

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6057(b) and 6058(a) of the Internal Revenue Code (the Code). ▶ Complete all entries in accordance with the instructions to the Form 5500.	OMB Nos. 1210-0110 1210-0089 2021 This Form is Open to Public Inspection
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Part I	Annual Report Identification Information
For calendar plan year 2021 or fiscal plan year beginning <u>01/01/2021</u> and ending <u>12/31/2021</u>	
A This return/report is for:	☐ a multiemployer plan ☐ a multiple-employer plan (Filers checking this box must attach a list of participating employer information in accordance with the form instructions.) ☒ a single-employer plan ☐ a DFE (specify) _____
B This return/report is:	☐ the first return/report ☐ the final return/report ☐ an amended return/report ☐ a short plan year return/report (less than 12 months)
C If the plan is a collectively-bargained plan, check here.	☐
D Check box if filing under:	☒ Form 5558 ☐ automatic extension ☐ the DFVC program ☐ special extension (enter description)
E If this is a retroactively adopted plan permitted by SECURE Act section 201, check here.	☐

Part II	Basic Plan Information—enter all requested information				
1a Name of plan <u>SHISEIDO AMERICAS GROUP RETIREMENT PLAN</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">1b Three-digit plan number (PN) ▶</td> <td style="width: 20%; text-align: center;"><u>001</u></td> </tr> <tr> <td colspan="2">1c Effective date of plan <u>12/01/1974</u></td> </tr> </table>	1b Three-digit plan number (PN) ▶	<u>001</u>	1c Effective date of plan <u>12/01/1974</u>	
1b Three-digit plan number (PN) ▶	<u>001</u>				
1c Effective date of plan <u>12/01/1974</u>					
2a Plan sponsor's name (employer, if for a single-employer plan) Mailing address (include room, apt., suite no. and street, or P.O. Box) City or town, state or province, country, and ZIP or foreign postal code (if foreign, see instructions) <u>SHISEIDO AMERICAS CORPORATION</u> <u>390 MADISON AVENUE</u> <u>FLOOR 20</u> <u>NEW YORK, NY 10017</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td>2b Employer Identification Number (EIN) <u>13-3480646</u></td> </tr> <tr> <td>2c Plan Sponsor's telephone number <u>212-805-2300</u></td> </tr> <tr> <td>2d Business code (see instructions) <u>551112</u></td> </tr> </table>	2b Employer Identification Number (EIN) <u>13-3480646</u>	2c Plan Sponsor's telephone number <u>212-805-2300</u>	2d Business code (see instructions) <u>551112</u>	
2b Employer Identification Number (EIN) <u>13-3480646</u>					
2c Plan Sponsor's telephone number <u>212-805-2300</u>					
2d Business code (see instructions) <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.

SIGN HERE	Filed with authorized/valid electronic signature.	10/17/2022	LISA ZANDER
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

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

Form 5500 (2021)
v. 210624

3a Plan administrator's name and address ☒ Same as Plan Sponsor		3b Administrator's EIN	
		3c Administrator's telephone number	
4 If the name and/or EIN of the plan sponsor or the plan name has changed since the last return/report filed for this plan, enter the plan sponsor's name, EIN, the plan name and the plan number from the last return/report: a Sponsor's name c Plan Name		4b EIN 4d PN	
5 Total number of participants at the beginning of the plan year		5	4209
6 Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines 6a(1) , 6a(2) , 6b , 6c , and 6d).			
a(1) Total number of active participants at the beginning of the plan year.....		6a(1)	2530
a(2) Total number of active participants at the end of the plan year		6a(2)	2145
b Retired or separated participants receiving benefits.....		6b	17
c Other retired or separated participants entitled to future benefits		6c	1815
d Subtotal. Add lines 6a(2) , 6b , and 6c		6d	3977
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.		6e	2
f Total. Add lines 6d and 6e		6f	3979
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)		6g	3928
h Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested		6h	0
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item).....		7	
8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions: 2E 2F 2G 2J 2K 2S 2T 3F 3H 2R			
b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:			
9a Plan funding arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor		9b Plan benefit arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor	
10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)			
a Pension Schedules (1) ☒ 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) ☐ <u>0</u> 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 2021 Form M-1 annual report. If the plan was not required to file the 2021 Form M-1 annual report, enter the Receipt Confirmation Code for the most recent Form M-1 that was required to be filed under the Form M-1 filing requirements. (Failure to enter a valid Receipt Confirmation Code will subject the Form 5500 filing to rejection as incomplete.)

Receipt Confirmation Code _____

SCHEDULE C (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Service Provider Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110
		2021
		This Form is Open to Public Inspection.

For calendar plan year 2021 or fiscal plan year beginning 01/01/2021 and ending 12/31/2021		
A Name of plan 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 SHISEIDO AMERICAS CORPORATION	D Employer Identification Number (EIN) 13-3480646	

Part I	Service Provider Information (see instructions)
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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) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL
04-2647786

(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) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
37 60 64 65 71	RECORDKEEPER	264764	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☒ No ☐

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

LAIKEN ASSOCIATES INC

13-1980835

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

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

SHEA LABAGH DOBBERSTEIN CPA, INC

94-2290202

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
16	CONSULTANT	30133	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

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

PORTFOLIO EVALUATIONS, INC.

22-3189064

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
16	CONSULTANT	20000	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

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

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

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

Part I Service Provider Information (continued)

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

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
TRP GROWTH STOCK - T. ROWE PRICE S 52-2269240	0.15%	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
BLACKROCK EMERGING MARKETS FD INC 40 EAST 52ND STREET NEW YORK, NY 10022	0.40%	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
T ROWE PRICE BLUE CHIP GROWTH INC 4515 PAINTERS MILL RD OWINGS MILLS, MD 21117	0.15%	

Part II Service Providers Who Fail or Refuse to Provide Information

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

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

Part III Termination Information on Accountants and Enrolled Actuaries (see instructions)
(complete as many entries as needed)

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

SCHEDULE D (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration	DFE/Participating Plan Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ► File as an attachment to Form 5500.	OMB No. 1210-0110 2021 This Form is Open to Public Inspection.
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For calendar plan year 2021 or fiscal plan year beginning 01/01/2021 and ending 12/31/2021

A Name of plan <u>SHISEIDO AMERICAS GROUP RETIREMENT PLAN</u>	B Three-digit plan number (PN) <u>001</u>	
C Plan or DFE sponsor's name as shown on line 2a of Form 5500 <u>SHISEIDO AMERICAS CORPORATION</u>	D Employer Identification Number (EIN) <u>13-3480646</u>	

Part I	Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs) (Complete as many entries as needed to report all interests in DFEs)
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a Name of MTIA, CCT, PSA, or 103-12 IE: <u>TRP RETIRE 2065 F</u>		
b Name of sponsor of entity listed in (a): <u>T. ROWE PRICE TRUST COMPANY</u>		
c EIN-PN <u>85-1763138-001</u>	d Entity code <u>C</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>237796</u>
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>TRP RETIRE 2030 F</u>		
b Name of sponsor of entity listed in (a): <u>T. ROWE PRICE TRUST COMPANY</u>		
c EIN-PN <u>38-7010946-001</u>	d Entity code <u>C</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>39876310</u>
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>TRP RETIRE 2055 F</u>		
b Name of sponsor of entity listed in (a): <u>T. ROWE PRICE TRUST COMPANY</u>		
c EIN-PN <u>35-6941728-001</u>	d Entity code <u>C</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>17139609</u>
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>MIP II CL 2</u>		
b Name of sponsor of entity listed in (a): <u>FIDELITY MANAGEMENT TRUST COMPANY</u>		
c EIN-PN <u>04-3022712-025</u>	d Entity code <u>C</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>54196</u>
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>TRP RETIRE 2045 F</u>		
b Name of sponsor of entity listed in (a): <u>T. ROWE PRICE TRUST COMPANY</u>		
c EIN-PN <u>32-6199848-001</u>	d Entity code <u>C</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>37007216</u>
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>TRP RETIRE 2050 F</u>		
b Name of sponsor of entity listed in (a): <u>T. ROWE PRICE TRUST COMPANY</u>		
c EIN-PN <u>30-6303214-001</u>	d Entity code <u>C</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>30223770</u>
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>TRP RETIRE 2060 F</u>		
b Name of sponsor of entity listed in (a): <u>T. ROWE PRICE TRUST COMPANY</u>		
c EIN-PN <u>47-1088316-001</u>	d Entity code <u>C</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>5961340</u>

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

c EIN-PN 36-7594871-001	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 14126422
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a Name of MTIA, CCT, PSA, or 103-12 IE: TRP RETIRE 2010 F

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

c EIN-PN 32-6199795-001	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 309486
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a Name of MTIA, CCT, PSA, or 103-12 IE: TRP RETIRE 2025 F

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

c EIN-PN 37-6495447-001	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 24186516
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a Name of MTIA, CCT, PSA, or 103-12 IE: TRP RETIRE 2040 F

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

c EIN-PN 35-6941729-001	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 45396383
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a Name of MTIA, CCT, PSA, or 103-12 IE: TRP RETIRE 2035 F

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

c EIN-PN 36-7595013-001	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 37622180
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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

c EIN-PN 52-1309931-001	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 12996120
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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

c EIN-PN 61-6434302-001	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 1764574
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a Name of MTIA, CCT, PSA, or 103-12 IE: TRP RETIRE 2015 F

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

c EIN-PN 35-6941654-001	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 2435666
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a Name of MTIA, CCT, PSA, or 103-12 IE:

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

c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
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a Name of MTIA, CCT, PSA, or 103-12 IE:

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

c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
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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
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plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN

SCHEDULE H (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	OMB No. 1210-0110 2021 This Form is Open to Public Inspection
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For calendar plan year 2021 or fiscal plan year beginning <u>01/01/2021</u> and ending <u>12/31/2021</u>		
A Name of plan <u>SHISEIDO AMERICAS GROUP RETIREMENT PLAN</u>	B Three-digit plan number (PN) ►	<u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>SHISEIDO AMERICAS CORPORATION</u>	D Employer Identification Number (EIN) <u>13-3480646</u>	

Part I	Asset and Liability Statement
---------------	--------------------------------------

