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| <b>Form 5500</b><br><br>Department of the Treasury<br>Internal Revenue Service<br><br>Department of Labor<br>Employee Benefits Security<br>Administration<br><br>Pension Benefit Guaranty Corporation | <b>Annual Return/Report of Employee Benefit Plan</b><br>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).<br><br><b>▶ Complete all entries in accordance with the instructions to the Form 5500.</b> | OMB Nos. 1210-0110<br>1210-0089<br><br><div style="text-align: center; font-size: 24pt; font-weight: bold;">2019</div><br><br><b>This Form is Open to Public Inspection</b> |
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|                                                                                                                |                                                                                                                                                                                                                                                                                                                                           |
|----------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Part I</b>                                                                                                  | <b>Annual Report Identification Information</b>                                                                                                                                                                                                                                                                                           |
| For calendar plan year 2019 or fiscal plan year beginning <u>01/01/2019</u> and ending <u>12/31/2019</u>       |                                                                                                                                                                                                                                                                                                                                           |
| <b>A</b> This return/report is for:                                                                            | <input type="checkbox"/> a multiemployer plan <input type="checkbox"/> a multiple-employer plan (Filers checking this box must attach a list of participating employer information in accordance with the form instructions.)<br><input checked="" type="checkbox"/> a single-employer plan <input type="checkbox"/> a DFE (specify) ____ |
| <b>B</b> This return/report is:                                                                                | <input type="checkbox"/> the first return/report <input type="checkbox"/> the final return/report<br><input type="checkbox"/> an amended return/report <input type="checkbox"/> a short plan year return/report (less than 12 months)                                                                                                     |
| <b>C</b> If the plan is a collectively-bargained plan, check here. . . . . <input checked="" type="checkbox"/> |                                                                                                                                                                                                                                                                                                                                           |
| <b>D</b> Check box if filing under:                                                                            | <input checked="" type="checkbox"/> Form 5558 <input type="checkbox"/> automatic extension <input type="checkbox"/> the DFVC program<br><input type="checkbox"/> special extension (enter description)                                                                                                                                    |

|                                                                                                                                                                                                                                                                                                                                                                             |                                                                |                                                                     |  |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------|---------------------------------------------------------------------|--|
| <b>Part II</b>                                                                                                                                                                                                                                                                                                                                                              | <b>Basic Plan Information</b> —enter all requested information |                                                                     |  |
| <b>1a</b> Name of plan<br><br><u>SHISEIDO AMERICAS GROUP RETIREMENT PLAN</u>                                                                                                                                                                                                                                                                                                | <b>1b</b> Three-digit plan number (PN) ▶                       | <u>001</u>                                                          |  |
| <b>2a</b> Plan sponsor's name (employer, if for a single-employer plan)<br>Mailing address (include room, apt., suite no. and street, or P.O. Box)<br>City or town, state or province, country, and ZIP or foreign postal code (if foreign, see instructions)<br><br><u>SHISEIDO AMERICAS CORPORATION</u><br><br><br><u>390 MADISON AVENUE</u><br><u>NEW YORK, NY 10017</u> |                                                                | <b>1c</b> Effective date of plan<br><u>12/01/1974</u>               |  |
|                                                                                                                                                                                                                                                                                                                                                                             |                                                                | <b>2b</b> Employer Identification Number (EIN)<br><u>13-3480646</u> |  |
|                                                                                                                                                                                                                                                                                                                                                                             |                                                                | <b>2c</b> Plan Sponsor's telephone number<br><u>212-805-2300</u>    |  |
|                                                                                                                                                                                                                                                                                                                                                                             |                                                                | <b>2d</b> Business code (see instructions)<br><u>551112</u>         |  |

**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.

|                  |                                                   |            |                                                              |
|------------------|---------------------------------------------------|------------|--------------------------------------------------------------|
| <b>SIGN HERE</b> | Filed with authorized/valid electronic signature. | 10/14/2020 | LISA ZANDER                                                  |
|                  | Signature of plan administrator                   | Date       | Enter name of individual signing as plan administrator       |
| <b>SIGN HERE</b> |                                                   |            |                                                              |
|                  | Signature of employer/plan sponsor                | Date       | Enter name of individual signing as employer or plan sponsor |
| <b>SIGN HERE</b> |                                                   |            |                                                              |
|                  | Signature of DFE                                  | Date       | Enter name of individual signing as DFE                      |

For Paperwork Reduction Act Notice, see the Instructions for Form 5500.

Form 5500 (2019)  
v. 190130

|                                                                                                                                                                                                                                                                                        |                                                                                                                                                                  |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>3a</b> Plan administrator's name and address <input checked="" type="checkbox"/> Same as Plan Sponsor                                                                                                                                                                               | <b>3b</b> Administrator's EIN<br><br><b>3c</b> Administrator's telephone number<br><br><div style="background-color: #cccccc; height: 40px; width: 100%;"></div> |
| <b>4</b> 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:<br><b>a</b> Sponsor's name<br><b>c</b> Plan Name | <b>4b</b> EIN<br><br><b>4d</b> PN                                                                                                                                |
| <b>5</b> Total number of participants at the beginning of the plan year                                                                                                                                                                                                                | <b>5</b> 4693                                                                                                                                                    |
| <b>6</b> Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines <b>6a(1)</b> , <b>6a(2)</b> , <b>6b</b> , <b>6c</b> , and <b>6d</b> ).                                                                                       |                                                                                                                                                                  |
| <b>a(1)</b> Total number of active participants at the beginning of the plan year .....                                                                                                                                                                                                | <b>6a(1)</b> 3330                                                                                                                                                |
| <b>a(2)</b> Total number of active participants at the end of the plan year .....                                                                                                                                                                                                      | <b>6a(2)</b> 2718                                                                                                                                                |
| <b>b</b> Retired or separated participants receiving benefits.....                                                                                                                                                                                                                     | <b>6b</b> 13                                                                                                                                                     |
| <b>c</b> Other retired or separated participants entitled to future benefits .....                                                                                                                                                                                                     | <b>6c</b> 1383                                                                                                                                                   |
| <b>d</b> Subtotal. Add lines <b>6a(2)</b> , <b>6b</b> , and <b>6c</b> .....                                                                                                                                                                                                            | <b>6d</b> 4114                                                                                                                                                   |
| <b>e</b> Deceased participants whose beneficiaries are receiving or are entitled to receive benefits. ....                                                                                                                                                                             | <b>6e</b> 0                                                                                                                                                      |
| <b>f</b> Total. Add lines <b>6d</b> and <b>6e</b> .....                                                                                                                                                                                                                                | <b>6f</b> 4114                                                                                                                                                   |
| <b>g</b> Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item) .....                                                                                                                                        | <b>6g</b> 3947                                                                                                                                                   |
| <b>h</b> Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested .....                                                                                                                                             | <b>6h</b> 72                                                                                                                                                     |
| <b>7</b> Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item).....                                                                                                                                                    | <b>7</b>                                                                                                                                                         |

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

2S 2T 3F 3H 2E 2F 2G 2J 2K 2R

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

|                                                                                                                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                                                           |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>9a</b> Plan funding arrangement (check all that apply)<br><b>(1)</b> <input type="checkbox"/> Insurance<br><b>(2)</b> <input type="checkbox"/> Code section 412(e)(3) insurance contracts<br><b>(3)</b> <input checked="" type="checkbox"/> Trust<br><b>(4)</b> <input type="checkbox"/> General assets of the sponsor | <b>9b</b> Plan benefit arrangement (check all that apply)<br><b>(1)</b> <input type="checkbox"/> Insurance<br><b>(2)</b> <input type="checkbox"/> Code section 412(e)(3) insurance contracts<br><b>(3)</b> <input checked="" type="checkbox"/> Trust<br><b>(4)</b> <input type="checkbox"/> 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)** ☒ **R** (Retirement Plan Information)
- (2)** ☐ **MB** (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary
- (3)** ☐ **SB** (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary

**b General Schedules**

- (1)** ☒ **H** (Financial Information)
- (2)** ☐ **I** (Financial Information – Small Plan)
- (3)** ☐ 0 **A** (Insurance Information)
- (4)** ☒ **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 \_\_\_\_\_

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

|                                                                                                |                                                             |     |
|------------------------------------------------------------------------------------------------|-------------------------------------------------------------|-----|
| For calendar plan year 2019 or fiscal plan year beginning 01/01/2019 and ending 12/31/2019     |                                                             |     |
| <b>A</b> Name of plan<br>SHISEIDO AMERICAS GROUP RETIREMENT PLAN                               | <b>B</b> Three-digit plan number (PN) ▶                     | 001 |
|                                                                                                |                                                             |     |
| <b>C</b> Plan sponsor's name as shown on line 2a of Form 5500<br>SHISEIDO AMERICAS CORPORATION | <b>D</b> Employer Identification Number (EIN)<br>13-3480646 |     |

|               |                                                        |
|---------------|--------------------------------------------------------|
| <b>Part I</b> | <b>Service Provider Information (see instructions)</b> |
|---------------|--------------------------------------------------------|

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)..... ☒ 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>(b)</b> Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation |
| FIDELITY INVESTMENTS INSTITUTIONAL                                                                                |
| 04-2647786                                                                                                        |

|                                                                                                                   |
|-------------------------------------------------------------------------------------------------------------------|
| <b>(b)</b> Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation |
|                                                                                                                   |

|                                                                                                                   |
|-------------------------------------------------------------------------------------------------------------------|
| <b>(b)</b> Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation |
|                                                                                                                   |

|                                                                                                                   |
|-------------------------------------------------------------------------------------------------------------------|
| <b>(b)</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

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**(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

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

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**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)

FIDELITY INVESTMENTS INSTITUTIONAL

04-2647786

| (b)<br>Service Code(s) | (c)<br>Relationship to employer, employee organization, or person known to be a party-in-interest | (d)<br>Enter direct compensation paid by the plan. If none, enter -0-. | (e)<br>Did service provider receive indirect compensation? (sources other than plan or plan sponsor) | (f)<br>Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures? | (g)<br>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)<br>Did the service provider give you a formula instead of an amount or estimated amount? |
|------------------------|---------------------------------------------------------------------------------------------------|------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------|
| 37 60 64<br>65 71      | RECORDKEEPER                                                                                      | 367475                                                                 | Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>                                  | Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>                                                            | 0                                                                                                                                                                               | Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>                          |

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

LAIKEN ASSOCIATES, INC.

13-1980835

| (b)<br>Service Code(s) | (c)<br>Relationship to employer, employee organization, or person known to be a party-in-interest | (d)<br>Enter direct compensation paid by the plan. If none, enter -0-. | (e)<br>Did service provider receive indirect compensation? (sources other than plan or plan sponsor) | (f)<br>Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures? | (g)<br>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)<br>Did the service provider give you a formula instead of an amount or estimated amount? |
|------------------------|---------------------------------------------------------------------------------------------------|------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------|
| 16                     | CONSULTANT                                                                                        | 55000                                                                  | Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>                                  | Yes <input type="checkbox"/> No <input type="checkbox"/>                                                                       |                                                                                                                                                                                 | Yes <input type="checkbox"/> No <input type="checkbox"/>                                     |

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

PORTFOLIO EVALUATIONS, INC. (PEI)

22-3189064

| (b)<br>Service Code(s) | (c)<br>Relationship to employer, employee organization, or person known to be a party-in-interest | (d)<br>Enter direct compensation paid by the plan. If none, enter -0-. | (e)<br>Did service provider receive indirect compensation? (sources other than plan or plan sponsor) | (f)<br>Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures? | (g)<br>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)<br>Did the service provider give you a formula instead of an amount or estimated amount? |
|------------------------|---------------------------------------------------------------------------------------------------|------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------|
| 16                     | CONSULTANT                                                                                        | 40000                                                                  | Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>                                  | Yes <input type="checkbox"/> No <input type="checkbox"/>                                                                       |                                                                                                                                                                                 | Yes <input type="checkbox"/> No <input type="checkbox"/>                                     |

**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)

SHEA LABAGH DOBBERSTEIN

94-2290202

| (b)<br>Service Code(s) | (c)<br>Relationship to employer, employee organization, or person known to be a party-in-interest | (d)<br>Enter direct compensation paid by the plan. If none, enter -0-. | (e)<br>Did service provider receive indirect compensation? (sources other than plan or plan sponsor) | (f)<br>Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures? | (g)<br>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)<br>Did the service provider give you a formula instead of an amount or estimated amount? |
|------------------------|---------------------------------------------------------------------------------------------------|------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------|
| 16                     | CONSULTANT                                                                                        | 18555                                                                  | Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>                                  | Yes <input type="checkbox"/> No <input type="checkbox"/>                                                                       |                                                                                                                                                                                 | Yes <input type="checkbox"/> No <input type="checkbox"/>                                     |

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

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

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

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

**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<br>(see instructions) | (c) Enter amount of indirect<br>compensation |
|---------------------------------------------------------|-----------------------------------------|----------------------------------------------|
| FIDELITY INVESTMENTS INSTITUTIONAL                      | 60                                      | 0                                            |

| (d) Enter name and EIN (address) of source of indirect compensation | (e) Describe the indirect compensation, including any<br>formula used to determine the service provider's eligibility<br>for or the amount of the indirect compensation. |
|---------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| TRP GROWTH STOCK - T. ROWE PRICE S<br><br>52-2269240                | 0.15%                                                                                                                                                                    |

| (a) Enter service provider name as it appears on line 2 | (b) Service Codes<br>(see instructions) | (c) Enter amount of indirect<br>compensation |
|---------------------------------------------------------|-----------------------------------------|----------------------------------------------|
| FIDELITY INVESTMENTS INSTITUTIONAL                      | 60                                      | 0                                            |

| (d) Enter name and EIN (address) of source of indirect compensation                    | (e) Describe the indirect compensation, including any<br>formula used to determine the service provider's eligibility<br>for or the amount of the indirect compensation. |
|----------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| T ROWE PRICE BLUE CHIP GROWTH INC      4515 PAINTERS MILL RD<br>OWINGS MILLS, MD 21117 | 0.15%                                                                                                                                                                    |

| (a) Enter service provider name as it appears on line 2 | (b) Service Codes<br>(see instructions) | (c) Enter amount of indirect<br>compensation |
|---------------------------------------------------------|-----------------------------------------|----------------------------------------------|
|                                                         |                                         |                                              |

| (d) Enter name and EIN (address) of source of indirect compensation | (e) Describe the indirect compensation, including any<br>formula used to determine the service provider's eligibility<br>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)

|                    |                     |
|--------------------|---------------------|
| <b>a</b> Name:     | <b>b</b> EIN:       |
| <b>c</b> Position: |                     |
| <b>d</b> Address:  | <b>e</b> Telephone: |
|                    |                     |

Explanation:

|                    |                     |
|--------------------|---------------------|
| <b>a</b> Name:     | <b>b</b> EIN:       |
| <b>c</b> Position: |                     |
| <b>d</b> Address:  | <b>e</b> Telephone: |
|                    |                     |

Explanation:

|                    |                     |
|--------------------|---------------------|
| <b>a</b> Name:     | <b>b</b> EIN:       |
| <b>c</b> Position: |                     |
| <b>d</b> Address:  | <b>e</b> Telephone: |
|                    |                     |

Explanation:

|                    |                     |
|--------------------|---------------------|
| <b>a</b> Name:     | <b>b</b> EIN:       |
| <b>c</b> Position: |                     |
| <b>d</b> Address:  | <b>e</b> Telephone: |
|                    |                     |

Explanation:

|                    |                     |
|--------------------|---------------------|
| <b>a</b> Name:     | <b>b</b> EIN:       |
| <b>c</b> Position: |                     |
| <b>d</b> Address:  | <b>e</b> Telephone: |
|                    |                     |

Explanation:

|                                                                                                                                                                                                               |                                                                                                                                                                                                                              |                                                                                                                                                                                    |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>SCHEDULE D</b><br><b>(Form 5500)</b><br><br><small>Department of the Treasury<br/>Internal Revenue Service</small><br><br><small>Department of Labor<br/>Employee Benefits Security Administration</small> | <b>DFE/Participating Plan Information</b><br><br>This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).<br><br><b>► File as an attachment to Form 5500.</b> | OMB No. 1210-0110<br><br><div style="border: 1px solid black; padding: 5px; font-size: 1.2em; font-weight: bold;">2019</div><br><br><b>This Form is Open to Public Inspection.</b> |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

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

|                                                                                                              |                                                                            |            |
|--------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------|------------|
| <b>A</b> Name of plan<br><u>SHISEIDO AMERICAS GROUP RETIREMENT PLAN</u>                                      | <b>B</b> Three-digit plan number (PN) <span style="float: right;">►</span> | <u>001</u> |
|                                                                                                              |                                                                            |            |
| <b>C</b> Plan or DFE sponsor's name as shown on line 2a of Form 5500<br><u>SHISEIDO AMERICAS CORPORATION</u> | <b>D</b> Employer Identification Number (EIN)<br><u>13-3480646</u>         |            |

|        |                                                                                                                                                                                  |
|--------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Part I | <b>Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs)</b><br>(Complete as many entries as needed to report all interests in DFEs) |
|--------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

|                                                                                      |                               |                                                                                                                                                        |
|--------------------------------------------------------------------------------------|-------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>a</b> Name of MTIA, CCT, PSA, or 103-12 IE: <u>TRP RETIRE 2035 F</u>              |                               |                                                                                                                                                        |
| <b>b</b> Name of sponsor of entity listed in (a): <u>T. ROWE PRICE TRUST COMPANY</u> |                               |                                                                                                                                                        |
| <b>c</b> EIN-PN <u>36-7595013-001</u>                                                | <b>d</b> Entity code <u>C</u> | <b>e</b> Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <span style="float: right;"><u>28891335</u></span> |
|                                                                                      |                               |                                                                                                                                                        |
| <b>a</b> Name of MTIA, CCT, PSA, or 103-12 IE: <u>TRP RETIRE 2060 F</u>              |                               |                                                                                                                                                        |
| <b>b</b> Name of sponsor of entity listed in (a): <u>T. ROWE PRICE TRUST COMPANY</u> |                               |                                                                                                                                                        |
| <b>c</b> EIN-PN <u>47-1088316-001</u>                                                | <b>d</b> Entity code <u>C</u> | <b>e</b> Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <span style="float: right;"><u>2826838</u></span>  |
|                                                                                      |                               |                                                                                                                                                        |
| <b>a</b> Name of MTIA, CCT, PSA, or 103-12 IE: <u>TRP RETIRE 2025 F</u>              |                               |                                                                                                                                                        |
| <b>b</b> Name of sponsor of entity listed in (a): <u>T. ROWE PRICE TRUST COMPANY</u> |                               |                                                                                                                                                        |
| <b>c</b> EIN-PN <u>37-6495447-001</u>                                                | <b>d</b> Entity code <u>C</u> | <b>e</b> Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <span style="float: right;"><u>20752726</u></span> |
|                                                                                      |                               |                                                                                                                                                        |
| <b>a</b> Name of MTIA, CCT, PSA, or 103-12 IE: <u>TRP RETIRE 2055 F</u>              |                               |                                                                                                                                                        |
| <b>b</b> Name of sponsor of entity listed in (a): <u>T. ROWE PRICE TRUST COMPANY</u> |                               |                                                                                                                                                        |
| <b>c</b> EIN-PN <u>35-6941728-001</u>                                                | <b>d</b> Entity code <u>C</u> | <b>e</b> Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <span style="float: right;"><u>9219636</u></span>  |
|                                                                                      |                               |                                                                                                                                                        |
| <b>a</b> Name of MTIA, CCT, PSA, or 103-12 IE: <u>TRP RETIRE 2010 F</u>              |                               |                                                                                                                                                        |
| <b>b</b> Name of sponsor of entity listed in (a): <u>T. ROWE PRICE TRUST COMPANY</u> |                               |                                                                                                                                                        |
| <b>c</b> EIN-PN <u>32-6199795-001</u>                                                | <b>d</b> Entity code <u>C</u> | <b>e</b> Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <span style="float: right;"><u>476743</u></span>   |
|                                                                                      |                               |                                                                                                                                                        |
| <b>a</b> Name of MTIA, CCT, PSA, or 103-12 IE: <u>TRP RETIRE 2015 F</u>              |                               |                                                                                                                                                        |
| <b>b</b> Name of sponsor of entity listed in (a): <u>T. ROWE PRICE TRUST COMPANY</u> |                               |                                                                                                                                                        |
| <b>c</b> EIN-PN <u>35-6941654-001</u>                                                | <b>d</b> Entity code <u>C</u> | <b>e</b> Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <span style="float: right;"><u>2151732</u></span>  |
|                                                                                      |                               |                                                                                                                                                        |
| <b>a</b> Name of MTIA, CCT, PSA, or 103-12 IE: <u>TRP RETIRE 2040 F</u>              |                               |                                                                                                                                                        |
| <b>b</b> Name of sponsor of entity listed in (a): <u>T. ROWE PRICE TRUST COMPANY</u> |                               |                                                                                                                                                        |
| <b>c</b> EIN-PN <u>35-6941729-001</u>                                                | <b>d</b> Entity code <u>C</u> | <b>e</b> Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <span style="float: right;"><u>32825237</u></span> |

