephone number (including area code)

325 JOHN H MCCONNELL BLVD
STE 350
COLUMBUS, OH 43215-7644

Address of the firm

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions [ ]

Part II Beginning of Year Carryover and Prefunding Balances

		(a) Carryover balance	(b) Prefunding balance
7	Balance at beginning of prior year after applicable adjustments (line 13 from prior year)	0	41080540
8	Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	0	5374681
9	Amount remaining (line 7 minus line 8)	0	35705859
10	Interest on line 9 using prior year's actual return of -7.70 %	0	-2749351
11	Prior year's excess contributions to be added to prefunding balance:		
	a Present value of excess contributions (line 38a from prior year)		10884075
	b(1) Interest on the excess, if any, of line 38a over line 38b from prior year Schedule SB, using prior year's effective interest rate of 5.69 %		313485
	b(2) Interest on line 38b from prior year Schedule SB, using prior year's actual return		-413850
	c Total available at beginning of current plan year to add to prefunding balance		10783710
	d Portion of (c) to be added to prefunding balance		10783710
12	Other reductions in balances due to elections or deemed elections	0	0
13	Balance at beginning of current year (line 9 + line 10 + line 11d – line 12)	0	43740218

Part III Funding Percentages

14	Funding target attainment percentage	14	85.78 %
15	Adjusted funding target attainment percentage	15	123.12 %
16	Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement	16	80.04 %
17	If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage	17	%

Part IV Contributions and Liquidity Shortfalls

18 Contributions made to the plan for the plan year by employer(s) and employees:

(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
			Totals ► 18(b)	0	18(c) 0

19	Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:		
	a Contributions allocated toward unpaid minimum required contributions from prior years.	19a	0
	b Contributions made to avoid restrictions adjusted to valuation date	19b	0
	c Contributions allocated toward minimum required contribution for current year adjusted to valuation date	19c	0

20 Quarterly contributions and liquidity shortfalls:

a Did the plan have a "funding shortfall" for the prior year? [X] Yes [ ] No

b If line 20a is "Yes," were required quarterly installments for the current year made in a timely manner? [X] Yes [ ] No

c If line 20a is "Yes," see instructions and complete the following table as applicable:

Liquidity shortfall as of end of quarter of this plan year

(1) 1st	(2) 2nd	(3) 3rd	(4) 4th
0	0	0	0

Part V Assumptions Used to Determine Funding Target and Target Normal Cost

21 Discount rate:

a Segment rates:

1st segment:	2nd segment:	3rd segment:	
3.74 %	5.35 %	6.11 %	☐ N/A, full yield curve used

b Applicable month (enter code)	**21b**	0
22 Weighted average retirement age	**22**	62

23 Mortality table(s) (see instructions) ☐ Prescribed - combined ☒ Prescribed - separate ☐ Substitute

Part VI Miscellaneous Items

24 Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment	☒ Yes	☐ No
25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment	☐ Yes	☒ No
26 Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment	☒ Yes	☐ No

27 If the plan is subject to alternative funding rules, enter applicable code and see instructions regarding attachment	**27**	

Part VII Reconciliation of Unpaid Minimum Required Contributions For Prior Years

28 Unpaid minimum required contributions for all prior years	**28**	0
29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (line 19a)	**29**	0
30 Remaining amount of unpaid minimum required contributions (line 28 minus line 29)	**30**	0

Part VIII Minimum Required Contribution For Current Year

31 Target normal cost and excess assets (see instructions):

a Target normal cost (line 6)	**31a**	2542309
b Excess assets, if applicable, but not greater than line 31a	**31b**	0

32 Amortization installments:

	Outstanding Balance	Installment
a Net shortfall amortization installment	16655148	3611934
b Waiver amortization installment		0

33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	**33**	
34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33)	**34**	6154243

	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement		6154243	6154243

36 Additional cash requirement (line 34 minus line 35)	**36**	0
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c)	**37**	0
38 Present value of excess contributions for current year (see instructions)		
a Total (excess, if any, of line 37 over line 36)	**38a**	0
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	**38b**	0
39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37)	**39**	0
40 Unpaid minimum required contributions for all years	**40**	0

Part IX Pension Funding Relief Under Pension Relief Act of 2010 (See Instructions)

41 If an election was made to use PRA 2010 funding relief for this plan:

a Schedule elected ☐ 2 plus 7 years ☐ 15 years

b Eligible plan year(s) for which the election in line 41a was made ☐ 2008 ☐ 2009 ☐ 2010 ☐ 2011

SCHEDULE C (Form 5500)	Service Provider Information	OMB No. 1210-0110
Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ **File as an attachment to Form 5500.**	**2019** **This Form is Open to Public Inspection.**

For calendar plan year 2019 or fiscal plan year beginning 01/01/2019 and ending 12/31/2019

A Name of plan
KAO AMERICA INC. PENSION PLAN

B Three-digit plan number (PN) ▶ 002

C Plan sponsor's name as shown on line 2a of Form 5500
KAO AMERICA INC.

D Employer Identification Number (EIN)
52-2064483

Part I Service Provider Information (see instructions)

You must complete this Part, in accordance with the instructions, to report the information required for **each person** who received, directly or indirectly, $5,000 or more in total compensation (i.e., money or anything else of monetary value) in connection with services rendered to the plan or the person's position with the plan during the plan year. If a person received **only** eligible indirect compensation for which the plan received the required disclosures, you are required to answer line 1 but are not required to include that person when completing the remainder of this Part.

1 Information on Persons Receiving Only Eligible Indirect Compensation

a Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions).. . . . . [X] Yes [ ] No

b If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

JOHN HANCOCK RETIREMENT PLAN SVCS

01-0233346

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

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(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, $5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	**(c)** Relationship to employer, employee organization, or person known to be a party-in-interest	**(d)** Enter direct compensation paid by the plan. If none, enter -0-.	**(e)** Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	**(f)** Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	**(g)** Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	**(h)** Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	**(c)** Relationship to employer, employee organization, or person known to be a party-in-interest	**(d)** Enter direct compensation paid by the plan. If none, enter -0-.	**(e)** Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	**(f)** Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	**(g)** Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	**(h)** Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	**(c)** Relationship to employer, employee organization, or person known to be a party-in-interest	**(d)** Enter direct compensation paid by the plan. If none, enter -0-.	**(e)** Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	**(f)** Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	**(g)** Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	**(h)** Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, $5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	**(c)** Relationship to employer, employee organization, or person known to be a party-in-interest	**(d)** Enter direct compensation paid by the plan. If none, enter -0-.	**(e)** Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	**(f)** Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	**(g)** Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	**(h)** Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	**(c)** Relationship to employer, employee organization, or person known to be a party-in-interest	**(d)** Enter direct compensation paid by the plan. If none, enter -0-.	**(e)** Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	**(f)** Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	**(g)** Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	**(h)** Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	**(c)** Relationship to employer, employee organization, or person known to be a party-in-interest	**(d)** Enter direct compensation paid by the plan. If none, enter -0-.	**(e)** Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	**(f)** Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	**(g)** Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	**(h)** Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

Part I Service Provider Information (continued)

3. If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received $1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

Part II Service Providers Who Fail or Refuse to Provide Information

4 Provide, to the extent possible, the following information for each service provider who failed or refused to provide the information necessary to complete this Schedule.

(a) Enter name and EIN or address of service provider (see instructions)	**(b)** Nature of Service Code(s)	**(c)** Describe the information that the service provider failed or refused to provide

(a) Enter name and EIN or address of service provider (see instructions)	**(b)** Nature of Service Code(s)	**(c)** Describe the information that the service provider failed or refused to provide

(a) Enter name and EIN or address of service provider (see instructions)	**(b)** Nature of Service Code(s)	**(c)** Describe the information that the service provider failed or refused to provide

(a) Enter name and EIN or address of service provider (see instructions)	**(b)** Nature of Service Code(s)	**(c)** Describe the information that the service provider failed or refused to provide

(a) Enter name and EIN or address of service provider (see instructions)	**(b)** Nature of Service Code(s)	**(c)** Describe the information that the service provider failed or refused to provide

(a) Enter name and EIN or address of service provider (see instructions)	**(b)** Nature of Service Code(s)	**(c)** Describe the information that the service provider failed or refused to provide

Part III Termination Information on Accountants and Enrolled Actuaries (see instructions)

(complete as many entries as needed)

a Name:	**b** EIN:
c Position:	
d Address:	**e** Telephone:

Explanation:

a Name:	**b** EIN:
c Position:	
d Address:	**e** Telephone:

Explanation:

a Name:	**b** EIN:
c Position:	
d Address:	**e** Telephone:

Explanation:

a Name:	**b** EIN:
c Position:	
d Address:	**e** Telephone:

Explanation:

a Name:	**b** EIN:
c Position:	
d Address:	**e** Telephone:

Explanation:

SCHEDULE H (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Financial Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500.**

OMB No. 1210-0110

2019

This Form is Open to Public Inspection

For calendar plan year 2019 or fiscal plan year beginning 01/01/2019 and ending 12/31/2019

A Name of plan
KAO AMERICA INC. PENSION PLAN

B Three-digit plan number (PN) ▶ 002

C Plan sponsor's name as shown on line 2a of Form 5500
KAO AMERICA INC.