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

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash.....	1a	1260	3068
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	0	0
(2) Participant contributions.....	1b(2)	0	0
(3) Other	1b(3)	0	0
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	587778	508973
(2) U.S. Government securities	1c(2)	0	0
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)	0	0
(B) All other	1c(3)(B)	0	0
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)	0	0
(B) Common	1c(4)(B)	1229910	1661559
(5) Partnership/joint venture interests	1c(5)	0	0
(6) Real estate (other than employer real property)	1c(6)	0	0
(7) Loans (other than to participants)	1c(7)	0	0
(8) Participant loans	1c(8)	5014185	4551237
(9) Value of interest in common/collective trusts	1c(9)	233250375	269337584
(10) Value of interest in pooled separate accounts	1c(10)	0	0
(11) Value of interest in master trust investment accounts	1c(11)	0	0
(12) Value of interest in 103-12 investment entities	1c(12)	0	0
(13) Value of interest in registered investment companies (e.g., mutual funds)	1c(13)	49497503	58553385
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)	0	0
(15) Other.....	1c(15)	0	0

		(a) Beginning of Year	(b) End of Year
1d Employer-related investments:			
(1) Employer securities.....	1d(1)	0	0
(2) Employer real property.....	1d(2)	0	0
e Buildings and other property used in plan operation	1e	0	0
f Total assets (add all amounts in lines 1a through 1e)	1f	289581011	334615806

Liabilities

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

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	289581011	334615806
---	-----------	-----------	-----------

Part II Income and Expense Statement

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

Income

		(a) Amount	(b) Total
a Contributions:			
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)	9598099	
(B) Participants	2a(1)(B)	17570750	
(C) Others (including rollovers).....	2a(1)(C)	4443075	
(2) Noncash contributions.....	2a(2)	0	31611924
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit).....	2b(1)(A)	142	
(B) U.S. Government securities	2b(1)(B)	0	
(C) Corporate debt instruments	2b(1)(C)	0	
(D) Loans (other than to participants)	2b(1)(D)	0	
(E) Participant loans.....	2b(1)(E)	211292	
(F) Other	2b(1)(F)	0	
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		211434
(2) Dividends: (A) Preferred stock.....	2b(2)(A)	0	3042526
(B) Common stock	2b(2)(B)	37172	
(C) Registered investment company shares (e.g. mutual funds).....	2b(2)(C)	3005354	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		3042526
(3) Rents	2b(3)		0
(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)	3058530	13929
(B) Aggregate carrying amount (see instructions).....	2b(4)(B)	3044601	
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		
(5) Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)	0	208865
(B) Other	2b(5)(B)	208865	
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts.....	2b(6)		33633241
(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)		5825974
c Other income.....	2c		0
d Total income. Add all income amounts in column (b) and enter total.....	2d		74547893
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers.....	2e(1)	29480547	
(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)		29480547
f Corrective distributions (see instructions).....	2f		5092
g Certain deemed distributions of participant loans (see instructions).....	2g		33453
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)	369554	
(5) Total administrative expenses. Add lines 2i(1) through (4).....	2i(5)		369554
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		29888646
Net Income and Reconciliation			
k Net income (loss). Subtract line 2j from line 2d.....	2k		44659247
l Transfers of assets:			
(1) To this plan.....	2l(1)		375548
(2) From this plan.....	2l(2)		0

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 Check the appropriate box(es) to indicate whether the IQPA performed an ERISA section 103(a)(3)(C) audit. Check both boxes (1) and (2) if the audit was performed pursuant to both 29 CFR 2520.103-8 and 29 CFR 2520.103-12(d). Check box (3) if pursuant to neither.

(1) ☒ DOL Regulation 2520.103-8 (2) ☐ DOL Regulation 2520.103-12(d) (3) ☐ neither DOL Regulation 2520.103-8 nor DOL Regulation 2520.103-12(d).

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

(1) Name: **MAYER HOFFMAN MCCANN PC**

(2) EIN: **43-1947695**

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.).....

	Yes	No	Amount
4a	X		22218

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

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

SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Retirement Plan Information This schedule is required to be filed under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110 2021 This Form is Open to Public Inspection.
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For calendar plan year 2021 or fiscal plan year beginning 01/01/2021 and ending 12/31/2021

A Name of plan 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 SHISEIDO AMERICAS CORPORATION	D Employer Identification Number (EIN) 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): 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)? If the plan is a defined benefit plan, go to line 8.	☐ Yes ☐ No ☐ N/A
5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. Date: Month _____ Day _____ Year _____ If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.	
6 a Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived)	6a
b Enter the amount contributed by the employer to the plan for this plan year	6b
c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount).....	6c
If you completed line 6c, skip lines 8 and 9.	
7 Will the minimum funding amount reported on line 6c be met by the funding deadline?	☐ Yes ☐ No ☐ N/A
8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change?	☐ Yes ☐ No ☐ N/A

Part III	Amendments
----------	------------

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

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

10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?	☐ Yes ☐ No
11 a Does the ESOP hold any preferred stock?	☐ Yes ☐ No
b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.)	☐ Yes ☐ No
12 Does the ESOP hold any stock that is not readily tradable on an established securities market?	☐ Yes ☐ No

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

Schedule R (Form 5500) 2021
v. 201209

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 deferred vested and retired participants (inactive participants), as of the beginning of the plan year, whose contributing employer is no longer making contributions to the plan for:

a The current plan year. Check the box to indicate the counting method used to determine the number of inactive participants: ☐ last contributing employer ☐ alternative ☐ reasonable approximation (see instructions for required attachment).....

14a

b The plan year immediately preceding the current plan year. ☐ Check the box if the number reported is a change from what was previously reported (see instructions for required attachment).....

14b

c The second preceding plan year. ☐ Check the box if the number reported is a change from what was previously reported (see instructions for required attachment).....

14c

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

a The corresponding number for the plan year immediately preceding the current plan year.....

15a

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

15b

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

a Enter the number of employers who withdrew during the preceding plan year.....

16a

b If line 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers.....

16b

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

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

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

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

a Enter the percentage of plan assets held as:

Stock: _____% 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, 2021

SHISEIDO AMERICAS GROUP RETIREMENT PLAN

Year Ended December 31, 2021

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INDEPENDENT AUDITORS' REPORT

TO THE RETIREMENT PLAN COMMITTEE AND PARTICIPANTS

SHISEIDO AMERICAS GROUP RETIREMENT PLAN

Scope and Nature of the ERISA Section 103(a)(3)(C) Audit for the 2021 Financial Statements

We have performed the audit of the financial statements of SHISEIDO AMERICAS GROUP RETIREMENT PLAN (the "Plan"), an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 ("ERISA"), as permitted by ERISA Section 103(a)(3)(C) ("ERISA Section 103(a)(3)(C) audit"). The financial statements comprise the statement of net assets available for benefits as of December 31, 2021, and the related statement of changes in net assets available for benefits for the year then ended, and the related notes to the financial statements.

Management, having determined it is permissible in the circumstances, has elected to have the audit of the 2021 financial statements performed in accordance with ERISA Section 103(a)(3)(C) pursuant to 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. As permitted by ERISA Section 103(a)(3)(C), our audit need not extend to any statements or information related to assets held for investment of the Plan ("investment information") by a bank or similar institution or insurance carrier that is regulated, supervised, and subject to periodic examination by a state or federal agency, provided that the statements or information regarding assets so held are prepared and certified to by the bank or similar institution or insurance carrier in accordance with 29 CFR 2520.103-5 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA ("qualified institution").

Management has obtained a certification from a qualified institution as of December 31, 2021 and for the year then ended, stating that the certified investment information, as described in Note 4 to the financial statements, is complete and accurate.

Opinion on the 2021 Financial Statements

In our opinion, based on our audit and on the procedures performed as described in the Auditors' Responsibilities for the Audit of the 2021 Financial Statements section:

- The amounts and disclosures in the accompanying 2021 financial statements, other than those agreed to or derived from the certified investment information, are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America.
- The information in the accompanying 2021 financial statements related to assets held by and certified to by a qualified institution agrees to, or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).

Basis for Opinion on the 2021 Financial Statements

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the 2021 Financial Statements section of our report. We are required to be independent of the Plan and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our ERISA Section 103(a)(3)(C) audit opinion.



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Responsibilities of Management for the 2021 Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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. Management's election of the ERISA Section 103(a)(3)(C) audit does not affect management's responsibility for the financial statements.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern within one year after the date that the 2021 financial statements are issued or available to be issued.

Management is also responsible for maintaining a current plan instrument, including all plan amendments, administering the Plan, and determining that the Plan's transactions that are presented and disclosed in the financial statements are in conformity with the Plan's provisions, including maintaining sufficient records with respect to each of the participants, to determine the benefits due or which may become due to such participants.

Auditors' Responsibilities for the Audit of the 2021 Financial Statements

Except as described in the Scope and Nature of the ERISA Section 103(a)(3)(C) Audit for the 2021 Financial Statements section of our report, our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on these financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern for a reasonable period of time.

Our audit did not extend to the certified investment information, except for obtaining and reading the certification, comparing the certified investment information with the related information presented and disclosed in the 2021 financial statements, and reading the disclosures relating to the certified investment information to assess whether they are in accordance with the presentation and disclosure requirements of accounting principles generally accepted in the United States of America.

Accordingly, the objective of an ERISA Section 103(a)(3)(C) audit is not to express an opinion about whether the financial statements as a whole are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Matter - Supplemental Schedules Required by ERISA

The supplemental Schedule H – Line 4a: Schedule of Delinquent Participant Contributions for the year ended December 31, 2021 and Schedule H – Line 4i: Schedule of Assets (Held at End of Year) as of December 31, 2021, are presented for purposes of additional analysis and are not a required part of the financial statements but are supplementary information required by the Department of Labor’s Rules and Regulations for Reporting and Disclosure under ERISA. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information included in the supplemental schedules, other than that agreed to or derived from the certified investment information, has been subjected to auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. For information included in the supplemental schedules that agreed to or is derived from the certified investment information, we compared such information to the related certified investment information.

In forming our opinion on the supplemental schedules, we evaluated whether the supplemental schedules, other than the information agreed to or derived from the certified investment information, including their form and content, are presented in conformity with the Department of Labor’s Rules and Regulations for Reporting and Disclosure under ERISA.

In our opinion:

- The form and content of the supplemental schedules, other than the information in the supplemental schedules that agreed to or is derived from the certified investment information, are presented, in all material respects, in conformity with the Department of Labor’s Rules and Regulations for Reporting and Disclosure under ERISA.
- The information in the supplemental schedules related to assets held by and certified to by a qualified institution agrees to, or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).