**a** Name of MTIA, CCT, PSA, or 103-12 IE: TRP STABLE VALUE A

**b** Name of sponsor of entity listed in (a): T. ROWE PRICE TRUST COMPANY

|                                |                        |                                                                                                              |
|--------------------------------|------------------------|--------------------------------------------------------------------------------------------------------------|
| <b>c</b> EIN-PN 52-1309931-001 | <b>d</b> Entity code C | <b>e</b> Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 11977916 |
|--------------------------------|------------------------|--------------------------------------------------------------------------------------------------------------|

**a** Name of MTIA, CCT, PSA, or 103-12 IE: TRP RETIRE 2005 F

**b** Name of sponsor of entity listed in (a): T. ROWE PRICE TRUST COMPANY

|                                |                        |                                                                                                             |
|--------------------------------|------------------------|-------------------------------------------------------------------------------------------------------------|
| <b>c</b> EIN-PN 61-6434302-001 | <b>d</b> Entity code C | <b>e</b> Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 1307662 |
|--------------------------------|------------------------|-------------------------------------------------------------------------------------------------------------|

**a** Name of MTIA, CCT, PSA, or 103-12 IE: TRP RETIRE 2050 F

**b** Name of sponsor of entity listed in (a): T. ROWE PRICE TRUST COMPANY

|                                |                        |                                                                                                              |
|--------------------------------|------------------------|--------------------------------------------------------------------------------------------------------------|
| <b>c</b> EIN-PN 30-6303214-001 | <b>d</b> Entity code C | <b>e</b> Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 18992611 |
|--------------------------------|------------------------|--------------------------------------------------------------------------------------------------------------|

**a** Name of MTIA, CCT, PSA, or 103-12 IE: TRP RETIRE 2020 F

**b** Name of sponsor of entity listed in (a): T. ROWE PRICE TRUST COMPANY

|                                |                        |                                                                                                              |
|--------------------------------|------------------------|--------------------------------------------------------------------------------------------------------------|
| <b>c</b> EIN-PN 36-7594871-001 | <b>d</b> Entity code C | <b>e</b> Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 11147148 |
|--------------------------------|------------------------|--------------------------------------------------------------------------------------------------------------|

**a** Name of MTIA, CCT, PSA, or 103-12 IE: TRP RETIRE 2030 F

**b** Name of sponsor of entity listed in (a): T. ROWE PRICE TRUST COMPANY

|                                |                        |                                                                                                              |
|--------------------------------|------------------------|--------------------------------------------------------------------------------------------------------------|
| <b>c</b> EIN-PN 38-7010946-001 | <b>d</b> Entity code C | <b>e</b> Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 32222983 |
|--------------------------------|------------------------|--------------------------------------------------------------------------------------------------------------|

**a** Name of MTIA, CCT, PSA, or 103-12 IE: TRP RETIRE 2045 F

**b** Name of sponsor of entity listed in (a): T. ROWE PRICE TRUST COMPANY

|                                |                        |                                                                                                              |
|--------------------------------|------------------------|--------------------------------------------------------------------------------------------------------------|
| <b>c</b> EIN-PN 32-6199848-001 | <b>d</b> Entity code C | <b>e</b> Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 26255509 |
|--------------------------------|------------------------|--------------------------------------------------------------------------------------------------------------|

**a** Name of MTIA, CCT, PSA, or 103-12 IE: MIP II CL 2

**b** Name of sponsor of entity listed in (a): FIDELITY MANAGEMENT TRUST COMPANY

|                                |                        |                                                                                                            |
|--------------------------------|------------------------|------------------------------------------------------------------------------------------------------------|
| <b>c</b> EIN-PN 04-3022712-025 | <b>d</b> Entity code C | <b>e</b> Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 246528 |
|--------------------------------|------------------------|------------------------------------------------------------------------------------------------------------|

**a** Name of MTIA, CCT, PSA, or 103-12 IE:

**b** Name of sponsor of entity listed in (a):

|                 |                      |                                                                                                     |
|-----------------|----------------------|-----------------------------------------------------------------------------------------------------|
| <b>c</b> EIN-PN | <b>d</b> Entity code | <b>e</b> Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |
|-----------------|----------------------|-----------------------------------------------------------------------------------------------------|

**a** Name of MTIA, CCT, PSA, or 103-12 IE:

**b** Name of sponsor of entity listed in (a):

|                 |                      |                                                                                                     |
|-----------------|----------------------|-----------------------------------------------------------------------------------------------------|
| <b>c</b> EIN-PN | <b>d</b> Entity code | <b>e</b> Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |
|-----------------|----------------------|-----------------------------------------------------------------------------------------------------|

**a** Name of MTIA, CCT, PSA, or 103-12 IE:

**b** Name of sponsor of entity listed in (a):

|                 |                      |                                                                                                     |
|-----------------|----------------------|-----------------------------------------------------------------------------------------------------|
| <b>c</b> EIN-PN | <b>d</b> Entity code | <b>e</b> Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |
|-----------------|----------------------|-----------------------------------------------------------------------------------------------------|

**Part II Information on Participating Plans (to be completed by DFEs)**

(Complete as many entries as needed to report all participating plans)

**a** Plan name**b** Name of  
plan sponsor**c** EIN-PN**a** Plan name**b** Name of  
plan sponsor**c** EIN-PN**a** Plan name**b** Name of  
plan sponsor**c** EIN-PN**a** Plan name**b** Name of  
plan sponsor**c** EIN-PN**a** Plan name**b** Name of  
plan sponsor**c** EIN-PN**a** Plan name**b** Name of  
plan sponsor**c** EIN-PN**a** Plan name**b** Name of  
plan sponsor**c** EIN-PN**a** Plan name**b** Name of  
plan sponsor**c** EIN-PN**a** Plan name**b** Name of  
plan sponsor**c** EIN-PN**a** Plan name**b** Name of  
plan sponsor**c** EIN-PN**a** Plan name**b** Name of  
plan sponsor**c** EIN-PN**a** Plan name**b** Name of  
plan sponsor**c** EIN-PN

|                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                              |                                                                                                          |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------|
| <b>SCHEDULE H</b><br><b>(Form 5500)</b><br><br><small>Department of the Treasury<br/>Internal Revenue Service</small><br><br><small>Department of Labor<br/>Employee Benefits Security Administration</small><br><br><small>Pension Benefit Guaranty Corporation</small> | <b>Financial Information</b><br><br>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).<br><br><b>► File as an attachment to Form 5500.</b> | <small>OMB No. 1210-0110</small><br><br><b>2019</b><br><br><b>This Form is Open to Public Inspection</b> |
| For calendar plan year 2019 or fiscal plan year beginning <b>01/01/2019</b> and ending <b>12/31/2019</b>                                                                                                                                                                 |                                                                                                                                                                                                                                                                              |                                                                                                          |
| <b>A</b> Name of plan<br><b>SHISEIDO AMERICAS GROUP RETIREMENT PLAN</b>                                                                                                                                                                                                  | <b>B</b> Three-digit plan number (PN) <b>►</b>                                                                                                                                                                                                                               | <b>001</b>                                                                                               |
| <b>C</b> Plan sponsor's name as shown on line 2a of Form 5500<br><b>SHISEIDO AMERICAS CORPORATION</b>                                                                                                                                                                    | <b>D</b> Employer Identification Number (EIN)<br><b>13-3480646</b>                                                                                                                                                                                                           |                                                                                                          |

| Part I Asset and Liability Statement                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                 |                       |                 |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|-----------------------|-----------------|
| <b>1</b> 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. <b>Round off amounts to the nearest dollar.</b> 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 |
| <b>a</b> Total noninterest-bearing cash .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | <b>1a</b>       | 227                   | 0               |
| <b>b</b> Receivables (less allowance for doubtful accounts):                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                 |                       |                 |
| <b>(1)</b> Employer contributions.....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | <b>1b(1)</b>    | 0                     | 0               |
| <b>(2)</b> Participant contributions.....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | <b>1b(2)</b>    | 0                     | 0               |
| <b>(3)</b> Other.....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | <b>1b(3)</b>    | 0                     | 0               |
| <b>c</b> General investments:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                 |                       |                 |
| <b>(1)</b> Interest-bearing cash (include money market accounts & certificates of deposit).....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | <b>1c(1)</b>    | 351888                | 650423          |
| <b>(2)</b> U.S. Government securities .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | <b>1c(2)</b>    | 0                     | 0               |
| <b>(3)</b> Corporate debt instruments (other than employer securities):                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                 |                       |                 |
| <b>(A)</b> Preferred .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | <b>1c(3)(A)</b> | 0                     | 0               |
| <b>(B)</b> All other.....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | <b>1c(3)(B)</b> | 0                     | 0               |
| <b>(4)</b> Corporate stocks (other than employer securities):                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                 |                       |                 |
| <b>(A)</b> Preferred .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | <b>1c(4)(A)</b> | 0                     | 0               |
| <b>(B)</b> Common.....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | <b>1c(4)(B)</b> | 579792                | 721686          |
| <b>(5)</b> Partnership/joint venture interests .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | <b>1c(5)</b>    | 0                     | 0               |
| <b>(6)</b> Real estate (other than employer real property).....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | <b>1c(6)</b>    | 0                     | 0               |
| <b>(7)</b> Loans (other than to participants) .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | <b>1c(7)</b>    | 0                     | 0               |
| <b>(8)</b> Participant loans.....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | <b>1c(8)</b>    | 3259919               | 3623437         |
| <b>(9)</b> Value of interest in common/collective trusts .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | <b>1c(9)</b>    | 157722124             | 199294604       |
| <b>(10)</b> Value of interest in pooled separate accounts .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | <b>1c(10)</b>   | 0                     | 0               |
| <b>(11)</b> Value of interest in master trust investment accounts .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | <b>1c(11)</b>   | 0                     | 0               |
| <b>(12)</b> Value of interest in 103-12 investment entities.....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | <b>1c(12)</b>   | 0                     | 0               |
| <b>(13)</b> Value of interest in registered investment companies (e.g., mutual funds).....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | <b>1c(13)</b>   | 27301867              | 37454014        |
| <b>(14)</b> Value of funds held in insurance company general account (unallocated contracts).....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | <b>1c(14)</b>   |                       |                 |
| <b>(15)</b> Other.....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | <b>1c(15)</b>   | 0                     | 0               |

| <b>1d</b> Employer-related investments:                              |              | (a) Beginning of Year | (b) End of Year |
|----------------------------------------------------------------------|--------------|-----------------------|-----------------|
| (1) Employer securities .....                                        | <b>1d(1)</b> | 0                     | 0               |
| (2) Employer real property .....                                     | <b>1d(2)</b> | 0                     | 0               |
| <b>e</b> Buildings and other property used in plan operation .....   | <b>1e</b>    | 0                     | 0               |
| <b>f</b> Total assets (add all amounts in lines 1a through 1e) ..... | <b>1f</b>    | 189215817             | 241744164       |

**Liabilities**

|                                                                           |           |   |   |
|---------------------------------------------------------------------------|-----------|---|---|
| <b>g</b> Benefit claims payable .....                                     | <b>1g</b> | 0 | 0 |
| <b>h</b> Operating payables .....                                         | <b>1h</b> | 0 | 0 |
| <b>i</b> Acquisition indebtedness .....                                   | <b>1i</b> | 0 | 0 |
| <b>j</b> Other liabilities .....                                          | <b>1j</b> | 0 | 0 |
| <b>k</b> Total liabilities (add all amounts in lines 1g through 1j) ..... | <b>1k</b> | 0 | 0 |

**Net Assets**

|                                                           |           |           |           |
|-----------------------------------------------------------|-----------|-----------|-----------|
| <b>l</b> Net assets (subtract line 1k from line 1f) ..... | <b>1l</b> | 189215817 | 241744164 |
|-----------------------------------------------------------|-----------|-----------|-----------|

**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**

|                                                                                                            |                 |          |          |
|------------------------------------------------------------------------------------------------------------|-----------------|----------|----------|
| <b>a Contributions:</b>                                                                                    |                 |          |          |
| (1) Received or receivable in cash from: <b>(A)</b> Employers.....                                         | <b>2a(1)(A)</b> | 11273829 |          |
| <b>(B)</b> Participants.....                                                                               | <b>2a(1)(B)</b> | 16600289 |          |
| <b>(C)</b> Others (including rollovers).....                                                               | <b>2a(1)(C)</b> | 2945574  |          |
| (2) Noncash contributions .....                                                                            | <b>2a(2)</b>    | 0        | 30819692 |
| (3) Total contributions. Add lines <b>2a(1)(A)</b> , <b>(B)</b> , <b>(C)</b> , and line <b>2a(2)</b> ..... | <b>2a(3)</b>    |          |          |
| <b>b Earnings on investments:</b>                                                                          |                 |          |          |
| (1) Interest:                                                                                              |                 |          |          |
| <b>(A)</b> Interest-bearing cash (including money market accounts and certificates of deposit).....        | <b>2b(1)(A)</b> | 9521     |          |
| <b>(B)</b> U.S. Government securities .....                                                                | <b>2b(1)(B)</b> | 0        |          |
| <b>(C)</b> Corporate debt instruments.....                                                                 | <b>2b(1)(C)</b> | 0        |          |
| <b>(D)</b> Loans (other than to participants).....                                                         | <b>2b(1)(D)</b> | 0        |          |
| <b>(E)</b> Participant loans .....                                                                         | <b>2b(1)(E)</b> | 166539   |          |
| <b>(F)</b> Other .....                                                                                     | <b>2b(1)(F)</b> | 0        |          |
| (G) Total interest. Add lines <b>2b(1)(A)</b> through <b>(F)</b> .....                                     | <b>2b(1)(G)</b> |          | 176060   |
| (2) Dividends: <b>(A)</b> Preferred stock.....                                                             | <b>2b(2)(A)</b> | 0        |          |
| <b>(B)</b> Common stock.....                                                                               | <b>2b(2)(B)</b> | 25126    |          |
| <b>(C)</b> Registered investment company shares (e.g. mutual funds) .....                                  | <b>2b(2)(C)</b> | 1189596  |          |
| (D) Total dividends. Add lines <b>2b(2)(A)</b> , <b>(B)</b> , and <b>(C)</b> .....                         | <b>2b(2)(D)</b> |          | 1214722  |
| (3) Rents.....                                                                                             | <b>2b(3)</b>    |          | 0        |
| (4) Net gain (loss) on sale of assets: <b>(A)</b> Aggregate proceeds.....                                  | <b>2b(4)(A)</b> | 1687708  |          |
| <b>(B)</b> Aggregate carrying amount (see instructions) .....                                              | <b>2b(4)(B)</b> | 1535509  |          |
| <b>(C)</b> Subtract line <b>2b(4)(B)</b> from line <b>2b(4)(A)</b> and enter result .....                  | <b>2b(4)(C)</b> |          | 152199   |
| (5) Unrealized appreciation (depreciation) of assets: <b>(A)</b> Real estate.....                          | <b>2b(5)(A)</b> | 0        |          |
| <b>(B)</b> Other .....                                                                                     | <b>2b(5)(B)</b> | 37088    |          |
| <b>(C)</b> Total unrealized appreciation of assets. Add lines <b>2b(5)(A)</b> and <b>(B)</b> .....         | <b>2b(5)(C)</b> |          | 37088    |

|                                                                                                 |        | (a) Amount | (b) Total |
|-------------------------------------------------------------------------------------------------|--------|------------|-----------|
| (6) Net investment gain (loss) from common/collective trusts .....                              | 2b(6)  |            | 35167275  |
| (7) Net investment gain (loss) from pooled separate accounts .....                              | 2b(7)  |            | 0         |
| (8) Net investment gain (loss) from master trust investment accounts .....                      | 2b(8)  |            | 0         |
| (9) Net investment gain (loss) from 103-12 investment entities .....                            | 2b(9)  |            | 0         |
| (10) Net investment gain (loss) from registered investment companies (e.g., mutual funds) ..... | 2b(10) |            | 6289197   |
| c Other income .....                                                                            | 2c     |            | 0         |
| d Total income. Add all <b>income</b> amounts in column (b) and enter total .....               | 2d     |            | 73856233  |

**Expenses**

|                                                                                      |       |          |          |
|--------------------------------------------------------------------------------------|-------|----------|----------|
| e Benefit payment and payments to provide benefits:                                  |       |          |          |
| (1) Directly to participants or beneficiaries, including direct rollovers .....      | 2e(1) | 20393370 |          |
| (2) To insurance carriers for the provision of benefits .....                        | 2e(2) | 0        |          |
| (3) Other .....                                                                      | 2e(3) | 0        |          |
| (4) Total benefit payments. Add lines 2e(1) through (3) .....                        | 2e(4) |          | 20393370 |
| f Corrective distributions (see instructions) .....                                  | 2f    |          | 0        |
| g Certain deemed distributions of participant loans (see instructions) .....         | 2g    |          | 43662    |
| h Interest expense .....                                                             | 2h    |          | 0        |
| i Administrative expenses: (1) Professional fees .....                               | 2i(1) | 0        |          |
| (2) Contract administrator fees .....                                                | 2i(2) | 0        |          |
| (3) Investment advisory and management fees .....                                    | 2i(3) | 0        |          |
| (4) Other .....                                                                      | 2i(4) | 480762   |          |
| (5) Total administrative expenses. Add lines 2i(1) through (4) .....                 | 2i(5) |          | 480762   |
| j Total expenses. Add all <b>expense</b> amounts in column (b) and enter total ..... | 2j    |          | 20917794 |

**Net Income and Reconciliation**

|                                                          |       |  |          |
|----------------------------------------------------------|-------|--|----------|
| k Net income (loss). Subtract line 2j from line 2d ..... | 2k    |  | 52938439 |
| l Transfers of assets:                                   |       |  |          |
| (1) To this plan .....                                   | 2l(1) |  | 0        |
| (2) From this plan .....                                 | 2l(2) |  | 410092   |