D Employer Identification Number (EIN)
52-2064483

Part I Asset and Liability Statement

1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. **Round off amounts to the nearest dollar.** MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a	349780	370065
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	13040000	0
(2) Participant contributions	1b(2)		
(3) Other	1b(3)		
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)		
(2) U.S. Government securities	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property)	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans	1c(8)		
(9) Value of interest in common/collective trusts	1c(9)		
(10) Value of interest in pooled separate accounts	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)		
(12) Value of interest in 103-12 investment entities	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds)	1c(13)	122178889	157603290
(14) Value of funds held in insurance company general account (unallocated contracts)	1c(14)	1428916	1466810
(15) Other	1c(15)		

			(a) Beginning of Year	(b) End of Year
1d	Employer-related investments:			
	(1) Employer securities	1d(1)		
	(2) Employer real property	1d(2)		
e	Buildings and other property used in plan operation	1e		
f	Total assets (add all amounts in lines 1a through 1e)	1f	136997585	159440165
	Liabilities			
g	Benefit claims payable	1g		
h	Operating payables	1h		
i	Acquisition indebtedness	1i		
j	Other liabilities	1j		
k	Total liabilities (add all amounts in lines 1g through1j)	1k	0	0
	Net Assets			
l	Net assets (subtract line 1k from line 1f)	1l	136997585	159440165

Part II Income and Expense Statement

2 Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

	Income		(a) Amount	(b) Total
a	**Contributions:**			
	(1) Received or receivable in cash from: **(A)** Employers	2a(1)(A)		
	(B) Participants	2a(1)(B)		
	(C) Others (including rollovers)	2a(1)(C)	7519	
	(2) Noncash contributions	2a(2)		
	(3) Total contributions. Add lines **2a(1)(A), (B), (C),** and line **2a(2)**	2a(3)		7519
b	**Earnings on investments:**			
	(1) Interest:			
	(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)		
	(B) U.S. Government securities	2b(1)(B)		
	(C) Corporate debt instruments	2b(1)(C)		
	(D) Loans (other than to participants)	2b(1)(D)		
	(E) Participant loans	2b(1)(E)		
	(F) Other	2b(1)(F)		
	(G) Total interest. Add lines **2b(1)(A)** through **(F)**	2b(1)(G)		0
	(2) Dividends: **(A)** Preferred stock	2b(2)(A)		
	(B) Common stock	2b(2)(B)		
	(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	1423669	
	(D) Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)**	2b(2)(D)		1423669
	(3) Rents	2b(3)		
	(4) Net gain (loss) on sale of assets: **(A)** Aggregate proceeds	2b(4)(A)		
	(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
	(C) Subtract line **2b(4)(B)** from line **2b(4)(A)** and enter result	2b(4)(C)		0
	(5) Unrealized appreciation (depreciation) of assets: **(A)** Real estate	2b(5)(A)		
	(B) Other	2b(5)(B)		
	(C) Total unrealized appreciation of assets. Add lines **2b(5)(A)** and **(B)**	2b(5)(C)		0

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds)	2b(10)		28251315
c Other income	2c		37894
d Total income. Add all **income** amounts in column (b) and enter total	2d		29720397
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	7277817	
(2) To insurance carriers for the provision of benefits	2e(2)		
(3) Other	2e(3)		
(4) Total benefit payments. Add lines **2e(1)** through **(3)**	2e(4)		7277817
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions)	2g		
h Interest expense	2h		
i Administrative expenses: (1) Professional fees	2i(1)		
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)		
(4) Other	2i(4)		
(5) Total administrative expenses. Add lines **2i(1)** through **(4)**	2i(5)		0
j Total expenses. Add all **expense** amounts in column (b) and enter total	2j		7277817
Net Income and Reconciliation			
k Net income (loss). Subtract line **2j** from line **2d**	2k		22442580
l Transfers of assets:			
(1) To this plan	2l(1)		
(2) From this plan	2l(2)		

Part III Accountant's Opinion

3 Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

a The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1) ☐ Unmodified (2) ☐ Qualified (3) ☒ Disclaimer (4) ☐ Adverse

b Did the accountant perform a limited scope audit pursuant to 29 CFR 2520.103-8 and/or 103-12(d)? ☒ Yes ☐ No

c Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: CROWE LLP (2) EIN: 35-0921680

d The opinion of an independent qualified public accountant is **not attached** because:

(1) ☐ This form is filed for a CCT, PSA, or MTIA. (2) ☐ It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

Part IV Compliance Questions

4 CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete lines 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete lines 4j and 4l. MTIAs also do not complete line 4l.

During the plan year:

		Yes	No	Amount
a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.)	4a		X	
b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.)	4b		X	

			Yes	No	Amount
c	Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)	4c		X	
d	Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)	4d		X	
e	Was this plan covered by a fidelity bond?	4e	X		5000000
f	Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?	4f		X	
g	Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?	4g		X	
h	Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?	4h		X	
i	Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	4i	X		
j	Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.)	4j	X		
k	Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?	4k		X	
l	Has the plan failed to provide any benefit when due under the plan?	4l		X	
m	If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)	4m			
n	If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.	4n			

5a Has a resolution to terminate the plan been adopted during the plan year or any prior plan year? ☐ Yes ☒ No
If "Yes," enter the amount of any plan assets that reverted to the employer this year _____.

5b If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

5b(1) Name of plan(s)	**5b(2)** EIN(s)	**5b(3)** PN(s)

5c If the plan is a defined benefit plan, is it covered under the PBGC insurance program (See ERISA section 4021.)? ..... ☒ Yes ☐ No ☐ Not determined
If "Yes" is checked, enter the My PAA confirmation number from the PBGC premium filing for this plan year 4235446. (See instructions.)

SCHEDULE R (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Retirement Plan Information

This schedule is required to be filed under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500.**

OMB No. 1210-0110

2019

This Form is Open to Public Inspection.

For calendar plan year 2019 or fiscal plan year beginning 01/01/2019 and ending 12/31/2019

A Name of plan
KAO AMERICA INC. PENSION PLAN

B Three-digit plan number (PN) ▶ 002

C Plan sponsor's name as shown on line 2a of Form 5500
KAO AMERICA INC.

D Employer Identification Number (EIN)
52-2064483

Part I Distributions

All references to distributions relate only to payments of benefits during the plan year.

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions **1** 0

2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits):

EIN(s): 80-0709115

Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.

3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year **3** 52

Part II Funding Information (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part.)

4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)? ..... ☐ **Yes** ☒ **No** ☐ **N/A**

If the plan is a defined benefit plan, go to line 8.

5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. **Date:** Month _____ Day _____ Year _____

If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.

6 **a** Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived) **6a**

b Enter the amount contributed by the employer to the plan for this plan year **6b**

c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount) **6c**

If you completed line 6c, skip lines 8 and 9.

7 Will the minimum funding amount reported on line 6c be met by the funding deadline? ..... ☐ **Yes** ☐ **No** ☐ **N/A**

8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change? ..... ☐ **Yes** ☐ **No** ☒ **N/A**

Part III Amendments

9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box. ..... ☐ **Increase** ☒ **Decrease** ☐ **Both** ☐ **No**

Part IV ESOPs (see instructions). If this is not a plan described under section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.