Other Matter - Auditors’ Report on the 2020 Financial Statements

We were engaged to audit the 2020 financial statements of the Plan. As permitted by 29 CFR 2520.103-8 of the Department of Labor’s Rules and Regulations for Reporting and Disclosure under ERISA, the plan administrator instructed us not to perform and we did not perform any auditing procedures with respect to the information certified by the qualified institution. In our report dated October 12, 2021, we indicated that (a) because of the significance of the information that we did not audit, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion and accordingly, we did not express an opinion on the 2020 financial statements and supplemental schedules, and (b) the form and content of the information included in the 2020 financial statements and supplemental schedules other than that derived from the certified information were presented in compliance with the Department of Labor’s Rules and Regulations for Reporting and Disclosure under ERISA.



San Francisco, California
October 14, 2022

SHISEIDO AMERICAS GROUP RETIREMENT PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

	December 31,	
	2021	2020
<u>ASSETS</u>		
<u>INVESTMENTS, AT FAIR VALUE</u>	\$ 330,064,569	\$ 284,566,826
<u>RECEIVABLES</u>		
Employer Contributions	3,481,787	1,817,623
Participant Contributions	323	-
Notes Receivable from Participants	4,551,237	5,014,185
<u>TOTAL RECEIVABLES</u>	8,033,347	6,831,808
<u>TOTAL ASSETS</u>	338,097,916	291,398,634
<u>LIABILITIES</u>		
<u>EXCESS CONTRIBUTIONS PAYABLE</u>	-	7,568
<u>NET ASSETS AVAILABLE FOR BENEFITS</u>	\$ 338,097,916	\$ 291,391,066

SHISEIDO AMERICAS GROUP RETIREMENT PLAN

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

Year Ended December 31, 2021

ADDITIONS

ADDITIONS TO NET ASSETS ATTRIBUTED TO:

INVESTMENT INCOME

Interest and Dividend Income	\$ 3,197,475
Net Appreciation in Fair Value of Investments	<u>39,518,682</u>

<u>TOTAL INVESTMENT INCOME</u>	<u>42,716,157</u>
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INTEREST INCOME ON NOTES RECEIVABLE
FROM PARTICIPANTS

	<u>217,165</u>
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CONTRIBUTIONS

Participants	17,571,073
Employer	11,262,263
Rollover	<u>4,443,075</u>

<u>TOTAL CONTRIBUTIONS</u>	<u>33,276,411</u>
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<u>TOTAL ADDITIONS</u>	<u>76,209,733</u>
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DEDUCTIONS

DEDUCTIONS FROM NET ASSETS ATTRIBUTED TO:

<u>BENEFITS PAID TO PARTICIPANTS</u>	29,508,877
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<u>ADMINISTRATIVE EXPENSES</u>	<u>369,554</u>
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<u>TOTAL DEDUCTIONS</u>	<u>29,878,431</u>
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<u>NET INCREASE IN NET ASSETS BEFORE TRANSFER</u>	46,331,302
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<u>ASSETS TRANSFERRED FROM ANOTHER PLAN</u>	<u>375,548</u>
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<u>NET INCREASE IN NET ASSETS</u>	46,706,850
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NET ASSETS AVAILABLE FOR BENEFITS
AT BEGINNING OF YEAR

	<u>291,391,066</u>
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NET ASSETS AVAILABLE FOR BENEFITS
AT END OF YEAR

	<u><u>\$ 338,097,916</u></u>
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SHISEIDO AMERICAS GROUP RETIREMENT PLAN

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

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”). Effective January 1, 2021, current employees of Drunk Elephant, LLC became employees of the Plan sponsor and became eligible to participate in the Plan. The Plan was also amended to grant past service credit to employees of Drunk Elephant, LLC for all purposes under the Plan.

In conjunction with employees of Drunk Elephant, LLC becoming eligible to participate in the Plan, \$375,548 was transferred from the TriNet 401(k) Plan, a multiple employer plan, in which they previously participated.

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”).

Effective April 8, 2020, the Plan implemented provisions of the Coronavirus Aid, Relief, and Economic Security Act (the “CARES Act”) that was signed into law on March 27, 2020. These provisions were applicable for qualified Plan participants and included an increase in maximum loan amounts to the lesser of the participant’s account balance or \$100,000 for a loan issued through September 22, 2020; the ability of qualified participants who had Plan loan repayments due in 2020 to defer such repayments beyond December 31, 2020; and a new coronavirus-related distribution up to \$100,000 in 2020. The Plan’s trustee intends to amend the Plan agreement to incorporate these provisions under which the Plan is currently operating as necessary prior to the December 31, 2025 deadline.

SHISEIDO AMERICAS GROUP RETIREMENT PLAN

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

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 \$19,500 for the Plan year ended December 31, 2021. 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 \$6,500 for 2021. 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, 2021, 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 1st or July 1st 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 2021.

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

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.

SHISEIDO AMERICAS GROUP RETIREMENT PLAN

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

NOTE 1 – DESCRIPTION OF THE PLAN (Continued)

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 – The Plan currently offers various mutual funds, collective trust funds and self-directed brokerage accounts as investment options for participants. Each investment option has its own investment strategy, which can be obtained through the prospectus of the respective investment. Participants may change their investment options at any time.

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 72 or the year in which the participant terminates employment.

Forfeited Accounts – A participant's non-vested account balance is forfeited upon severance of employment. As of December 31, 2021 and 2020, forfeited non-vested accounts amounted to \$129,085 and \$27,230, 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, 2021, forfeitures of \$48,615 were used to pay Plan fees. No forfeitures were used to fund Company contributions in 2021.

SHISEIDO AMERICAS GROUP RETIREMENT PLAN

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

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, 2021 and 2020.

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 excess contributions payable as of December 31, 2020 to the applicable participants in 2021.

Payments of Benefits – Benefits are recorded when paid.

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, 2021 and 2020, these fees amounted to \$482,671 and \$369,844, respectively. Investment related expenses are included in net appreciation or depreciation of fair value of investments.

SHISEIDO AMERICAS GROUP RETIREMENT PLAN

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

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 maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

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, 2021 and 2020.

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; and interest-bearing cash valued at cost which represents fair value.

SHISEIDO AMERICAS GROUP RETIREMENT PLAN

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

NOTE 3 – FAIR VALUE MEASUREMENTS (Continued)

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.

The following tables set forth by level, within the fair value hierarchy, the Plan's investments at fair value as of December 31, 2021 and 2020:

2021				
	Level 1	Level 2	Level 3	Total
Assets in the Fair Value Hierarchy:				
Mutual Funds	\$ 58,365,576	\$ -	\$ -	\$ 58,365,576
Self-Directed Brokerage Accounts	2,361,409	-	-	2,361,409
	<u>\$ 60,726,985</u>	<u>\$ -</u>	<u>\$ -</u>	60,726,985
Investments Measured at Net Asset Value:				
Collective Trust Funds				<u>269,337,584</u>
Investments at Fair Value				<u>\$ 330,064,569</u>

SHISEIDO AMERICAS GROUP RETIREMENT PLAN

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

NOTE 3 – FAIR VALUE MEASUREMENTS (Continued)

	2020			
	Level 1	Level 2	Level 3	Total
Assets in the Fair Value Hierarchy:				
Mutual Funds	\$ 49,260,423	\$ -	\$ -	\$ 49,260,423
Self-Directed Brokerage Accounts	2,056,028	-	-	2,056,028
	<u>\$ 51,316,451</u>	<u>\$ -</u>	<u>\$ -</u>	51,316,451
Investments Measured at Net Asset Value:				
Collective Trust Funds				<u>233,250,375</u>
Investments at Fair Value				<u>\$ 284,566,826</u>

In accordance with Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) Subtopic 820-10, certain investments measured at fair value using the net asset value per share (or its equivalent) practical expedient are not classified in the fair value hierarchy. The fair value amounts presented in the tables above are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the Statements of Net Assets Available for Benefits.

As of December 31, 2021, investments in four of the Plan’s target date funds represented 48% of total investments and the aggregate of the target date funds represented 78% of total investments. As of December 31, 2020, investments in four of the Plan’s target date funds represented 50% of total investments and the aggregate of the target date funds represented 84% of total investments.

SHISEIDO AMERICAS GROUP RETIREMENT PLAN

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

NOTE 3 – FAIR VALUE MEASUREMENTS (Continued)

The following table summarizes investments measured at fair value based on NAV per share as of December 31, 2021 and 2020:

	<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>2021</u>	<u>2020</u>	<u>Commitments</u>	<u>(if currently</u>	<u>Period</u>
				<u>eligible)</u>	
Fidelity Managed Income					
Portfolio II Class 2	\$ 54,196	\$ 88,747	n/a	Daily	1 day
T. Rowe Price Stable Value					
Trust Fund A	12,996,120	13,075,454	n/a	Daily	1 day
T. Rowe Price Retirement 2005					
Trust Class F	1,764,574	1,599,128	n/a	Daily	30 days
T. Rowe Price Retirement 2010					
Trust Class F	309,486	320,041	n/a	Daily	30 days
T. Rowe Price Retirement 2015					
Trust Class F	2,435,666	2,343,914	n/a	Daily	30 days
T. Rowe Price Retirement 2020					
Trust Class F	14,126,422	12,687,062	n/a	Daily	30 days
T. Rowe Price Retirement 2025					
Trust Class F	24,186,516	23,435,709	n/a	Daily	30 days
T. Rowe Price Retirement 2030					
Trust Class F	39,876,311	35,559,894	n/a	Daily	30 days
T. Rowe Price Retirement 2035					
Trust Class F	37,622,180	33,397,881	n/a	Daily	30 days
T. Rowe Price Retirement 2040					
Trust Class F	45,396,383	37,408,124	n/a	Daily	30 days
T. Rowe Price Retirement 2045					
Trust Class F	37,007,216	31,371,387	n/a	Daily	30 days
T. Rowe Price Retirement 2050					
Trust Class F	30,223,770	24,345,574	n/a	Daily	30 days
T. Rowe Price Retirement 2055					
Trust Class F	17,139,609	13,007,760	n/a	Daily	30 days
T. Rowe Price Retirement 2060					
Trust Class F	5,961,340	4,609,700	n/a	Daily	30 days
T. Rowe Price Retirement 2065					
Trust Class F	237,795	-	n/a	Daily	30 days
	<u>\$ 269,337,584</u>	<u>\$ 233,250,375</u>			

SHISEIDO AMERICAS GROUP RETIREMENT PLAN

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

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, 2021 and 2020, on the supplemental Schedule H, line 4i: Schedule of Assets (Held at End of Year) as of December 31, 2021, 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, 2021.

