UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

☑ **Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**
for the quarterly period ended April 2, 2023

or

☐ **Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**
for the transition period from to

Commission file number 1-3215

Johnson & Johnson

(Exact name of registrant as specified in its charter)

New Jersey	22-1024240
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

One Johnson & Johnson Plaza
New Brunswick, New Jersey 08933
(Address of principal executive offices)

Registrant's telephone number, including area code (732) 524-0400

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. ☑ Yes ☐ No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). ☑ Yes ☐ No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☑	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
Emerging growth company	☐		

If an emerging growth company, indicated by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). ☐ Yes ☑ No

SECURITIES REGISTERED PURSUANT TO SECTION 12(b) OF THE ACT

Title of each class	Trading Symbol	Name of each exchange on which registered
Common Stock, Par Value $1.00	JNJ	New York Stock Exchange
0.650% Notes Due May 2024	JNJ24C	New York Stock Exchange
5.50% Notes Due November 2024	JNJ24BP	New York Stock Exchange
1.150% Notes Due November 2028	JNJ28	New York Stock Exchange
1.650% Notes Due May 2035	JNJ35	New York Stock Exchange

Indicate the number of shares outstanding of each of the issuer’s classes of common stock, as of the latest practicable date.

On April 21, 2023, 2,598,734,075 shares of Common Stock, $1.00 par value, were outstanding.

JOHNSON & JOHNSON AND SUBSIDIARIES

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CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q and Johnson & Johnson's other publicly available documents contain "forward-looking statements" within the meaning of the safe harbor provisions of the United States Private Securities Litigation Reform Act of 1995. Management and representatives of Johnson & Johnson and its subsidiaries (the Company) also may from time to time make forward-looking statements. Forward-looking statements do not relate strictly to historical or current facts and reflect management's assumptions, views, plans, objectives and projections about the future. Forward-looking statements may be identified by the use of words such as "plans," "expects," "will," "anticipates," "estimates," and other words of similar meaning in conjunction with, among other things: discussions of future operations, expected operating results, financial performance; impact of planned acquisitions and dispositions; impact and timing of restructuring initiatives including associated cost savings and other benefits; the Company's strategy for growth; product development activities; regulatory approvals; market position and expenditures.

Because forward-looking statements are based on current beliefs, expectations and assumptions regarding future events, they are subject to uncertainties, risks and changes that are difficult to predict and many of which are outside of the Company's control. Investors should realize that if underlying assumptions prove inaccurate, or known or unknown risks or uncertainties materialize, the Company's actual results and financial condition could vary materially from expectations and projections expressed or implied in its forward-looking statements. Investors are therefore cautioned not to rely on these forward-looking statements. Risks and uncertainties include, but are not limited to:

Risks Related to Product Development, Market Success and Competition

- Challenges and uncertainties inherent in innovation and development of new and improved products and technologies on which the Company's continued growth and success depend, including uncertainty of clinical outcomes, additional analysis of existing clinical data, obtaining regulatory approvals, health plan coverage and customer access, and initial and continued commercial success;
- Challenges to the Company's ability to obtain and protect adequate patent and other intellectual property rights for new and existing products and technologies in the United States and other important markets;
- The impact of patent expirations, typically followed by the introduction of competing generic, biosimilar or other products and resulting revenue and market share losses;
- Increasingly aggressive and frequent challenges to the Company's patents by competitors and others seeking to launch competing generic, biosimilar or other products and increased receptivity of courts, the United States Patent and Trademark Office and other decision makers to such challenges, potentially resulting in loss of market exclusivity and rapid decline in sales for the relevant product sooner than expected;
- Competition in research and development of new and improved products, processes and technologies, which can result in product and process obsolescence;
- Competition to reach agreement with third parties for collaboration, licensing, development and marketing agreements for products and technologies;
- Competition based on cost-effectiveness, product performance, technological advances and patents attained by competitors; and
- Allegations that the Company's products infringe the patents and other intellectual property rights of third parties, which could adversely affect the Company's ability to sell the products in question and require the payment of money damages and future royalties.

Risks Related to Product Liability, Litigation and Regulatory Activity

- Product efficacy or safety concerns, whether or not based on scientific evidence, potentially resulting in product withdrawals, recalls, regulatory action on the part of the United States Food and Drug Administration (or international counterparts), declining sales, reputational damage, increased litigation expense and share price impact;
- The impact, including declining sales and reputational damage, of significant litigation or government action adverse to the Company, including product liability claims and allegations related to pharmaceutical marketing practices and contracting strategies;
- The impact of an adverse judgment or settlement and the adequacy of reserves related to legal proceedings, including patent litigation, product liability, personal injury claims, securities class actions, government investigations, employment and other legal proceedings;

- Increased scrutiny of the healthcare industry by government agencies and state attorneys general resulting in investigations and prosecutions, which carry the risk of significant civil and criminal penalties, including, but not limited to, debarment from government business;
- Failure to meet compliance obligations in compliance agreements with governments or government agencies, which could result in significant sanctions;
- Potential changes to applicable laws and regulations affecting United States and international operations, including relating to: approval of new products; licensing and patent rights; sales and promotion of healthcare products; access to, and reimbursement and pricing for, healthcare products and services; environmental protection; and sourcing of raw materials;
- Compliance with local regulations and laws that may restrict the Company's ability to manufacture or sell its products in relevant markets, including requirements to comply with medical device reporting regulations and other requirements such as the European Union's Medical Devices Regulation;
- Changes in domestic and international tax laws and regulations, increasing audit scrutiny by tax authorities around the world and exposures to additional tax liabilities potentially in excess of existing reserves; and
- The issuance of new or revised accounting standards by the Financial Accounting Standards Board and regulations by the Securities and Exchange Commission.

Risks Related to the Company's Strategic Initiatives, Healthcare Market Trends and the Planned Separation of the Company's Consumer Health Business

- Pricing pressures resulting from trends toward healthcare cost containment, including the continued consolidation among healthcare providers and other market participants, trends toward managed care, the shift toward governments increasingly becoming the primary payers of healthcare expenses, significant new entrants to the healthcare markets seeking to reduce costs and government pressure on companies to voluntarily reduce costs and price increases;
- Restricted spending patterns of individual, institutional and governmental purchasers of healthcare products and services due to economic hardship and budgetary constraints;
- Challenges to the Company's ability to realize its strategy for growth including through externally sourced innovations, such as development collaborations, strategic acquisitions, licensing and marketing agreements, and the potential heightened costs of any such external arrangements due to competitive pressures;
- The potential that the expected strategic benefits and opportunities from any planned or completed acquisition or divestiture by the Company may not be realized or may take longer to realize than expected;
- The potential that the expected benefits and opportunities related to past and ongoing restructuring actions may not be realized or may take longer to realize than expected;
- The Company's ability to consummate the planned separation of the Company's Consumer Health business on a timely basis or at all;
- The Company's ability to successfully separate the Company's Consumer Health business and realize the anticipated benefits from the planned separation; and
- The New Consumer Health Company's ability to succeed as a standalone publicly traded company.