10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan? ..... ☐ **Yes** ☐ **No**

11 **a** Does the ESOP hold any preferred stock? ..... ☐ **Yes** ☐ **No**

b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.) ..... ☐ **Yes** ☐ **No**

12 Does the ESOP hold any stock that is not readily tradable on an established securities market? ..... ☐ **Yes** ☐ **No**

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that contributed more than 5% of total contributions to the plan during the plan year (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

14 Enter the number of participants on whose behalf no contributions were made by an employer as an employer of the participant for:

a The current year	**14a**	
b The plan year immediately preceding the current plan year	**14b**	
c The second preceding plan year	**14c**	

15 Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

a The corresponding number for the plan year immediately preceding the current plan year	**15a**	
b The corresponding number for the second preceding plan year	**15b**	

16 Information with respect to any employers who withdrew from the plan during the preceding plan year:

a Enter the number of employers who withdrew during the preceding plan year	**16a**	
b If line 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers	**16b**	

17 If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐

Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans

18 If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment ☐

19 If the total number of participants is 1,000 or more, complete lines (a) through (c)

a Enter the percentage of plan assets held as:
Stock: 50.0 % Investment-Grade Debt: 44.0 % High-Yield Debt: 3.0 % Real Estate: 0.0 % Other: 3.0 %

b Provide the average duration of the combined investment-grade and high-yield debt:
☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☒ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

c What duration measure was used to calculate line 19(b)?
☒ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify):

20 **PBGC missed contribution reporting requirements.** If this is a multiemployer plan or a single-employer plan that is not covered by PBGC, skip line 20.

a Is the amount of unpaid minimum required contributions for all years from Schedule SB (Form 5500) line 40 greater than zero? ☐ Yes ☐ No

b If line 20a is "Yes," has PBGC been notified as required by ERISA sections 4043(c)(5) and/or 303(k)(4)? Check the applicable box:

☐ Yes.

☐ No. Reporting was waived under 29 CFR 4043.25(c)(2) because contributions equal to or exceeding the unpaid minimum required contribution were made by the 30th day after the due date.

☐ No. The 30-day period referenced in 29 CFR 4043.25(c)(2) has not yet ended, and the sponsor intends to make a contribution equal to or exceeding the unpaid minimum required contribution by the 30th day after the due date.

☐ No. Other. Provide explanation_____

KAO AMERICA INC. PENSION PLAN

Cincinnati, Ohio

FINANCIAL STATEMENTS

December 31, 2019 and 2018

KAO AMERICA INC. PENSION PLAN
Cincinnati, Ohio

FINANCIAL STATEMENTS
December 31, 2019 and 2018

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Crowe LLP
Independent Member Crowe Global

INDEPENDENT AUDITOR'S REPORT

To the Plan Administrator and Participants of
Kao America Inc. Pension Plan
Cincinnati, Ohio

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of Kao America Inc. Pension Plan (the "Plan"), which comprise the statements of net assets available for benefits as of December 31, 2019 and 2018, and the related statements of changes in net assets available for benefits for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on conducting the audits in accordance with auditing standards generally accepted in the United States of America. Because of the matter described in the Basis for Disclaimer of Opinion paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Basis for Disclaimer of Opinion

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 3, which was certified by John Hancock Trust Company ("John Hancock") and Aetna Life Insurance Company ("Aetna") except for comparing such information with the related information included in the financial statements. We have been informed by the plan administrator that John Hancock and Aetna hold the Plan's investment assets and execute investment transactions. The plan administrator has obtained certifications from John Hancock and Aetna as of December 31, 2019 and 2018 and for the years then ended that the information provided to the plan administrator by John Hancock and Aetna is complete and accurate.

(Continued)

Disclaimer of Opinion

Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on these financial statements.

Other Matter

The supplemental Schedule H, Line 4i – Schedule of Assets (Held at End of Year) as of December 31, 2019 and Schedule H, Line 4j – Schedule of Reportable Transactions for the year ended December 31, 2019 are required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 and are presented for purposes of additional analysis and are not a required part of the financial statements. Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we do not express an opinion on the supplemental schedules.

Report on Form and Content in Compliance with DOL Rules and Regulations

The form and content of the information included in the financial statements and supplemental schedules, other than that derived from the information certified by John Hancock and Aetna, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

Crowe LLP

Oak Brook, Illinois
October 9, 2020

KAO AMERICA INC. PENSION PLAN
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
December 31, 2019 and 2018

	2019	2018
ASSETS		
Cash	$ 370,065	$ 349,780
Investments, at fair value (Note 3)		
Mutual Funds	157,603,290	122,178,889
Unallocated investment contact	1,466,810	1,428,916
	159,070,100	123,607,805
Employer contribution receivable	-	13,040,000
NET ASSETS AVAILABLE FOR BENEFITS	$ 159,440,165	$ 136,997,585

See accompanying notes to financial statements.

KAO AMERICA INC. PENSION PLAN
STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
Years ended December 31, 2019 and 2018

	2019	2018
Additions to net assets attributed to:		
Investment income (Note 3)		
Interest and dividend income	$ 4,897,442	$ 5,195,058
Net appreciation in fair value of investments	24,842,707	-
	29,740,149	5,195,058
Employer contributions	-	13,040,000
Total additions	29,740,149	18,235,058
Deductions:		
Net depreciation in the fair value of investments (Note 3)	-	15,307,035
Benefits paid to directly to participants	7,289,069	7,187,106
Administrative expenses	8,500	8,500
Total deductions	7,297,569	22,502,641
Net increase (decrease)	22,442,580	(4,267,583)
Net assets available for benefits		
Beginning of year	136,997,585	141,265,168
End of year	$ 159,440,165	$ 136,997,585

See accompanying notes to financial statements.

NOTE 1 – DESCRIPTION OF PLAN

The following description of the Kao America Inc. Pension Plan (the "Plan") is provided for general information purposes only. Participants should refer to the Plan Agreement for a more complete description of the Plan's provisions.

General: The Plan is a noncontributory defined benefit plan and provides for retirement, death, and disability benefits for all eligible employees of Kao America, Inc. and affiliated employers (the "Company") that have adopted the Plan. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

Eligible employees generally include all full-time and part-time employees of the Company and certain affiliated companies that have adopted the Plan who are credited with one year of service and who have attained age 21. Affiliated companies that were participating in the Plan on January 1, 2012 included Kao Brands Company (formerly The Andrew Jergens Company), Kao Professional Salon Services, Inc., KMS Global Marketing LLC, Kao Specialties Americas LLC, and High Point Textile Auxiliaries LLC. Effective as of January 3, 2012, three of the participating affiliated companies (Kao Brands Company, Kao Professional Salon Services, Inc. and KMS Global Marketing LLC) were consolidated into a new entity named Kao USA Inc. Currently, affiliated companies participating in the Plan are Kao USA Inc., Kao Specialties America LLC and High Point Textile Auxiliaries LLC. Participants remain eligible as long as they have not experienced a separation from service. Effective January 1, 2019 the Plan was amended to freeze eilgibilty for employees hired by the Company on or after August 1, 2019.

Contributions: Contributions from Kao America, Inc. (the "plan sponsor") are subject to Internal Revenue Service (IRS) limitations and are based upon actuarial calculations of normal cost.

Plan Benefits: The Plan includes a cash balance formula whereby vested participants will be entitled to a retirement benefit amount, payable for 10 years, and thereafter, for the participant's life that is equal to the actuarial equivalent of the balance of the participant's cash balance account as of the end of the month before the annuity start date.

The cash balance account is equal to the sum of (a) initial cash balance account as calculated as of January 1, 2001, (b) a contribution credit at each subsequent December 31 equal to 4% of the participant's compensation for the Plan year, and (c) an interest credit at each subsequent December 31 calculated using an annual interest rate on 30-year Treasury securities for the November preceding the Plan year. The annual interest rate is 3.36% and 2.80% as of December 31, 2019 and 2018, respectively. Effecitve January 1, 2020 the Plan was amended to reduce the contribution credit from 4% to 3%.

However, in order to protect employees enrolled in the Plan prior to January 1, 2001, certain participants will have their accrued benefits calculated under two alternatives. Upon termination or retirement, vested employees who were employed as of December 31, 2000, and were at least 40 years of age on December 31, 2001, may choose between the cash balance benefit and the "Grandfather Benefit" as described below.

The "Grandfather Benefit" calculated under the formula in effect prior to the cash balance amendment is equal to the benefit percentage (1% for each year of credited service up to a maximum of 35) times the final average pay (average of annual pay for the five highest consecutive years in last 10 years).

(Continued)

NOTE 1 – DESCRIPTION OF PLAN (Continued)

Effective March 31, 2009, the Plan was amended to freeze the "Grandfather Benefit" and eliminate the option for grandfathered participants to choose between the cash balance benefit and "Grandfather Benefit". The amended formula is the greater of the cash balance benefit and "Grandfather Benefit" as of March 31, 2009, plus future accruals under the cash balance formula after March 31, 2009.

The Plan permits early retirement at ages 55 to 64 as long as an employee has 10 years of credited service. If employees terminate before rendering three years of vesting service, they forfeit the right to future retirement income unless they are reemployed and subsequently credited with three years of vesting service. Employees may elect to receive the portion of their accumulated plan benefits under one of the following options: (a) Life with Ten-Year Certain Option, (b) Joint and Survivor Annuity with 50% continuation, with 75% continuation or with 100% continuation, and (c) Life Annuity. Employees may also elect a lump-sum payment under the cash balance formula.