The Plan's independent public accountants did not perform auditing procedures with respect to this information except for comparing such information to the related information included in the financial statements and supplemental schedules.

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 – 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. Market risks include global events which could impact the value of investment securities, such as a pandemic or international conflict. 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, 2021

NOTE 7 – 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 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 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, 2021 and 2020, excess revenue credit amounted to \$11,542 and \$10,152, 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 year ended December 31, 2021, there were unintentional delays by the Company in remitting certain employee contributions to the Plan within the period prescribed by Department of Labor regulations amounting to \$10,374. The Company intends to make necessary corrections for the 2021 late contributions in 2022.

During the year ended December 31, 2020, 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 \$35,455. During 2020, lost earnings were calculated and contributed to the to the accounts of the affected participants for \$23,611 of the 2020 late contributions. Lost earnings were calculated and contributed to the to the accounts of the affected participants in 2021 for the remaining \$11,844 of late contributions.

SHISEIDO AMERICAS GROUP RETIREMENT PLAN

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

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>2021</u>	<u>2020</u>
Net Assets Available for Benefits per the Financial Statements	\$ 338,097,916	\$ 291,391,066
Reconciling Items:		
Employer Contributions Receivable Recorded on Financial Statements, Not on Form 5500	(3,481,787)	(1,817,623)
Employee Contributions Receivable Recorded on Financial Statements, Not on Form 5500	(323)	-
Excess Contributions Payable Recorded on Financial Statements, Not on Form 5500	<u>-</u>	<u>7,568</u>
Net Assets Available for Benefits per Form 5500	<u>\$ 334,615,806</u>	<u>\$ 289,581,011</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, 2021:

Net Increase in Net Assets per the Statement of Changes in Net Assets Available for Benefits	\$ 46,706,850
Reconciling Items:	
Transferred from Another Plan	(375,548)
Change in Employer Contributions Receivable	(1,664,164)
Change in Employee Contributions Receivable	(323)
Change in Excess Contributions Payable	<u>(7,568)</u>
Net Increase in Net Assets per Form 5500	<u>\$ 44,659,247</u>

NOTE 11 – SUBSEQUENT EVENTS

Effective January 1, 2022, the Plan document was amended and restated with substantially the same provisions.

In August 2021, the Plan sponsor sold certain product business units. In conjunction with the sale, employees of those business units became ineligible to participate in the Plan effective January 1, 2022.

The Plan's management has evaluated subsequent events through October 14, 2022, 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, 2021

Year	Participant Contributions Transferred Late to Plan	Check Here if Late Participant Loan Repayments Are Included	Total that Constitute Nonexempt Prohibited Transactions			Total Fully Corrected Under VFCP and PTE 2002-51
			Contributions Not Corrected	Contributions Corrected Outside VFCP	Contributions Pending Correction in VFCP	
2021	\$ 10,374	☐	\$ 10,374	\$ -	\$ -	\$ -
2020	\$ 11,844	☒	\$ -	\$ 11,844	\$ -	\$ -

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, 2021

(a)	(b) Identity of Issue, Borrower, Lessor, or Similar Party	(c) Description of Investment, Including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value	(d) Cost	(e) Current Value
		Mutual Funds:		
	American Funds	American Funds EuroPacific Growth Fund	30,717 Shares ^	\$ 1,988,323
	Delaware Funds by Macquarie	Delaware Small Cap Core Fund	132,303 Shares ^	4,143,745
*	Fidelity Investments	Fidelity 500 Index Fund	88,958 Shares ^	14,706,574
*	Fidelity Investments	Fidelity Global ex U.S. Index Fund	122,519 Shares ^	1,873,309
*	Fidelity Investments	Fidelity Government Money Market Fund	148,320 Shares ^	148,320
*	Fidelity Investments	Fidelity Total Bond Fund	265,486 Shares ^	2,723,889
*	Fidelity Investments	Fidelity U.S. Bond Index Fund	156,255 Shares ^	1,871,937
	MFS	MFS Mid Cap Value Fund	37,481 Shares ^	1,215,496
	T. Rowe Price	T. Rowe Price Growth Stock Fund	120,559 Shares ^	12,820,251
	T. Rowe Price	T. Rowe Price Institute Mid-Cap Equity Growth Fund	68,673 Shares ^	5,076,978
	Vanguard	Vanguard Equity-Income Fund	50,386 Shares ^	4,646,607
	Vanguard	Vanguard Extended Market Index Fund	33,255 Shares ^	4,612,497
	Vanguard	Vanguard Inflation-Protected Securities Fund	20,304 Shares ^	577,456
	Vanguard	Vanguard Intermediate-Term Treasury Fund	173,315 Shares ^	1,960,194
				<u>58,365,576</u>
		Collective Trust Funds:		
*	Fidelity Investments	Managed Income Portfolio II Class 2	54,196 Shares ^	54,196
	T. Rowe Price	T. Rowe Price Stable Value Trust Fund A	12,996,120 Shares ^	12,996,120
	T. Rowe Price	T. Rowe Price Retirement 2005 Trust Class F	88,317 Shares ^	1,764,574
	T. Rowe Price	T. Rowe Price Retirement 2010 Trust Class F	14,585 Shares ^	309,486
	T. Rowe Price	T. Rowe Price Retirement 2015 Trust Class F	105,531 Shares ^	2,435,666
	T. Rowe Price	T. Rowe Price Retirement 2020 Trust Class F	564,380 Shares ^	14,126,422
	T. Rowe Price	T. Rowe Price Retirement 2025 Trust Class F	887,579 Shares ^	24,186,516
	T. Rowe Price	T. Rowe Price Retirement 2030 Trust Class F	1,354,954 Shares ^	39,876,311
	T. Rowe Price	T. Rowe Price Retirement 2035 Trust Class F	1,202,755 Shares ^	37,622,180
	T. Rowe Price	T. Rowe Price Retirement 2040 Trust Class F	1,386,149 Shares ^	45,396,383
	T. Rowe Price	T. Rowe Price Retirement 2045 Trust Class F	1,109,662 Shares ^	37,007,216
	T. Rowe Price	T. Rowe Price Retirement 2050 Trust Class F	905,717 Shares ^	30,223,770
	T. Rowe Price	T. Rowe Price Retirement 2055 Trust Class F	513,931 Shares ^	17,139,609
	T. Rowe Price	T. Rowe Price Retirement 2060 Trust Class F	279,220 Shares ^	5,961,340
	T. Rowe Price	T. Rowe Price Retirement 2065 Trust Class F	17,812 Shares ^	237,795
				<u>269,337,584</u>
	Various	Self-Directed Brokerage Accounts	^	<u>2,361,409</u>
*	Notes Receivable from Participants	590 loans receivable bearing interest ranging from 3.25% to 10.25% with maturity dates ranging from January 2022 to August 2037		<u>4,551,237</u>
				<u>\$ 334,615,806</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, 2021

SHISEIDO AMERICAS GROUP RETIREMENT PLAN

Year Ended December 31, 2021

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INDEPENDENT AUDITORS' REPORT

TO THE RETIREMENT PLAN COMMITTEE AND PARTICIPANTS

SHISEIDO AMERICAS GROUP RETIREMENT PLAN

Scope and Nature of the ERISA Section 103(a)(3)(C) Audit for the 2021 Financial Statements

We have performed the audit of the financial statements of SHISEIDO AMERICAS GROUP RETIREMENT PLAN (the "Plan"), an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 ("ERISA"), as permitted by ERISA Section 103(a)(3)(C) ("ERISA Section 103(a)(3)(C) audit"). The financial statements comprise the statement of net assets available for benefits as of December 31, 2021, and the related statement of changes in net assets available for benefits for the year then ended, and the related notes to the financial statements.

Management, having determined it is permissible in the circumstances, has elected to have the audit of the 2021 financial statements performed in accordance with ERISA Section 103(a)(3)(C) pursuant to 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. As permitted by ERISA Section 103(a)(3)(C), our audit need not extend to any statements or information related to assets held for investment of the Plan ("investment information") by a bank or similar institution or insurance carrier that is regulated, supervised, and subject to periodic examination by a state or federal agency, provided that the statements or information regarding assets so held are prepared and certified to by the bank or similar institution or insurance carrier in accordance with 29 CFR 2520.103-5 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA ("qualified institution").

Management has obtained a certification from a qualified institution as of December 31, 2021 and for the year then ended, stating that the certified investment information, as described in Note 4 to the financial statements, is complete and accurate.

Opinion on the 2021 Financial Statements

In our opinion, based on our audit and on the procedures performed as described in the Auditors' Responsibilities for the Audit of the 2021 Financial Statements section:

- The amounts and disclosures in the accompanying 2021 financial statements, other than those agreed to or derived from the certified investment information, are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America.
- The information in the accompanying 2021 financial statements related to assets held by and certified to by a qualified institution agrees to, or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).

Basis for Opinion on the 2021 Financial Statements

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the 2021 Financial Statements section of our report. We are required to be independent of the Plan and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our ERISA Section 103(a)(3)(C) audit opinion.



Responsibilities of Management for the 2021 Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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. Management's election of the ERISA Section 103(a)(3)(C) audit does not affect management's responsibility for the financial statements.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern within one year after the date that the 2021 financial statements are issued or available to be issued.

Management is also responsible for maintaining a current plan instrument, including all plan amendments, administering the Plan, and determining that the Plan's transactions that are presented and disclosed in the financial statements are in conformity with the Plan's provisions, including maintaining sufficient records with respect to each of the participants, to determine the benefits due or which may become due to such participants.

Auditors' Responsibilities for the Audit of the 2021 Financial Statements

Except as described in the Scope and Nature of the ERISA Section 103(a)(3)(C) Audit for the 2021 Financial Statements section of our report, our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on these financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern for a reasonable period of time.

Our audit did not extend to the certified investment information, except for obtaining and reading the certification, comparing the certified investment information with the related information presented and disclosed in the 2021 financial statements, and reading the disclosures relating to the certified investment information to assess whether they are in accordance with the presentation and disclosure requirements of accounting principles generally accepted in the United States of America.