Risks Related to Economic Conditions, Financial Markets and Operating Internationally

- The risks associated with global operations on the Company and its customers and suppliers, including foreign governments in countries in which the Company operates;
- The impact of inflation and fluctuations in interest rates and currency exchange rates and the potential effect of such fluctuations on revenues, expenses and resulting margins;
- Potential changes in export/import and trade laws, regulations and policies of the United States and other countries, including any increased trade restrictions or tariffs and potential drug reimportation legislation;
- The impact on international operations from financial instability in international economies, sovereign risk, possible imposition of governmental controls and restrictive economic policies, and unstable international governments and legal systems;
- The impact of global public health crises and pandemics;
- Changes to global climate, extreme weather and natural disasters that could affect demand for the Company's products and services, cause disruptions in manufacturing and distribution networks, alter the availability of goods and services within the supply chain, and affect the overall design and integrity of the Company's products and operations; and

- The impact of armed conflicts and terrorist attacks in the United States and other parts of the world, including social and economic disruptions and instability of financial and other markets.

Risks Related to Supply Chain and Operations

- Difficulties and delays in manufacturing, internally, through third-party providers or otherwise within the supply chain, that may lead to voluntary or involuntary business interruptions or shutdowns, product shortages, withdrawals or suspensions of products from the market, and potential regulatory action;
- Interruptions and breaches of the Company's information technology systems or those of the Company's vendors, which could result in reputational, competitive, operational or other business harm as well as financial costs and regulatory action;
- Reliance on global supply chains and production and distribution processes that are complex and subject to increasing regulatory requirements that may adversely affect supply, sourcing and pricing of materials used in the Company's products; and
- The potential that the expected benefits and opportunities related to restructuring actions contemplated for the global supply chain may not be realized or may take longer to realize than expected, including due to any required approvals from applicable regulatory authorities.

Investors also should carefully read the Risk Factors described in Item 1A of the Company's Annual Report on Form 10-K for the fiscal year ended January 1, 2023, for a description of certain risks that could, among other things, cause the Company's actual results to differ materially from those expressed in its forward-looking statements. Investors should understand that it is not possible to predict or identify all such factors and should not consider the risks described above to be a complete statement of all potential risks and uncertainties. The Company does not undertake to publicly update any forward-looking statement that may be made from time to time, whether as a result of new information or future events or developments.

Part I — FINANCIAL INFORMATION

Item 1 — FINANCIAL STATEMENTS

JOHNSON & JOHNSON AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(Unaudited; Dollars in Millions Except Share and Per Share Data)

		April 2, 2023	January 1, 2023
ASSETS			
Current assets:			
Cash and cash equivalents (Note 4)	$	19,170	14,127
Restricted cash (Note 4)		7,695	—
Marketable securities		5,443	9,392
Accounts receivable, trade, less allowances $207 (2022, $203)		16,350	16,160
Inventories (Note 2)		12,809	12,483
Prepaid expenses and other		2,921	3,132
Total current assets		64,388	55,294
Property, plant and equipment at cost		50,367	49,253
Less: accumulated depreciation		(30,193)	(29,450)
Property, plant and equipment, net		20,174	19,803
Intangible assets, net (Note 3)		47,448	48,325
Goodwill (Note 3)		45,575	45,231
Deferred taxes on income (Note 5)		8,817	9,123
Other assets		9,567	9,602
Total assets	$	195,969	187,378
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities:			
Loans and notes payable	$	17,979	12,771
Accounts payable		9,909	11,703
Accrued liabilities		11,204	11,456
Accrued rebates, returns and promotions		14,784	14,417
Accrued compensation and employee related obligations		2,231	3,328
Accrued taxes on income (Note 5)		4,266	2,127
Total current liabilities		60,373	55,802
Long-term debt (Note 4)		34,928	26,888
Deferred taxes on income (Note 5)		4,417	6,374
Employee related obligations (Note 6)		6,665	6,767
Long-term taxes payable (Note 5)		4,296	4,306
Other liabilities		14,421	10,437
Total liabilities	$	125,100	110,574
Commitments and Contingencies (Note 11)			
Shareholders' equity:			
Common stock — par value $1.00 per share (authorized 4,320,000,000 shares; issued 3,119,843,000 shares)	$	3,120	3,120
Accumulated other comprehensive income (loss) (Note 7)		(12,626)	(12,967)
Retained earnings and Additional paid-in capital		124,558	128,345
Less: common stock held in treasury, at cost (521,519,000 and 506,246,000 shares)		44,183	41,694
Total shareholders' equity		70,869	76,804
Total liabilities and shareholders' equity	$	195,969	187,378

See Notes to Consolidated Financial Statements

JOHNSON & JOHNSON AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF EARNINGS
(Unaudited; Dollars & Shares in Millions Except Per Share Amounts)

	Fiscal First Quarter Ended			
	April 2, 2023	Percent to Sales	April 3, 2022	Percent to Sales
Sales to customers (Note 9)	$ 24,746	100.0 %	$ 23,426	100.0 %
Cost of products sold	8,395	33.9	7,598	32.4
Gross profit	16,351	66.1	15,828	67.6
Selling, marketing and administrative expenses	6,138	24.8	5,938	25.4
Research and development expense	3,563	14.4	3,462	14.8
In-process research and development	49	0.2	610	2.6
Interest income	(235)	(1.0)	(22)	(0.1)
Interest expense, net of portion capitalized	215	0.9	10	0.0
Other (income) expense, net	7,228	29.2	(102)	(0.4)
Restructuring	130	0.6	70	0.3
Earnings/(Loss) before provision for taxes on income	(737)	(3.0)	5,862	25.0
Provision for/(Benefit from) taxes on income (Note 5)	(669)	(2.7)	713	3.0
NET EARNINGS/(LOSS)	$ (68)	(0.3)%	$ 5,149	22.0 %
NET EARNINGS/(LOSS) PER SHARE (Note 8)				
Basic	$ (0.03)		$ 1.96	
Diluted	$ (0.03)		$ 1.93	
AVG. SHARES OUTSTANDING				
Basic	2,605.5		2,629.2	
Diluted	2,605.5		2,666.5	

See Notes to Consolidated Financial Statements

JOHNSON & JOHNSON AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Unaudited; Dollars in Millions)