**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: SHEA LABAGH DOBBERSTEIN

(2) EIN: 94-2290202

**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:

**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.) .....

**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.) .....

|    | Yes | No | Amount   |
|----|-----|----|----------|
| 4a | X   |    | 10022579 |
| 4b |     | X  |          |

|                                                                                                                                                                                                                         | Yes | No | Amount  |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|----|---------|
| <b>c</b> 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.)                                          |     | X  |         |
| <b>4c</b>                                                                                                                                                                                                               |     | X  |         |
| <b>d</b> 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.)                               |     | X  |         |
| <b>4d</b>                                                                                                                                                                                                               |     | X  |         |
| <b>e</b> Was this plan covered by a fidelity bond?                                                                                                                                                                      | X   |    | 5000000 |
| <b>4e</b>                                                                                                                                                                                                               | X   |    | 5000000 |
| <b>f</b> Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?                                                                                       |     | X  |         |
| <b>4f</b>                                                                                                                                                                                                               |     | X  |         |
| <b>g</b> 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?                                                    |     | X  |         |
| <b>4g</b>                                                                                                                                                                                                               |     | X  |         |
| <b>h</b> 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?                                          |     | X  |         |
| <b>4h</b>                                                                                                                                                                                                               |     | X  |         |
| <b>i</b> Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)                                                                | X   |    |         |
| <b>4i</b>                                                                                                                                                                                                               | X   |    |         |
| <b>j</b> 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.) |     | X  |         |
| <b>4j</b>                                                                                                                                                                                                               |     | X  |         |
| <b>k</b> Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?                                                           |     | X  |         |
| <b>4k</b>                                                                                                                                                                                                               |     | X  |         |
| <b>l</b> Has the plan failed to provide any benefit when due under the plan?                                                                                                                                            |     | X  |         |
| <b>4l</b>                                                                                                                                                                                                               |     | X  |         |
| <b>m</b> If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)                                                                                                  |     | X  |         |
| <b>4m</b>                                                                                                                                                                                                               |     | X  |         |
| <b>n</b> 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.                                     |     | X  |         |
| <b>4n</b>                                                                                                                                                                                                               |     | X  |         |

**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) |
|---------------------------------------------|--------------|-------------|
| HENKEL 401(K) AND DEFINED CONTRIBUTION PLAN | 41-1372525   | 003         |
|                                             |              |             |
|                                             |              |             |
|                                             |              |             |
|                                             |              |             |

**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 \_\_\_\_\_. (See instructions.)

|                                                                                                                                                                                                                                                                                                                                                      |                                                                                                                                                                                                                                                                                                  |                                                                                                 |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------|
| <div>SCHEDULE R<br/>(Form 5500)<br/><br/>Department of the Treasury<br/>Internal Revenue Service<br/><br/>Department of Labor<br/>Employee Benefits Security Administration<br/><br/>Pension Benefit Guaranty Corporation</div>                                                                                                                      | <div>Retirement Plan Information</div> <div>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).</div> <div>▶ File as an attachment to Form 5500.</div> | <div>OMB No. 1210-0110</div> <div>2019</div> <div>This Form is Open to Public Inspection.</div> |
| For calendar plan year 2019 or fiscal plan year beginning 01/01/2019 and ending 12/31/2019                                                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                                  |                                                                                                 |
| A Name of plan<br>SHISEIDO AMERICAS GROUP RETIREMENT PLAN                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                  | B Three-digit plan number (PN) ▶ 001                                                            |
| C Plan sponsor's name as shown on line 2a of Form 5500<br>SHISEIDO AMERICAS CORPORATION                                                                                                                                                                                                                                                              |                                                                                                                                                                                                                                                                                                  | D Employer Identification Number (EIN)<br>13-3480646                                            |
| 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                                                                                               |
| 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):<br><br>EIN(s): 04-6568107                                                                                                 |                                                                                                                                                                                                                                                                                                  |                                                                                                 |
| 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                                                                                               |
| 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)? <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A<br>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<br>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? <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> 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? <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> 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. <input type="checkbox"/> Increase <input type="checkbox"/> Decrease <input type="checkbox"/> Both <input type="checkbox"/> 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? <input type="checkbox"/> Yes <input type="checkbox"/> No                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                  |                                                                                                 |
| 11 a Does the ESOP hold any preferred stock? <input type="checkbox"/> Yes <input type="checkbox"/> 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.) <input type="checkbox"/> Yes <input type="checkbox"/> No                                                                                                             |                                                                                                                                                                                                                                                                                                  |                                                                                                 |
| 12 Does the ESOP hold any stock that is not readily tradable on an established securities market? <input type="checkbox"/> Yes <input type="checkbox"/> No                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                                  |                                                                                                 |
| For Paperwork Reduction Act Notice, see the Instructions for Form 5500.                                                                                                                                                                                                                                                                              |                                                                                                                                                                                                                                                                                                  |                                                                                                 |
| Schedule R (Form 5500) 2019 v. 190130                                                                                                                                                                                                                                                                                                                |                                                                                                                                                                                                                                                                                                  |                                                                                                 |

**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 .....

**b** The plan year immediately preceding the current plan year .....

**c** The second preceding plan year .....

**14a****14b****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 .....

**b** The corresponding number for the second preceding plan year .....

**15a****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 .....

**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 .....

**16a****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: \_\_\_\_\_% Investment-Grade Debt: \_\_\_\_\_% High-Yield Debt: \_\_\_\_\_% Real Estate: \_\_\_\_\_% Other: \_\_\_\_\_%

- 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 \_\_\_\_\_

SHISEIDO AMERICAS GROUP RETIREMENT PLAN

FINANCIAL STATEMENTS  
AND  
SUPPLEMENTAL SCHEDULES

Year Ended December 31, 2019

# SHISEIDO AMERICAS GROUP RETIREMENT PLAN

Year Ended December 31, 2019

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## SHEA LABAGH DOBBERSTEIN

CERTIFIED PUBLIC ACCOUNTANTS & ADVISORS

### INDEPENDENT AUDITORS' REPORT

#### TO THE PLAN ADMINISTRATOR AND PARTICIPANTS

#### SHISEIDO AMERICAS GROUP RETIREMENT PLAN

#### **Report on the Financial Statements**

We were engaged to audit the accompanying financial statements of SHISEIDO AMERICAS GROUP RETIREMENT PLAN (the "Plan"), which comprise the statements of net assets available for benefits as of December 31, 2019 and 2018, and the related statement of changes in net assets available for benefits for the year ended December 31, 2019, 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.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on conducting the audit 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 4, which was certified by Fidelity Management Trust Company, the trustee of the Plan, except for comparing such information with the related information included in the financial statements. We have been informed by the plan administrator that the trustee holds the Plan's investment assets and executes investment transactions. The plan administrator has obtained certifications from the trustee as of and for the years ended December 31, 2019 and 2018, that the information provided to the plan administrator by the trustee is complete and accurate.

**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 – Supplemental Schedules**

The supplemental Schedule H – Line 4a: Schedule of Delinquent Participant Contributions for the year ended December 31, 2019, and Schedule H – Line 4i: Schedule of Assets (Held at End of Year) as of December 31, 2019 are required by the Department of Labor’s (“DOL”) Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 and are presented for the purpose 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 these 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, other than that derived from the information certified by the trustee, 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 DOL’s Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

SHEA LABAGH DOBBERSTEIN  
Certified Public Accountants, Inc.

A handwritten signature in black ink, reading "Shea Labagh Dobberstein". The signature is fluid and cursive, with the first name "Shea" being the most prominent.

San Francisco, California  
October 13, 2020

SHISEIDO AMERICAS GROUP RETIREMENT PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

|                                          | December 31,          |                       |
|------------------------------------------|-----------------------|-----------------------|
|                                          | 2019                  | 2018                  |
| <u>ASSETS</u>                            |                       |                       |
| <u>INVESTMENTS, AT FAIR VALUE</u>        | \$ 238,120,727        | \$ 185,955,898        |
| <u>RECEIVABLES</u>                       |                       |                       |
| Employer Contributions                   | 3,529,921             | 3,325,839             |
| Participant Contributions                | 2,210                 | -                     |
| Notes Receivable from Participants       | 3,623,437             | 3,259,919             |
| <u>TOTAL RECEIVABLES</u>                 | <u>7,155,568</u>      | <u>6,585,758</u>      |
| <u>TOTAL ASSETS</u>                      | <u>245,276,295</u>    | <u>192,541,656</u>    |
| <u>LIABILITIES</u>                       |                       |                       |
| <u>EXCESS CONTRIBUTIONS PAYABLE</u>      | <u>16,059</u>         | <u>-</u>              |
| <u>NET ASSETS AVAILABLE FOR BENEFITS</u> | <u>\$ 245,260,236</u> | <u>\$ 192,541,656</u> |

SHISEIDO AMERICAS GROUP RETIREMENT PLAN

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

Year Ended December 31, 2019

ADDITIONS

ADDITIONS TO NET ASSETS ATTRIBUTED TO:

INVESTMENT INCOME

|                                               |                   |
|-----------------------------------------------|-------------------|
| Interest and Dividend Income                  | \$ 1,459,549      |
| Net Appreciation in Fair Value of Investments | <u>41,410,453</u> |

|                                |                   |
|--------------------------------|-------------------|
| <u>TOTAL INVESTMENT INCOME</u> | <u>42,870,002</u> |
|--------------------------------|-------------------|

INTEREST INCOME ON NOTES RECEIVABLE  
FROM PARTICIPANTS

|  |                |
|--|----------------|
|  | <u>166,539</u> |
|--|----------------|

CONTRIBUTIONS

|              |                  |
|--------------|------------------|
| Participants | 16,586,440       |
| Employer     | 11,477,911       |
| Rollover     | <u>2,945,574</u> |

|                            |                   |
|----------------------------|-------------------|
| <u>TOTAL CONTRIBUTIONS</u> | <u>31,009,925</u> |
|----------------------------|-------------------|

|                        |                   |
|------------------------|-------------------|
| <u>TOTAL ADDITIONS</u> | <u>74,046,466</u> |
|------------------------|-------------------|

DEDUCTIONS

DEDUCTIONS FROM NET ASSETS ATTRIBUTED TO:

|                                      |            |
|--------------------------------------|------------|
| <u>BENEFITS PAID TO PARTICIPANTS</u> | 20,437,032 |
|--------------------------------------|------------|

|                                |                |
|--------------------------------|----------------|
| <u>ADMINISTRATIVE EXPENSES</u> | <u>480,762</u> |
|--------------------------------|----------------|

|                         |                   |
|-------------------------|-------------------|
| <u>TOTAL DEDUCTIONS</u> | <u>20,917,794</u> |
|-------------------------|-------------------|

|                                                   |            |
|---------------------------------------------------|------------|
| <u>NET INCREASE IN NET ASSETS BEFORE TRANSFER</u> | 53,128,672 |
|---------------------------------------------------|------------|

|                                                            |                  |
|------------------------------------------------------------|------------------|
| <u>NET ASSETS TRANSFERRED TO ANOTHER PLAN</u> (See Note 1) | <u>(410,092)</u> |
|------------------------------------------------------------|------------------|

|                                   |            |
|-----------------------------------|------------|
| <u>NET INCREASE IN NET ASSETS</u> | 52,718,580 |
|-----------------------------------|------------|

|                                                                   |                    |
|-------------------------------------------------------------------|--------------------|
| <u>NET ASSETS AVAILABLE FOR BENEFITS<br/>AT BEGINNING OF YEAR</u> | <u>192,541,656</u> |
|-------------------------------------------------------------------|--------------------|

|                                                             |                       |
|-------------------------------------------------------------|-----------------------|
| <u>NET ASSETS AVAILABLE FOR BENEFITS<br/>AT END OF YEAR</u> | <u>\$ 245,260,236</u> |
|-------------------------------------------------------------|-----------------------|

## SHISEIDO AMERICAS GROUP RETIREMENT PLAN

### NOTES TO FINANCIAL STATEMENTS

December 31, 2019

#### NOTE 1 – DESCRIPTION OF THE PLAN

The following description of the SHISEIDO AMERICAS GROUP RETIREMENT PLAN (the “Plan”) provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan’s provisions.

General – The Plan is a defined contribution plan sponsored by Shiseido Americas Corporation and adopted by affiliated companies Shiseido America Inc., Davlyn Industries Inc., Shiseido Travel Retail Americas Inc., Bare Escentuals Beauty, Inc., Gurwitch Products, LLC, MatchCo., JWalk, LLC and Olivo Laboratories, LLC (collectively, the “Company”). All employees of the Company are eligible to participate in the Plan, except for the following ineligible classes of employees: (a) employees whose employment is governed by a collective bargaining agreement in which retirement benefits were the subject of good faith bargaining, unless such collective bargaining agreement expressly provides for the inclusion of such employees as participants; (b) employees who are non-resident aliens; (c) leased employees; (d) employees who are employed by an affiliated employer which does not adopt this Plan; (e) employees who are temporarily transferred from Shiseido Japan; (f) employees designated by the employer as interns; and (g) temporary workers. Part-time employees must be credited with one year of service to be eligible to enroll in the Plan. All other employees may enroll in the Plan after 30 days of service.

The Company has appointed an administrative committee which is responsible for oversight of the Plan, determining the appropriateness of the Plan’s investment offerings, and monitoring investment performance. The Plan also provides for a Plan administrator who is responsible for keeping accurate and complete records with regard to the Plan’s operations, informing participants of changes or amendments to the Plan, ensuring that the Plan conforms to the law and government regulations, and providing participants with any reports and documents required by law. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (“ERISA”) and certain provisions of the Internal Revenue Code (“IRC”).

The Plan sponsor sold participating employer, Zotos International Inc. on December 28, 2017. Effective July 1, 2018, Zotos International Inc. terminated its status as a participating employer of the Plan. In connection with this termination, Plan assets of \$410,092 and \$85,144,441 were transferred out of the Plan in 2019 and 2018, respectively.

## SHISEIDO AMERICAS GROUP RETIREMENT PLAN

### NOTES TO FINANCIAL STATEMENTS

December 31, 2019

#### NOTE 1 – DESCRIPTION OF THE PLAN (Continued)

Participant Contributions – Participants may make pre-tax and post-tax (“Roth”) contributions to the Plan. A participant’s combined annual pre-tax and Roth contributions to the Plan may not exceed 75% of the participant’s annual compensation, limited to \$19,000 for the Plan year ended December 31, 2019. Additionally, participants who have attained fifty years of age before the end of the Plan year, are eligible to make catch up contributions up to \$6,000 for 2019. Participants may also contribute rollover amounts representing distributions from other qualified defined benefit or defined contribution plans.

The Plan provides for automatic enrollment. Once an employee satisfies the eligibility requirements and if he or she does not make a deferral election within a reasonable period of time after he or she is hired, rehired or reclassified, or affirmatively opts out, 4% of the employee’s eligible pre-tax compensation will be withheld and automatically contributed to the Plan annually. This will be deemed the employee’s deferral election.

The Plan also provides for an automatic increase in salary deferrals. Each eligible employee whose deferral election is below 12% as of April 1 of any year will automatically have his or her deferral election increased by 1% of compensation unless the employee elects otherwise for that year, takes a hardship distribution, or creates his or her own deferral election increase schedule. This automatic increase will continue annually until the participants deferral election reaches 12% of compensation.

Employer Contributions – The Company has adopted a safe-harbor provision for employer matching contributions. For the year ended December 31, 2019, the Company made safe-harbor employer matching contributions to the Plan equal to 100% of the first 4% of each participant’s eligible compensation. Participants become eligible for employer matching contributions immediately after entry into the Plan.

The Company may also make a discretionary profit sharing contribution to the Plan. Profit sharing contributions, if any, are expressed as a percentage of participants’ compensation and are allocated to participants’ accounts. Participants become eligible for profit sharing contributions on the earlier of the January 1<sup>st</sup> or July 1<sup>st</sup> that coincides with or immediately follows the date upon which the participant has completed one year of service. Participants must also have completed 1,000 hours of service during the year and be employed on the last day of the year to be eligible for the profit sharing contribution. The Company made a profit sharing contribution equal to 2% of eligible participants’ eligible compensation for 2019.

All contributions to the Plan are subject to annual limits established by the IRC.

## SHISEIDO AMERICAS GROUP RETIREMENT PLAN

### NOTES TO FINANCIAL STATEMENTS

December 31, 2019

#### NOTE 1 – DESCRIPTION OF THE PLAN (Continued)

Participant Accounts – The Plan maintains an account for each participant, which is credited with the participant's contributions and employer matching contributions as well as allocations of the Company's discretionary profit sharing contributions, if any, Plan investment earnings or losses and expenses. Allocations are based on participant compensation or account balances, as defined by the Plan agreement. The benefit to which a participant is entitled is the benefit that may be provided from the participant's vested account.

Vesting – Participants are immediately vested in their voluntary contributions, safe-harbor employer matching contributions and rollover contributions plus actual earnings thereon. Vesting in the Company's discretionary profit sharing contribution is based on years of continuous service. A participant becomes 100% vested after three years of credited service. The participant's account will become 100% vested if, while employed by the Company, the participant dies, becomes disabled, as defined, or reaches normal retirement age.

An employee who became an eligible employee and entered the Plan, as of December 1, 2014, due to the ratification of a collective bargaining agreement which expressly provides for the inclusion of such employees as participants in the Plan, will have a 100% vested interest in his or her profit sharing account.

Investment Options – Upon enrollment in the Plan, participants may direct the investment of their account balance into various funds available through the Plan.

Notes Receivable from Participants – Participants are permitted to borrow from their vested account balances provided they meet the Plan's eligibility requirements. The minimum loan amount is \$1,000 and the maximum amount is the lesser of one-half of the participant's vested account balance or \$50,000. The term of the loan may not exceed five years, except for loans used to finance the purchase of a primary residence. Interest rates, determined quarterly, are set at 1.5% above the prime rate and remain fixed throughout the life of the loan. Principal and interest are paid ratably through payroll deductions and loans are due immediately upon termination of employment. Loans which become delinquent, as defined, are recorded as deemed distributions to the participant in accordance with the terms of the Plan.

Payment of Benefits – Upon termination of service, death, disability or retirement, a participant or beneficiary is entitled to receive the value of the participant's vested interest in his or her account as a lump sum payment. If a terminated participant's account balance is less than \$5,000, and no instructions have been received from such participant, the amount is rolled over to an individual retirement account as designated by the Plan administrator. A participant may also elect to receive a pre-retirement distribution of his or her vested account balance upon reaching age 59½, and of his or her salary deferrals upon incurring a hardship, as defined by the Plan. Benefit payments to the participant generally must begin by the later of the year after the participant attains age 70½ or the year in which the participant terminates employment.

## SHISEIDO AMERICAS GROUP RETIREMENT PLAN

### NOTES TO FINANCIAL STATEMENTS

December 31, 2019

#### NOTE 1 – DESCRIPTION OF THE PLAN (Continued)

Forfeited Accounts – A participant's non-vested account balance is forfeited upon severance of employment. As of December 31, 2019 and 2018, forfeited non-vested accounts amounted to \$105,072 and \$408,638, respectively. Forfeitures may be used to restore non-vested accounts of employees who are rehired, to pay Plan fees, and/or to reduce Company contributions to the Plan. For the year ended December 31, 2019, forfeitures of \$338,042 were used to fund Company contributions to the Plan and \$113,555 were used to pay Plan fees.

#### NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting – The Plan's financial statements are prepared on the accrual basis of accounting, in conformity with accounting principles generally accepted in the United States of America.

Use of Estimates – The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of changes in net assets available for benefits during the reporting period. Actual results may differ from those estimates.

Investment Valuation and Income Recognition – The Plan's investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Plan's Administrative Committee determines the Plan's valuation policies utilizing information provided by the investment advisor and the trustee. See Note 3 for further discussion of fair value measurements.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation or depreciation in fair value of investments includes the Plan's gains and losses on investments bought and sold as well as held during the year.

Notes Receivable from Participants – Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Interest income is recorded on the accrual basis. Related fees are recorded as administrative expenses when they are incurred. No allowance for credit losses has been recorded as of December 31, 2019 and 2018.