Accordingly, the objective of an ERISA Section 103(a)(3)(C) audit is not to express an opinion about whether the financial statements as a whole are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Matter - Supplemental Schedules Required by ERISA

The supplemental Schedule H – Line 4a: Schedule of Delinquent Participant Contributions for the year ended December 31, 2021 and Schedule H – Line 4i: Schedule of Assets (Held at End of Year) as of December 31, 2021, are presented for purposes of additional analysis and are not a required part of the financial statements but are supplementary information required by the Department of Labor’s Rules and Regulations for Reporting and Disclosure under ERISA. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information included in the supplemental schedules, other than that agreed to or derived from the certified investment information, has been subjected to auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. For information included in the supplemental schedules that agreed to or is derived from the certified investment information, we compared such information to the related certified investment information.

In forming our opinion on the supplemental schedules, we evaluated whether the supplemental schedules, other than the information agreed to or derived from the certified investment information, including their form and content, are presented in conformity with the Department of Labor’s Rules and Regulations for Reporting and Disclosure under ERISA.

In our opinion:

- The form and content of the supplemental schedules, other than the information in the supplemental schedules that agreed to or is derived from the certified investment information, are presented, in all material respects, in conformity with the Department of Labor’s Rules and Regulations for Reporting and Disclosure under ERISA.
- The information in the supplemental schedules related to assets held by and certified to by a qualified institution agrees to, or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).

Other Matter - Auditors’ Report on the 2020 Financial Statements

We were engaged to audit the 2020 financial statements of the Plan. As permitted by 29 CFR 2520.103-8 of the Department of Labor’s Rules and Regulations for Reporting and Disclosure under ERISA, the plan administrator instructed us not to perform and we did not perform any auditing procedures with respect to the information certified by the qualified institution. In our report dated October 12, 2021, we indicated that (a) because of the significance of the information that we did not audit, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion and accordingly, we did not express an opinion on the 2020 financial statements and supplemental schedules, and (b) the form and content of the information included in the 2020 financial statements and supplemental schedules other than that derived from the certified information were presented in compliance with the Department of Labor’s Rules and Regulations for Reporting and Disclosure under ERISA.



San Francisco, California
October 14, 2022

SHISEIDO AMERICAS GROUP RETIREMENT PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

	December 31,	
	2021	2020
<u>ASSETS</u>		
<u>INVESTMENTS, AT FAIR VALUE</u>	<u>\$ 330,064,569</u>	<u>\$ 284,566,826</u>
<u>RECEIVABLES</u>		
Employer Contributions	3,481,787	1,817,623
Participant Contributions	323	-
Notes Receivable from Participants	<u>4,551,237</u>	<u>5,014,185</u>
<u>TOTAL RECEIVABLES</u>	<u>8,033,347</u>	<u>6,831,808</u>
<u>TOTAL ASSETS</u>	<u>338,097,916</u>	<u>291,398,634</u>
<u>LIABILITIES</u>		
<u>EXCESS CONTRIBUTIONS PAYABLE</u>	<u>-</u>	<u>7,568</u>
<u>NET ASSETS AVAILABLE FOR BENEFITS</u>	<u>\$ 338,097,916</u>	<u>\$ 291,391,066</u>

SHISEIDO AMERICAS GROUP RETIREMENT PLAN

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

Year Ended December 31, 2021

ADDITIONS

ADDITIONS TO NET ASSETS ATTRIBUTED TO:

INVESTMENT INCOME

Interest and Dividend Income	\$ 3,197,475
Net Appreciation in Fair Value of Investments	<u>39,518,682</u>

<u>TOTAL INVESTMENT INCOME</u>	<u>42,716,157</u>
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INTEREST INCOME ON NOTES RECEIVABLE
FROM PARTICIPANTS

	<u>217,165</u>
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CONTRIBUTIONS

Participants	17,571,073
Employer	11,262,263
Rollover	<u>4,443,075</u>

<u>TOTAL CONTRIBUTIONS</u>	<u>33,276,411</u>
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<u>TOTAL ADDITIONS</u>	<u>76,209,733</u>
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DEDUCTIONS

DEDUCTIONS FROM NET ASSETS ATTRIBUTED TO:

<u>BENEFITS PAID TO PARTICIPANTS</u>	29,508,877
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<u>ADMINISTRATIVE EXPENSES</u>	<u>369,554</u>
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<u>TOTAL DEDUCTIONS</u>	<u>29,878,431</u>
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<u>NET INCREASE IN NET ASSETS BEFORE TRANSFER</u>	46,331,302
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<u>ASSETS TRANSFERRED FROM ANOTHER PLAN</u>	<u>375,548</u>
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<u>NET INCREASE IN NET ASSETS</u>	46,706,850
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NET ASSETS AVAILABLE FOR BENEFITS
AT BEGINNING OF YEAR

	<u>291,391,066</u>
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NET ASSETS AVAILABLE FOR BENEFITS
AT END OF YEAR

	<u><u>\$ 338,097,916</u></u>
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SHISEIDO AMERICAS GROUP RETIREMENT PLAN

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

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”). Effective January 1, 2021, current employees of Drunk Elephant, LLC became employees of the Plan sponsor and became eligible to participate in the Plan. The Plan was also amended to grant past service credit to employees of Drunk Elephant, LLC for all purposes under the Plan.

In conjunction with employees of Drunk Elephant, LLC becoming eligible to participate in the Plan, \$375,548 was transferred from the TriNet 401(k) Plan, a multiple employer plan, in which they previously participated.

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”).

Effective April 8, 2020, the Plan implemented provisions of the Coronavirus Aid, Relief, and Economic Security Act (the “CARES Act”) that was signed into law on March 27, 2020. These provisions were applicable for qualified Plan participants and included an increase in maximum loan amounts to the lesser of the participant’s account balance or \$100,000 for a loan issued through September 22, 2020; the ability of qualified participants who had Plan loan repayments due in 2020 to defer such repayments beyond December 31, 2020; and a new coronavirus-related distribution up to \$100,000 in 2020. The Plan’s trustee intends to amend the Plan agreement to incorporate these provisions under which the Plan is currently operating as necessary prior to the December 31, 2025 deadline.

SHISEIDO AMERICAS GROUP RETIREMENT PLAN

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

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 \$19,500 for the Plan year ended December 31, 2021. 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 \$6,500 for 2021. 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, 2021, 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 1st or July 1st 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 2021.

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

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.

SHISEIDO AMERICAS GROUP RETIREMENT PLAN

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

NOTE 1 – DESCRIPTION OF THE PLAN (Continued)

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 – The Plan currently offers various mutual funds, collective trust funds and self-directed brokerage accounts as investment options for participants. Each investment option has its own investment strategy, which can be obtained through the prospectus of the respective investment. Participants may change their investment options at any time.

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 72 or the year in which the participant terminates employment.

Forfeited Accounts – A participant's non-vested account balance is forfeited upon severance of employment. As of December 31, 2021 and 2020, forfeited non-vested accounts amounted to \$129,085 and \$27,230, 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, 2021, forfeitures of \$48,615 were used to pay Plan fees. No forfeitures were used to fund Company contributions in 2021.

SHISEIDO AMERICAS GROUP RETIREMENT PLAN

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

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, 2021 and 2020.

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 excess contributions payable as of December 31, 2020 to the applicable participants in 2021.

Payments of Benefits – Benefits are recorded when paid.

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, 2021 and 2020, these fees amounted to \$482,671 and \$369,844, respectively. Investment related expenses are included in net appreciation or depreciation of fair value of investments.

SHISEIDO AMERICAS GROUP RETIREMENT PLAN

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

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 maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

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, 2021 and 2020.

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; and interest-bearing cash valued at cost which represents fair value.

SHISEIDO AMERICAS GROUP RETIREMENT PLAN

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

NOTE 3 – FAIR VALUE MEASUREMENTS (Continued)

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.

The following tables set forth by level, within the fair value hierarchy, the Plan's investments at fair value as of December 31, 2021 and 2020:

2021				
	Level 1	Level 2	Level 3	Total
Assets in the Fair Value Hierarchy:				
Mutual Funds	\$ 58,365,576	\$ -	\$ -	\$ 58,365,576
Self-Directed Brokerage Accounts	2,361,409	-	-	2,361,409
	<u>\$ 60,726,985</u>	<u>\$ -</u>	<u>\$ -</u>	60,726,985
Investments Measured at Net Asset Value:				
Collective Trust Funds				<u>269,337,584</u>
Investments at Fair Value				<u>\$ 330,064,569</u>

SHISEIDO AMERICAS GROUP RETIREMENT PLAN

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

NOTE 3 – FAIR VALUE MEASUREMENTS (Continued)

	2020			
	Level 1	Level 2	Level 3	Total
Assets in the Fair Value Hierarchy:				
Mutual Funds	\$ 49,260,423	\$ -	\$ -	\$ 49,260,423
Self-Directed Brokerage Accounts	2,056,028	-	-	2,056,028
	<u>\$ 51,316,451</u>	<u>\$ -</u>	<u>\$ -</u>	51,316,451
Investments Measured at Net Asset Value:				
Collective Trust Funds				<u>233,250,375</u>
Investments at Fair Value				<u>\$ 284,566,826</u>

In accordance with Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) Subtopic 820-10, certain investments measured at fair value using the net asset value per share (or its equivalent) practical expedient are not classified in the fair value hierarchy. The fair value amounts presented in the tables above are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the Statements of Net Assets Available for Benefits.

As of December 31, 2021, investments in four of the Plan’s target date funds represented 48% of total investments and the aggregate of the target date funds represented 78% of total investments. As of December 31, 2020, investments in four of the Plan’s target date funds represented 50% of total investments and the aggregate of the target date funds represented 84% of total investments.