Death and Disability Benefits: If an active employee credited with at least three years of vesting service dies, a death benefit will be paid to the employee's spouse or beneficiary. A spouse receives a lifetime monthly benefit equal to 50% of the benefit that would have been received under the Joint and Survivor Annuity with 50% continuation method, unless the employee elected the Life with Ten-Year Certain Option. A beneficiary receives a benefit equal to the amount due under the Life with Ten-Year Certain Option. Under the Qualified Optional Survivor Annuity, a participant can elect an annuity payable monthly during his/her lifetime with a further annuity payable to his/her spouse or other designated beneficiary for the life of such spouse or beneficiary in an amount equal to 75% of the amount payable to the participant. Active employees who become totally disabled and qualify for disability benefits under the Company's provided disability plan prior to December 31, 2003, and do not return to work prior to their retirement date will be entitled to a pension benefit starting on the normal retirement date. The monthly benefit will be the larger of the normal retirement benefit based on final average pay and disability service or the benefit calculated as if the employee terminated on the last day of active employment. For vested participants who terminate on account of disability on or after January 1, 2004, the participant will be entitled to a normal, early, or vested deferred retirement benefit as provided under the Plan.

Funding: The Company contributes amounts that it considers necessary to provide assets sufficient to meet the benefits to be paid. The Company's contributions for 2019 and 2018 met the minimum funding requirements of ERISA.

Administration: Certain administrative functions are performed by officers or employees of the Company. No such officer or employee receives compensation from the Plan. Certain administrative expenses are paid through the Plan. Investment management fees and operating expenses charged to the Plan for investments in mutual funds are deducted from income earned on a daily basis and are not separately reflected. Consequently, management fees and operating expenses are reflected as a reduction of investment return for such investments.

NOTE 2 – SUMMARY OF ACCOUNTING POLICIES

Basis of Accounting: The financial statements of the Plan are prepared under the accrual basis of accounting.

(Continued)

NOTE 2 – SUMMARY OF ACCOUNTING POLICIES (Continued)

Estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures, and actual results may differ from those estimates. It is at least reasonably possible that a significant change may occur in the near term for the estimate of the actuarial present value of accumulated plan benefits.

Payment of Benefits: Benefits payments to participants are recorded when paid.

Investment Valuation and Income Recognition: The Plan's investments are reported at fair value. Purchases and sales of securities are recorded on a trade-date basis. Interest is recorded when earned. Dividends are recorded on the ex-dividend date. Net appreciation (depreciation) includes the plan's gains and losses on investments bought and sold as well as held during the year.

Fair value is the price that would be received by the Plan for an asset or paid by the Plan to transfer a liability (an exit price) in an orderly transaction between market participants on the measurement date in the Plan's principal or most advantageous market for the asset or liability. Fair value measurements are determined by maximizing the use of observable inputs and minimizing the use of unobservable inputs. The hierarchy places the highest priority on unadjusted quoted market prices in active markets for identical assets or liabilities (level 1 measurements) and gives the lowest priority to unobservable inputs (level 3 measurements). The three levels of inputs within the fair value hierarchy are defined as follows:

> *Level 1*: Quoted prices (unadjusted) for identical assets or liabilities in active markets that the Plan has the ability to access as of the measurement date.
>
> *Level 2*: Significant other observable inputs other than level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.
>
> *Level 3*: Significant unobservable inputs that reflect the Plan's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

In some cases, a valuation technique used to measure fair value may include inputs from multiple levels of the fair value hierarchy. The lowest level of significant input determines the placement of the entire fair value measurement in the hierarchy.

The following descriptions of the valuation methods and assumptions used by the Plan to estimate the fair values of investments apply to investments held directly by the Plan.

Mutual funds: The fair values of mutual funds are determined by obtaining quoted prices on nationally recognized securities exchanges (level 1 inputs).

Unallocated investment contract: Unallocated investment contracts are valued at fair value by the insurance company based on the withdrawal value of the contract based on the terms noted in the contract (level 2 inputs). The withdrawal value of the contract approximates the contract value of the contract.

(Continued)

NOTE 2 – SUMMARY OF ACCOUNTING POLICIES (Continued)

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Investments measured at fair value on a recurring basis are summarized below:

	Fair Value Measurements at December 31 Using:		
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
2019			
Mutual Funds	$ 157,603,290	$ -	$ -
Unallocated investment contract	-	1,466,810	-
Total	$ 157,603,290	$ 1,466,810	$ -
2018			
Mutual Funds	$ 122,178,889	$ -	$ -
Unallocated investment contract	-	1,428,916	-
Total	$ 122,178,889	$ 1,428,916	$ -

Risks and Uncertainties: Investments are exposed to various risks such as interest rate, market, liquidity, and credit risks. Due to the level of risk associated with certain investments and the sensitivity of certain fair value estimates to changes in valuation assumptions, it is at least reasonably possible that changes in the values of investments will occur in the near term and that such changes could materially affect the amounts reported in the statement of net assets available for benefits.

Plan contributions are made and the actuarial present value of accumulated plan benefits are reported based on certain assumptions pertaining to interest rates, inflation rates and employee demographics, all of which are subject to change. Due to uncertainties inherent in the estimations and assumptions process, it is at least reasonably possible that changes in these estimates and assumptions in the near term would be material to the financial statements.

NOTE 3 – INVESTMENTS - UNAUDITED INFORMATION

Substantially all information pertaining to the Plan's investments included in the financial statements, including the associated investment appreciation (depreciation), dividends and interest earned, was obtained or derived from information supplied to the plan administrator and certified as complete and accurate by John Hancock Trust Company and Aetna Life Insurance Company, and furnished to the Plan administrator. This information has not been audited by independent accountants.

(Continued)

NOTE 4 - INVESTMENT CONTRACT WITH INSURANCE COMPANY

The Plan has an investment contract with Aetna Life Insurance Company ("Aetna"). Aetna maintains the contributions in a general account, which is credited with earnings on the underlying investments and charged for participant withdrawals and administrative expenses. The contract is included in the financial statements at contract value as reported to the Plan by Aetna, which approximates fair value. Contract value represents contributions made under the contract, plus earnings, less participant withdrawals and administrative expenses. The contract has certain restrictions that impact the ability to collect the full contract value. Plan management believes that the occurrence of events that would cause the Plan to transact at less than contract value is not probable. Aetna may not terminate the contract at any amount less than contract value.

Aetna is contractually obligated to pay the principal and specified interest rate that is guaranteed to the Plan. The crediting interest rate is based on a formula agreed upon with the issuer. Such interest rates are established every four years by Aetna. When the interest rate is changed, the new rate only applies to funds deposited from the date of change. For amounts contributed after January 1, 2019, the interest rate is 3.25%. For amounts contributed after January 1, 2015, the interest rate is 2.50%. For amounts contributed before December 31, 2014, the interest rate is 3.00%.

NOTE 5 – ACTUARIAL PRESENT VALUE OF ACCUMULATED PLAN BENEFITS

Accumulated plan benefits are estimated future periodic payments attributable under the Plan's provisions to services rendered by participants to the valuation date. Accumulated plan benefits include benefits expected to be paid to (a) retired or terminated employees with vested rights or their beneficiaries, (b) beneficiaries of participants who have deceased, and (c) present active employees or their beneficiaries. Benefits payable under all circumstances (i.e. retirement, disability and termination of employment) are included to the extent they are deemed attributable to employee services rendered as of the valuation date.

The actuarial present value of accumulated plan benefits is determined by an independent actuary and is that amount that results from applying actuarial assumptions to adjust the accumulated plan benefits to reflect the time value of money (through discounts for interest) and the probability of payment (by means of decrements such as for death, disability, withdrawal, or retirement) between the valuation date and the expected date of payment.

The significant actuarial assumptions used in the valuation as of December 31, 2018 were as follows:

Mortality	RP-2014 with full projection using the MP-2018 projection scale
Retirement age	A scale of estimated retirements from age 55 to 70
Investment return on assets	7.40%
Cash balance crediting rate	3.36%

The foregoing actuarial assumptions are based on the presumption that the Plan will continue. If the Plan were to terminate, different actuarial assumptions and other factors might be applicable in determining the actuarial present value of accumulated plan benefits.