Excess Contribution Payable – Amounts payable to participants for contributions in excess of amounts allowed by the IRS are recorded as a liability with a corresponding reduction to contributions. The Plan distributed the 2019 excess contributions to the applicable participants in 2020.

Payments of Benefits – Benefits are recorded when paid.

## SHISEIDO AMERICAS GROUP RETIREMENT PLAN

### NOTES TO FINANCIAL STATEMENTS

December 31, 2019

#### NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Administrative Expenses – Certain expenses of maintaining the Plan are paid directly by the Company and are excluded from these financial statements. Fees related to the administration of notes receivable from participants and distributions are charged directly to the participant's account and are included in administrative expenses. The Plan charges participant accounts fees for certain investment management services; fees collected but not yet paid out are maintained in a separate account. As of December 31, 2019, these fees amounted to \$205,149. Investment related expenses are included in net appreciation or depreciation of fair value of investments.

#### NOTE 3 – FAIR VALUE MEASUREMENTS

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are described as follows:

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.

Level 2: Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used are required to maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

## SHISEIDO AMERICAS GROUP RETIREMENT PLAN

### NOTES TO FINANCIAL STATEMENTS

December 31, 2019

#### NOTE 3 – FAIR VALUE MEASUREMENTS (Continued)

Following is a description of the Plan's valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2019 and 2018.

Mutual Funds: Valued at the daily closing price as reported by the fund. Mutual funds held by the Plan are open-end mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value ("NAV") and to transact at that price. The mutual funds held by the Plan are deemed to be actively traded.

Self-Directed Brokerage Accounts: Accounts consist of mutual funds, which are valued as described above; common stock, exchange-traded funds and real estate investment trusts valued at the closing price reported on the active market on which the individual securities are traded; interest-bearing cash valued at cost which represents fair value; and also consists of corporate bonds valued using pricing models maximizing the use of observable inputs for similar securities.

Collective Trust Funds: Valued at the NAV of units of the collective trust funds. The NAV, as provided by the trustee, is used as a practical expedient to estimate fair value. The NAV is based on the fair value of the underlying investments held by the fund less its liabilities. Investments valued using this practical expedient are reported outside of the fair value hierarchy. This practical expedient is not used when it is determined to be probable that the fund will sell the investment for an amount different than the reported NAV. Participant transactions (purchases and sales) may occur daily. Were the Plan to initiate a full redemption of the collective trust, the investment adviser reserves the right to temporarily delay withdrawal from the trust in order to ensure that security liquidations will be carried out in an orderly business manner.

These valuation methods may produce a fair value calculation that is not indicative of net realizable value or reflective of future fair values. Furthermore, although the Plan's management 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 may result in different fair value measurements at the reporting date.

# SHISEIDO AMERICAS GROUP RETIREMENT PLAN

## NOTES TO FINANCIAL STATEMENTS

December 31, 2019

### NOTE 3 – FAIR VALUE MEASUREMENTS (Continued)

The following tables set forth by level, within the fair value hierarchy, the Plan's investments at fair value as of December 31, 2019 and 2018:

|                                           |  | 2019                 |             |             |                       |
|-------------------------------------------|--|----------------------|-------------|-------------|-----------------------|
|                                           |  | Level 1              | Level 2     | Level 3     | Total                 |
| Total Assets in the Fair Value Hierarchy: |  |                      |             |             |                       |
| Mutual Funds                              |  | \$ 37,367,880        | \$ -        | \$ -        | \$ 37,367,880         |
| Self-Directed Brokerage Accounts          |  | 1,458,243            | -           | -           | 1,458,243             |
|                                           |  | <u>\$ 38,826,123</u> | <u>\$ -</u> | <u>\$ -</u> | 38,826,123            |
| Investments Measured at Net Asset Value:  |  |                      |             |             |                       |
| Collective Trust Funds                    |  |                      |             |             | <u>199,294,604</u>    |
| Investments at Fair Value                 |  |                      |             |             | <u>\$ 238,120,727</u> |
|                                           |  | 2018                 |             |             |                       |
|                                           |  | Level 1              | Level 2     | Level 3     | Total                 |
| Total Assets in the Fair Value Hierarchy: |  |                      |             |             |                       |
| Mutual Funds                              |  | \$ 27,437,376        | \$ -        | \$ -        | \$ 27,437,376         |
| Self-Directed Brokerage Accounts          |  | 796,398              | -           | -           | 796,398               |
|                                           |  | <u>\$ 28,233,774</u> | <u>\$ -</u> | <u>\$ -</u> | 28,233,774            |
| Investments Measured at Net Asset Value:  |  |                      |             |             |                       |
| Collective Trust Funds                    |  |                      |             |             | <u>157,722,124</u>    |
| Investments at Fair Value                 |  |                      |             |             | \$ 185,955,898        |

As of December 31, 2019, investments in four of the Plan's target date funds made up 50% of total investments and the aggregate of the target date funds made up 84% of total investments. As of December 31, 2018, investments in four of the Plan's target date funds made up 50% of total investments and the aggregate of the target date funds made up 78% of total investments.

# SHISEIDO AMERICAS GROUP RETIREMENT PLAN

## NOTES TO FINANCIAL STATEMENTS

December 31, 2019

### NOTE 3 – FAIR VALUE MEASUREMENTS (Continued)

The following table summarizes investments measured at fair value based on NAV per share as of December 31, 2019 and 2018:

|                               | <u>Fair Value at</u>  |                       |                    | <u>Redemption</u>    | <u>Redemption</u> |
|-------------------------------|-----------------------|-----------------------|--------------------|----------------------|-------------------|
|                               | <u>December 31,</u>   | <u>December 31,</u>   | <u>Unfunded</u>    | <u>Frequency</u>     | <u>Notice</u>     |
|                               | <u>2019</u>           | <u>2018</u>           | <u>Commitments</u> | <u>(if currently</u> | <u>Period</u>     |
|                               |                       |                       |                    | <u>eligible)</u>     |                   |
| Fidelity Managed Income       |                       |                       |                    |                      |                   |
| Portfolio II Class 2          | \$ 246,528            | \$ 310,140            | n/a                | Daily                | 1 day             |
| T. Rowe Price Stable Value    |                       |                       |                    |                      |                   |
| Trust Fund A                  | 11,977,916            | 12,708,738            | n/a                | Daily                | 1 day             |
| T. Rowe Price Retirement 2005 |                       |                       |                    |                      |                   |
| Trust Class F                 | 1,307,662             | 1,052,540             | n/a                | Daily                | 30 days           |
| T. Rowe Price Retirement 2010 |                       |                       |                    |                      |                   |
| Trust Class F                 | 476,743               | 561,965               | n/a                | Daily                | 30 days           |
| T. Rowe Price Retirement 2015 |                       |                       |                    |                      |                   |
| Trust Class F                 | 2,151,732             | 2,073,600             | n/a                | Daily                | 30 days           |
| T. Rowe Price Retirement 2020 |                       |                       |                    |                      |                   |
| Trust Class F                 | 11,147,148            | 11,163,182            | n/a                | Daily                | 30 days           |
| T. Rowe Price Retirement 2025 |                       |                       |                    |                      |                   |
| Trust Class F                 | 20,752,726            | 17,094,798            | n/a                | Daily                | 30 days           |
| T. Rowe Price Retirement 2030 |                       |                       |                    |                      |                   |
| Trust Class F                 | 32,222,983            | 25,837,790            | n/a                | Daily                | 30 days           |
| T. Rowe Price Retirement 2035 |                       |                       |                    |                      |                   |
| Trust Class F                 | 28,891,335            | 22,237,369            | n/a                | Daily                | 30 days           |
| T. Rowe Price Retirement 2040 |                       |                       |                    |                      |                   |
| Trust Class F                 | 32,825,237            | 25,803,625            | n/a                | Daily                | 30 days           |
| T. Rowe Price Retirement 2045 |                       |                       |                    |                      |                   |
| Trust Class F                 | 26,255,509            | 18,870,717            | n/a                | Daily                | 30 days           |
| T. Rowe Price Retirement 2050 |                       |                       |                    |                      |                   |
| Trust Class F                 | 18,992,611            | 13,225,220            | n/a                | Daily                | 30 days           |
| T. Rowe Price Retirement 2055 |                       |                       |                    |                      |                   |
| Trust Class F                 | 9,219,636             | 5,536,652             | n/a                | Daily                | 30 days           |
| T. Rowe Price Retirement 2060 |                       |                       |                    |                      |                   |
| Trust Class F                 | 2,826,838             | 1,245,788             | n/a                | Daily                | 30 days           |
|                               | <u>\$ 199,294,604</u> | <u>\$ 157,722,124</u> |                    |                      |                   |

## SHISEIDO AMERICAS GROUP RETIREMENT PLAN

### NOTES TO FINANCIAL STATEMENTS

December 31, 2019

#### NOTE 4 – INFORMATION CERTIFIED BY THE TRUSTEE OF THE PLAN

The plan administrator has elected the method of compliance as permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, Fidelity Management Trust Company ("Fidelity"), the trustee, has certified to the completeness and accuracy of all investments and notes receivable from participants reflected on the Statements of Net Assets Available for Benefits and in Note 3 as of December 31, 2019 and 2018, on the supplemental Schedule H, line 4i: Schedule of Assets (Held at End of Year) as of December 31, 2019, and the related investment income and interest income on notes receivable from participants activity reflected in the Statement of Changes in Net Assets Available for Benefits for the year ended December 31, 2019.

#### NOTE 5 – TAX STATUS

The Plan has adopted the Laiken Associates Inc. volume submitter profit sharing plan which received a favorable opinion letter from the Internal Revenue Service ("IRS") on March 31, 2014 stating that the volume submitter profit sharing plan and related trust are designed in accordance with the applicable sections of the IRC. Although the Plan has been amended since receiving the opinion letter, the Plan administrator believes that the Plan is designed and is operated in compliance with the applicable requirements of the IRC. Accordingly, no provision for income taxes is reported in the Plan's financial statements.

Accounting principles generally accepted in the United States of America require Plan management to evaluate tax positions taken by the Plan and recognize a tax liability if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS or other taxing authorities. The Plan is subject to routine audits by taxing jurisdictions; however there are currently no audits for any tax periods in progress.

#### NOTE 6 – PLAN TERMINATION

Although it has not expressed any intent 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. In the event of Plan termination, participants would become 100% vested in their accounts.

#### NOTE 7 – RISKS AND UNCERTAINTIES

The Plan invests in various investment securities. Investment securities are exposed to various risks, such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the Statements of Net Assets Available for Benefits.

## SHISEIDO AMERICAS GROUP RETIREMENT PLAN

### NOTES TO FINANCIAL STATEMENTS

December 31, 2019

#### NOTE 8 – PARTY-IN-INTEREST TRANSACTIONS

Certain Plan investments are shares in mutual funds and in a collective trust fund managed by Fidelity. Fidelity is the trustee, as defined by the Plan and, therefore, these transactions qualify as party-in-interest transactions.

Fidelity provides certain administrative services to the Plan pursuant to a services agreement between the Company and Fidelity. Fidelity receives revenue from mutual fund service providers for services Fidelity provides to the funds. This revenue is used to offset certain amounts owed to Fidelity for its administrative services to the Plan. Because these fees are paid through this revenue sharing arrangement, rather than a direct payment, they are netted against net appreciation in fair value of investments.

If the revenue received by Fidelity from such mutual fund service providers exceeds the amount owed under the service agreement, Fidelity remits the excess to the Plan's trust on a quarterly basis. Such amounts may be applied to pay Plan administrative expenses or allocated to the accounts of the participants. As of December 31, 2019 and 2018, excess revenue credit amounted to \$35,486 and \$17,346, respectively. The Plan or the Company may make a payment to Fidelity for administrative expenses not covered by revenue sharing.

#### NOTE 9 – DELINQUENT PARTICIPANT CONTRIBUTIONS

During the years ended December 31, 2019, 2018 and 2017, there were unintentional delays by the Company in remitting certain employee contributions and participant loan repayments to the Plan within the period prescribed by Department of Labor regulations amounting to \$1,439,118, \$4,166,519 and \$4,416,942, respectively. During 2020, the Company calculated and contributed lost earnings to the accounts of the affected participants for the 2018 and 2017 late contributions. The Company is currently calculating lost earnings related to the 2019 late contributions which it intends to remit during 2020.

SHISEIDO AMERICAS GROUP RETIREMENT PLAN

NOTES TO FINANCIAL STATEMENTS

December 31, 2019

NOTE 10 – RECONCILIATION OF FINANCIAL STATEMENTS TO FORM 5500

The following is a reconciliation of net assets available for benefits per these financial statements to the amounts reported on the Plan's Form 5500 as of December 31:

|                                                                                         | <u>2019</u>           | <u>2018</u>           |
|-----------------------------------------------------------------------------------------|-----------------------|-----------------------|
| Net Assets Available for Benefits per the Financial Statements                          | \$ 245,260,236        | \$ 192,541,656        |
| Reconciling Items:                                                                      |                       |                       |
| Excess Contributions Payable Recorded on Financial Statements, Not on Form 5500         | 16,059                | -                     |
| Participant Contributions Receivable Recorded on Financial Statements, Not on Form 5500 | (2,210)               | -                     |
| Employer Contributions Receivable Recorded on Financial Statements, Not on Form 5500    | <u>(3,529,921)</u>    | <u>(3,325,839)</u>    |
| Net Assets Available for Benefits per Form 5500                                         | <u>\$ 241,744,164</u> | <u>\$ 189,215,817</u> |

The following is a reconciliation of the net increase in net assets per these financial statements to the amount reported on the Form 5500 for the year ended December 31, 2019:

|                                                                                              |                      |
|----------------------------------------------------------------------------------------------|----------------------|
| Net Increase in Net Assets per the Statement of Changes in Net Assets Available for Benefits | \$ 53,128,672        |
| Reconciling Items:                                                                           |                      |
| Change in Excess Contributions Payable                                                       | 16,059               |
| Change in Participant Contributions Receivable                                               | (2,210)              |
| Change in Employer Contributions Receivable                                                  | <u>(204,082)</u>     |
| Net Increase in Net Assets per Form 5500                                                     | <u>\$ 52,938,439</u> |

NOTE 11 – SUBSEQUENT EVENTS

On March 11, 2020, the World Health Organization declared a pandemic related to the rapidly spreading novel coronavirus ("COVID-19") outbreak, which has led to a global health emergency. The pandemic has caused volatility in financial markets and has affected, and may continue to affect, the market price of the Plan's investments. The potential economic impact brought by, and the duration of, COVID-19 is difficult to assess or predict and will depend on future developments that are highly uncertain. Accordingly, the ultimate financial effects cannot be reasonably estimated at this time.

SHISEIDO AMERICAS GROUP RETIREMENT PLAN

NOTES TO FINANCIAL STATEMENTS

December 31, 2019

NOTE 11 – SUBSEQUENT EVENTS (Continued)

Effective April 8, 2020, the Plan implemented the participant loan and distribution provisions of the Coronavirus Aid, Relief, and Economic Security ("CARES") Act that was signed into law on March 27, 2020, which increases a qualified participant loan amount to lesser of his or her account balance or \$100,000 for a loan issued through September 23, 2020, allows qualified Plan participants who have Plan loan repayments in 2020 to defer such repayments until December 31, 2020, allows the Plan's qualified participants to take a COVID-19 related distribution up to \$100,000 through December 31, 2020, and permits the Plan to suspend required minimum distributions for the 2020 plan year. The Plan also implemented certain provisions of the Setting Every Community Up for Retirement Enhancement Act of 2019 (the "SECURE Act"), including a delay in the commencement date for required minimum distributions to age 72. Written amendments to the Plan's volume submitter plan document to reflect these operational changes will be adopted at a later date in accordance with applicable law and IRS guidance.

The Plan's management has evaluated subsequent events through October 13, 2020, the date the financial statements were available to be issued.

## SUPPLEMENTAL SCHEDULES

## SHISEIDO AMERICAS GROUP RETIREMENT PLAN

## SCHEDULE H – LINE 4a: SCHEDULE OF DELINQUENT PARTICIPANT CONTRIBUTIONS

FEIN: 13-3480646

Plan Number: 001

Year Ended December 31, 2019

| Year | Participant<br>Contributions<br>Transferred Late to<br>Plan | Check Here if Late<br>Participant Loan<br>Repayments Are Included | Total that Constitute Nonexempt<br>Prohibited Transactions |                                            |                                                | Total Fully<br>Corrected<br>Under VFCP and<br>PTE 2002-51 |
|------|-------------------------------------------------------------|-------------------------------------------------------------------|------------------------------------------------------------|--------------------------------------------|------------------------------------------------|-----------------------------------------------------------|
|      |                                                             |                                                                   | Contributions<br>Not Corrected                             | Contributions<br>Corrected<br>Outside VFCP | Contributions<br>Pending<br>Correction in VFCP |                                                           |
| 2019 | \$ 1,439,118                                                | <input checked="" type="checkbox"/>                               | \$ 1,439,118                                               | \$ -                                       | \$ -                                           | \$ -                                                      |
| 2018 | \$ 4,166,519                                                | <input checked="" type="checkbox"/>                               | \$ 4,166,519                                               | \$ -                                       | \$ -                                           | \$ -                                                      |
| 2017 | \$ 4,416,942                                                | <input checked="" type="checkbox"/>                               | \$ 4,416,942                                               | \$ -                                       | \$ -                                           | \$ -                                                      |