	Fiscal First Quarter Ended	
	April 2, 2023	April 3, 2022
Net earnings/(loss)	$ (68)	5,149
Other comprehensive income (loss), net of tax		
Foreign currency translation	(181)	(554)
Securities:		
Unrealized holding gain (loss) arising during period	17	(13)
Reclassifications to earnings	—	—
Net change	17	(13)
Employee benefit plans:		
Prior service cost amortization during period	(35)	(53)
Gain (loss) amortization during period	(33)	217
Net change	(68)	164
Derivatives & hedges:		
Unrealized gain (loss) arising during period	570	(195)
Reclassifications to earnings	3	(101)
Net change	573	(296)
Other comprehensive income (loss)	341	(699)
Comprehensive income	$ 273	4,450

See Notes to Consolidated Financial Statements

The tax effects in other comprehensive income/(loss) for the fiscal first quarter were as follows for 2023 and 2022, respectively: Foreign Currency Translation: $234 million and $145 million; Securities: $5 million and $3 million; Employee Benefit Plans: $22 million and $19 million; Derivatives & Hedges: $154 million and $78 million.

JOHNSON & JOHNSON AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF EQUITY
(Unaudited; Dollars in Millions)

Fiscal First Quarter Ended April 2, 2023

		Total	Retained Earnings and Additional paid-in capital	Accumulated Other Comprehensive Income	Common Stock Issued Amount	Treasury Stock Amount
Balance, January 1, 2023	**$**	**76,804**	**128,345**	**(12,967)**	**3,120**	**(41,694)**
Net earnings/(loss)		(68)	(68)	—	—	—
Cash dividends paid ($1.13 per share)		(2,942)	(2,942)	—	—	—
Employee compensation and stock option plans		295	(777)	—	—	1,072
Repurchase of common stock		(3,537)	—	—	—	(3,537)
Other		(24)	—	—	—	(24)
Other comprehensive income (loss), net of tax		341	—	341	—	—
Balance, April 2, 2023	**$**	**70,869**	**124,558**	**(12,626)**	**3,120**	**(44,183)**

Fiscal First Quarter Ended April 3, 2022

		Total	Retained Earnings and Additional paid-in capital	Accumulated Other Comprehensive Income	Common Stock Issued Amount	Treasury Stock Amount
Balance, January 2, 2022	**$**	**74,023**	**123,060**	**(13,058)**	**3,120**	**(39,099)**
Net earnings		5,149	5,149	—	—	—
Cash dividends paid ($1.06 per share)		(2,787)	(2,787)	—	—	—
Employee compensation and stock option plans		600	(1,042)	—	—	1,642
Repurchase of common stock		(1,577)	—	—	—	(1,577)
Other comprehensive income (loss), net of tax		(699)	—	(699)	—	—
Balance, April 3, 2022	**$**	**74,709**	**124,380**	**(13,757)**	**3,120**	**(39,034)**

See Notes to Consolidated Financial Statements

JOHNSON & JOHNSON AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited; Dollars in Millions)

	Fiscal Three Months Ended	
	April 2, 2023	April 3, 2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Net (loss)/earnings	$ (68)	5,149
Adjustments to reconcile net earnings to cash flows from operating activities:		
Depreciation and amortization of property and intangibles	1,880	1,769
Stock based compensation	306	278
Asset write-downs	426	610
Net gain on sale of assets/businesses	(8)	(168)
Deferred tax provision	(1,543)	(926)
Credit losses and accounts receivable allowances	1	6
Changes in assets and liabilities, net of effects from acquisitions and divestitures:		
Increase in accounts receivable	(54)	(427)
Increase in inventories	(524)	(600)
Decrease in accounts payable and accrued liabilities	(2,572)	(2,817)
(Increase)/Decrease in other current and non-current assets	(915)	995
Increase in other current and non-current liabilities	6,328	110
NET CASH FLOWS FROM OPERATING ACTIVITIES	3,257	3,979
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to property, plant and equipment	(863)	(607)
Proceeds from the disposal of assets/businesses, net (Note 10)	40	248
Acquisitions, net of cash acquired (Note 10)	—	(252)
Purchases of investments	(3,774)	(9,018)
Sales of investments	7,766	6,303
Credit support agreements activity, net	158	(249)
Other (primarily licenses and milestones)	(12)	(59)
NET CASH FROM/(USED BY) INVESTING ACTIVITIES	3,315	(3,634)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends to shareholders	(2,942)	(2,787)
Repurchase of common stock	(3,537)	(1,577)
Proceeds from short-term debt	11,094	3,019
Repayment of short-term debt	(5,388)	(856)
Proceeds from long-term debt, net of issuance costs (Note 4)	7,674	—
Repayment of long-term debt	(500)	(2,132)
Proceeds from the exercise of stock options/employee withholding tax on stock awards, net	(11)	321
Credit support agreements activity, net	(13)	(235)
Other	(239)	(138)
NET CASH FROM/(USED BY) FINANCING ACTIVITIES	6,138	(4,385)
Effect of exchange rate changes on cash and cash equivalents	28	16
Increase/(Decrease) in cash, cash equivalents and restricted cash	12,738	(4,024)
Cash and Cash equivalents beginning of period	14,127	14,487
CASH, CASH EQUIVALENTS AND RESTRICTED CASH, END OF PERIOD	$ 26,865	10,463
Acquisitions		
Fair value of assets acquired	$ —	255
Fair value of liabilities assumed	—	(3)
Net cash paid for acquisitions	$ —	252

See Notes to Consolidated Financial Statements

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 — The accompanying unaudited interim consolidated financial statements and related notes should be read in conjunction with the audited Consolidated Financial Statements of Johnson & Johnson and its subsidiaries (the Company) and related notes as contained in the Company's Annual Report on Form 10-K for the fiscal year ended January 1, 2023. The unaudited interim financial statements include all adjustments (consisting only of normal recurring adjustments) and accruals necessary in the judgment of management for a fair statement of the results for the periods presented.

Columns and rows within tables may not add due to rounding. Percentages have been calculated using actual, non-rounded figures.

New Accounting Standards
The Company assesses the adoption impacts of recently issued accounting standards by the Financial Accounting Standards Board on the Company's financial statements as well as material updates to previous assessments, if any, from the Company's Annual Report on Form 10-K for the fiscal year ended January 1, 2023.

Recently Adopted Accounting Standards
ASU 2022-04: Liabilities-Supplier Finance Programs (Topic 405-50) – Disclosure of Supplier Finance Program Obligations
The Company adopted the standard as of the beginning of fiscal year 2023, which requires that a buyer in a supplier finance program disclose additional information about the program for financial statement users.