SHISEIDO AMERICAS GROUP RETIREMENT PLAN

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

NOTE 3 – FAIR VALUE MEASUREMENTS (Continued)

The following table summarizes investments measured at fair value based on NAV per share as of December 31, 2021 and 2020:

	<u>Fair Value at</u>				
	<u>December 31, 2021</u>	<u>December 31, 2020</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency (if currently eligible)</u>	<u>Redemption Notice Period</u>
Fidelity Managed Income Portfolio II Class 2	\$ 54,196	\$ 88,747	n/a	Daily	1 day
T. Rowe Price Stable Value Trust Fund A	12,996,120	13,075,454	n/a	Daily	1 day
T. Rowe Price Retirement 2005 Trust Class F	1,764,574	1,599,128	n/a	Daily	30 days
T. Rowe Price Retirement 2010 Trust Class F	309,486	320,041	n/a	Daily	30 days
T. Rowe Price Retirement 2015 Trust Class F	2,435,666	2,343,914	n/a	Daily	30 days
T. Rowe Price Retirement 2020 Trust Class F	14,126,422	12,687,062	n/a	Daily	30 days
T. Rowe Price Retirement 2025 Trust Class F	24,186,516	23,435,709	n/a	Daily	30 days
T. Rowe Price Retirement 2030 Trust Class F	39,876,311	35,559,894	n/a	Daily	30 days
T. Rowe Price Retirement 2035 Trust Class F	37,622,180	33,397,881	n/a	Daily	30 days
T. Rowe Price Retirement 2040 Trust Class F	45,396,383	37,408,124	n/a	Daily	30 days
T. Rowe Price Retirement 2045 Trust Class F	37,007,216	31,371,387	n/a	Daily	30 days
T. Rowe Price Retirement 2050 Trust Class F	30,223,770	24,345,574	n/a	Daily	30 days
T. Rowe Price Retirement 2055 Trust Class F	17,139,609	13,007,760	n/a	Daily	30 days
T. Rowe Price Retirement 2060 Trust Class F	5,961,340	4,609,700	n/a	Daily	30 days
T. Rowe Price Retirement 2065 Trust Class F	237,795	-	n/a	Daily	30 days
	<u>\$ 269,337,584</u>	<u>\$ 233,250,375</u>			

SHISEIDO AMERICAS GROUP RETIREMENT PLAN

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

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, 2021 and 2020, on the supplemental Schedule H, line 4i: Schedule of Assets (Held at End of Year) as of December 31, 2021, 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, 2021.

The Plan's independent public accountants did not perform auditing procedures with respect to this information except for comparing such information to the related information included in the financial statements and supplemental schedules.

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 – 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. Market risks include global events which could impact the value of investment securities, such as a pandemic or international conflict. 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, 2021

NOTE 7 – 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 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 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, 2021 and 2020, excess revenue credit amounted to \$11,542 and \$10,152, 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 year ended December 31, 2021, there were unintentional delays by the Company in remitting certain employee contributions to the Plan within the period prescribed by Department of Labor regulations amounting to \$10,374. The Company intends to make necessary corrections for the 2021 late contributions in 2022.

During the year ended December 31, 2020, 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 \$35,455. During 2020, lost earnings were calculated and contributed to the to the accounts of the affected participants for \$23,611 of the 2020 late contributions. Lost earnings were calculated and contributed to the to the accounts of the affected participants in 2021 for the remaining \$11,844 of late contributions.

SHISEIDO AMERICAS GROUP RETIREMENT PLAN

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

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>2021</u>	<u>2020</u>
Net Assets Available for Benefits per the Financial Statements	\$ 338,097,916	\$ 291,391,066
Reconciling Items:		
Employer Contributions Receivable Recorded on Financial Statements, Not on Form 5500	(3,481,787)	(1,817,623)
Employee Contributions Receivable Recorded on Financial Statements, Not on Form 5500	(323)	-
Excess Contributions Payable Recorded on Financial Statements, Not on Form 5500	<u>-</u>	<u>7,568</u>
Net Assets Available for Benefits per Form 5500	<u>\$ 334,615,806</u>	<u>\$ 289,581,011</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, 2021:

Net Increase in Net Assets per the Statement of Changes in Net Assets Available for Benefits	\$ 46,706,850
Reconciling Items:	
Transferred from Another Plan	(375,548)
Change in Employer Contributions Receivable	(1,664,164)
Change in Employee Contributions Receivable	(323)
Change in Excess Contributions Payable	<u>(7,568)</u>
Net Increase in Net Assets per Form 5500	<u>\$ 44,659,247</u>

NOTE 11 – SUBSEQUENT EVENTS

Effective January 1, 2022, the Plan document was amended and restated with substantially the same provisions.

In August 2021, the Plan sponsor sold certain product business units. In conjunction with the sale, employees of those business units became ineligible to participate in the Plan effective January 1, 2022.

The Plan's management has evaluated subsequent events through October 14, 2022, 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, 2021

Year	Participant Contributions Transferred Late to Plan	Check Here if Late Participant Loan Repayments Are Included	Total that Constitute Nonexempt Prohibited Transactions			Total Fully Corrected Under VFCP and PTE 2002-51
			Contributions Not Corrected	Contributions Corrected Outside VFCP	Contributions Pending Correction in VFCP	
2021	\$ 10,374	☐	\$ 10,374	\$ -	\$ -	\$ -
2020	\$ 11,844	☒	\$ -	\$ 11,844	\$ -	\$ -

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, 2021

(a)	(b) Identity of Issue, Borrower, Lessor, or Similar Party	(c) Description of Investment, Including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value	(d) Cost	(e) Current Value
		Mutual Funds:		
	American Funds	American Funds EuroPacific Growth Fund	30,717 Shares ^	\$ 1,988,323
	Delaware Funds by Macquarie	Delaware Small Cap Core Fund	132,303 Shares ^	4,143,745
*	Fidelity Investments	Fidelity 500 Index Fund	88,958 Shares ^	14,706,574
*	Fidelity Investments	Fidelity Global ex U.S. Index Fund	122,519 Shares ^	1,873,309
*	Fidelity Investments	Fidelity Government Money Market Fund	148,320 Shares ^	148,320
*	Fidelity Investments	Fidelity Total Bond Fund	265,486 Shares ^	2,723,889
*	Fidelity Investments	Fidelity U.S. Bond Index Fund	156,255 Shares ^	1,871,937
	MFS	MFS Mid Cap Value Fund	37,481 Shares ^	1,215,496
	T. Rowe Price	T. Rowe Price Growth Stock Fund	120,559 Shares ^	12,820,251
	T. Rowe Price	T. Rowe Price Institute Mid-Cap Equity Growth Fund	68,673 Shares ^	5,076,978
	Vanguard	Vanguard Equity-Income Fund	50,386 Shares ^	4,646,607
	Vanguard	Vanguard Extended Market Index Fund	33,255 Shares ^	4,612,497
	Vanguard	Vanguard Inflation-Protected Securities Fund	20,304 Shares ^	577,456
	Vanguard	Vanguard Intermediate-Term Treasury Fund	173,315 Shares ^	1,960,194
				<u>58,365,576</u>
		Collective Trust Funds:		
*	Fidelity Investments	Managed Income Portfolio II Class 2	54,196 Shares ^	54,196
	T. Rowe Price	T. Rowe Price Stable Value Trust Fund A	12,996,120 Shares ^	12,996,120
	T. Rowe Price	T. Rowe Price Retirement 2005 Trust Class F	88,317 Shares ^	1,764,574
	T. Rowe Price	T. Rowe Price Retirement 2010 Trust Class F	14,585 Shares ^	309,486
	T. Rowe Price	T. Rowe Price Retirement 2015 Trust Class F	105,531 Shares ^	2,435,666
	T. Rowe Price	T. Rowe Price Retirement 2020 Trust Class F	564,380 Shares ^	14,126,422
	T. Rowe Price	T. Rowe Price Retirement 2025 Trust Class F	887,579 Shares ^	24,186,516
	T. Rowe Price	T. Rowe Price Retirement 2030 Trust Class F	1,354,954 Shares ^	39,876,311
	T. Rowe Price	T. Rowe Price Retirement 2035 Trust Class F	1,202,755 Shares ^	37,622,180
	T. Rowe Price	T. Rowe Price Retirement 2040 Trust Class F	1,386,149 Shares ^	45,396,383
	T. Rowe Price	T. Rowe Price Retirement 2045 Trust Class F	1,109,662 Shares ^	37,007,216
	T. Rowe Price	T. Rowe Price Retirement 2050 Trust Class F	905,717 Shares ^	30,223,770
	T. Rowe Price	T. Rowe Price Retirement 2055 Trust Class F	513,931 Shares ^	17,139,609
	T. Rowe Price	T. Rowe Price Retirement 2060 Trust Class F	279,220 Shares ^	5,961,340
	T. Rowe Price	T. Rowe Price Retirement 2065 Trust Class F	17,812 Shares ^	237,795
				<u>269,337,584</u>
	Various	Self-Directed Brokerage Accounts	^	<u>2,361,409</u>
*	Notes Receivable from Participants	590 loans receivable bearing interest ranging from 3.25% to 10.25% with maturity dates ranging from January 2022 to August 2037		<u>4,551,237</u>
				<u>\$ 334,615,806</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, 2021

SHISEIDO AMERICAS GROUP RETIREMENT PLAN

Year Ended December 31, 2021

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INDEPENDENT AUDITORS' REPORT

TO THE RETIREMENT PLAN COMMITTEE AND PARTICIPANTS

SHISEIDO AMERICAS GROUP RETIREMENT PLAN

Scope and Nature of the ERISA Section 103(a)(3)(C) Audit for the 2021 Financial Statements

We have performed the audit of the financial statements of SHISEIDO AMERICAS GROUP RETIREMENT PLAN (the "Plan"), an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 ("ERISA"), as permitted by ERISA Section 103(a)(3)(C) ("ERISA Section 103(a)(3)(C) audit"). The financial statements comprise the statement of net assets available for benefits as of December 31, 2021, and the related statement of changes in net assets available for benefits for the year then ended, and the related notes to the financial statements.

Management, having determined it is permissible in the circumstances, has elected to have the audit of the 2021 financial statements performed in accordance with ERISA Section 103(a)(3)(C) pursuant to 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. As permitted by ERISA Section 103(a)(3)(C), our audit need not extend to any statements or information related to assets held for investment of the Plan ("investment information") by a bank or similar institution or insurance carrier that is regulated, supervised, and subject to periodic examination by a state or federal agency, provided that the statements or information regarding assets so held are prepared and certified to by the bank or similar institution or insurance carrier in accordance with 29 CFR 2520.103-5 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA ("qualified institution").

Management has obtained a certification from a qualified institution as of December 31, 2021 and for the year then ended, stating that the certified investment information, as described in Note 4 to the financial statements, is complete and accurate.