## SHISEIDO AMERICAS GROUP RETIREMENT PLAN

## SCHEDULE H – LINE 4i: SCHEDULE OF ASSETS (HELD AT END OF YEAR)

FEIN: 13-3480646

Plan Number: 001

December 31, 2019

| (a) | (b) Identity of Issue,<br>Borrower, Lessor, or<br>Similar Party | (c) Description of Investment, Including<br>Maturity Date, Rate of Interest, Collateral,<br>Par or Maturity Value               | (d) Cost            | (e) Current<br>Value  |
|-----|-----------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------|---------------------|-----------------------|
|     |                                                                 | Mutual Funds:                                                                                                                   |                     |                       |
|     | American Funds                                                  | American Funds EuroPacific Growth Fund                                                                                          | 29,774 Shares ^     | \$ 1,653,930          |
| *   | Fidelity Investments                                            | Fidelity 500 Index Fund                                                                                                         | 69,609 Shares ^     | 7,797,551             |
| *   | Fidelity Investments                                            | Fidelity Global ex U.S. Index Fund                                                                                              | 97,438 Shares ^     | 1,304,694             |
| *   | Fidelity Investments                                            | Fidelity Government Money Market Fund                                                                                           | 112,037 Shares ^    | 112,037               |
| *   | Fidelity Investments                                            | Fidelity Small Cap Discovery Fund                                                                                               | 148,582 Shares ^    | 3,438,190             |
| *   | Fidelity Investments                                            | Fidelity Total Bond Fund                                                                                                        | 230,987 Shares ^    | 2,520,069             |
| *   | Fidelity Investments                                            | Fidelity U.S. Bond Index Fund                                                                                                   | 117,446 Shares ^    | 1,398,778             |
|     | T. Rowe Price                                                   | T. Rowe Price Growth Stock Fund                                                                                                 | 77,224 Shares ^     | 5,667,493             |
|     | T. Rowe Price                                                   | T. Rowe Price Instit Mid-Cap Equity Growth Fund                                                                                 | 63,452 Shares ^     | 3,877,560             |
|     | Vanguard                                                        | Vanguard Equity-Income Fund                                                                                                     | 45,903 Shares ^     | 3,652,012             |
|     | Vanguard                                                        | Vanguard Extended Market Index Fund                                                                                             | 37,959 Shares ^     | 3,629,270             |
|     | Vanguard                                                        | Vanguard Inflation-Protected Securities Fund                                                                                    | 12,860 Shares ^     | 332,824               |
|     | Vanguard                                                        | Vanguard Intermediate-Term Treasury Fund                                                                                        | 96,122 Shares ^     | 1,090,018             |
|     | Vanguard                                                        | Vanguard Selected Value Fund Investor Shares                                                                                    | 32,981 Shares ^     | 893,454               |
|     |                                                                 |                                                                                                                                 |                     | <u>37,367,880</u>     |
|     |                                                                 | Collective Trust Funds:                                                                                                         |                     |                       |
| *   | Fidelity Investments                                            | Managed Income Portfolio II Class 2                                                                                             | 246,528 Shares ^    | 246,528               |
|     | T. Rowe Price                                                   | T. Rowe Price Stable Value Trust Fund A                                                                                         | 11,977,916 Shares ^ | 11,977,916            |
|     | T. Rowe Price                                                   | T. Rowe Price Retirement 2005 Trust Class F                                                                                     | 78,822 Shares ^     | 1,307,662             |
|     | T. Rowe Price                                                   | T. Rowe Price Retirement 2010 Trust Class F                                                                                     | 27,399 Shares ^     | 476,743               |
|     | T. Rowe Price                                                   | T. Rowe Price Retirement 2015 Trust Class F                                                                                     | 115,251 Shares ^    | 2,151,732             |
|     | T. Rowe Price                                                   | T. Rowe Price Retirement 2020 Trust Class F                                                                                     | 557,636 Shares ^    | 11,147,148            |
|     | T. Rowe Price                                                   | T. Rowe Price Retirement 2025 Trust Class F                                                                                     | 977,980 Shares ^    | 20,752,726            |
|     | T. Rowe Price                                                   | T. Rowe Price Retirement 2030 Trust Class F                                                                                     | 1,442,390 Shares ^  | 32,222,983            |
|     | T. Rowe Price                                                   | T. Rowe Price Retirement 2035 Trust Class F                                                                                     | 1,245,853 Shares ^  | 28,891,335            |
|     | T. Rowe Price                                                   | T. Rowe Price Retirement 2040 Trust Class F                                                                                     | 1,379,791 Shares ^  | 32,825,237            |
|     | T. Rowe Price                                                   | T. Rowe Price Retirement 2045 Trust Class F                                                                                     | 1,096,721 Shares ^  | 26,255,509            |
|     | T. Rowe Price                                                   | T. Rowe Price Retirement 2050 Trust Class F                                                                                     | 793,674 Shares ^    | 18,992,611            |
|     | T. Rowe Price                                                   | T. Rowe Price Retirement 2055 Trust Class F                                                                                     | 385,436 Shares ^    | 9,219,636             |
|     | T. Rowe Price                                                   | T. Rowe Price Retirement 2060 Trust Class F                                                                                     | 184,640 Shares ^    | 2,826,838             |
|     |                                                                 |                                                                                                                                 |                     | <u>199,294,604</u>    |
|     | Various                                                         | Self-Directed Brokerage Accounts                                                                                                | ^                   | <u>1,458,243</u>      |
| *   | Notes Receivable from Participants                              | 565 loans receivable bearing interest ranging from 3.25% to 10.25% with maturity dates ranging from January 2020 to August 2037 | -                   | <u>3,623,437</u>      |
|     |                                                                 |                                                                                                                                 |                     | <u>\$ 241,744,164</u> |

\* Indicates party-in-interest transaction.

^ Column (d) Cost is omitted for participant directed investments.

SHISEIDO AMERICAS GROUP RETIREMENT PLAN

FINANCIAL STATEMENTS  
AND  
SUPPLEMENTAL SCHEDULES

Year Ended December 31, 2019

SHISEIDO AMERICAS GROUP RETIREMENT PLAN

Year Ended December 31, 2019

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## SHEA LABAGH DOBBERSTEIN

CERTIFIED PUBLIC ACCOUNTANTS & ADVISORS

### INDEPENDENT AUDITORS' REPORT

#### TO THE PLAN ADMINISTRATOR AND PARTICIPANTS

#### SHISEIDO AMERICAS GROUP RETIREMENT PLAN

#### **Report on the Financial Statements**

We were engaged to audit the accompanying financial statements of SHISEIDO AMERICAS GROUP RETIREMENT PLAN (the "Plan"), which comprise the statements of net assets available for benefits as of December 31, 2019 and 2018, and the related statement of changes in net assets available for benefits for the year ended December 31, 2019, 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.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on conducting the audit 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 4, which was certified by Fidelity Management Trust Company, the trustee of the Plan, except for comparing such information with the related information included in the financial statements. We have been informed by the plan administrator that the trustee holds the Plan's investment assets and executes investment transactions. The plan administrator has obtained certifications from the trustee as of and for the years ended December 31, 2019 and 2018, that the information provided to the plan administrator by the trustee is complete and accurate.

**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 – Supplemental Schedules**

The supplemental Schedule H – Line 4a: Schedule of Delinquent Participant Contributions for the year ended December 31, 2019, and Schedule H – Line 4i: Schedule of Assets (Held at End of Year) as of December 31, 2019 are required by the Department of Labor’s (“DOL”) Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 and are presented for the purpose 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 these 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, other than that derived from the information certified by the trustee, 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 DOL’s Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

SHEA LABAGH DOBBERSTEIN  
Certified Public Accountants, Inc.

A handwritten signature in black ink, reading "Shea Labagh Dobberstein". The signature is fluid and cursive, with the first name "Shea" being the most prominent.

San Francisco, California  
October 13, 2020

SHISEIDO AMERICAS GROUP RETIREMENT PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

|                                          | December 31,          |                       |
|------------------------------------------|-----------------------|-----------------------|
|                                          | 2019                  | 2018                  |
| <u>ASSETS</u>                            |                       |                       |
| <u>INVESTMENTS, AT FAIR VALUE</u>        | \$ 238,120,727        | \$ 185,955,898        |
| <u>RECEIVABLES</u>                       |                       |                       |
| Employer Contributions                   | 3,529,921             | 3,325,839             |
| Participant Contributions                | 2,210                 | -                     |
| Notes Receivable from Participants       | 3,623,437             | 3,259,919             |
| <u>TOTAL RECEIVABLES</u>                 | <u>7,155,568</u>      | <u>6,585,758</u>      |
| <u>TOTAL ASSETS</u>                      | <u>245,276,295</u>    | <u>192,541,656</u>    |
| <u>LIABILITIES</u>                       |                       |                       |
| <u>EXCESS CONTRIBUTIONS PAYABLE</u>      | <u>16,059</u>         | <u>-</u>              |
| <u>NET ASSETS AVAILABLE FOR BENEFITS</u> | <u>\$ 245,260,236</u> | <u>\$ 192,541,656</u> |

SHISEIDO AMERICAS GROUP RETIREMENT PLAN

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

Year Ended December 31, 2019

ADDITIONS

ADDITIONS TO NET ASSETS ATTRIBUTED TO:

INVESTMENT INCOME

|                                               |                   |
|-----------------------------------------------|-------------------|
| Interest and Dividend Income                  | \$ 1,459,549      |
| Net Appreciation in Fair Value of Investments | <u>41,410,453</u> |

|                                |                   |
|--------------------------------|-------------------|
| <u>TOTAL INVESTMENT INCOME</u> | <u>42,870,002</u> |
|--------------------------------|-------------------|

INTEREST INCOME ON NOTES RECEIVABLE  
FROM PARTICIPANTS

|  |                |
|--|----------------|
|  | <u>166,539</u> |
|--|----------------|

CONTRIBUTIONS

|              |                  |
|--------------|------------------|
| Participants | 16,586,440       |
| Employer     | 11,477,911       |
| Rollover     | <u>2,945,574</u> |

|                            |                   |
|----------------------------|-------------------|
| <u>TOTAL CONTRIBUTIONS</u> | <u>31,009,925</u> |
|----------------------------|-------------------|

|                        |                   |
|------------------------|-------------------|
| <u>TOTAL ADDITIONS</u> | <u>74,046,466</u> |
|------------------------|-------------------|

DEDUCTIONS

DEDUCTIONS FROM NET ASSETS ATTRIBUTED TO:

|                                      |            |
|--------------------------------------|------------|
| <u>BENEFITS PAID TO PARTICIPANTS</u> | 20,437,032 |
|--------------------------------------|------------|

|                                |                |
|--------------------------------|----------------|
| <u>ADMINISTRATIVE EXPENSES</u> | <u>480,762</u> |
|--------------------------------|----------------|

|                         |                   |
|-------------------------|-------------------|
| <u>TOTAL DEDUCTIONS</u> | <u>20,917,794</u> |
|-------------------------|-------------------|

|                                                   |            |
|---------------------------------------------------|------------|
| <u>NET INCREASE IN NET ASSETS BEFORE TRANSFER</u> | 53,128,672 |
|---------------------------------------------------|------------|

|                                                            |                  |
|------------------------------------------------------------|------------------|
| <u>NET ASSETS TRANSFERRED TO ANOTHER PLAN</u> (See Note 1) | <u>(410,092)</u> |
|------------------------------------------------------------|------------------|

|                                   |            |
|-----------------------------------|------------|
| <u>NET INCREASE IN NET ASSETS</u> | 52,718,580 |
|-----------------------------------|------------|

|                                                                   |                    |
|-------------------------------------------------------------------|--------------------|
| <u>NET ASSETS AVAILABLE FOR BENEFITS<br/>AT BEGINNING OF YEAR</u> | <u>192,541,656</u> |
|-------------------------------------------------------------------|--------------------|

|                                                             |                       |
|-------------------------------------------------------------|-----------------------|
| <u>NET ASSETS AVAILABLE FOR BENEFITS<br/>AT END OF YEAR</u> | <u>\$ 245,260,236</u> |
|-------------------------------------------------------------|-----------------------|

## SHISEIDO AMERICAS GROUP RETIREMENT PLAN

### NOTES TO FINANCIAL STATEMENTS

December 31, 2019

#### NOTE 1 – DESCRIPTION OF THE PLAN

The following description of the SHISEIDO AMERICAS GROUP RETIREMENT PLAN (the “Plan”) provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan’s provisions.

General – The Plan is a defined contribution plan sponsored by Shiseido Americas Corporation and adopted by affiliated companies Shiseido America Inc., Davlyn Industries Inc., Shiseido Travel Retail Americas Inc., Bare Escentuals Beauty, Inc., Gurwitch Products, LLC, MatchCo., JWalk, LLC and Olivo Laboratories, LLC (collectively, the “Company”). All employees of the Company are eligible to participate in the Plan, except for the following ineligible classes of employees: (a) employees whose employment is governed by a collective bargaining agreement in which retirement benefits were the subject of good faith bargaining, unless such collective bargaining agreement expressly provides for the inclusion of such employees as participants; (b) employees who are non-resident aliens; (c) leased employees; (d) employees who are employed by an affiliated employer which does not adopt this Plan; (e) employees who are temporarily transferred from Shiseido Japan; (f) employees designated by the employer as interns; and (g) temporary workers. Part-time employees must be credited with one year of service to be eligible to enroll in the Plan. All other employees may enroll in the Plan after 30 days of service.

The Company has appointed an administrative committee which is responsible for oversight of the Plan, determining the appropriateness of the Plan’s investment offerings, and monitoring investment performance. The Plan also provides for a Plan administrator who is responsible for keeping accurate and complete records with regard to the Plan’s operations, informing participants of changes or amendments to the Plan, ensuring that the Plan conforms to the law and government regulations, and providing participants with any reports and documents required by law. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (“ERISA”) and certain provisions of the Internal Revenue Code (“IRC”).

The Plan sponsor sold participating employer, Zotos International Inc. on December 28, 2017. Effective July 1, 2018, Zotos International Inc. terminated its status as a participating employer of the Plan. In connection with this termination, Plan assets of \$410,092 and \$85,144,441 were transferred out of the Plan in 2019 and 2018, respectively.

## SHISEIDO AMERICAS GROUP RETIREMENT PLAN

### NOTES TO FINANCIAL STATEMENTS

December 31, 2019

#### NOTE 1 – DESCRIPTION OF THE PLAN (Continued)

Participant Contributions – Participants may make pre-tax and post-tax (“Roth”) contributions to the Plan. A participant’s combined annual pre-tax and Roth contributions to the Plan may not exceed 75% of the participant’s annual compensation, limited to \$19,000 for the Plan year ended December 31, 2019. Additionally, participants who have attained fifty years of age before the end of the Plan year, are eligible to make catch up contributions up to \$6,000 for 2019. Participants may also contribute rollover amounts representing distributions from other qualified defined benefit or defined contribution plans.

The Plan provides for automatic enrollment. Once an employee satisfies the eligibility requirements and if he or she does not make a deferral election within a reasonable period of time after he or she is hired, rehired or reclassified, or affirmatively opts out, 4% of the employee’s eligible pre-tax compensation will be withheld and automatically contributed to the Plan annually. This will be deemed the employee’s deferral election.

The Plan also provides for an automatic increase in salary deferrals. Each eligible employee whose deferral election is below 12% as of April 1 of any year will automatically have his or her deferral election increased by 1% of compensation unless the employee elects otherwise for that year, takes a hardship distribution, or creates his or her own deferral election increase schedule. This automatic increase will continue annually until the participants deferral election reaches 12% of compensation.

Employer Contributions – The Company has adopted a safe-harbor provision for employer matching contributions. For the year ended December 31, 2019, the Company made safe-harbor employer matching contributions to the Plan equal to 100% of the first 4% of each participant’s eligible compensation. Participants become eligible for employer matching contributions immediately after entry into the Plan.

The Company may also make a discretionary profit sharing contribution to the Plan. Profit sharing contributions, if any, are expressed as a percentage of participants’ compensation and are allocated to participants’ accounts. Participants become eligible for profit sharing contributions on the earlier of the January 1<sup>st</sup> or July 1<sup>st</sup> that coincides with or immediately follows the date upon which the participant has completed one year of service. Participants must also have completed 1,000 hours of service during the year and be employed on the last day of the year to be eligible for the profit sharing contribution. The Company made a profit sharing contribution equal to 2% of eligible participants’ eligible compensation for 2019.

All contributions to the Plan are subject to annual limits established by the IRC.

## SHISEIDO AMERICAS GROUP RETIREMENT PLAN

### NOTES TO FINANCIAL STATEMENTS

December 31, 2019

#### NOTE 1 – DESCRIPTION OF THE PLAN (Continued)

Participant Accounts – The Plan maintains an account for each participant, which is credited with the participant's contributions and employer matching contributions as well as allocations of the Company's discretionary profit sharing contributions, if any, Plan investment earnings or losses and expenses. Allocations are based on participant compensation or account balances, as defined by the Plan agreement. The benefit to which a participant is entitled is the benefit that may be provided from the participant's vested account.

Vesting – Participants are immediately vested in their voluntary contributions, safe-harbor employer matching contributions and rollover contributions plus actual earnings thereon. Vesting in the Company's discretionary profit sharing contribution is based on years of continuous service. A participant becomes 100% vested after three years of credited service. The participant's account will become 100% vested if, while employed by the Company, the participant dies, becomes disabled, as defined, or reaches normal retirement age.

An employee who became an eligible employee and entered the Plan, as of December 1, 2014, due to the ratification of a collective bargaining agreement which expressly provides for the inclusion of such employees as participants in the Plan, will have a 100% vested interest in his or her profit sharing account.

Investment Options – Upon enrollment in the Plan, participants may direct the investment of their account balance into various funds available through the Plan.

Notes Receivable from Participants – Participants are permitted to borrow from their vested account balances provided they meet the Plan's eligibility requirements. The minimum loan amount is \$1,000 and the maximum amount is the lesser of one-half of the participant's vested account balance or \$50,000. The term of the loan may not exceed five years, except for loans used to finance the purchase of a primary residence. Interest rates, determined quarterly, are set at 1.5% above the prime rate and remain fixed throughout the life of the loan. Principal and interest are paid ratably through payroll deductions and loans are due immediately upon termination of employment. Loans which become delinquent, as defined, are recorded as deemed distributions to the participant in accordance with the terms of the Plan.

Payment of Benefits – Upon termination of service, death, disability or retirement, a participant or beneficiary is entitled to receive the value of the participant's vested interest in his or her account as a lump sum payment. If a terminated participant's account balance is less than \$5,000, and no instructions have been received from such participant, the amount is rolled over to an individual retirement account as designated by the Plan administrator. A participant may also elect to receive a pre-retirement distribution of his or her vested account balance upon reaching age 59½, and of his or her salary deferrals upon incurring a hardship, as defined by the Plan. Benefit payments to the participant generally must begin by the later of the year after the participant attains age 70½ or the year in which the participant terminates employment.

## SHISEIDO AMERICAS GROUP RETIREMENT PLAN

### NOTES TO FINANCIAL STATEMENTS

December 31, 2019

#### NOTE 1 – DESCRIPTION OF THE PLAN (Continued)

Forfeited Accounts – A participant's non-vested account balance is forfeited upon severance of employment. As of December 31, 2019 and 2018, forfeited non-vested accounts amounted to \$105,072 and \$408,638, respectively. Forfeitures may be used to restore non-vested accounts of employees who are rehired, to pay Plan fees, and/or to reduce Company contributions to the Plan. For the year ended December 31, 2019, forfeitures of \$338,042 were used to fund Company contributions to the Plan and \$113,555 were used to pay Plan fees.

#### NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting – The Plan's financial statements are prepared on the accrual basis of accounting, in conformity with accounting principles generally accepted in the United States of America.

Use of Estimates – The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of changes in net assets available for benefits during the reporting period. Actual results may differ from those estimates.

Investment Valuation and Income Recognition – The Plan's investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Plan's Administrative Committee determines the Plan's valuation policies utilizing information provided by the investment advisor and the trustee. See Note 3 for further discussion of fair value measurements.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation or depreciation in fair value of investments includes the Plan's gains and losses on investments bought and sold as well as held during the year.

Notes Receivable from Participants – Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Interest income is recorded on the accrual basis. Related fees are recorded as administrative expenses when they are incurred. No allowance for credit losses has been recorded as of December 31, 2019 and 2018.

Excess Contribution Payable – Amounts payable to participants for contributions in excess of amounts allowed by the IRS are recorded as a liability with a corresponding reduction to contributions. The Plan distributed the 2019 excess contributions to the applicable participants in 2020.

Payments of Benefits – Benefits are recorded when paid.

## SHISEIDO AMERICAS GROUP RETIREMENT PLAN

### NOTES TO FINANCIAL STATEMENTS

December 31, 2019

#### NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Administrative Expenses – Certain expenses of maintaining the Plan are paid directly by the Company and are excluded from these financial statements. Fees related to the administration of notes receivable from participants and distributions are charged directly to the participant's account and are included in administrative expenses. The Plan charges participant accounts fees for certain investment management services; fees collected but not yet paid out are maintained in a separate account. As of December 31, 2019, these fees amounted to \$205,149. Investment related expenses are included in net appreciation or depreciation of fair value of investments.

#### NOTE 3 – FAIR VALUE MEASUREMENTS

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are described as follows:

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.

Level 2: Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used are required to maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

## SHISEIDO AMERICAS GROUP RETIREMENT PLAN

### NOTES TO FINANCIAL STATEMENTS

December 31, 2019

#### NOTE 3 – FAIR VALUE MEASUREMENTS (Continued)

Following is a description of the Plan's valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2019 and 2018.

Mutual Funds: Valued at the daily closing price as reported by the fund. Mutual funds held by the Plan are open-end mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value ("NAV") and to transact at that price. The mutual funds held by the Plan are deemed to be actively traded.