The Company has agreements for supplier finance programs with third-party financial institutions. These programs provide participating suppliers the ability to finance payment obligations from the Company with the third-party financial institutions. The Company is not a party to the arrangements between the suppliers and the third-party financial institutions. The Company's obligations to its suppliers, including amounts due, and scheduled payment dates (which have general payment terms of 90 days), are not affected by a participating supplier's decision to participate in the program.

As of April 2, 2023, and January 1, 2023, $0.9 billion and $1.0 billion, respectively, were valid obligations under the program. The obligations are presented as Accounts payable on the Consolidated Balance Sheets.

Recently Issued Accounting Standards
Not Adopted as of April 2, 2023
There were no new material accounting standards issued in fiscal first quarter of 2023.

Reclassification
Certain prior period amounts have been reclassified to conform to current year presentation.

NOTE 2 — INVENTORIES

(Dollars in Millions)		April 2, 2023	January 1, 2023
Raw materials and supplies	$	2,267	2,070
Goods in process		1,866	1,700
Finished goods		8,676	8,713
Total inventories	$	12,809	12,483

NOTE 3 — INTANGIBLE ASSETS AND GOODWILL

Intangible assets that have finite useful lives are amortized over their estimated useful lives. The latest annual impairment assessment of goodwill and indefinite lived intangible assets was completed in the fiscal fourth quarter of 2022. Future impairment tests for goodwill and indefinite lived intangible assets will be performed annually in the fiscal fourth quarter, or sooner, if warranted.

(Dollars in Millions)	April 2, 2023	January 1, 2023
Intangible assets with definite lives:		
Patents and trademarks — gross	$ 44,636	44,012
Less accumulated amortization	(23,512)	(22,266)
Patents and trademarks — net	21,124	21,746
Customer relationships and other intangibles — gross	23,008	22,987
Less accumulated amortization	(13,211)	(12,901)
Customer relationships and other intangibles — net[(1)]	9,797	10,086
Intangible assets with indefinite lives:		
Trademarks	6,843	6,807
Purchased in-process research and development	9,684	9,686
Total intangible assets with indefinite lives	16,527	16,493
Total intangible assets — net	$ 47,448	48,325

[(1)]The majority is comprised of customer relationships

Goodwill as of April 2, 2023 was allocated by segment of business as follows:

(Dollars in Millions)	Consumer Health	Pharmaceutical	MedTech	Total
Goodwill at January 1, 2023	$ 9,184	10,184	25,863	45,231
Goodwill, related to acquisitions	—	—	—	—
Currency translation/Other	49	124	171 *	344
Goodwill at April 2, 2023	$ 9,233	10,308	26,034	45,575

*Includes purchase price allocation adjustment for Abiomed

The weighted average amortization period for patents and trademarks is 12 years. The weighted average amortization period for customer relationships and other intangible assets is 21 years. The amortization expense of amortizable intangible assets included in cost of products sold was $1.2 billion and $1.1 billion for the fiscal first quarters ended April 2, 2023 and April 3, 2022, respectively. Intangible asset write-downs are included in Other (income) expense, net.

The estimated amortization expense for approved products, before tax, for the five succeeding years is approximately:

(Dollars in Millions)

2023	2024	2025	2026	2027
$4,800	4,600	3,800	3,200	2,600

See Note 10 to the Consolidated Financial Statements for additional details related to acquisitions and divestitures.

NOTE 4 — FAIR VALUE MEASUREMENTS

The Company uses forward foreign exchange contracts to manage its exposure to the variability of cash flows, primarily related to the foreign exchange rate changes of future intercompany product and third-party purchases of materials denominated in a foreign currency. The Company uses cross currency interest rate swaps to manage currency risk primarily related to borrowings. Both types of derivatives are designated as cash flow hedges.

Additionally, the Company uses interest rate swaps as an instrument to manage interest rate risk related to fixed rate borrowings. These derivatives are designated as fair value hedges. The Company uses cross currency interest rate swaps and forward foreign exchange contracts designated as net investment hedges. Additionally, the Company uses forward foreign exchange contracts to offset its exposure to certain foreign currency assets and liabilities. These forward foreign exchange contracts are not designated as hedges, and therefore, changes in the fair values of these derivatives are recognized in earnings, thereby offsetting the current earnings effect of the related foreign currency assets and liabilities.

The Company does not enter into derivative financial instruments for trading or speculative purposes, or that contain credit risk related contingent features. The Company maintains credit support agreements (CSA) with certain derivative counterparties establishing collateral thresholds based on respective credit ratings and netting agreements. As of April 2, 2023, the cumulative amount of cash collateral paid by the Company under the CSA amounted to $0.7 billion net, related to net investment and cash flow hedges. On an ongoing basis, the Company monitors counter-party credit ratings. The Company considers credit non-performance risk to be low, because the Company primarily enters into agreements with commercial institutions that have at least an investment grade credit rating. Refer to the table on significant financial assets and liabilities measured at fair value contained in this footnote for receivables and payables with these commercial institutions. As of April 2, 2023, the Company had notional amounts outstanding for forward foreign exchange contracts, cross currency interest rate swaps and interest rate swaps of $44.3 billion, $36.5 billion and $10.0 billion, respectively. As of January 1, 2023, the Company had notional amounts outstanding for forward foreign exchange contracts, cross currency interest rate swaps and interest rate swaps of $43.3 billion, $36.2 billion and $12.4 billion respectively.

All derivative instruments are recorded on the balance sheet at fair value. Changes in the fair value of derivatives are recorded each period in current earnings or other comprehensive income, depending on whether the derivative is designated as part of a hedge transaction, and if so, the type of hedge transaction.

The designation as a cash flow hedge is made at the entrance date of the derivative contract. At inception, all derivatives are expected to be highly effective. Foreign exchange contracts designated as cash flow hedges are accounted for under the forward method and all gains/losses associated with these contracts will be recognized in the income statement when the hedged item impacts earnings. Changes in the fair value of these derivatives are recorded in accumulated other comprehensive income until the underlying transaction affects earnings and are then reclassified to earnings in the same account as the hedged transaction.

Gains and losses associated with interest rate swaps and changes in fair value of hedged debt attributable to changes in interest rates are recorded to interest expense in the period in which they occur. Gains and losses on net investment hedges are accounted for through the currency translation account within accumulated other comprehensive income. The portion excluded from effectiveness testing is recorded through interest (income) expense using the spot method. On an ongoing basis, the Company assesses whether each derivative continues to be highly effective in offsetting changes of hedged items. If and when a derivative is no longer expected to be highly effective, hedge accounting is discontinued.

The Company designated its Euro denominated notes issued in May 2016 with due dates ranging from 2022 to 2035 as a net investment hedge of the Company's investments in certain of its international subsidiaries that use the Euro as their functional currency in order to reduce the volatility caused by changes in exchange rates.