Opinion on the 2021 Financial Statements

In our opinion, based on our audit and on the procedures performed as described in the Auditors' Responsibilities for the Audit of the 2021 Financial Statements section:

- The amounts and disclosures in the accompanying 2021 financial statements, other than those agreed to or derived from the certified investment information, are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America.
- The information in the accompanying 2021 financial statements related to assets held by and certified to by a qualified institution agrees to, or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).

Basis for Opinion on the 2021 Financial Statements

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the 2021 Financial Statements section of our report. We are required to be independent of the Plan and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our ERISA Section 103(a)(3)(C) audit opinion.



Responsibilities of Management for the 2021 Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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. Management's election of the ERISA Section 103(a)(3)(C) audit does not affect management's responsibility for the financial statements.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern within one year after the date that the 2021 financial statements are issued or available to be issued.

Management is also responsible for maintaining a current plan instrument, including all plan amendments, administering the Plan, and determining that the Plan's transactions that are presented and disclosed in the financial statements are in conformity with the Plan's provisions, including maintaining sufficient records with respect to each of the participants, to determine the benefits due or which may become due to such participants.

Auditors' Responsibilities for the Audit of the 2021 Financial Statements

Except as described in the Scope and Nature of the ERISA Section 103(a)(3)(C) Audit for the 2021 Financial Statements section of our report, our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on these financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern for a reasonable period of time.

Our audit did not extend to the certified investment information, except for obtaining and reading the certification, comparing the certified investment information with the related information presented and disclosed in the 2021 financial statements, and reading the disclosures relating to the certified investment information to assess whether they are in accordance with the presentation and disclosure requirements of accounting principles generally accepted in the United States of America.

Accordingly, the objective of an ERISA Section 103(a)(3)(C) audit is not to express an opinion about whether the financial statements as a whole are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Matter - Supplemental Schedules Required by ERISA

The supplemental Schedule H – Line 4a: Schedule of Delinquent Participant Contributions for the year ended December 31, 2021 and Schedule H – Line 4i: Schedule of Assets (Held at End of Year) as of December 31, 2021, are presented for purposes of additional analysis and are not a required part of the financial statements but are supplementary information required by the Department of Labor’s Rules and Regulations for Reporting and Disclosure under ERISA. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information included in the supplemental schedules, other than that agreed to or derived from the certified investment information, has been subjected to auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. For information included in the supplemental schedules that agreed to or is derived from the certified investment information, we compared such information to the related certified investment information.

In forming our opinion on the supplemental schedules, we evaluated whether the supplemental schedules, other than the information agreed to or derived from the certified investment information, including their form and content, are presented in conformity with the Department of Labor’s Rules and Regulations for Reporting and Disclosure under ERISA.

In our opinion:

- The form and content of the supplemental schedules, other than the information in the supplemental schedules that agreed to or is derived from the certified investment information, are presented, in all material respects, in conformity with the Department of Labor’s Rules and Regulations for Reporting and Disclosure under ERISA.
- The information in the supplemental schedules related to assets held by and certified to by a qualified institution agrees to, or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).

Other Matter - Auditors’ Report on the 2020 Financial Statements

We were engaged to audit the 2020 financial statements of the Plan. As permitted by 29 CFR 2520.103-8 of the Department of Labor’s Rules and Regulations for Reporting and Disclosure under ERISA, the plan administrator instructed us not to perform and we did not perform any auditing procedures with respect to the information certified by the qualified institution. In our report dated October 12, 2021, we indicated that (a) because of the significance of the information that we did not audit, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion and accordingly, we did not express an opinion on the 2020 financial statements and supplemental schedules, and (b) the form and content of the information included in the 2020 financial statements and supplemental schedules other than that derived from the certified information were presented in compliance with the Department of Labor’s Rules and Regulations for Reporting and Disclosure under ERISA.



San Francisco, California
October 14, 2022

SHISEIDO AMERICAS GROUP RETIREMENT PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

	December 31,	
	2021	2020
<u>ASSETS</u>		
<u>INVESTMENTS, AT FAIR VALUE</u>	<u>\$ 330,064,569</u>	<u>\$ 284,566,826</u>
<u>RECEIVABLES</u>		
Employer Contributions	3,481,787	1,817,623
Participant Contributions	323	-
Notes Receivable from Participants	<u>4,551,237</u>	<u>5,014,185</u>
<u>TOTAL RECEIVABLES</u>	<u>8,033,347</u>	<u>6,831,808</u>
<u>TOTAL ASSETS</u>	<u>338,097,916</u>	<u>291,398,634</u>
<u>LIABILITIES</u>		
<u>EXCESS CONTRIBUTIONS PAYABLE</u>	<u>-</u>	<u>7,568</u>
<u>NET ASSETS AVAILABLE FOR BENEFITS</u>	<u>\$ 338,097,916</u>	<u>\$ 291,391,066</u>

SHISEIDO AMERICAS GROUP RETIREMENT PLAN

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

Year Ended December 31, 2021

ADDITIONS

ADDITIONS TO NET ASSETS ATTRIBUTED TO:

INVESTMENT INCOME

Interest and Dividend Income	\$ 3,197,475
Net Appreciation in Fair Value of Investments	<u>39,518,682</u>

<u>TOTAL INVESTMENT INCOME</u>	<u>42,716,157</u>
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INTEREST INCOME ON NOTES RECEIVABLE
FROM PARTICIPANTS

	<u>217,165</u>
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CONTRIBUTIONS

Participants	17,571,073
Employer	11,262,263
Rollover	<u>4,443,075</u>

<u>TOTAL CONTRIBUTIONS</u>	<u>33,276,411</u>
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<u>TOTAL ADDITIONS</u>	<u>76,209,733</u>
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DEDUCTIONS

DEDUCTIONS FROM NET ASSETS ATTRIBUTED TO:

<u>BENEFITS PAID TO PARTICIPANTS</u>	29,508,877
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<u>ADMINISTRATIVE EXPENSES</u>	<u>369,554</u>
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<u>TOTAL DEDUCTIONS</u>	<u>29,878,431</u>
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<u>NET INCREASE IN NET ASSETS BEFORE TRANSFER</u>	46,331,302
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<u>ASSETS TRANSFERRED FROM ANOTHER PLAN</u>	<u>375,548</u>
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<u>NET INCREASE IN NET ASSETS</u>	46,706,850
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NET ASSETS AVAILABLE FOR BENEFITS
AT BEGINNING OF YEAR

	<u>291,391,066</u>
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NET ASSETS AVAILABLE FOR BENEFITS
AT END OF YEAR

	<u><u>\$ 338,097,916</u></u>
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SHISEIDO AMERICAS GROUP RETIREMENT PLAN

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

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”). Effective January 1, 2021, current employees of Drunk Elephant, LLC became employees of the Plan sponsor and became eligible to participate in the Plan. The Plan was also amended to grant past service credit to employees of Drunk Elephant, LLC for all purposes under the Plan.

In conjunction with employees of Drunk Elephant, LLC becoming eligible to participate in the Plan, \$375,548 was transferred from the TriNet 401(k) Plan, a multiple employer plan, in which they previously participated.

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”).

Effective April 8, 2020, the Plan implemented provisions of the Coronavirus Aid, Relief, and Economic Security Act (the “CARES Act”) that was signed into law on March 27, 2020. These provisions were applicable for qualified Plan participants and included an increase in maximum loan amounts to the lesser of the participant’s account balance or \$100,000 for a loan issued through September 22, 2020; the ability of qualified participants who had Plan loan repayments due in 2020 to defer such repayments beyond December 31, 2020; and a new coronavirus-related distribution up to \$100,000 in 2020. The Plan’s trustee intends to amend the Plan agreement to incorporate these provisions under which the Plan is currently operating as necessary prior to the December 31, 2025 deadline.

SHISEIDO AMERICAS GROUP RETIREMENT PLAN

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

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 \$19,500 for the Plan year ended December 31, 2021. 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 \$6,500 for 2021. 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, 2021, 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 1st or July 1st 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 2021.

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

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.

SHISEIDO AMERICAS GROUP RETIREMENT PLAN

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

NOTE 1 – DESCRIPTION OF THE PLAN (Continued)

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 – The Plan currently offers various mutual funds, collective trust funds and self-directed brokerage accounts as investment options for participants. Each investment option has its own investment strategy, which can be obtained through the prospectus of the respective investment. Participants may change their investment options at any time.

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 72 or the year in which the participant terminates employment.

Forfeited Accounts – A participant's non-vested account balance is forfeited upon severance of employment. As of December 31, 2021 and 2020, forfeited non-vested accounts amounted to \$129,085 and \$27,230, 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, 2021, forfeitures of \$48,615 were used to pay Plan fees. No forfeitures were used to fund Company contributions in 2021.

SHISEIDO AMERICAS GROUP RETIREMENT PLAN

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

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, 2021 and 2020.

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 excess contributions payable as of December 31, 2020 to the applicable participants in 2021.

Payments of Benefits – Benefits are recorded when paid.

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, 2021 and 2020, these fees amounted to \$482,671 and \$369,844, respectively. Investment related expenses are included in net appreciation or depreciation of fair value of investments.

SHISEIDO AMERICAS GROUP RETIREMENT PLAN

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

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 maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

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, 2021 and 2020.

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; and interest-bearing cash valued at cost which represents fair value.

SHISEIDO AMERICAS GROUP RETIREMENT PLAN

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

NOTE 3 – FAIR VALUE MEASUREMENTS (Continued)

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.

The following tables set forth by level, within the fair value hierarchy, the Plan's investments at fair value as of December 31, 2021 and 2020:

2021				
	Level 1	Level 2	Level 3	Total
Assets in the Fair Value Hierarchy:				
Mutual Funds	\$ 58,365,576	\$ -	\$ -	\$ 58,365,576
Self-Directed Brokerage Accounts	2,361,409	-	-	2,361,409
	<u>\$ 60,726,985</u>	<u>\$ -</u>	<u>\$ -</u>	60,726,985
Investments Measured at Net Asset Value:				
Collective Trust Funds				<u>269,337,584</u>
Investments at Fair Value				<u>\$ 330,064,569</u>

SHISEIDO AMERICAS GROUP RETIREMENT PLAN

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

NOTE 3 – FAIR VALUE MEASUREMENTS (Continued)

	2020			
	Level 1	Level 2	Level 3	Total
Assets in the Fair Value Hierarchy:				
Mutual Funds	\$ 49,260,423	\$ -	\$ -	\$ 49,260,423
Self-Directed Brokerage Accounts	2,056,028	-	-	2,056,028
	<u>\$ 51,316,451</u>	<u>\$ -</u>	<u>\$ -</u>	51,316,451
Investments Measured at Net Asset Value:				
Collective Trust Funds				<u>233,250,375</u>
Investments at Fair Value				<u>\$ 284,566,826</u>

In accordance with Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) Subtopic 820-10, certain investments measured at fair value using the net asset value per share (or its equivalent) practical expedient are not classified in the fair value hierarchy. The fair value amounts presented in the tables above are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the Statements of Net Assets Available for Benefits.