Self-Directed Brokerage Accounts: Accounts consist of mutual funds, which are valued as described above; common stock, exchange-traded funds and real estate investment trusts valued at the closing price reported on the active market on which the individual securities are traded; interest-bearing cash valued at cost which represents fair value; and also consists of corporate bonds valued using pricing models maximizing the use of observable inputs for similar securities.

Collective Trust Funds: Valued at the NAV of units of the collective trust funds. The NAV, as provided by the trustee, is used as a practical expedient to estimate fair value. The NAV is based on the fair value of the underlying investments held by the fund less its liabilities. Investments valued using this practical expedient are reported outside of the fair value hierarchy. This practical expedient is not used when it is determined to be probable that the fund will sell the investment for an amount different than the reported NAV. Participant transactions (purchases and sales) may occur daily. Were the Plan to initiate a full redemption of the collective trust, the investment adviser reserves the right to temporarily delay withdrawal from the trust in order to ensure that security liquidations will be carried out in an orderly business manner.

These valuation methods may produce a fair value calculation that is not indicative of net realizable value or reflective of future fair values. Furthermore, although the Plan's management 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 may result in different fair value measurements at the reporting date.

# SHISEIDO AMERICAS GROUP RETIREMENT PLAN

## NOTES TO FINANCIAL STATEMENTS

December 31, 2019

### NOTE 3 – FAIR VALUE MEASUREMENTS (Continued)

The following tables set forth by level, within the fair value hierarchy, the Plan's investments at fair value as of December 31, 2019 and 2018:

|                                           |                      | 2019        |             |             |                       |
|-------------------------------------------|----------------------|-------------|-------------|-------------|-----------------------|
|                                           |                      | Level 1     | Level 2     | Level 3     | Total                 |
| Total Assets in the Fair Value Hierarchy: |                      |             |             |             |                       |
| Mutual Funds                              | \$ 37,367,880        | \$ -        | \$ -        | \$ -        | \$ 37,367,880         |
| Self-Directed Brokerage Accounts          | 1,458,243            | -           | -           | -           | 1,458,243             |
|                                           | <u>\$ 38,826,123</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>38,826,123</u>     |
| Investments Measured at Net Asset Value:  |                      |             |             |             |                       |
| Collective Trust Funds                    |                      |             |             |             | <u>199,294,604</u>    |
| Investments at Fair Value                 |                      |             |             |             | <u>\$ 238,120,727</u> |
|                                           |                      | 2018        |             |             |                       |
|                                           |                      | Level 1     | Level 2     | Level 3     | Total                 |
| Total Assets in the Fair Value Hierarchy: |                      |             |             |             |                       |
| Mutual Funds                              | \$ 27,437,376        | \$ -        | \$ -        | \$ -        | \$ 27,437,376         |
| Self-Directed Brokerage Accounts          | 796,398              | -           | -           | -           | 796,398               |
|                                           | <u>\$ 28,233,774</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>28,233,774</u>     |
| Investments Measured at Net Asset Value:  |                      |             |             |             |                       |
| Collective Trust Funds                    |                      |             |             |             | <u>157,722,124</u>    |
| Investments at Fair Value                 |                      |             |             |             | <u>\$ 185,955,898</u> |

As of December 31, 2019, investments in four of the Plan's target date funds made up 50% of total investments and the aggregate of the target date funds made up 84% of total investments. As of December 31, 2018, investments in four of the Plan's target date funds made up 50% of total investments and the aggregate of the target date funds made up 78% of total investments.

# SHISEIDO AMERICAS GROUP RETIREMENT PLAN

## NOTES TO FINANCIAL STATEMENTS

December 31, 2019

### NOTE 3 – FAIR VALUE MEASUREMENTS (Continued)

The following table summarizes investments measured at fair value based on NAV per share as of December 31, 2019 and 2018:

|                               | <u>Fair Value at</u>  |                       |                    | <u>Redemption</u>    | <u>Redemption</u> |
|-------------------------------|-----------------------|-----------------------|--------------------|----------------------|-------------------|
|                               | <u>December 31,</u>   | <u>December 31,</u>   | <u>Unfunded</u>    | <u>Frequency</u>     | <u>Notice</u>     |
|                               | <u>2019</u>           | <u>2018</u>           | <u>Commitments</u> | <u>(if currently</u> | <u>Period</u>     |
|                               |                       |                       |                    | <u>eligible)</u>     |                   |
| Fidelity Managed Income       |                       |                       |                    |                      |                   |
| Portfolio II Class 2          | \$ 246,528            | \$ 310,140            | n/a                | Daily                | 1 day             |
| T. Rowe Price Stable Value    |                       |                       |                    |                      |                   |
| Trust Fund A                  | 11,977,916            | 12,708,738            | n/a                | Daily                | 1 day             |
| T. Rowe Price Retirement 2005 |                       |                       |                    |                      |                   |
| Trust Class F                 | 1,307,662             | 1,052,540             | n/a                | Daily                | 30 days           |
| T. Rowe Price Retirement 2010 |                       |                       |                    |                      |                   |
| Trust Class F                 | 476,743               | 561,965               | n/a                | Daily                | 30 days           |
| T. Rowe Price Retirement 2015 |                       |                       |                    |                      |                   |
| Trust Class F                 | 2,151,732             | 2,073,600             | n/a                | Daily                | 30 days           |
| T. Rowe Price Retirement 2020 |                       |                       |                    |                      |                   |
| Trust Class F                 | 11,147,148            | 11,163,182            | n/a                | Daily                | 30 days           |
| T. Rowe Price Retirement 2025 |                       |                       |                    |                      |                   |
| Trust Class F                 | 20,752,726            | 17,094,798            | n/a                | Daily                | 30 days           |
| T. Rowe Price Retirement 2030 |                       |                       |                    |                      |                   |
| Trust Class F                 | 32,222,983            | 25,837,790            | n/a                | Daily                | 30 days           |
| T. Rowe Price Retirement 2035 |                       |                       |                    |                      |                   |
| Trust Class F                 | 28,891,335            | 22,237,369            | n/a                | Daily                | 30 days           |
| T. Rowe Price Retirement 2040 |                       |                       |                    |                      |                   |
| Trust Class F                 | 32,825,237            | 25,803,625            | n/a                | Daily                | 30 days           |
| T. Rowe Price Retirement 2045 |                       |                       |                    |                      |                   |
| Trust Class F                 | 26,255,509            | 18,870,717            | n/a                | Daily                | 30 days           |
| T. Rowe Price Retirement 2050 |                       |                       |                    |                      |                   |
| Trust Class F                 | 18,992,611            | 13,225,220            | n/a                | Daily                | 30 days           |
| T. Rowe Price Retirement 2055 |                       |                       |                    |                      |                   |
| Trust Class F                 | 9,219,636             | 5,536,652             | n/a                | Daily                | 30 days           |
| T. Rowe Price Retirement 2060 |                       |                       |                    |                      |                   |
| Trust Class F                 | 2,826,838             | 1,245,788             | n/a                | Daily                | 30 days           |
|                               | <u>\$ 199,294,604</u> | <u>\$ 157,722,124</u> |                    |                      |                   |

## SHISEIDO AMERICAS GROUP RETIREMENT PLAN

### NOTES TO FINANCIAL STATEMENTS

December 31, 2019

#### NOTE 4 – INFORMATION CERTIFIED BY THE TRUSTEE OF THE PLAN

The plan administrator has elected the method of compliance as permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, Fidelity Management Trust Company ("Fidelity"), the trustee, has certified to the completeness and accuracy of all investments and notes receivable from participants reflected on the Statements of Net Assets Available for Benefits and in Note 3 as of December 31, 2019 and 2018, on the supplemental Schedule H, line 4i: Schedule of Assets (Held at End of Year) as of December 31, 2019, and the related investment income and interest income on notes receivable from participants activity reflected in the Statement of Changes in Net Assets Available for Benefits for the year ended December 31, 2019.

#### NOTE 5 – TAX STATUS

The Plan has adopted the Laiken Associates Inc. volume submitter profit sharing plan which received a favorable opinion letter from the Internal Revenue Service ("IRS") on March 31, 2014 stating that the volume submitter profit sharing plan and related trust are designed in accordance with the applicable sections of the IRC. Although the Plan has been amended since receiving the opinion letter, the Plan administrator believes that the Plan is designed and is operated in compliance with the applicable requirements of the IRC. Accordingly, no provision for income taxes is reported in the Plan's financial statements.

Accounting principles generally accepted in the United States of America require Plan management to evaluate tax positions taken by the Plan and recognize a tax liability if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS or other taxing authorities. The Plan is subject to routine audits by taxing jurisdictions; however there are currently no audits for any tax periods in progress.

#### NOTE 6 – PLAN TERMINATION

Although it has not expressed any intent 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. In the event of Plan termination, participants would become 100% vested in their accounts.

#### NOTE 7 – RISKS AND UNCERTAINTIES

The Plan invests in various investment securities. Investment securities are exposed to various risks, such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the Statements of Net Assets Available for Benefits.

## SHISEIDO AMERICAS GROUP RETIREMENT PLAN

### NOTES TO FINANCIAL STATEMENTS

December 31, 2019

#### NOTE 8 – PARTY-IN-INTEREST TRANSACTIONS

Certain Plan investments are shares in mutual funds and in a collective trust fund managed by Fidelity. Fidelity is the trustee, as defined by the Plan and, therefore, these transactions qualify as party-in-interest transactions.

Fidelity provides certain administrative services to the Plan pursuant to a services agreement between the Company and Fidelity. Fidelity receives revenue from mutual fund service providers for services Fidelity provides to the funds. This revenue is used to offset certain amounts owed to Fidelity for its administrative services to the Plan. Because these fees are paid through this revenue sharing arrangement, rather than a direct payment, they are netted against net appreciation in fair value of investments.

If the revenue received by Fidelity from such mutual fund service providers exceeds the amount owed under the service agreement, Fidelity remits the excess to the Plan's trust on a quarterly basis. Such amounts may be applied to pay Plan administrative expenses or allocated to the accounts of the participants. As of December 31, 2019 and 2018, excess revenue credit amounted to \$35,486 and \$17,346, respectively. The Plan or the Company may make a payment to Fidelity for administrative expenses not covered by revenue sharing.

#### NOTE 9 – DELINQUENT PARTICIPANT CONTRIBUTIONS

During the years ended December 31, 2019, 2018 and 2017, there were unintentional delays by the Company in remitting certain employee contributions and participant loan repayments to the Plan within the period prescribed by Department of Labor regulations amounting to \$1,439,118, \$4,166,519 and \$4,416,942, respectively. During 2020, the Company calculated and contributed lost earnings to the accounts of the affected participants for the 2018 and 2017 late contributions. The Company is currently calculating lost earnings related to the 2019 late contributions which it intends to remit during 2020.

SHISEIDO AMERICAS GROUP RETIREMENT PLAN

NOTES TO FINANCIAL STATEMENTS

December 31, 2019

NOTE 10 – RECONCILIATION OF FINANCIAL STATEMENTS TO FORM 5500

The following is a reconciliation of net assets available for benefits per these financial statements to the amounts reported on the Plan's Form 5500 as of December 31:

|                                                                                         | <u>2019</u>           | <u>2018</u>           |
|-----------------------------------------------------------------------------------------|-----------------------|-----------------------|
| Net Assets Available for Benefits per the Financial Statements                          | \$ 245,260,236        | \$ 192,541,656        |
| Reconciling Items:                                                                      |                       |                       |
| Excess Contributions Payable Recorded on Financial Statements, Not on Form 5500         | 16,059                | -                     |
| Participant Contributions Receivable Recorded on Financial Statements, Not on Form 5500 | (2,210)               | -                     |
| Employer Contributions Receivable Recorded on Financial Statements, Not on Form 5500    | <u>(3,529,921)</u>    | <u>(3,325,839)</u>    |
| Net Assets Available for Benefits per Form 5500                                         | <u>\$ 241,744,164</u> | <u>\$ 189,215,817</u> |

The following is a reconciliation of the net increase in net assets per these financial statements to the amount reported on the Form 5500 for the year ended December 31, 2019:

|                                                                                              |                      |
|----------------------------------------------------------------------------------------------|----------------------|
| Net Increase in Net Assets per the Statement of Changes in Net Assets Available for Benefits | \$ 53,128,672        |
| Reconciling Items:                                                                           |                      |
| Change in Excess Contributions Payable                                                       | 16,059               |
| Change in Participant Contributions Receivable                                               | (2,210)              |
| Change in Employer Contributions Receivable                                                  | <u>(204,082)</u>     |
| Net Increase in Net Assets per Form 5500                                                     | <u>\$ 52,938,439</u> |

NOTE 11 – SUBSEQUENT EVENTS

On March 11, 2020, the World Health Organization declared a pandemic related to the rapidly spreading novel coronavirus ("COVID-19") outbreak, which has led to a global health emergency. The pandemic has caused volatility in financial markets and has affected, and may continue to affect, the market price of the Plan's investments. The potential economic impact brought by, and the duration of, COVID-19 is difficult to assess or predict and will depend on future developments that are highly uncertain. Accordingly, the ultimate financial effects cannot be reasonably estimated at this time.

SHISEIDO AMERICAS GROUP RETIREMENT PLAN

NOTES TO FINANCIAL STATEMENTS

December 31, 2019

NOTE 11 – SUBSEQUENT EVENTS (Continued)

Effective April 8, 2020, the Plan implemented the participant loan and distribution provisions of the Coronavirus Aid, Relief, and Economic Security ("CARES") Act that was signed into law on March 27, 2020, which increases a qualified participant loan amount to lesser of his or her account balance or \$100,000 for a loan issued through September 23, 2020, allows qualified Plan participants who have Plan loan repayments in 2020 to defer such repayments until December 31, 2020, allows the Plan's qualified participants to take a COVID-19 related distribution up to \$100,000 through December 31, 2020, and permits the Plan to suspend required minimum distributions for the 2020 plan year. The Plan also implemented certain provisions of the Setting Every Community Up for Retirement Enhancement Act of 2019 (the "SECURE Act"), including a delay in the commencement date for required minimum distributions to age 72. Written amendments to the Plan's volume submitter plan document to reflect these operational changes will be adopted at a later date in accordance with applicable law and IRS guidance.

The Plan's management has evaluated subsequent events through October 13, 2020, the date the financial statements were available to be issued.

## SUPPLEMENTAL SCHEDULES

## SHISEIDO AMERICAS GROUP RETIREMENT PLAN

## SCHEDULE H – LINE 4a: SCHEDULE OF DELINQUENT PARTICIPANT CONTRIBUTIONS

FEIN: 13-3480646

Plan Number: 001

Year Ended December 31, 2019

| Year | Participant<br>Contributions<br>Transferred Late to<br>Plan | Check Here if Late<br>Participant Loan<br>Repayments Are Included | Total that Constitute Nonexempt<br>Prohibited Transactions |                                            |                                                | Total Fully<br>Corrected<br>Under VFCP and<br>PTE 2002-51 |
|------|-------------------------------------------------------------|-------------------------------------------------------------------|------------------------------------------------------------|--------------------------------------------|------------------------------------------------|-----------------------------------------------------------|
|      |                                                             |                                                                   | Contributions<br>Not Corrected                             | Contributions<br>Corrected<br>Outside VFCP | Contributions<br>Pending<br>Correction in VFCP |                                                           |
| 2019 | \$ 1,439,118                                                | <input checked="" type="checkbox"/>                               | \$ 1,439,118                                               | \$ -                                       | \$ -                                           | \$ -                                                      |
| 2018 | \$ 4,166,519                                                | <input checked="" type="checkbox"/>                               | \$ 4,166,519                                               | \$ -                                       | \$ -                                           | \$ -                                                      |
| 2017 | \$ 4,416,942                                                | <input checked="" type="checkbox"/>                               | \$ 4,416,942                                               | \$ -                                       | \$ -                                           | \$ -                                                      |

## SHISEIDO AMERICAS GROUP RETIREMENT PLAN

## SCHEDULE H – LINE 4i: SCHEDULE OF ASSETS (HELD AT END OF YEAR)

FEIN: 13-3480646

Plan Number: 001

December 31, 2019

| (a) | (b) Identity of Issue,<br>Borrower, Lessor, or<br>Similar Party | (c) Description of Investment, Including<br>Maturity Date, Rate of Interest, Collateral,<br>Par or Maturity Value               | (d) Cost            | (e) Current<br>Value  |
|-----|-----------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------|---------------------|-----------------------|
|     |                                                                 | Mutual Funds:                                                                                                                   |                     |                       |
|     | American Funds                                                  | American Funds EuroPacific Growth Fund                                                                                          | 29,774 Shares ^     | \$ 1,653,930          |
| *   | Fidelity Investments                                            | Fidelity 500 Index Fund                                                                                                         | 69,609 Shares ^     | 7,797,551             |
| *   | Fidelity Investments                                            | Fidelity Global ex U.S. Index Fund                                                                                              | 97,438 Shares ^     | 1,304,694             |
| *   | Fidelity Investments                                            | Fidelity Government Money Market Fund                                                                                           | 112,037 Shares ^    | 112,037               |
| *   | Fidelity Investments                                            | Fidelity Small Cap Discovery Fund                                                                                               | 148,582 Shares ^    | 3,438,190             |
| *   | Fidelity Investments                                            | Fidelity Total Bond Fund                                                                                                        | 230,987 Shares ^    | 2,520,069             |
| *   | Fidelity Investments                                            | Fidelity U.S. Bond Index Fund                                                                                                   | 117,446 Shares ^    | 1,398,778             |
|     | T. Rowe Price                                                   | T. Rowe Price Growth Stock Fund                                                                                                 | 77,224 Shares ^     | 5,667,493             |
|     | T. Rowe Price                                                   | T. Rowe Price Instit Mid-Cap Equity Growth Fund                                                                                 | 63,452 Shares ^     | 3,877,560             |
|     | Vanguard                                                        | Vanguard Equity-Income Fund                                                                                                     | 45,903 Shares ^     | 3,652,012             |
|     | Vanguard                                                        | Vanguard Extended Market Index Fund                                                                                             | 37,959 Shares ^     | 3,629,270             |
|     | Vanguard                                                        | Vanguard Inflation-Protected Securities Fund                                                                                    | 12,860 Shares ^     | 332,824               |
|     | Vanguard                                                        | Vanguard Intermediate-Term Treasury Fund                                                                                        | 96,122 Shares ^     | 1,090,018             |
|     | Vanguard                                                        | Vanguard Selected Value Fund Investor Shares                                                                                    | 32,981 Shares ^     | 893,454               |
|     |                                                                 |                                                                                                                                 |                     | <u>37,367,880</u>     |
|     |                                                                 | Collective Trust Funds:                                                                                                         |                     |                       |
| *   | Fidelity Investments                                            | Managed Income Portfolio II Class 2                                                                                             | 246,528 Shares ^    | 246,528               |
|     | T. Rowe Price                                                   | T. Rowe Price Stable Value Trust Fund A                                                                                         | 11,977,916 Shares ^ | 11,977,916            |
|     | T. Rowe Price                                                   | T. Rowe Price Retirement 2005 Trust Class F                                                                                     | 78,822 Shares ^     | 1,307,662             |
|     | T. Rowe Price                                                   | T. Rowe Price Retirement 2010 Trust Class F                                                                                     | 27,399 Shares ^     | 476,743               |
|     | T. Rowe Price                                                   | T. Rowe Price Retirement 2015 Trust Class F                                                                                     | 115,251 Shares ^    | 2,151,732             |
|     | T. Rowe Price                                                   | T. Rowe Price Retirement 2020 Trust Class F                                                                                     | 557,636 Shares ^    | 11,147,148            |
|     | T. Rowe Price                                                   | T. Rowe Price Retirement 2025 Trust Class F                                                                                     | 977,980 Shares ^    | 20,752,726            |
|     | T. Rowe Price                                                   | T. Rowe Price Retirement 2030 Trust Class F                                                                                     | 1,442,390 Shares ^  | 32,222,983            |
|     | T. Rowe Price                                                   | T. Rowe Price Retirement 2035 Trust Class F                                                                                     | 1,245,853 Shares ^  | 28,891,335            |
|     | T. Rowe Price                                                   | T. Rowe Price Retirement 2040 Trust Class F                                                                                     | 1,379,791 Shares ^  | 32,825,237            |
|     | T. Rowe Price                                                   | T. Rowe Price Retirement 2045 Trust Class F                                                                                     | 1,096,721 Shares ^  | 26,255,509            |
|     | T. Rowe Price                                                   | T. Rowe Price Retirement 2050 Trust Class F                                                                                     | 793,674 Shares ^    | 18,992,611            |
|     | T. Rowe Price                                                   | T. Rowe Price Retirement 2055 Trust Class F                                                                                     | 385,436 Shares ^    | 9,219,636             |
|     | T. Rowe Price                                                   | T. Rowe Price Retirement 2060 Trust Class F                                                                                     | 184,640 Shares ^    | 2,826,838             |
|     |                                                                 |                                                                                                                                 |                     | <u>199,294,604</u>    |
|     | Various                                                         | Self-Directed Brokerage Accounts                                                                                                | ^                   | <u>1,458,243</u>      |
| *   | Notes Receivable from Participants                              | 565 loans receivable bearing interest ranging from 3.25% to 10.25% with maturity dates ranging from January 2020 to August 2037 | -                   | <u>3,623,437</u>      |
|     |                                                                 |                                                                                                                                 |                     | <u>\$ 241,744,164</u> |

\* Indicates party-in-interest transaction.