As of April 2, 2023, the balance of deferred net gain on derivatives included in accumulated other comprehensive income was $343 million after-tax. For additional information, see the Consolidated Statements of Comprehensive Income and Note 7. The Company expects that substantially all of the amounts related to forward foreign exchange contracts will be reclassified into earnings over the next 12 months as a result of transactions that are expected to occur over that period. The maximum length of time over which the Company is hedging transaction exposure is 18 months, excluding interest rate contracts and net investment hedge contracts. The amount ultimately realized in earnings may differ as foreign exchange rates change. Realized gains and losses are ultimately determined by actual exchange rates at maturity of the derivative.

The following table is a summary of the activity related to derivatives and hedges for the fiscal first quarters ended in 2023 and 2022, net of tax:

(Dollars in Millions)	April 2, 2023 Sales	Cost of Products Sold	R&D Expense	Interest (Income) Expense	Other (Income) Expense	April 3, 2022 Sales	Cost of Products Sold	R&D Expense	Interest (Income) Expense	Other (Income) Expense
The effects of fair value, net investment and cash flow hedging:										
Gain (Loss) on fair value hedging relationship:										
Interest rate swaps contracts:										
Hedged items	$ —	—	—	(929)	—	—	—	—	(531)	—
Derivatives designated as hedging instruments	—	—	—	929	—	—	—	—	531	—
Gain (Loss) on net investment hedging relationship:										
Cross currency interest rate swaps contracts:										
Amount of gain or (loss) recognized in income on derivative amount excluded from effectiveness testing	—	—	—	34	—	—	—	—	45	—
Amount of gain or (loss) recognized in AOCI	—	—	—	34	—	—	—	—	45	—
Gain (Loss) on cash flow hedging relationship:										
Forward foreign exchange contracts:										
Amount of gain or (loss) reclassified from AOCI into income	12	(146)	(13)	—	2	(17)	(52)	23	—	(18)
Amount of gain or (loss) recognized in AOCI	24	145	(36)	—	(14)	22	(94)	33	—	(73)
Cross currency interest rate swaps contracts:										
Amount of gain or (loss) reclassified from AOCI into income	—	—	—	108	—	—	—	—	120	—
Amount of gain or (loss) recognized in AOCI	$ —	—	—	417	—	—	—	—	(128)	—

As of April 2, 2023, and January 1, 2023, the following amounts were recorded on the Consolidated Balance Sheet related to cumulative basis adjustment for fair value hedges

Line item in the Consolidated Balance Sheet in which the hedged item is included	Carrying Amount of the Hedged Liability		Cumulative Amount of Fair Value Hedging Gain/ (Loss) Included in the Carrying Amount of the Hedged Liability	
(Dollars in Millions)	April 2, 2023	January 1, 2023	April 2, 2023	January 1, 2023
Long-term Debt	$ 8,860	8,665	(1,214)	(1,435)

The following table is the effect of derivatives not designated as hedging instruments for the fiscal first quarters ended 2023 and 2022:

		Gain/(Loss) Recognized In Income on Derivative	
(Dollars in Millions)	Location of Gain /(Loss) Recognized in Income on Derivative	Fiscal First Quarter Ended	
Derivatives Not Designated as Hedging Instruments		April 2, 2023	April 3, 2022
Foreign Exchange Contracts	Other (income) expense	$ (31)	29

The following table is the effect of net investment hedges for the fiscal first quarters ended in 2023 and 2022:

	Gain/(Loss) Recognized In Accumulated OCI		Location of Gain or (Loss) Reclassified from Accumulated Other Comprehensive Income Into Income	Gain/(Loss) Reclassified From Accumulated OCI Into Income	
(Dollars in Millions)	April 2, 2023	April 3, 2022		April 2, 2023	April 3, 2022
Debt	$ (77)	68	Interest (income) expense	—	—
Cross Currency interest rate swaps	$ 690	560	Interest (income) expense	—	—

The Company holds equity investments with readily determinable fair values and equity investments without readily determinable fair values. The Company has elected to measure equity investments that do not have readily determinable fair values at cost minus impairment, if any, plus or minus changes resulting from observable price changes in orderly transactions for the identical or a similar investment of the same issuer.

The following table is a summary of the activity related to equity investments:

(Dollars in Millions)	January 1, 2023			April 2, 2023	
	Carrying Value	Changes in Fair Value Reflected in Net Income [1]	Sales/ Purchases/Other [2]	Carrying Value	Non Current Other Assets
Equity Investments with readily determinable value	$ 576	(73)	2	505	505
Equity Investments without readily determinable value	$ 698	(1)	27	724	724

[1] Recorded in Other Income/Expense

[2] Other includes impact of currency

Fair value is the exit price that would be received to sell an asset or paid to transfer a liability. Fair value is a market-based measurement determined using assumptions that market participants would use in pricing an asset or liability. In accordance with ASC 820, a three-level hierarchy was established to prioritize the inputs used in measuring fair value. The levels within the hierarchy are described below with Level 1 inputs having the highest priority and Level 3 inputs having the lowest.

The fair value of a derivative financial instrument (i.e., forward foreign exchange contracts, interest rate contracts) is the aggregation by currency of all future cash flows discounted to its present value at the prevailing market interest rates and subsequently converted to the U.S. Dollar at the current spot foreign exchange rate. The Company does not believe that fair values of these derivative instruments materially differ from the amounts that could be realized upon settlement or maturity, or that the changes in fair value will have a material effect on the Company's results of operations, cash flows or financial position. The Company also holds equity investments which are classified as Level 1 and debt securities which are classified as Level 2. The Company holds acquisition related contingent liabilities based upon certain regulatory and commercial events, which are classified as Level 3, whose values are determined using discounted cash flow methodologies or similar techniques for which the determination of fair value requires significant judgment or estimations.

The following three levels of inputs are used to measure fair value:

Level 1 — Quoted prices in active markets for identical assets and liabilities.
Level 2 — Significant other observable inputs.
Level 3 — Significant unobservable inputs.