(Continued)

NOTE 5 – ACTUARIAL PRESENT VALUE OF ACCUMULATED PLAN BENEFITS (Continued)

The actuarial present value of accumulated plan benefits as of December 31, 2018 is as follows:

Actuarial present value of accumulated plan benefits:	
Vested benefits:	
Participants and beneficiaries currently receiving payments	$ 38,262,336
Other benefits	60,769,318
	99,031,654
Nonvested benefits	634,624
Total actuarial present value of accumulated plan benefits	$ 99,666,278

The changes in actuarial present value of accumulated plan benefits for the year ended December 31, 2018 is as follows:

Actuarial present value of accumulated plan benefits – December 31, 2017	$ 99,227,463
Increase (decrease) during the year attributable to:	
Benefits paid	(7,187,106)
Interest due to decrease in discount period	6,885,641
Assumption changes*	(982,288)
Benefits accumulated net of actuarial experience	1,722,568
Actuarial present value of accumulated plan benefits – December 31, 2018	$ 99,666,278

*The actuarial assumption changes are related an increase of the discount rate from 7.20% at December 31, 2017 to 7.40% at December 31, 2018 and the change of the mortality improvement scale from MP-2017 to MP-2018.

NOTE 6 – PLAN TERMINATION

Although it has not expressed any intention to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA and its related regulations. In the event the Plan terminates, the net assets of the Plan will be allocated, as prescribed by ERISA and its related regulations.

Certain benefits under the Plan are insured by the Pension Benefit Guaranty Corporation ("PBGC") if the Plan terminates. Generally, the PBGC guarantees most vested normal age retirement benefits, early retirement benefits, and certain disability and survivor's pension. However, the PBGC does not guarantee all types of benefits under the Plan, and the amount of benefit protection is subject to certain limitations.

Whether all participants receive their benefits should the Plan terminate at some future time will depend on the sufficiency, at that time, of the Plan's net assets to provide for accumulated benefit obligations and may also depend on the financial condition of the Plan sponsor and the level of benefits guaranteed by the PBGC.

(Continued)

NOTE 7 - TAX STATUS

The IRS has determined and informed the Company by a letter dated May 5, 2014, that the Plan and related trust were designed in accordance with the applicable regulations of the IRC. Although the Plan has been amended since receiving the determination letter, Plan management believes that the Plan is designed and being operated in compliance with the applicable requirements of the IRC. Therefore, they believe that the Plan was qualified and the related trust was tax-exempt as of the financial statement date.

The Plan administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2019 and 2018, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Plan is subject to routine audits by the IRS or Department of Labor; however, there are currently no audits for any tax periods in progress. The plan administrator believes it is no longer subject to income tax examinations for years prior to 2016.

NOTE 8 - PARTY-IN-INTEREST TRANSACTIONS

Parties-in-interest are defined under Department of Labor regulations as any fiduciary of the Plan, any party rendering service to the Plan, the employer, and certain others. The Plan invests in an unallocated investment contracts managed by Aetna. Aetna is a service provider to the Plan, and therefore, these transactions qualify as party-in-interest transactions. The payment of fees to Aetna and John Hancok also qualify as party-in-interest transactions.

NOTE 9 - SUBSEQUENT EVENTS

Plan management has evaluated subsequent events for recognition and disclosure through October 9, 2020, which is the date the financial statements were available to be issued.

Effective September 1, 2020, the Plan was amended to freeze benefit accruals effective January 1, 2021. The Plan also was amended to allow eligible participants to elect a single lump sum benefit during a limited period beginning October 1, 2020 and ending November 15, 2020. The payments will commence prior to December 31, 2020.

In December 2019, a novel strain of coronavirus surfaced in Wuhan, China, and has spread around the world, with resulting business and social disruption. The coronavirus was declared a Public Health Emergency of International Concern by the World Health Organization on January 30, 2020. The ultimate impact of the coronavirus on the Plan and the Company will depend on future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of the coronavirus and the actions required to contain the coronavirus or treat its impact, among others.

SUPPLEMENTAL SCHEDULES

KAO AMERICA INC. PENSION PLAN
SCHEDULE H, LINE 4i – SCHEDULE OF ASSETS (HELD AT END OF YEAR)
December 31, 2019

Name of Plan Sponsor: Kao America, Inc.
Employer Identification Number: 25-0472020
Three-Digit Plan Number: 001

(a)	(b) Identity of Issue Borrower, Lessor, or Similar Party	(c) Description of Investment	(d) Cost	(e) Current Value
Mutual Funds				
	American Funds	EuroPacific Growth R4 Fund	$ 19,421,625	$ 24,194,981
	Dimensional Funds	DFA Emerging Markets Value Institutional	7,483,357	7,598,288
	GMO	GMO Global Balanced AA	16,010,940	16,010,940
	PIMCO	PIMCO All Asset Fund	7,932,350	7,860,691
	PIMCO	PIMCO Long-Term Credit Institutional	52,584,704	54,307,585
	Vanguard	Vanguard Institutional Index	21,340,214	29,469,906
	Vanguard	Vanguard External Market Index Institutional	8,285,009	11,030,591
	Vanguard	Vanguard Intermediate-Term Treasury Index Fund Admiral	7,264,188	7,130,308
Unallocated Investment Contract				
	*Aetna Life Insurance Co	Investment Contract	1,466,810	1,466,810
	TOTAL		$ 141,789,197	$ 159,070,100

* Party-in-interest

See Independent Auditor's Report

KAO AMERICA INC. PENSION PLAN
SCHEDULE H, LINE 4j – SCHEDULE REPORTABLE TRANSACTIONS
Year ended December 31, 2019

Name of Plan Sponsor: Kao America, Inc.
Employer Identification Number: 25-0472020
Three-Digit Plan Number: 001

(a) Identify of Party Involved	(b) Description of Asset	(c) Purchase Price	(d) Selling Price	(e) Lease Rental	(f) Expense Incurred with Transaction	(g) Cost of Asset	(h) Current Value of Assets on Transaction Date	(i) Net Gain or (Loss)
Category (i): A single transaction in excess of 5% of the current value of plan assets:								
Vanguard	Vanguard Intermediate-Term Treasury Index Fund Admiral	$ 7,200,688	$ -	$ -	$ -	$ 7,200,688	$ 7,200,688	$ -
Category (iii): A series of transactions with the same security in excess of 5% of the current value of Plan assets:								
Vanguard	Vanguard Intermediate-Term Treasury Index Fund Admiral	$ 7,264,188	$ -	$ -	$ -	$ 7,264,188	$ 7,264,188	$ -
PIMCO	Long Term Credit Institutional	2,738,051	-	-	-	2,738,051	2,738,051	-
		-	8,290,582	-	-	8,475,711	8,290,582	(185,129)

See Independent Auditor's Report

Schedule SB, line 26 — Schedule of Active Participant Data

ATTAINED AGE	YEARS OF CREDITED SERVICE										
	UNDER 1	1–4	5–9	10–14	15–19	20–24	25–29	30–34	35–39	40 & UP	TOTAL
Under 25		10									10
25–29		50	8								58
30–34		49	29	6							84
35–39		36	40	34	8						118
40–44		31	29	28	12	4					104
45–49		28	28	32	23	7	5				123
50–54		12	26	28	17	13	14	11	1		122
55–59		16	33	12	12	18	16	15	11	1	134
60–64		8	6	12	14	11	7	6	5	5	74
65–69		1	1	4	2	3	1	1	1	4	18
70 & up							1		1	1	3
Total		241	200	156	88	56	44	33	19	11	848

Each cell shows the count of active participants for each age/service combination. Average pay and cash balance accounts are not shown for plans with less than 1,000 active participants.

Schedule SB, Part V — Statement of Actuarial Assumptions/Methods

ACTUARIAL ASSUMPTIONS

DISCOUNT RATE SPONSOR ELECTIONS			
• Segment rates or full yield curve	Segment		
• Look-back months	0		
	Stabilized	**Nonstabilized**	
• First 5 years	3.74%	2.55%	
• Next 15 years	5.35%	3.93%	
• Over 20 years	6.11%	4.49%	
Mortality sponsor elections			
• Healthy participants	Section 430(h)(3) prescribed separate static annuitant and nonannuitant mortality tables. These tables are based on RP2014 mortality tables with improvements beyond 2006 removed with static mortality improvement based on the IRS methodology and projection scale MP-2017.		
• Disabled participants	Same as healthy participants.		
417(e) lump sums	Liabilities are determined based on the underlying annuity used by the plan to determine the lump sum amount, rather than valuing the lump sum payment. This annuity is valued based on funding interest rates rather than 417(e) rates and reflects current year 417(e) unisex mortality.		
Cash balance plans			
• Interest accumulation rate	3.36%		
• Whipsaw calculations	No		
• Annuity conversion			
– Mortality table	1994 Group Annuity Reserving Unisex Mortality table		
– Interest rate basis	3.36%		
Other economic assumptions			
• Salary increases	Age based ranging from 2.00% to 7.00%, see table of sample rates		
• Flat-dollar benefit increases	Not applicable		

Schedule SB, Part V — Statement of Actuarial Assumptions/Methods

• Social Security taxable wage base increases	Not applicable
• Expected investment return	7.40% per year for 2019, 7.20% for 2018 and 7.40% per year for 2017
• Expenses	Plan sponsor does not intend to pay administrative expenses from the trust although it is permissible.