^ Column (d) Cost is omitted for participant directed investments.

SHISEIDO AMERICAS GROUP RETIREMENT PLAN

FINANCIAL STATEMENTS  
AND  
SUPPLEMENTAL SCHEDULES

Year Ended December 31, 2019

SHISEIDO AMERICAS GROUP RETIREMENT PLAN

Year Ended December 31, 2019

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## SHEA LABAGH DOBBERSTEIN

CERTIFIED PUBLIC ACCOUNTANTS & ADVISORS

### INDEPENDENT AUDITORS' REPORT

#### TO THE PLAN ADMINISTRATOR AND PARTICIPANTS

#### SHISEIDO AMERICAS GROUP RETIREMENT PLAN

#### **Report on the Financial Statements**

We were engaged to audit the accompanying financial statements of SHISEIDO AMERICAS GROUP RETIREMENT PLAN (the "Plan"), which comprise the statements of net assets available for benefits as of December 31, 2019 and 2018, and the related statement of changes in net assets available for benefits for the year ended December 31, 2019, 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.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on conducting the audit 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 4, which was certified by Fidelity Management Trust Company, the trustee of the Plan, except for comparing such information with the related information included in the financial statements. We have been informed by the plan administrator that the trustee holds the Plan's investment assets and executes investment transactions. The plan administrator has obtained certifications from the trustee as of and for the years ended December 31, 2019 and 2018, that the information provided to the plan administrator by the trustee is complete and accurate.

**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 – Supplemental Schedules**

The supplemental Schedule H – Line 4a: Schedule of Delinquent Participant Contributions for the year ended December 31, 2019, and Schedule H – Line 4i: Schedule of Assets (Held at End of Year) as of December 31, 2019 are required by the Department of Labor’s (“DOL”) Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 and are presented for the purpose 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 these 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, other than that derived from the information certified by the trustee, 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 DOL’s Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

SHEA LABAGH DOBBERSTEIN  
Certified Public Accountants, Inc.

A handwritten signature in black ink, reading "Shea Labagh Dobberstein". The signature is fluid and cursive, with the first name "Shea" being the most prominent.

San Francisco, California  
October 13, 2020

SHISEIDO AMERICAS GROUP RETIREMENT PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

|                                          | December 31,          |                       |
|------------------------------------------|-----------------------|-----------------------|
|                                          | 2019                  | 2018                  |
| <u>ASSETS</u>                            |                       |                       |
| <u>INVESTMENTS, AT FAIR VALUE</u>        | \$ 238,120,727        | \$ 185,955,898        |
| <u>RECEIVABLES</u>                       |                       |                       |
| Employer Contributions                   | 3,529,921             | 3,325,839             |
| Participant Contributions                | 2,210                 | -                     |
| Notes Receivable from Participants       | 3,623,437             | 3,259,919             |
| <u>TOTAL RECEIVABLES</u>                 | <u>7,155,568</u>      | <u>6,585,758</u>      |
| <u>TOTAL ASSETS</u>                      | <u>245,276,295</u>    | <u>192,541,656</u>    |
| <u>LIABILITIES</u>                       |                       |                       |
| <u>EXCESS CONTRIBUTIONS PAYABLE</u>      | <u>16,059</u>         | <u>-</u>              |
| <u>NET ASSETS AVAILABLE FOR BENEFITS</u> | <u>\$ 245,260,236</u> | <u>\$ 192,541,656</u> |

SHISEIDO AMERICAS GROUP RETIREMENT PLAN

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

Year Ended December 31, 2019

ADDITIONS

ADDITIONS TO NET ASSETS ATTRIBUTED TO:

INVESTMENT INCOME

|                                               |                   |
|-----------------------------------------------|-------------------|
| Interest and Dividend Income                  | \$ 1,459,549      |
| Net Appreciation in Fair Value of Investments | <u>41,410,453</u> |

|                                |                   |
|--------------------------------|-------------------|
| <u>TOTAL INVESTMENT INCOME</u> | <u>42,870,002</u> |
|--------------------------------|-------------------|

INTEREST INCOME ON NOTES RECEIVABLE  
FROM PARTICIPANTS

|  |                |
|--|----------------|
|  | <u>166,539</u> |
|--|----------------|

CONTRIBUTIONS

|              |                  |
|--------------|------------------|
| Participants | 16,586,440       |
| Employer     | 11,477,911       |
| Rollover     | <u>2,945,574</u> |

|                            |                   |
|----------------------------|-------------------|
| <u>TOTAL CONTRIBUTIONS</u> | <u>31,009,925</u> |
|----------------------------|-------------------|

|                        |                   |
|------------------------|-------------------|
| <u>TOTAL ADDITIONS</u> | <u>74,046,466</u> |
|------------------------|-------------------|

DEDUCTIONS

DEDUCTIONS FROM NET ASSETS ATTRIBUTED TO:

|                                      |            |
|--------------------------------------|------------|
| <u>BENEFITS PAID TO PARTICIPANTS</u> | 20,437,032 |
|--------------------------------------|------------|

|                                |                |
|--------------------------------|----------------|
| <u>ADMINISTRATIVE EXPENSES</u> | <u>480,762</u> |
|--------------------------------|----------------|

|                         |                   |
|-------------------------|-------------------|
| <u>TOTAL DEDUCTIONS</u> | <u>20,917,794</u> |
|-------------------------|-------------------|

|                                                   |            |
|---------------------------------------------------|------------|
| <u>NET INCREASE IN NET ASSETS BEFORE TRANSFER</u> | 53,128,672 |
|---------------------------------------------------|------------|

|                                                            |                  |
|------------------------------------------------------------|------------------|
| <u>NET ASSETS TRANSFERRED TO ANOTHER PLAN</u> (See Note 1) | <u>(410,092)</u> |
|------------------------------------------------------------|------------------|

|                                   |            |
|-----------------------------------|------------|
| <u>NET INCREASE IN NET ASSETS</u> | 52,718,580 |
|-----------------------------------|------------|

|                                                                   |                    |
|-------------------------------------------------------------------|--------------------|
| <u>NET ASSETS AVAILABLE FOR BENEFITS<br/>AT BEGINNING OF YEAR</u> | <u>192,541,656</u> |
|-------------------------------------------------------------------|--------------------|

|                                                             |                       |
|-------------------------------------------------------------|-----------------------|
| <u>NET ASSETS AVAILABLE FOR BENEFITS<br/>AT END OF YEAR</u> | <u>\$ 245,260,236</u> |
|-------------------------------------------------------------|-----------------------|

## SHISEIDO AMERICAS GROUP RETIREMENT PLAN

### NOTES TO FINANCIAL STATEMENTS

December 31, 2019

#### NOTE 1 – DESCRIPTION OF THE PLAN

The following description of the SHISEIDO AMERICAS GROUP RETIREMENT PLAN (the “Plan”) provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan’s provisions.

General – The Plan is a defined contribution plan sponsored by Shiseido Americas Corporation and adopted by affiliated companies Shiseido America Inc., Davlyn Industries Inc., Shiseido Travel Retail Americas Inc., Bare Escentuals Beauty, Inc., Gurwitch Products, LLC, MatchCo., JWalk, LLC and Olivo Laboratories, LLC (collectively, the “Company”). All employees of the Company are eligible to participate in the Plan, except for the following ineligible classes of employees: (a) employees whose employment is governed by a collective bargaining agreement in which retirement benefits were the subject of good faith bargaining, unless such collective bargaining agreement expressly provides for the inclusion of such employees as participants; (b) employees who are non-resident aliens; (c) leased employees; (d) employees who are employed by an affiliated employer which does not adopt this Plan; (e) employees who are temporarily transferred from Shiseido Japan; (f) employees designated by the employer as interns; and (g) temporary workers. Part-time employees must be credited with one year of service to be eligible to enroll in the Plan. All other employees may enroll in the Plan after 30 days of service.

The Company has appointed an administrative committee which is responsible for oversight of the Plan, determining the appropriateness of the Plan’s investment offerings, and monitoring investment performance. The Plan also provides for a Plan administrator who is responsible for keeping accurate and complete records with regard to the Plan’s operations, informing participants of changes or amendments to the Plan, ensuring that the Plan conforms to the law and government regulations, and providing participants with any reports and documents required by law. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (“ERISA”) and certain provisions of the Internal Revenue Code (“IRC”).

The Plan sponsor sold participating employer, Zotos International Inc. on December 28, 2017. Effective July 1, 2018, Zotos International Inc. terminated its status as a participating employer of the Plan. In connection with this termination, Plan assets of \$410,092 and \$85,144,441 were transferred out of the Plan in 2019 and 2018, respectively.

## SHISEIDO AMERICAS GROUP RETIREMENT PLAN

### NOTES TO FINANCIAL STATEMENTS

December 31, 2019

#### NOTE 1 – DESCRIPTION OF THE PLAN (Continued)

Participant Contributions – Participants may make pre-tax and post-tax (“Roth”) contributions to the Plan. A participant’s combined annual pre-tax and Roth contributions to the Plan may not exceed 75% of the participant’s annual compensation, limited to \$19,000 for the Plan year ended December 31, 2019. Additionally, participants who have attained fifty years of age before the end of the Plan year, are eligible to make catch up contributions up to \$6,000 for 2019. Participants may also contribute rollover amounts representing distributions from other qualified defined benefit or defined contribution plans.

The Plan provides for automatic enrollment. Once an employee satisfies the eligibility requirements and if he or she does not make a deferral election within a reasonable period of time after he or she is hired, rehired or reclassified, or affirmatively opts out, 4% of the employee’s eligible pre-tax compensation will be withheld and automatically contributed to the Plan annually. This will be deemed the employee’s deferral election.

The Plan also provides for an automatic increase in salary deferrals. Each eligible employee whose deferral election is below 12% as of April 1 of any year will automatically have his or her deferral election increased by 1% of compensation unless the employee elects otherwise for that year, takes a hardship distribution, or creates his or her own deferral election increase schedule. This automatic increase will continue annually until the participants deferral election reaches 12% of compensation.

Employer Contributions – The Company has adopted a safe-harbor provision for employer matching contributions. For the year ended December 31, 2019, the Company made safe-harbor employer matching contributions to the Plan equal to 100% of the first 4% of each participant’s eligible compensation. Participants become eligible for employer matching contributions immediately after entry into the Plan.

The Company may also make a discretionary profit sharing contribution to the Plan. Profit sharing contributions, if any, are expressed as a percentage of participants’ compensation and are allocated to participants’ accounts. Participants become eligible for profit sharing contributions on the earlier of the January 1<sup>st</sup> or July 1<sup>st</sup> that coincides with or immediately follows the date upon which the participant has completed one year of service. Participants must also have completed 1,000 hours of service during the year and be employed on the last day of the year to be eligible for the profit sharing contribution. The Company made a profit sharing contribution equal to 2% of eligible participants’ eligible compensation for 2019.

All contributions to the Plan are subject to annual limits established by the IRC.

## SHISEIDO AMERICAS GROUP RETIREMENT PLAN

### NOTES TO FINANCIAL STATEMENTS

December 31, 2019

#### NOTE 1 – DESCRIPTION OF THE PLAN (Continued)

Participant Accounts – The Plan maintains an account for each participant, which is credited with the participant's contributions and employer matching contributions as well as allocations of the Company's discretionary profit sharing contributions, if any, Plan investment earnings or losses and expenses. Allocations are based on participant compensation or account balances, as defined by the Plan agreement. The benefit to which a participant is entitled is the benefit that may be provided from the participant's vested account.

Vesting – Participants are immediately vested in their voluntary contributions, safe-harbor employer matching contributions and rollover contributions plus actual earnings thereon. Vesting in the Company's discretionary profit sharing contribution is based on years of continuous service. A participant becomes 100% vested after three years of credited service. The participant's account will become 100% vested if, while employed by the Company, the participant dies, becomes disabled, as defined, or reaches normal retirement age.

An employee who became an eligible employee and entered the Plan, as of December 1, 2014, due to the ratification of a collective bargaining agreement which expressly provides for the inclusion of such employees as participants in the Plan, will have a 100% vested interest in his or her profit sharing account.

Investment Options – Upon enrollment in the Plan, participants may direct the investment of their account balance into various funds available through the Plan.

Notes Receivable from Participants – Participants are permitted to borrow from their vested account balances provided they meet the Plan's eligibility requirements. The minimum loan amount is \$1,000 and the maximum amount is the lesser of one-half of the participant's vested account balance or \$50,000. The term of the loan may not exceed five years, except for loans used to finance the purchase of a primary residence. Interest rates, determined quarterly, are set at 1.5% above the prime rate and remain fixed throughout the life of the loan. Principal and interest are paid ratably through payroll deductions and loans are due immediately upon termination of employment. Loans which become delinquent, as defined, are recorded as deemed distributions to the participant in accordance with the terms of the Plan.

Payment of Benefits – Upon termination of service, death, disability or retirement, a participant or beneficiary is entitled to receive the value of the participant's vested interest in his or her account as a lump sum payment. If a terminated participant's account balance is less than \$5,000, and no instructions have been received from such participant, the amount is rolled over to an individual retirement account as designated by the Plan administrator. A participant may also elect to receive a pre-retirement distribution of his or her vested account balance upon reaching age 59½, and of his or her salary deferrals upon incurring a hardship, as defined by the Plan. Benefit payments to the participant generally must begin by the later of the year after the participant attains age 70½ or the year in which the participant terminates employment.

## SHISEIDO AMERICAS GROUP RETIREMENT PLAN

### NOTES TO FINANCIAL STATEMENTS

December 31, 2019

#### NOTE 1 – DESCRIPTION OF THE PLAN (Continued)

Forfeited Accounts – A participant's non-vested account balance is forfeited upon severance of employment. As of December 31, 2019 and 2018, forfeited non-vested accounts amounted to \$105,072 and \$408,638, respectively. Forfeitures may be used to restore non-vested accounts of employees who are rehired, to pay Plan fees, and/or to reduce Company contributions to the Plan. For the year ended December 31, 2019, forfeitures of \$338,042 were used to fund Company contributions to the Plan and \$113,555 were used to pay Plan fees.

#### NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting – The Plan's financial statements are prepared on the accrual basis of accounting, in conformity with accounting principles generally accepted in the United States of America.

Use of Estimates – The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of changes in net assets available for benefits during the reporting period. Actual results may differ from those estimates.

Investment Valuation and Income Recognition – The Plan's investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Plan's Administrative Committee determines the Plan's valuation policies utilizing information provided by the investment advisor and the trustee. See Note 3 for further discussion of fair value measurements.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation or depreciation in fair value of investments includes the Plan's gains and losses on investments bought and sold as well as held during the year.

Notes Receivable from Participants – Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Interest income is recorded on the accrual basis. Related fees are recorded as administrative expenses when they are incurred. No allowance for credit losses has been recorded as of December 31, 2019 and 2018.

Excess Contribution Payable – Amounts payable to participants for contributions in excess of amounts allowed by the IRS are recorded as a liability with a corresponding reduction to contributions. The Plan distributed the 2019 excess contributions to the applicable participants in 2020.

Payments of Benefits – Benefits are recorded when paid.

## SHISEIDO AMERICAS GROUP RETIREMENT PLAN

### NOTES TO FINANCIAL STATEMENTS

December 31, 2019

#### NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Administrative Expenses – Certain expenses of maintaining the Plan are paid directly by the Company and are excluded from these financial statements. Fees related to the administration of notes receivable from participants and distributions are charged directly to the participant's account and are included in administrative expenses. The Plan charges participant accounts fees for certain investment management services; fees collected but not yet paid out are maintained in a separate account. As of December 31, 2019, these fees amounted to \$205,149. Investment related expenses are included in net appreciation or depreciation of fair value of investments.

#### NOTE 3 – FAIR VALUE MEASUREMENTS

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are described as follows:

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.

Level 2: Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used are required to maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

## SHISEIDO AMERICAS GROUP RETIREMENT PLAN

### NOTES TO FINANCIAL STATEMENTS

December 31, 2019

#### NOTE 3 – FAIR VALUE MEASUREMENTS (Continued)

Following is a description of the Plan's valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2019 and 2018.

Mutual Funds: Valued at the daily closing price as reported by the fund. Mutual funds held by the Plan are open-end mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value ("NAV") and to transact at that price. The mutual funds held by the Plan are deemed to be actively traded.

Self-Directed Brokerage Accounts: Accounts consist of mutual funds, which are valued as described above; common stock, exchange-traded funds and real estate investment trusts valued at the closing price reported on the active market on which the individual securities are traded; interest-bearing cash valued at cost which represents fair value; and also consists of corporate bonds valued using pricing models maximizing the use of observable inputs for similar securities.

Collective Trust Funds: Valued at the NAV of units of the collective trust funds. The NAV, as provided by the trustee, is used as a practical expedient to estimate fair value. The NAV is based on the fair value of the underlying investments held by the fund less its liabilities. Investments valued using this practical expedient are reported outside of the fair value hierarchy. This practical expedient is not used when it is determined to be probable that the fund will sell the investment for an amount different than the reported NAV. Participant transactions (purchases and sales) may occur daily. Were the Plan to initiate a full redemption of the collective trust, the investment adviser reserves the right to temporarily delay withdrawal from the trust in order to ensure that security liquidations will be carried out in an orderly business manner.

These valuation methods may produce a fair value calculation that is not indicative of net realizable value or reflective of future fair values. Furthermore, although the Plan's management 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 may result in different fair value measurements at the reporting date.