The Company's significant financial assets and liabilities measured at fair value as of April 2, 2023 and January 1, 2023 were as follows:

	April 2, 2023				January 1, 2023
(Dollars in Millions)	Level 1	Level 2	Level 3	Total	Total[1]
Derivatives designated as hedging instruments:					
Assets:					
Forward foreign exchange contracts	$ —	661	—	661	629
Interest rate contracts [2]	—	1,399	—	1,399	1,534
Total	—	2,060	—	2,060	2,163
Liabilities:					
Forward foreign exchange contracts	—	349	—	349	511
Interest rate contracts [2]	—	2,553	—	2,553	2,778
Total	—	2,902	—	2,902	3,289
Derivatives not designated as hedging instruments:					
Assets:					
Forward foreign exchange contracts	—	32	—	32	38
Liabilities:					
Forward foreign exchange contracts	—	56	—	56	68
Other Investments:					
Equity investments [3]	505	—	—	505	576
Debt securities [4]	—	8,942	—	8,942	10,487
Other Liabilities					
Contingent consideration [5]	$ —	—	1,142	1,142	1,120

Gross to Net Derivative Reconciliation		April 2, 2023		January 1, 2023
(Dollars in Millions)				
Total Gross Assets	$	2,092		2,201
Credit Support Agreement (CSA)		(2,028)		(2,176)
Total Net Asset		64		25
Total Gross Liabilities		2,958		3,357
Credit Support Agreement (CSA)		(2,729)		(3,023)
Total Net Liabilities	$	229		334

Summarized information about changes in liabilities for contingent consideration for the fiscal first quarters ended 2023 and 2022 is as follows:

		April 2, 2023	April 3, 2022
(Dollars in Millions)			
Beginning Balance	$	1,120	533
Changes in estimated fair value [6]		23	(47)
Additions		—	—
Payments		(1)	—
Ending Balance	$	1,142	486

[1] 2022 assets and liabilities are all classified as Level 2 with the exception of equity investments of $576 million, which are classified as Level 1 and contingent consideration of $1,120 million, classified as Level 3.
[2] Includes cross currency interest rate swaps and interest rate swaps.
[3] Classified as non-current other assets.
[4] Classified within cash equivalents and current marketable securities.
[5] Includes $1,138 million and $1,116 million, classified as non-current other liabilities as of April 2, 2023 and January 1, 2023, respectively. Includes $4 million and $4 million classified as current liabilities as of April 2, 2023 and January 1, 2023, respectively.
[6] Ongoing fair value adjustment amounts are primarily recorded in Research and Development expense.

The Company's cash, cash equivalents, restricted cash and current marketable securities as of April 2, 2023 comprised:

(Dollars in Millions)		Carrying Amount	Gain/(Loss)	Estimated Fair Value	Cash & Cash Equivalents	Current Marketable Securities
Cash	$	4,674	—	4,674	4,674	—
Restricted cash[1]		7,695	—	7,695	7,695	—
U.S. reverse repurchase agreements		6,286	—	6,286	6,286	—
Corporate debt securities[2]		672	—	672	300	372
Money market funds		3,364	—	3,364	3,364	—
Time deposits[2]		675	—	675	675	—
Subtotal		23,366	—	23,366	22,994	372
			Unrealized Loss			
U.S. Gov't securities		8,462	(9)	8,453	3,804	4,649
U.S. Gov't Agencies		185	(3)	182	—	182
Corporate debt securities		308	(1)	307	67	240
Subtotal available for sale debt[3]	$	8,955	(13)	8,942	3,871	5,071
Total cash, cash equivalents, restricted cash and current marketable securities	$	32,321	(13)	32,308	26,865	5,443

[1] Relates to the Kenvue Inc. (Kenvue) debt offering. See debt schedule below for additional details.
[2] Held to maturity investments are reported at amortized cost and gains or losses are reported in earnings.
[3] Available for sale debt securities are reported at fair value with unrealized gains and losses reported net of taxes in other comprehensive income.

As of the fiscal year ended January 1, 2023, the carrying amount was approximately the same as the estimated fair value.

Fair value of government securities and obligations and corporate debt securities was estimated using quoted broker prices and significant other observable inputs.

The Company classifies all highly liquid investments with stated maturities of three months or less from date of purchase as cash equivalents and all highly liquid investments with stated maturities of greater than three months from the date of purchase as current marketable securities. Available for sale securities with stated maturities of greater than one year from the date of purchase are available to fund current operations and are classified as cash equivalents and current marketable securities.

The contractual maturities of the available for sale securities as of April 2, 2023 are as follows:

(Dollars in Millions)		Cost Basis	Fair Value
Due within one year	$	8,901	8,889
Due after one year through five years		54	53
Due after five years through ten years		—	—
Total debt securities	$	8,955	8,942

Financial Instruments not measured at Fair Value:
The following financial liabilities are held at carrying amount on the consolidated balance sheet as of April 2, 2023:

(Dollars in Millions)		Carrying Amount	Estimated Fair Value
Financial Liabilities			
Current Debt	$	17,979	17,982
Non-Current Debt			
0.650% Notes due 2024 (750MM Euro 1.0909)		812	796
5.50% Notes due 2024 (500MM GBP 1.2359)		617	626
2.625% Notes due 2025		749	732
0.55% Notes due 2025		936	920
2.45% Notes due 2026		1,997	1,924
2.95% Notes due 2027		896	968
0.95% Notes due 2027		1,412	1,329
2.90% Notes due 2028		1,496	1,438
1.150% Notes due 2028 (750MM Euro 1.0909)		814	737
6.95% Notes due 2029		298	368
1.30% Notes due 2030		1,628	1,469
4.95% Debentures due 2033		498	543
4.375% Notes due 2033		854	879
1.650% Notes due 2035 (1.5B Euro 1.0909)		1,629	1,369
3.55% Notes due 2036		864	933
5.95% Notes due 2037		993	1,161
3.625% Notes due 2037		1,359	1,389
3.40% Notes due 2038		992	896
5.85% Debentures due 2038		697	806
4.50% Debentures due 2040		540	551
2.10% Notes due 2040		852	726
4.85% Notes due 2041		297	311
4.50% Notes due 2043		496	501
3.70% Notes due 2046		1,976	1,785
3.75% Notes due 2047		837	899
3.50% Notes due 2048		743	651
2.25% Notes due 2050		834	667
2.45% Notes due 2060		1,080	819
5.50% Debentures due 2025*		748	775
5.35% Debentures due 2026*		747	776
5.05% Debentures due 2028*		993	1,038
5.00% Debentures due 2030*		992	1,033
4.90% Debentures due 2033*		1,240	1,271
5.10% Debentures due 2043*		741	774
5.05% Debentures due 2053*		1,476	1,540
5.20% Debentures due 2063*		738	776
Other		57	56
Total Non-Current Debt	$	34,928	34,232

The weighted average effective interest rate on non-current debt is 3.47%.

The excess of the carrying value over the estimated fair value of debt was $1.6 billion at January 1, 2023.