DEMOGRAPHIC ASSUMPTIONS

• Withdrawal	See table of sample rates.
• Disability incidence	See table of sample rates.
• Retirement age for retirement eligible participants	**Attained age** / **Rate** Under 55 — 0% 55 — 15% 56-61 — 7% 62-64 — 15% 65-69 — 30% 70 and above — 100%
• Benefit commencement age for non- retirement eligible participants	Immediate commencement for terminating active employees. Age 65 for vested terminated employees that did not take immediate lump sum.
• Spouse assumptions	**Male participants** / **Female participants**
– Percentage married	80% / 80%
– Spouse age difference	3 years younger / 3 years older

Form of payment — Males/Females	**Lump sum**	**Single life**	**Life with 10years**	**100% J&S**	**50% J&S**
• Active retirements	50%	15%	10%	15%	10%
• Vested deferred, non-retirement eligible	100%	0%	0%	0%	0%
• Future disabilities	100%	0%	0%	0%	0%

Schedule SB, Part V — Statement of Actuarial Assumptions/Methods

• Future deaths (Married participants)	0%	0%	0%	0%	100%
• Future deaths (Unmarried participants)	0%	0%	100%	0%	0%
• Vested deferred, retirement eligible	25%	30%	15%	15%	15%
Unpredictable contingent event assumptions	None				

Table of Sample Rates

ATTAINED AGE	PERCENTAGE		DISABILITY INCIDENCE	
	WITHDRAWAL	SALARY INCREASES	MALE	FEMALE
20	17.757%	7.000%	0.030%	0.030%
25	17.757%	7.000%	0.030%	0.030%
30	11.157%	7.000%	0.030%	0.040%
35	8.978%	6.500%	0.040%	0.070%
40	7.094%	5.000%	0.080%	0.130%
45	5.139%	5.000%	0.160%	0.240%
50	3.041%	3.500%	0.330%	0.400%
55	0.507%	3.500%	0.690%	0.640%
60	0.000%	2.000%	1.150%	0.900%
65	0.000%	2.000%	0.000%	0.000%

ACTUARIAL METHODS FOR FUNDING

Asset Methods

The asset valuation method is an average of the adjusted market value for each year during the last 2 years preceding the valuation date. The adjusted market value is the market value at each determination date adjusted to the valuation date based on actual cash flows and expected interest at the lesser of the expected rate of return and the third segment rate. This amount is adjusted to be no greater than 110% and no less than 90% of the fair market value, as defined in IRC Section 430.

Schedule SB, Part V — Statement of Actuarial Assumptions/Methods

A characteristic of this asset method is that, over time, it is slightly more likely to produce an actuarial value of assets that is less than the market value of assets than an actuarial value that is greater than the market value.

Participant Methods

Participants or former participants are included or excluded from the valuation as described below:

- **Participants included:** The plan sponsor provides us with data on all employees as of the valuation date, but only those employees who have completed the plan's eligibility requirements are included in the valuation of liabilities.
- **Participants excluded:** No actuarial liability is included for nonvested participants who terminated prior to the valuation date. For this purpose, participants with a break in service on the valuation date are treated as terminated participants.
- **Insurance contracts:** The plan does not have any insurance contracts.

Minimum Funding Methods

The funding target for minimum funding calculations is computed using the traditional unit credit method of funding. The objective under this method is to fund each participant's benefits under the plan as they accrue. Thus, the total pension to which each participant is expected to become entitled at retirement is broken down into units, each associated with a year of past or future credited service.

A detailed description of the calculation follows:

- The plan's valuation date is the beginning of the plan year.
- An individual's **funding target** is the present value of future benefits based on credited service and average pay as of the beginning of the plan year, and an individual's **target normal cost** is the present value of the benefit expected to accrue in the plan year. If multiple decrements are used, the funding target and the target normal cost for an individual are the sum of the component funding targets and target normal costs associated with the various anticipated separation dates.
- The plan's **target normal cost** is the sum of the individual target normal costs, and the plan's **funding target** is the sum of the individual funding targets for all participants under the plan.

KAO AMERICA INC. PENSION PLAN
SCHEDULE H, LINE 4j – SCHEDULE REPORTABLE TRANSACTIONS
Year ended December 31, 2019

Name of Plan Sponsor: Kao America, Inc.
Employer Identification Number: 25-0472020
Three-Digit Plan Number: 001

(a) Identify of Party Involved	(b) Description of Asset	(c) Purchase Price	(d) Selling Price	(e) Lease Rental	(f) Expense Incurred with Transaction	(g) Cost of Asset	(h) Current Value of Assets on Transaction Date	(i) Net Gain or (Loss)
Category (i): A single transaction in excess of 5% of the current value of plan assets:								
Vanguard	Vanguard Intermediate-Term Treasury Index Fund Admiral	$ 7,200,688	$ -	$ -	$ -	$ 7,200,688	$ 7,200,688	$ -
Category (iii): A series of transactions with the same security in excess of 5% of the current value of Plan assets:								
Vanguard	Vanguard Intermediate-Term Treasury Index Fund Admiral	$ 7,264,188	$ -	$ -	$ -	$ 7,264,188	$ 7,264,188	$ -
PIMCO	Long Term Credit Institutional	2,738,051	-	-	-	2,738,051	2,738,051	-
		-	8,290,582	-	-	8,475,711	8,290,582	(185,129)

See Independent Auditor's Report

SCHEDULE SB (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Single-Employer Defined Benefit Plan Actuarial Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code).

▶ File as an attachment to Form 5500 or 5500-SF.

OMB No. 1210-0110

2019

This Form is Open to Public Inspection

For calendar plan year 2019 or fiscal plan year beginning 01/01/2019 and ending 12/31/2019

▶ **Round off amounts to nearest dollar.**

▶ **Caution:** A penalty of $1,000 will be assessed for late filing of this report unless reasonable cause is established.

A Name of plan
KAO AMERICA INC. PENSION PLAN

B Three-digit plan number (PN) ▶ 002

C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF
KAO AMERICA INC.

D Employer Identification Number (EIN)
52-2064483

E Type of plan: [X] Single [ ] Multiple-A [ ] Multiple-B

F Prior year plan size: [ ] 100 or fewer [ ] 101-500 [X] More than 500

Part I Basic Information

1 Enter the valuation date: Month 01 Day 01 Year 2019

2 Assets:

a Market value	**2a**	136,537,335
b Actuarial value	**2b**	144,216,617

3 Funding target/participant count breakdown

	(1) Number of participants	(2) Vested Funding Target	(3) Total Funding Target
a For retired participants and beneficiaries receiving payment	575	44,687,341	44,687,341
b For terminated vested participants	1,167	33,058,142	33,058,142
c For active participants	848	38,657,692	39,386,064
d Total	2,590	116,403,175	117,131,547

4 If the plan is in at-risk status, check the box and complete lines (a) and (b) [ ]

a Funding target disregarding prescribed at-risk assumptions	**4a**	
b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor	**4b**	
5 Effective interest rate	**5**	5.53%
6 Target normal cost	**6**	2,542,309

Statement by Enrolled Actuary

To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

SIGN HERE

SK

Signature of actuary

6/17/2020

Date

SAMANTHA KLINGLER

Type or print name of actuary

2008655

Most recent enrollment number

MERCER

Firm name

614-227-5500

Telephone number (including area code)

325 JOHN H MCCONNELL BLVD. STE. 350

COLUMBUS OH 43215-7644

Address of the firm

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions [ ]

Part II Beginning of Year Carryover and Prefunding Balances

		(a) Carryover balance	(b) Prefunding balance
7	Balance at beginning of prior year after applicable adjustments (line 13 from prior year)	0	41,080,540
8	Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	0	5,374,681
9	Amount remaining (line 7 minus line 8)	0	35,705,859
10	Interest on line 9 using prior year's actual return of -7.70%	0	-2,749,351
11	Prior year's excess contributions to be added to prefunding balance:		
	a Present value of excess contributions (line 38a from prior year)		10,884,075
	b(1) Interest on the excess, if any, of line 38a over line 38b from prior year Schedule SB, using prior year's effective interest rate of 5.69%		313,485
	b(2) Interest on line 38b from prior year Schedule SB, using prior year's actual return		-413,850
	c Total available at beginning of current plan year to add to prefunding balance		10,783,710
	d Portion of (c) to be added to prefunding balance		10,783,710
12	Other reductions in balances due to elections or deemed elections	0	0
13	Balance at beginning of current year (line 9 + line 10 + line 11d – line 12)	0	43,740,218