SHISEIDO AMERICAS GROUP RETIREMENT PLAN

NOTES TO FINANCIAL STATEMENTS

December 31, 2019

NOTE 3 – FAIR VALUE MEASUREMENTS (Continued)

The following tables set forth by level, within the fair value hierarchy, the Plan's investments at fair value as of December 31, 2019 and 2018:

| 2019                                      |                      |             |             |                       |
|-------------------------------------------|----------------------|-------------|-------------|-----------------------|
|                                           | Level 1              | Level 2     | Level 3     | Total                 |
| Total Assets in the Fair Value Hierarchy: |                      |             |             |                       |
| Mutual Funds                              | \$ 37,367,880        | \$ -        | \$ -        | \$ 37,367,880         |
| Self-Directed Brokerage Accounts          | 1,458,243            | -           | -           | 1,458,243             |
|                                           | <u>\$ 38,826,123</u> | <u>\$ -</u> | <u>\$ -</u> | 38,826,123            |
| Investments Measured at Net Asset Value:  |                      |             |             |                       |
| Collective Trust Funds                    |                      |             |             | <u>199,294,604</u>    |
| Investments at Fair Value                 |                      |             |             | <u>\$ 238,120,727</u> |
| 2018                                      |                      |             |             |                       |
|                                           | Level 1              | Level 2     | Level 3     | Total                 |
| Total Assets in the Fair Value Hierarchy: |                      |             |             |                       |
| Mutual Funds                              | \$ 27,437,376        | \$ -        | \$ -        | \$ 27,437,376         |
| Self-Directed Brokerage Accounts          | 796,398              | -           | -           | 796,398               |
|                                           | <u>\$ 28,233,774</u> | <u>\$ -</u> | <u>\$ -</u> | 28,233,774            |
| Investments Measured at Net Asset Value:  |                      |             |             |                       |
| Collective Trust Funds                    |                      |             |             | <u>157,722,124</u>    |
| Investments at Fair Value                 |                      |             |             | <u>\$ 185,955,898</u> |

As of December 31, 2019, investments in four of the Plan's target date funds made up 50% of total investments and the aggregate of the target date funds made up 84% of total investments. As of December 31, 2018, investments in four of the Plan's target date funds made up 50% of total investments and the aggregate of the target date funds made up 78% of total investments.

# SHISEIDO AMERICAS GROUP RETIREMENT PLAN

## NOTES TO FINANCIAL STATEMENTS

December 31, 2019

### NOTE 3 – FAIR VALUE MEASUREMENTS (Continued)

The following table summarizes investments measured at fair value based on NAV per share as of December 31, 2019 and 2018:

|                               | <u>Fair Value at</u>  |                       |                    | <u>Redemption</u>    | <u>Redemption</u> |
|-------------------------------|-----------------------|-----------------------|--------------------|----------------------|-------------------|
|                               | <u>December 31,</u>   | <u>December 31,</u>   | <u>Unfunded</u>    | <u>Frequency</u>     | <u>Notice</u>     |
|                               | <u>2019</u>           | <u>2018</u>           | <u>Commitments</u> | <u>(if currently</u> | <u>Period</u>     |
|                               |                       |                       |                    | <u>eligible)</u>     |                   |
| Fidelity Managed Income       |                       |                       |                    |                      |                   |
| Portfolio II Class 2          | \$ 246,528            | \$ 310,140            | n/a                | Daily                | 1 day             |
| T. Rowe Price Stable Value    |                       |                       |                    |                      |                   |
| Trust Fund A                  | 11,977,916            | 12,708,738            | n/a                | Daily                | 1 day             |
| T. Rowe Price Retirement 2005 |                       |                       |                    |                      |                   |
| Trust Class F                 | 1,307,662             | 1,052,540             | n/a                | Daily                | 30 days           |
| T. Rowe Price Retirement 2010 |                       |                       |                    |                      |                   |
| Trust Class F                 | 476,743               | 561,965               | n/a                | Daily                | 30 days           |
| T. Rowe Price Retirement 2015 |                       |                       |                    |                      |                   |
| Trust Class F                 | 2,151,732             | 2,073,600             | n/a                | Daily                | 30 days           |
| T. Rowe Price Retirement 2020 |                       |                       |                    |                      |                   |
| Trust Class F                 | 11,147,148            | 11,163,182            | n/a                | Daily                | 30 days           |
| T. Rowe Price Retirement 2025 |                       |                       |                    |                      |                   |
| Trust Class F                 | 20,752,726            | 17,094,798            | n/a                | Daily                | 30 days           |
| T. Rowe Price Retirement 2030 |                       |                       |                    |                      |                   |
| Trust Class F                 | 32,222,983            | 25,837,790            | n/a                | Daily                | 30 days           |
| T. Rowe Price Retirement 2035 |                       |                       |                    |                      |                   |
| Trust Class F                 | 28,891,335            | 22,237,369            | n/a                | Daily                | 30 days           |
| T. Rowe Price Retirement 2040 |                       |                       |                    |                      |                   |
| Trust Class F                 | 32,825,237            | 25,803,625            | n/a                | Daily                | 30 days           |
| T. Rowe Price Retirement 2045 |                       |                       |                    |                      |                   |
| Trust Class F                 | 26,255,509            | 18,870,717            | n/a                | Daily                | 30 days           |
| T. Rowe Price Retirement 2050 |                       |                       |                    |                      |                   |
| Trust Class F                 | 18,992,611            | 13,225,220            | n/a                | Daily                | 30 days           |
| T. Rowe Price Retirement 2055 |                       |                       |                    |                      |                   |
| Trust Class F                 | 9,219,636             | 5,536,652             | n/a                | Daily                | 30 days           |
| T. Rowe Price Retirement 2060 |                       |                       |                    |                      |                   |
| Trust Class F                 | 2,826,838             | 1,245,788             | n/a                | Daily                | 30 days           |
|                               | <u>\$ 199,294,604</u> | <u>\$ 157,722,124</u> |                    |                      |                   |

## SHISEIDO AMERICAS GROUP RETIREMENT PLAN

### NOTES TO FINANCIAL STATEMENTS

December 31, 2019

#### NOTE 4 – INFORMATION CERTIFIED BY THE TRUSTEE OF THE PLAN

The plan administrator has elected the method of compliance as permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, Fidelity Management Trust Company ("Fidelity"), the trustee, has certified to the completeness and accuracy of all investments and notes receivable from participants reflected on the Statements of Net Assets Available for Benefits and in Note 3 as of December 31, 2019 and 2018, on the supplemental Schedule H, line 4i: Schedule of Assets (Held at End of Year) as of December 31, 2019, and the related investment income and interest income on notes receivable from participants activity reflected in the Statement of Changes in Net Assets Available for Benefits for the year ended December 31, 2019.

#### NOTE 5 – TAX STATUS

The Plan has adopted the Laiken Associates Inc. volume submitter profit sharing plan which received a favorable opinion letter from the Internal Revenue Service ("IRS") on March 31, 2014 stating that the volume submitter profit sharing plan and related trust are designed in accordance with the applicable sections of the IRC. Although the Plan has been amended since receiving the opinion letter, the Plan administrator believes that the Plan is designed and is operated in compliance with the applicable requirements of the IRC. Accordingly, no provision for income taxes is reported in the Plan's financial statements.

Accounting principles generally accepted in the United States of America require Plan management to evaluate tax positions taken by the Plan and recognize a tax liability if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS or other taxing authorities. The Plan is subject to routine audits by taxing jurisdictions; however there are currently no audits for any tax periods in progress.

#### NOTE 6 – PLAN TERMINATION

Although it has not expressed any intent 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. In the event of Plan termination, participants would become 100% vested in their accounts.

#### NOTE 7 – RISKS AND UNCERTAINTIES

The Plan invests in various investment securities. Investment securities are exposed to various risks, such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the Statements of Net Assets Available for Benefits.

## SHISEIDO AMERICAS GROUP RETIREMENT PLAN

### NOTES TO FINANCIAL STATEMENTS

December 31, 2019

#### NOTE 8 – PARTY-IN-INTEREST TRANSACTIONS

Certain Plan investments are shares in mutual funds and in a collective trust fund managed by Fidelity. Fidelity is the trustee, as defined by the Plan and, therefore, these transactions qualify as party-in-interest transactions.

Fidelity provides certain administrative services to the Plan pursuant to a services agreement between the Company and Fidelity. Fidelity receives revenue from mutual fund service providers for services Fidelity provides to the funds. This revenue is used to offset certain amounts owed to Fidelity for its administrative services to the Plan. Because these fees are paid through this revenue sharing arrangement, rather than a direct payment, they are netted against net appreciation in fair value of investments.

If the revenue received by Fidelity from such mutual fund service providers exceeds the amount owed under the service agreement, Fidelity remits the excess to the Plan's trust on a quarterly basis. Such amounts may be applied to pay Plan administrative expenses or allocated to the accounts of the participants. As of December 31, 2019 and 2018, excess revenue credit amounted to \$35,486 and \$17,346, respectively. The Plan or the Company may make a payment to Fidelity for administrative expenses not covered by revenue sharing.

#### NOTE 9 – DELINQUENT PARTICIPANT CONTRIBUTIONS

During the years ended December 31, 2019, 2018 and 2017, there were unintentional delays by the Company in remitting certain employee contributions and participant loan repayments to the Plan within the period prescribed by Department of Labor regulations amounting to \$1,439,118, \$4,166,519 and \$4,416,942, respectively. During 2020, the Company calculated and contributed lost earnings to the accounts of the affected participants for the 2018 and 2017 late contributions. The Company is currently calculating lost earnings related to the 2019 late contributions which it intends to remit during 2020.

SHISEIDO AMERICAS GROUP RETIREMENT PLAN

NOTES TO FINANCIAL STATEMENTS

December 31, 2019

NOTE 10 – RECONCILIATION OF FINANCIAL STATEMENTS TO FORM 5500

The following is a reconciliation of net assets available for benefits per these financial statements to the amounts reported on the Plan's Form 5500 as of December 31:

|                                                                                         | <u>2019</u>           | <u>2018</u>           |
|-----------------------------------------------------------------------------------------|-----------------------|-----------------------|
| Net Assets Available for Benefits per the Financial Statements                          | \$ 245,260,236        | \$ 192,541,656        |
| Reconciling Items:                                                                      |                       |                       |
| Excess Contributions Payable Recorded on Financial Statements, Not on Form 5500         | 16,059                | -                     |
| Participant Contributions Receivable Recorded on Financial Statements, Not on Form 5500 | (2,210)               | -                     |
| Employer Contributions Receivable Recorded on Financial Statements, Not on Form 5500    | <u>(3,529,921)</u>    | <u>(3,325,839)</u>    |
| Net Assets Available for Benefits per Form 5500                                         | <u>\$ 241,744,164</u> | <u>\$ 189,215,817</u> |

The following is a reconciliation of the net increase in net assets per these financial statements to the amount reported on the Form 5500 for the year ended December 31, 2019:

|                                                                                              |                      |
|----------------------------------------------------------------------------------------------|----------------------|
| Net Increase in Net Assets per the Statement of Changes in Net Assets Available for Benefits | \$ 53,128,672        |
| Reconciling Items:                                                                           |                      |
| Change in Excess Contributions Payable                                                       | 16,059               |
| Change in Participant Contributions Receivable                                               | (2,210)              |
| Change in Employer Contributions Receivable                                                  | <u>(204,082)</u>     |
| Net Increase in Net Assets per Form 5500                                                     | <u>\$ 52,938,439</u> |

NOTE 11 – SUBSEQUENT EVENTS

On March 11, 2020, the World Health Organization declared a pandemic related to the rapidly spreading novel coronavirus ("COVID-19") outbreak, which has led to a global health emergency. The pandemic has caused volatility in financial markets and has affected, and may continue to affect, the market price of the Plan's investments. The potential economic impact brought by, and the duration of, COVID-19 is difficult to assess or predict and will depend on future developments that are highly uncertain. Accordingly, the ultimate financial effects cannot be reasonably estimated at this time.

SHISEIDO AMERICAS GROUP RETIREMENT PLAN

NOTES TO FINANCIAL STATEMENTS

December 31, 2019

NOTE 11 – SUBSEQUENT EVENTS (Continued)

Effective April 8, 2020, the Plan implemented the participant loan and distribution provisions of the Coronavirus Aid, Relief, and Economic Security ("CARES") Act that was signed into law on March 27, 2020, which increases a qualified participant loan amount to lesser of his or her account balance or \$100,000 for a loan issued through September 23, 2020, allows qualified Plan participants who have Plan loan repayments in 2020 to defer such repayments until December 31, 2020, allows the Plan's qualified participants to take a COVID-19 related distribution up to \$100,000 through December 31, 2020, and permits the Plan to suspend required minimum distributions for the 2020 plan year. The Plan also implemented certain provisions of the Setting Every Community Up for Retirement Enhancement Act of 2019 (the "SECURE Act"), including a delay in the commencement date for required minimum distributions to age 72. Written amendments to the Plan's volume submitter plan document to reflect these operational changes will be adopted at a later date in accordance with applicable law and IRS guidance.

The Plan's management has evaluated subsequent events through October 13, 2020, the date the financial statements were available to be issued.

## SUPPLEMENTAL SCHEDULES

## SHISEIDO AMERICAS GROUP RETIREMENT PLAN

## SCHEDULE H – LINE 4a: SCHEDULE OF DELINQUENT PARTICIPANT CONTRIBUTIONS

FEIN: 13-3480646

Plan Number: 001

Year Ended December 31, 2019

| Year | Participant<br>Contributions<br>Transferred Late to<br>Plan | Check Here if Late<br>Participant Loan<br>Repayments Are Included | Total that Constitute Nonexempt<br>Prohibited Transactions |                                            |                                                | Total Fully<br>Corrected<br>Under VFCP and<br>PTE 2002-51 |
|------|-------------------------------------------------------------|-------------------------------------------------------------------|------------------------------------------------------------|--------------------------------------------|------------------------------------------------|-----------------------------------------------------------|
|      |                                                             |                                                                   | Contributions<br>Not Corrected                             | Contributions<br>Corrected<br>Outside VFCP | Contributions<br>Pending<br>Correction in VFCP |                                                           |
| 2019 | \$ 1,439,118                                                | <input checked="" type="checkbox"/>                               | \$ 1,439,118                                               | \$ -                                       | \$ -                                           | \$ -                                                      |
| 2018 | \$ 4,166,519                                                | <input checked="" type="checkbox"/>                               | \$ 4,166,519                                               | \$ -                                       | \$ -                                           | \$ -                                                      |
| 2017 | \$ 4,416,942                                                | <input checked="" type="checkbox"/>                               | \$ 4,416,942                                               | \$ -                                       | \$ -                                           | \$ -                                                      |

## SHISEIDO AMERICAS GROUP RETIREMENT PLAN

## SCHEDULE H – LINE 4i: SCHEDULE OF ASSETS (HELD AT END OF YEAR)

FEIN: 13-3480646

Plan Number: 001

December 31, 2019

| (a) | (b) Identity of Issue,<br>Borrower, Lessor, or<br>Similar Party | (c) Description of Investment, Including<br>Maturity Date, Rate of Interest, Collateral,<br>Par or Maturity Value               | (d) Cost            | (e) Current<br>Value  |
|-----|-----------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------|---------------------|-----------------------|
|     |                                                                 | Mutual Funds:                                                                                                                   |                     |                       |
|     | American Funds                                                  | American Funds EuroPacific Growth Fund                                                                                          | 29,774 Shares ^     | \$ 1,653,930          |
| *   | Fidelity Investments                                            | Fidelity 500 Index Fund                                                                                                         | 69,609 Shares ^     | 7,797,551             |
| *   | Fidelity Investments                                            | Fidelity Global ex U.S. Index Fund                                                                                              | 97,438 Shares ^     | 1,304,694             |
| *   | Fidelity Investments                                            | Fidelity Government Money Market Fund                                                                                           | 112,037 Shares ^    | 112,037               |
| *   | Fidelity Investments                                            | Fidelity Small Cap Discovery Fund                                                                                               | 148,582 Shares ^    | 3,438,190             |
| *   | Fidelity Investments                                            | Fidelity Total Bond Fund                                                                                                        | 230,987 Shares ^    | 2,520,069             |
| *   | Fidelity Investments                                            | Fidelity U.S. Bond Index Fund                                                                                                   | 117,446 Shares ^    | 1,398,778             |
|     | T. Rowe Price                                                   | T. Rowe Price Growth Stock Fund                                                                                                 | 77,224 Shares ^     | 5,667,493             |
|     | T. Rowe Price                                                   | T. Rowe Price Instit Mid-Cap Equity Growth Fund                                                                                 | 63,452 Shares ^     | 3,877,560             |
|     | Vanguard                                                        | Vanguard Equity-Income Fund                                                                                                     | 45,903 Shares ^     | 3,652,012             |
|     | Vanguard                                                        | Vanguard Extended Market Index Fund                                                                                             | 37,959 Shares ^     | 3,629,270             |
|     | Vanguard                                                        | Vanguard Inflation-Protected Securities Fund                                                                                    | 12,860 Shares ^     | 332,824               |
|     | Vanguard                                                        | Vanguard Intermediate-Term Treasury Fund                                                                                        | 96,122 Shares ^     | 1,090,018             |
|     | Vanguard                                                        | Vanguard Selected Value Fund Investor Shares                                                                                    | 32,981 Shares ^     | 893,454               |
|     |                                                                 |                                                                                                                                 |                     | <u>37,367,880</u>     |
|     |                                                                 | Collective Trust Funds:                                                                                                         |                     |                       |
| *   | Fidelity Investments                                            | Managed Income Portfolio II Class 2                                                                                             | 246,528 Shares ^    | 246,528               |
|     | T. Rowe Price                                                   | T. Rowe Price Stable Value Trust Fund A                                                                                         | 11,977,916 Shares ^ | 11,977,916            |
|     | T. Rowe Price                                                   | T. Rowe Price Retirement 2005 Trust Class F                                                                                     | 78,822 Shares ^     | 1,307,662             |
|     | T. Rowe Price                                                   | T. Rowe Price Retirement 2010 Trust Class F                                                                                     | 27,399 Shares ^     | 476,743               |
|     | T. Rowe Price                                                   | T. Rowe Price Retirement 2015 Trust Class F                                                                                     | 115,251 Shares ^    | 2,151,732             |
|     | T. Rowe Price                                                   | T. Rowe Price Retirement 2020 Trust Class F                                                                                     | 557,636 Shares ^    | 11,147,148            |
|     | T. Rowe Price                                                   | T. Rowe Price Retirement 2025 Trust Class F                                                                                     | 977,980 Shares ^    | 20,752,726            |
|     | T. Rowe Price                                                   | T. Rowe Price Retirement 2030 Trust Class F                                                                                     | 1,442,390 Shares ^  | 32,222,983            |
|     | T. Rowe Price                                                   | T. Rowe Price Retirement 2035 Trust Class F                                                                                     | 1,245,853 Shares ^  | 28,891,335            |
|     | T. Rowe Price                                                   | T. Rowe Price Retirement 2040 Trust Class F                                                                                     | 1,379,791 Shares ^  | 32,825,237            |
|     | T. Rowe Price                                                   | T. Rowe Price Retirement 2045 Trust Class F                                                                                     | 1,096,721 Shares ^  | 26,255,509            |
|     | T. Rowe Price                                                   | T. Rowe Price Retirement 2050 Trust Class F                                                                                     | 793,674 Shares ^    | 18,992,611            |
|     | T. Rowe Price                                                   | T. Rowe Price Retirement 2055 Trust Class F                                                                                     | 385,436 Shares ^    | 9,219,636             |
|     | T. Rowe Price                                                   | T. Rowe Price Retirement 2060 Trust Class F                                                                                     | 184,640 Shares ^    | 2,826,838             |
|     |                                                                 |                                                                                                                                 |                     | <u>199,294,604</u>    |
|     | Various                                                         | Self-Directed Brokerage Accounts                                                                                                | ^                   | <u>1,458,243</u>      |
| *   | Notes Receivable from Participants                              | 565 loans receivable bearing interest ranging from 3.25% to 10.25% with maturity dates ranging from January 2020 to August 2037 | -                   | <u>3,623,437</u>      |
|     |                                                                 |                                                                                                                                 |                     | <u>\$ 241,744,164</u> |

\* Indicates party-in-interest transaction.

^ Column (d) Cost is omitted for participant directed investments.