In March 2023, Kenvue, a wholly owned subsidiary of the Company, priced an offering of senior unsecured notes in an aggregate principal amount of $7.75 billion (tranches with an * in the above table). The senior unsecured notes (the Notes) will be senior unsecured obligations of Kenvue and will initially be fully and unconditionally guaranteed (the Guarantees) on a senior unsecured basis by the Company. The Guarantees will terminate upon (1) the completion in all material respects of the transfer of the assets and liabilities of Johnson & Johnson's Consumer Health Business to Kenvue and (2) Kenvue having registered equity securities. The Notes were issued in connection with Johnson & Johnson's separation of its Consumer Health Business. The proceeds of the Notes offering were placed in a segregated escrow account pending the transfer of the assets and liabilities of the Consumer Health Business to Kenvue and as such, classified as restricted cash as of the balance sheet date. On April 5, 2023, the net proceeds of the Notes were released from escrow upon completion of the Consumer Health Business transfer.

The current debt balance as of April 2, 2023 includes $16.9 billion of commercial paper which has a weighted average interest rate of 4.85% and a weighted average maturity of approximately three months.

Fair value of the non-current debt was estimated using market prices, which were corroborated by quoted broker prices and significant other observable inputs.

NOTE 5 — INCOME TAXES

The worldwide effective income tax rates for the fiscal first quarters of 2023 and 2022 were 90.8% and 12.2%, respectively. This increase in the consolidated tax rate as compared to the prior year fiscal first quarter is primarily due to a $6.9 billion charge related to the talc settlement proposal at an effective tax rate of 23.5% (for further information see Note 11 to the Consolidated Financial Statements).

In the first fiscal quarter of 2022, there were favorable tax benefits due to income mix for mark to market adjustments to the Company's investment portfolio and the impairment of the bermekimab AD IPR&D, both at the U.S. statutory rate. Additionally, the prior year's effective tax rate benefited from the impact of certain provisions of the Tax Cuts and Jobs Act of 2017 that became effective in 2022. These benefits were partially offset by incremental tax costs directly related to the planned separation of the Company's Consumer Health business in the first fiscal quarter of 2022 as compared to the first fiscal quarter of 2023.

The Company also received tax benefits from stock-based compensation that were either exercised or vested during each of the fiscal first quarters.

As of April 2, 2023, the Company had approximately $3.8 billion of liabilities from unrecognized tax benefits. The Company conducts business and files tax returns in numerous countries and currently has tax audits in progress in a number of jurisdictions. With respect to the United States, the IRS has completed its audit for the tax years through 2012 and is currently auditing tax years 2013 through 2016. The Company currently expects completion of this audit and settlement of the related tax liabilities in the next 12 months. As a result, the Company has classified approximately $1.7 billion of unrecognized tax benefits and associated interest as a current liability on the "Accrued taxes on Income" line of the Consolidated Balance Sheet as of the end of the first fiscal quarter of 2023 in anticipation of final settlement. Subsequent to April 2, 2023, the Company made a payment for approximately $1.4 billion to the U.S. Treasury for the estimated liability of the 2013-2016 IRS Audit. The completion of this tax audit may result in additional adjustments to the Company's unrecognized tax benefit liability. In other major jurisdictions where the Company conducts business, the years that remain open to tax audit go back to the year 2008. The Company believes it is possible that some tax audits may be completed over the next twelve months by taxing authorities in some jurisdictions. However, the Company is not able to provide a reasonably reliable estimate of the timing of any other future tax payments relating to uncertain tax positions.

NOTE 6 — PENSIONS AND OTHER BENEFIT PLANS

Components of Net Periodic Benefit Cost
Net periodic benefit costs for the Company's defined benefit retirement plans and other benefit plans include the following components:

	Fiscal First Quarter Ended			
	Retirement Plans		Other Benefit Plans	
(Dollars in Millions)	April 2, 2023	April 3, 2022	April 2, 2023	April 3, 2022
Service cost	$ 212	321	68	80
Interest cost	354	230	54	26
Expected return on plan assets	(668)	(699)	(1)	(2)
Amortization of prior service cost/(credit)	(46)	(46)	—	(1)
Recognized actuarial (gains) losses	(50)	162	6	30
Curtailments and settlements	—	1	—	—
Net periodic benefit cost/(credit)	$ (198)	(31)	127	133

The service cost component of net periodic benefit cost is presented in the same line items on the Consolidated Statement of Earnings where other employee compensation costs are reported, including Cost of products sold, Research and development expense, and Selling, marketing and administrative expenses. All other components of net periodic benefit cost are presented as part of Other (income) expense, net on the Consolidated Statement of Earnings.

Company Contributions
For the fiscal three months ended April 2, 2023, the Company contributed $27 million and $6 million to its U.S. and international retirement plans, respectively. The Company plans to continue to fund its U.S. defined benefit plans to comply with the Pension Protection Act of 2006. International plans are funded in accordance with local regulations.

NOTE 7 — ACCUMULATED OTHER COMPREHENSIVE INCOME

Components of other comprehensive income (loss) consist of the following:

(Dollars in Millions)	Foreign Currency Translation	Gain/(Loss) On Securities	Employee Benefit Plans	Gain/(Loss) On Derivatives & Hedges	Total Accumulated Other Comprehensive Income (Loss)
January 1, 2023	$ (11,813)	(27)	(897)	(230)	(12,967)
Net change	(181)	17	(68)	573	341
April 2, 2023	$ (11,994)	(10)	(965)	343	(12,626)

Amounts in accumulated other comprehensive income are presented net of the related tax impact. Foreign currency translation is not adjusted for income taxes where it relates to permanent investments in international subsidiaries. For additional details on comprehensive income see the Consolidated Statements of Comprehensive Income.

Details on reclassifications out of Accumulated Other Comprehensive Income:

Gain/(Loss) On Securities - reclassifications released to Other (income) expense, net.

Employee Benefit Plans - reclassifications are included in net periodic benefit cost. See Note 6 for additional details.

Gain/(Loss) On Derivatives & Hedges - reclassifications to earnings are recorded in the same account as the underlying transaction. See Note 4 for additional details.

NOTE 8 — EARNINGS/(LOSS) PER SHARE

The following is a reconciliation of basic net earnings/(loss) per share to diluted net earnings/(loss) per share:

	Fiscal First Quarter Ended	
(Shares in Millions)	April 2, 2023	April 3, 2022
Basic net earnings/(loss) per share	$ (0.03)	1.96
Average shares outstanding — basic	2,605.5	2,629.2
Potential shares exercisable under stock option plans	—	140.1
Less: shares which could be repurchased under treasury stock method	—	(102.8)
Average shares outstanding — basic/diluted*	2,605.5	2,666.5
Net earnings/(loss) per share (basic/diluted)*	$ (0.03)	1.93

The diluted net earnings per share calculation for the fiscal first quarter ended April 3, 2022 included all shares related to stock options, as the exercise price of all options was less than the average market value of the Company’s stock.

* Basic shares are used to calculate loss per share when in a loss position.