Part III Funding Percentages

14	Funding target attainment percentage	14	85.78%
15	Adjusted funding target attainment percentage	15	123.12%
16	Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement	16	80.04%
17	If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage.	17	%

Part IV Contributions and Liquidity Shortfalls

18 Contributions made to the plan for the plan year by employer(s) and employees:

(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
			Totals ▶ 18(b)	0	18(c) 0

19 Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:

a Contributions allocated toward unpaid minimum required contributions from prior years	19a	0
b Contributions made to avoid restrictions adjusted to valuation date	19b	0
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date	19c	0

20 Quarterly contributions and liquidity shortfalls:

a Did the plan have a "funding shortfall" for the prior year? [X] Yes [ ] No

b If line 20a is "Yes," were required quarterly installments for the current year made in a timely manner? [X] Yes [ ] No

c If line 20a is "Yes," see instructions and complete the following table as applicable:

Liquidity shortfall as of end of quarter of this plan year

(1) 1st	(2) 2nd	(3) 3rd	(4) 4th
0	0	0	0

Part V Assumptions Used to Determine Funding Target and Target Normal Cost

21 Discount rate:

	1st segment:	2nd segment:	3rd segment:	
a Segment rates:	3.74 %	5.35 %	6.11%	☐ N/A, full yield curve used

b Applicable month (enter code)	**21b**	0
22 Weighted average retirement age	**22**	62

23 Mortality table(s) (see instructions) ☐ Prescribed - combined ☒ Prescribed - separate ☐ Substitute

Part VI Miscellaneous Items

24 Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment	☒ Yes	☐ No
25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment	☐ Yes	☒ No
26 Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment	☒ Yes	☐ No

27 If the plan is subject to alternative funding rules, enter applicable code and see instructions regarding attachment	**27**	

Part VII Reconciliation of Unpaid Minimum Required Contributions For Prior Years

28 Unpaid minimum required contributions for all prior years	**28**	0
29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (line 19a)	**29**	0
30 Remaining amount of unpaid minimum required contributions (line 28 minus line 29)	**30**	0

Part VIII Minimum Required Contribution For Current Year

31 Target normal cost and excess assets (see instructions):			
a Target normal cost (line 6)	**31a**		2,542,309
b Excess assets, if applicable, but not greater than line 31a	**31b**		0
32 Amortization installments:		Outstanding Balance	Installment
a Net shortfall amortization installment		16,655,148	3,611,934
b Waiver amortization installment		0	0
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	**33**		0
34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33)	**34**		6,154,243

	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement	0	6,154,243	6,154,243

36 Additional cash requirement (line 34 minus line 35)	**36**	0
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c)	**37**	0
38 Present value of excess contributions for current year (see instructions)		
a Total (excess, if any, of line 37 over line 36)	**38a**	0
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	**38b**	0
39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37)	**39**	0
40 Unpaid minimum required contributions for all years	**40**	0

Part IX Pension Funding Relief Under Pension Relief Act of 2010 (See Instructions)

41 If an election was made to use PRA 2010 funding relief for this plan:

a Schedule elected ☐ 2 plus 7 years ☐ 15 years

b Eligible plan year(s) for which the election in line 41a was made ☐ 2008 ☐ 2009 ☐ 2010 ☐ 2011

Schedule SB, line 22 — Description of Weighted Average Retirement Age

Each employee is assumed to retire in accordance with the table of retirement rates. The proportion of employees expected to retire at each potential retirement age is shown below. The average retirement age is 62.

(A) Retirement age	(B) Retirement Percent	(C) Lx	(D) Number of employees expected to retire (B) x (C)	(E) (A) x (D)
55	15.0%	10,000.00	1,500.00	82,500
56	7.0%	8,500.00	595.00	33,320
57	7.0%	7,905.00	553.35	31,541
58	7.0%	7,351.65	514.62	29,848
59	7.0%	6,837.03	478.59	28,237
60	7.0%	6,358.44	445.09	26,705
61	7.0%	5,913.35	413.93	25,250
62	15.0%	5,499.42	824.91	51,144
63	15.0%	4,674.51	701.18	44,174
64	15.0%	3,973.33	596.00	38,144
65	30.0%	3,377.33	1,013.20	65,858
66	30.0%	2,364.13	709.24	46,810
67	30.0%	1,654.89	496.47	33,263
68	30.0%	1,158.42	347.53	23,632
69	30.0%	810.89	243.27	16,786
70	100.0%	567.63	567.63	39,734
Total			10,000.00	616,946
Average				61.69

Schedule SB, Part V — Summary of Plan Provisions

SUMMARY OF MAJOR PLAN PROVISIONS

Effective date and plan year	Original plan: November 1, 1961 Restated plan: January 1, 2014 Plan year: January 1 to December 31
Status of the plan	The plan has ongoing benefit accruals and new employees are eligible to participate in the plan once they satisfy the participation requirements.
Significant events that occurred during the year	None
DEFINITIONS	
• Covered employees	All employees of the Company (and any participating affiliate), other than leased employees covered by a collective bargaining agreement (unless the terms of the bargaining agreement otherwise provides), temporary employees who are members of the substitute workforce, retired participants, a transferee from Kao Corporation on a temporary assignment in the United States and any other individual who for any period is classified as an independent contractor (regardless of any subsequent reclassification by the Company, a government agency or a court).
• Participation	Each employee becomes a participant on the January 1 or July 1 following the first twelve month period in which he completes 1,000 hours of service.
• Employee contributions	None
• Hour of Service	Each hour for which the participant is paid or entitled to be paid from the Company, including hours paid for vacation, holiday, illness, layoff, jury or military duty or leave of absence. However, no more than 501 Hours of Service will be credited to the participant for any single continuous period during which the participant is not actually working for the Company.
• Vesting service	The participant will be credited a year of vesting service for each Plan Year during which the participant is credited with at least 1,000 hours of service.
• Credited service	Credited Service is received for all years (and fractional portions of a year in completed months) of employment with the Company (and certain affiliates). If you terminate employment and return to work within 12 months, you will be considered to have remained an employee for that period.

Schedule SB, Part V — Summary of Plan Provisions

• Covered Compensation	This includes the compensation from the Company as reflected on Form W-2, increased by any pre-tax contributions the participant may have made to the Company under 401(k) and/or Section 125 (cafeteria) plan. This also includes amounts paid under the Kao Brands Company Severance Plan. This does not include reimbursements or other expense allowances, fringe benefits, moving expenses, deferred compensation, welfare benefits, bonuses paid after termination and compensation realized from the grant or exercise of stock options. The participant should be aware, however, that the amount of the Pay taken into account under the Plan is limited under the Federal Tax Laws.
• Final average eligible Pay	Average pay based on highest consecutive 5 years within the past 10 years.
• Defined benefit pension formula	1% of the average annual compensation for the highest paid five consecutive years of the ten years preceding retirement multiplied by years of credited service up to 35 years. In no event, the benefit shall not be less than that accrued through December 31, 1988 under the prior plan formula. The minimum monthly benefit is $10 for each year of credited service up to 35 years.
• Grandfathered Participants	Any participant employed by the Company or participating affiliate as of December 31, 2000 who was at least 40 years of age as of December 31, 2001 qualifies as a "grandfathered participant" and receives the greater of the cash balance formula and the Plan formula in effect prior to January 1, 2001.
• Grandfathered Frozen Benefit - Grandfathered Participants	In 2001, the Plan transitioned from a Defined Benefit Pension Plan to a Cash Balance Pension Plan. It was determined that employees, who were at least 40 years old as of 12/31/01, would have the option between the cash balance formula or the defined benefit pension formula upon retirement (whichever was greater). This is referred to as the “Grandfathered” benefit. Grandfathered Participants employed after March 31, 2009, will have their accrued benefit as of March 31, 2009 frozen. Years of service and compensation earned after March 31, 2009 will not change any portion of their frozen benefit.