As of December 31, 2021, investments in four of the Plan’s target date funds represented 48% of total investments and the aggregate of the target date funds represented 78% of total investments. As of December 31, 2020, investments in four of the Plan’s target date funds represented 50% of total investments and the aggregate of the target date funds represented 84% of total investments.

SHISEIDO AMERICAS GROUP RETIREMENT PLAN

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

NOTE 3 – FAIR VALUE MEASUREMENTS (Continued)

The following table summarizes investments measured at fair value based on NAV per share as of December 31, 2021 and 2020:

	<u>Fair Value at</u>				
	<u>December 31, 2021</u>	<u>December 31, 2020</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency (if currently eligible)</u>	<u>Redemption Notice Period</u>
Fidelity Managed Income Portfolio II Class 2	\$ 54,196	\$ 88,747	n/a	Daily	1 day
T. Rowe Price Stable Value Trust Fund A	12,996,120	13,075,454	n/a	Daily	1 day
T. Rowe Price Retirement 2005 Trust Class F	1,764,574	1,599,128	n/a	Daily	30 days
T. Rowe Price Retirement 2010 Trust Class F	309,486	320,041	n/a	Daily	30 days
T. Rowe Price Retirement 2015 Trust Class F	2,435,666	2,343,914	n/a	Daily	30 days
T. Rowe Price Retirement 2020 Trust Class F	14,126,422	12,687,062	n/a	Daily	30 days
T. Rowe Price Retirement 2025 Trust Class F	24,186,516	23,435,709	n/a	Daily	30 days
T. Rowe Price Retirement 2030 Trust Class F	39,876,311	35,559,894	n/a	Daily	30 days
T. Rowe Price Retirement 2035 Trust Class F	37,622,180	33,397,881	n/a	Daily	30 days
T. Rowe Price Retirement 2040 Trust Class F	45,396,383	37,408,124	n/a	Daily	30 days
T. Rowe Price Retirement 2045 Trust Class F	37,007,216	31,371,387	n/a	Daily	30 days
T. Rowe Price Retirement 2050 Trust Class F	30,223,770	24,345,574	n/a	Daily	30 days
T. Rowe Price Retirement 2055 Trust Class F	17,139,609	13,007,760	n/a	Daily	30 days
T. Rowe Price Retirement 2060 Trust Class F	5,961,340	4,609,700	n/a	Daily	30 days
T. Rowe Price Retirement 2065 Trust Class F	237,795	-	n/a	Daily	30 days
	<u>\$ 269,337,584</u>	<u>\$ 233,250,375</u>			

SHISEIDO AMERICAS GROUP RETIREMENT PLAN

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

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, 2021 and 2020, on the supplemental Schedule H, line 4i: Schedule of Assets (Held at End of Year) as of December 31, 2021, 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, 2021.

The Plan's independent public accountants did not perform auditing procedures with respect to this information except for comparing such information to the related information included in the financial statements and supplemental schedules.

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 – 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. Market risks include global events which could impact the value of investment securities, such as a pandemic or international conflict. 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, 2021

NOTE 7 – 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 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 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, 2021 and 2020, excess revenue credit amounted to \$11,542 and \$10,152, 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 year ended December 31, 2021, there were unintentional delays by the Company in remitting certain employee contributions to the Plan within the period prescribed by Department of Labor regulations amounting to \$10,374. The Company intends to make necessary corrections for the 2021 late contributions in 2022.

During the year ended December 31, 2020, 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 \$35,455. During 2020, lost earnings were calculated and contributed to the to the accounts of the affected participants for \$23,611 of the 2020 late contributions. Lost earnings were calculated and contributed to the to the accounts of the affected participants in 2021 for the remaining \$11,844 of late contributions.

SHISEIDO AMERICAS GROUP RETIREMENT PLAN

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

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>2021</u>	<u>2020</u>
Net Assets Available for Benefits per the Financial Statements	\$ 338,097,916	\$ 291,391,066
Reconciling Items:		
Employer Contributions Receivable Recorded on Financial Statements, Not on Form 5500	(3,481,787)	(1,817,623)
Employee Contributions Receivable Recorded on Financial Statements, Not on Form 5500	(323)	-
Excess Contributions Payable Recorded on Financial Statements, Not on Form 5500	<u>-</u>	<u>7,568</u>
Net Assets Available for Benefits per Form 5500	<u>\$ 334,615,806</u>	<u>\$ 289,581,011</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, 2021:

Net Increase in Net Assets per the Statement of Changes in Net Assets Available for Benefits	\$ 46,706,850
Reconciling Items:	
Transferred from Another Plan	(375,548)
Change in Employer Contributions Receivable	(1,664,164)
Change in Employee Contributions Receivable	(323)
Change in Excess Contributions Payable	<u>(7,568)</u>
Net Increase in Net Assets per Form 5500	<u>\$ 44,659,247</u>

NOTE 11 – SUBSEQUENT EVENTS

Effective January 1, 2022, the Plan document was amended and restated with substantially the same provisions.

In August 2021, the Plan sponsor sold certain product business units. In conjunction with the sale, employees of those business units became ineligible to participate in the Plan effective January 1, 2022.

The Plan's management has evaluated subsequent events through October 14, 2022, 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, 2021

Year	Participant Contributions Transferred Late to Plan	Check Here if Late Participant Loan Repayments Are Included	Total that Constitute Nonexempt Prohibited Transactions			Total Fully Corrected Under VFCP and PTE 2002-51
			Contributions Not Corrected	Contributions Corrected Outside VFCP	Contributions Pending Correction in VFCP	
2021	\$ 10,374	☐	\$ 10,374	\$ -	\$ -	\$ -
2020	\$ 11,844	☒	\$ -	\$ 11,844	\$ -	\$ -

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, 2021

(a)	(b) Identity of Issue, Borrower, Lessor, or Similar Party	(c) Description of Investment, Including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value	(d) Cost	(e) Current Value
		Mutual Funds:		
	American Funds	American Funds EuroPacific Growth Fund	30,717 Shares ^	\$ 1,988,323
	Delaware Funds by Macquarie	Delaware Small Cap Core Fund	132,303 Shares ^	4,143,745
*	Fidelity Investments	Fidelity 500 Index Fund	88,958 Shares ^	14,706,574
*	Fidelity Investments	Fidelity Global ex U.S. Index Fund	122,519 Shares ^	1,873,309
*	Fidelity Investments	Fidelity Government Money Market Fund	148,320 Shares ^	148,320
*	Fidelity Investments	Fidelity Total Bond Fund	265,486 Shares ^	2,723,889
*	Fidelity Investments	Fidelity U.S. Bond Index Fund	156,255 Shares ^	1,871,937
	MFS	MFS Mid Cap Value Fund	37,481 Shares ^	1,215,496
	T. Rowe Price	T. Rowe Price Growth Stock Fund	120,559 Shares ^	12,820,251
	T. Rowe Price	T. Rowe Price Institute Mid-Cap Equity Growth Fund	68,673 Shares ^	5,076,978
	Vanguard	Vanguard Equity-Income Fund	50,386 Shares ^	4,646,607
	Vanguard	Vanguard Extended Market Index Fund	33,255 Shares ^	4,612,497
	Vanguard	Vanguard Inflation-Protected Securities Fund	20,304 Shares ^	577,456
	Vanguard	Vanguard Intermediate-Term Treasury Fund	173,315 Shares ^	1,960,194
				<u>58,365,576</u>
		Collective Trust Funds:		
*	Fidelity Investments	Managed Income Portfolio II Class 2	54,196 Shares ^	54,196
	T. Rowe Price	T. Rowe Price Stable Value Trust Fund A	12,996,120 Shares ^	12,996,120
	T. Rowe Price	T. Rowe Price Retirement 2005 Trust Class F	88,317 Shares ^	1,764,574
	T. Rowe Price	T. Rowe Price Retirement 2010 Trust Class F	14,585 Shares ^	309,486
	T. Rowe Price	T. Rowe Price Retirement 2015 Trust Class F	105,531 Shares ^	2,435,666
	T. Rowe Price	T. Rowe Price Retirement 2020 Trust Class F	564,380 Shares ^	14,126,422
	T. Rowe Price	T. Rowe Price Retirement 2025 Trust Class F	887,579 Shares ^	24,186,516
	T. Rowe Price	T. Rowe Price Retirement 2030 Trust Class F	1,354,954 Shares ^	39,876,311
	T. Rowe Price	T. Rowe Price Retirement 2035 Trust Class F	1,202,755 Shares ^	37,622,180
	T. Rowe Price	T. Rowe Price Retirement 2040 Trust Class F	1,386,149 Shares ^	45,396,383
	T. Rowe Price	T. Rowe Price Retirement 2045 Trust Class F	1,109,662 Shares ^	37,007,216
	T. Rowe Price	T. Rowe Price Retirement 2050 Trust Class F	905,717 Shares ^	30,223,770
	T. Rowe Price	T. Rowe Price Retirement 2055 Trust Class F	513,931 Shares ^	17,139,609
	T. Rowe Price	T. Rowe Price Retirement 2060 Trust Class F	279,220 Shares ^	5,961,340
	T. Rowe Price	T. Rowe Price Retirement 2065 Trust Class F	17,812 Shares ^	237,795
				<u>269,337,584</u>
	Various	Self-Directed Brokerage Accounts	^	<u>2,361,409</u>
*	Notes Receivable from Participants	590 loans receivable bearing interest ranging from 3.25% to 10.25% with maturity dates ranging from January 2022 to August 2037		<u>4,551,237</u>
				<u>\$ 334,615,806</u>

* Indicates party-in-interest transaction.

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