Schedule SB, Part V — Summary of Plan Provisions

• Cash Balance Benefit	The cash balance is equal to the sum of a), b), c) below: a) **Initial Cash Balance Account:** i) **Grandfathered Participants-** Initial cash balance account beginning on 4/1/2009 is zero. ii) **Non - Grandfathered Participants-** The initial cash balance account was determined for each participant as of January 1, 2001 as the sum of two items. First, the present value of the participant's accrued benefit as of December 31, 2000 determined under the defined benefit pension formula, commencing at age 65. Second, Transition Credit equal to the participant's years of service as of December 31, 2000 multiplied by the participant's December 31, 2000 average annual compensation multiplied by a percentage based on the participant's service as of December 31, 2000. The percentages are as follows: 0.5% for service 5-10 years 1.0% for service 11-14 years 1.5% for service 15 years or more b) **Contribution Credits:** At each December 31, a participant's cash balance account will be credited with an amount equal to 5% of the participant's compensation for the plan year through December 31, 2014 and 4% beginning January 1, 2015. c) **Interest Credits:** At each December 31, a participant's cash balance account will be credited with the earnings at the annual interest rate on 30-year Treasury securities for the November preceding the plan year.
NORMAL RETIREMENT	
• Eligibility	Age 65
• Benefit	Grandfathered Frozen Benefit (If applicable) plus Cash Balance Benefit.
EARLY RETIREMENT	
• Eligibility	The first day of any month coincident with or following the date on which you have both attained age 55 and completed at least 10 years of credited service.

Schedule SB, Part V — Summary of Plan Provisions

• Benefit	The Grandfathered Frozen Benefit is reduced by 3% per year from age 65 and 5% per year from age 60. An employee who retires with at least 30 years of service will not have his benefit reduced for the first 60 months from age 65. Otherwise, the Life with Ten-year Certain Annuity (or any actuarially equivalent form of benefit available) that is equal to the Actuarial Equivalent of the balance of the Participant's Cash Balance Account as of the end of the month before the Annuity Starting Date.
DEFERRED VESTED	
• Eligibility	3 years of service
• Benefit	A normal retirement benefit accrued to the date of termination payable at age 65. Payments may begin at age 55 or later, but will be actuarially reduced from age 65.
DISABILITY	
• Eligibility	5 years of service
• Benefit	A normal retirement benefit payable at age 65 based on actual service to date of disability. Disabled participant's received half year credit for years disabled before January 1, 2004.
PRE-RETIREMENT DEATH	
• Eligibility	3 years of service
• With Spouse	A monthly amount payable to survivor equal to 50% of the amount which would have been payable to the employee had he retired the day before death and elected a 50% joint and survivor annuity. Benefit will not be payable before employee would have reached early retirement age.
• Without Spouse	A monthly amount payable to the beneficiary equal to the survivor annuity which would have been payable had the employee retired the day before death and elected a 10 year certain and life annuity. The benefit will not be payable before employee would have reached early retirement age.

Schedule SB, Part V — Summary of Plan Provisions

UNPREDICTABLE CONTINGENT EVENT BENEFITS	Not applicable
FORM OF BENEFITS	
• Automatic form for unmarried participants	10-year certain and life annuity
• Automatic form for married participants	50% joint and survivor annuity actuarially equivalent to the 10-year certain and life annuity
• Mandatory cash outs of small amounts	If the present value of the participant's vested accrued benefit is less than $5,000, it will be paid as a lump sum as soon as administratively possible following retirement or termination.
• Optional forms	Life annuity, 100%, 75%, 50% joint and survivor annuity and 10-year certain and life annuity. Participants retiring or terminating on or after January 1, 2001 may elect a lump sum.
• Optional form conversion factors	Cash balance to annuity: 1994 Group Annuity Reserving Unisex Mortality table and the 30-year Treasury rate for the November preceding the plan year Annuity to other optional annuity forms: 1971 Group Annuity Mortality Table as applicable to a group of lives, 80% of whom are male and 20% of whom are female and 8.00% per year interest Annuity to lump sum: The 2008 Applicable Mortality Table, provided, however, that upon the IRS's promulgation of any Subsequent Applicable Mortality Table, the Subsequent Applicable Mortality Table shall be used and the applicable interest rate under the rules of Code Section 417(e)(3) as set forth in Revenue Ruling 2007-67.
MISCELLANEOUS	
• Maximum compensation	Compensation for any 12-month period used to determine accrued benefits may not exceed the limits in IRC Section 401(a)(17) for the calendar year in which the 12-month period begins. This limit is indexed annually. For 2019, the limit is $280,000.

Schedule SB, Part V — Summary of Plan Provisions

Benefits Included or Excluded

Unless noted below, all benefits provided by the plan, as restated and amended through, are included in this valuation:

- **Plan amendments excluded:** Amendments adopted after the valuation date or effective after the current plan year are excluded from the valuation
- **Late retirement increases:**
  - *Active participants:* The plan provides suspension of benefit notices to active participants. The retirement decrements in the valuation do not extend beyond age 70 ½, and therefore, no actuarial increases are included. Additionally, there are only a couple active participants that are currently over age 70 ½, so the impact of actuarial increases for actives would be immaterial at this point. We will continue to monitor the number of participants in this situation.
  - *Deferred vested participants:* Current deferred vested participants over normal retirement age are valued including the late retirement actuarial increases from the later of date of termination and normal retirement age. The actuarial increase is applied to the non-cash balance portion of the benefit. Given the relatively few participants over normal retirement age with cash balances, continued interest credits are assumed instead of actuarial increases. We will continue to monitor the number of participants in this situation.
- **Internal Revenue Code limitations:** The limitations of Internal Revenue Code Section 415(b) and 401(a)(17) have been incorporated into our calculations.
- **IRC Section 416 rules for top-heavy plans:** We did not test whether this plan is top-heavy (when the present value of benefits for key employees equals or exceeds 60% of the present value for all participants). However, we expect that the plan is not top-heavy due to the large number of rank-and-file participants; therefore, the funding target and target normal cost do not reflect any liability for top-heavy benefit accruals.

PLAN PROVISIONS SPECIFIC TO FUNDING

Additional Benefits Included or Excluded

- **IRC Section 436 benefit restrictions:**
  - *Unpredictable contingent event benefits:* This valuation excludes restricted contingent event benefits that occurred before the valuation date but includes contingent event benefits which are expected to occur on or after the valuation date regardless of anticipated funding-based limitations.
  - *Plan amendments:* See above.
  - *Prohibited payments:* Limitations on prohibited benefits (if any) are reflected for annuity starting dates before the valuation date but are ignored for annuity starting dates on or after the valuation date.

Schedule SB, Part V — Summary of Plan Provisions

- *Benefit accruals:* The plan's funding target does not reflect any limitation on benefit accruals. The target normal cost does not reflect any limitation on benefit accruals.

- **Unpredictable contingent event benefits:** The plan does not have any unpredictable contingent event benefits.

PLAN PROVISION CHANGES SINCE PRIOR VALUATION

Maximum compensation amounts under IRS rules were updated from 2018 to 2019.

KAO AMERICA INC. PENSION PLAN
SCHEDULE H, LINE 4i – SCHEDULE OF ASSETS (HELD AT END OF YEAR)
December 31, 2019

Name of Plan Sponsor: Kao America, Inc.
Employer Identification Number: 25-0472020
Three-Digit Plan Number: 001

(a)	(b) Identity of Issue Borrower, Lessor, or Similar Party	(c) Description of Investment	(d) Cost	(e) Current Value
Mutual Funds				
	American Funds	EuroPacific Growth R4 Fund	$ 19,421,625	$ 24,194,981
	Dimensional Funds	DFA Emerging Markets Value Institutional	7,483,357	7,598,288
	GMO	GMO Global Balanced AA	16,010,940	16,010,940
	PIMCO	PIMCO All Asset Fund	7,932,350	7,860,691
	PIMCO	PIMCO Long-Term Credit Institutional	52,584,704	54,307,585
	Vanguard	Vanguard Institutional Index	21,340,214	29,469,906
	Vanguard	Vanguard External Market Index Institutional	8,285,009	11,030,591
	Vanguard	Vanguard Intermediate-Term Treasury Index Fund Admiral	7,264,188	7,130,308
Unallocated Investment Contract				
	*Aetna Life Insurance Co	Investment Contract	1,466,810	1,466,810
	TOTAL		$ 141,789,197	$ 159,070,100

* Party-in-interest

See Independent Auditor's Report

Schedule SB, line 32 — Schedule of Amortization Bases

The total shortfall amortization charge is the sum of the individual shortfall amortization installment for each plan year covered under PPA. Although an individual shortfall amortization installment can be negative, the combined shortfall amortization charge cannot be less than $0.

SHORTFALL BASES					
YEAR ESTABLISHED		OUTSTANDING BALANCE	YEARS REMAINING		2019 INSTALLMENT
2017	$	15,841,648	5	$	3,405,151
2018		3,403,734	6		627,664
2019		(2,590,234)	7		(420,881)
Total	$	16,655,148		$	3,611,934

Schedule SB, line 24 — Change in Actuarial Assumptions

Actuarial Assumption Changes Since Prior Valuation

- Cash balance interest accumulation rate was updated from 2.80% to 3.36% to reflect current 30-year US Treasury Bond rates.
- The expected investment return assumption was updated from 7.20% to 7.40%.