NOTE 9 — SEGMENTS OF BUSINESS AND GEOGRAPHIC AREAS

SALES BY SEGMENT OF BUSINESS

(Dollars in Millions)	Fiscal First Quarter Ended April 2, 2023	April 3, 2022	Percent Change
CONSUMER HEALTH			
OTC			
U.S.	$ 745	670	11.0 %
International	897	791	13.5
Worldwide	1,642	1,461	12.4
Skin Health/Beauty			
U.S.	617	544	13.4
International	493	468	5.3
Worldwide	1,110	1,012	9.7
Oral Care			
U.S.	159	143	11.6
International	202	223	(9.6)
Worldwide	361	366	(1.3)
Baby Care			
U.S.	96	85	13.0
International	263	270	(2.8)
Worldwide	359	355	1.0
Women's Health			
U.S.	3	3	1.8
International	214	224	(4.9)
Worldwide	217	228	(4.8)
Wound Care/Other			
U.S.	115	112	2.6
International	49	52	(6.0)
Worldwide	164	164	(0.1)
TOTAL CONSUMER HEALTH			
U.S.	1,735	1,557	11.4
International	2,117	2,029	4.4
Worldwide	3,852	3,586	7.4

PHARMACEUTICAL			
Immunology			
U.S.	2,448	2,501	(2.1)
International	1,664	1,617	2.9
Worldwide	4,112	4,119	(0.2)
REMICADE			
U.S.	276	358	(22.8)
U.S. Exports	41	80	(48.8)
International	170	225	(24.4)
Worldwide	487	663	(26.5)
SIMPONI / SIMPONI ARIA			
U.S.	271	287	(5.6)
International	266	283	(6.1)
Worldwide	537	571	(5.8)
STELARA			
U.S.	1,451	1,379	5.2
International	993	909	9.3
Worldwide	2,444	2,288	6.8
TREMFYA			
U.S.	406	391	3.9
International	234	199	17.3
Worldwide	640	590	8.4
OTHER IMMUNOLOGY			
U.S.	3	6	(51.2)
International	0	0	—
Worldwide	3	6	(51.3)
Infectious Diseases			
U.S.	392	461	(14.9)
International	1,193	836	42.8
Worldwide	1,586	1,297	22.3
COVID-19 VACCINE			
U.S.	0	75	*
International	747	382	95.6
Worldwide	747	457	63.4
EDURANT / rilpivirine			
U.S.	9	9	(1.4)
International	271	239	13.4
Worldwide	280	248	12.8
PREZISTA / PREZCOBIX / REZOLSTA / SYMTUZA			
U.S.	378	369	2.5
International	99	132	(25.2)
Worldwide	477	501	(4.8)

OTHER INFECTIOUS DISEASES			
U.S.	5	8	(33.1)
International	77	83	(7.6)
Worldwide	82	91	(9.8)
Neuroscience			
U.S.	978	843	16.0
International	826	898	(8.1)
Worldwide	1,804	1,741	3.6
CONCERTA / methylphenidate			
U.S.	70	35	*
International	136	122	11.4
Worldwide	206	157	31.4
INVEGA SUSTENNA / XEPLION / INVEGA TRINZA / TREVICTA			
U.S.	713	661	7.9
International	331	387	(14.6)
Worldwide	1,044	1,048	(0.4)
SPRAVATO			
U.S.	111	61	82.4
International	20	9	*
Worldwide	131	70	86.9
OTHER NEUROSCIENCE[(1)]			
U.S.	84	86	(3.5)
International	339	380	(10.7)
Worldwide	423	467	(9.4)
Oncology			
U.S.	1,889	1,582	19.4
International	2,223	2,369	(6.1)
Worldwide	4,112	3,950	4.1
CARVYKTI			
U.S.	70	—	*
International	2	—	*
Worldwide	72	—	*
DARZALEX			
U.S.	1,191	953	25.0
International	1,072	903	18.8
Worldwide	2,264	1,856	22.0
ERLEADA			
U.S.	249	206	21.2
International	293	194	50.9
Worldwide	542	400	35.6
IMBRUVICA			
U.S.	270	370	(27.1)
International	557	668	(16.6)
Worldwide	827	1,038	(20.3)
ZYTIGA / abiraterone acetate			

U.S.	16	19	(14.0)
International	229	520	(56.0)
Worldwide	245	539	(54.5)
OTHER ONCOLOGY			
U.S.	92	34	*
International	70	84	(17.2)
Worldwide	162	118	37.4
Pulmonary Hypertension			
U.S.	600	572	4.9
International	272	279	(2.7)
Worldwide	872	852	2.4
OPSUMIT			
U.S.	273	273	(0.1)
International	167	170	(1.6)
Worldwide	440	443	(0.7)
UPTRAVI			
U.S.	304	269	13.1
International	58	56	3.3
Worldwide	362	325	11.4
OTHER PULMONARY HYPERTENSION			
U.S.	23	30	(22.4)
International	47	53	(12.6)
Worldwide	70	83	(16.1)
Cardiovascular / Metabolism / Other			
U.S.	715	672	6.3
International	212	238	(10.8)
Worldwide	927	910	1.8
XARELTO			
U.S.	578	508	13.7
International	—	—	—
Worldwide	578	508	13.7
OTHER[(2)]			
U.S.	137	164	(16.7)
International	212	238	(10.8)
Worldwide	349	402	(13.2)
TOTAL PHARMACEUTICAL			
U.S.	7,023	6,632	5.9
International	6,390	6,237	2.4
Worldwide	13,413	12,869	4.2

MEDTECH			
Interventional Solutions			
U.S.	863	494	74.5
International	640	597	7.1
Worldwide	1,503	1,092	37.6
ELECTROPHYSIOLOGY			
U.S.	571	470	21.4
International	522	532	(1.8)
Worldwide	1,092	1,002	9.1
ABIOMED[3]			
U.S.	264	—	*
International	60	—	*
Worldwide	324	—	*
OTHER INTERVENTIONAL SOLUTIONS			
U.S.	28	24	17.4
International	58	65	(11.7)
Worldwide	87	90	(3.9)
Orthopaedics			
U.S.	1,363	1,289	5.8
International	881	899	(2.0)
Worldwide	2,245	2,188	2.6
HIPS			
U.S.	241	225	7.3
International	149	164	(9.0)
Worldwide	390	389	0.4
KNEES			
U.S.	226	201	12.4
International	142	138	3.4
Worldwide	368	339	8.7
TRAUMA			
U.S.	491	475	3.2
International	267	273	(2.4)
Worldwide	757	748	1.2
SPINE, SPORTS & OTHER			
U.S.	406	387	4.7
International	323	324	(0.3)
Worldwide	729	712	2.4
Surgery			
U.S.	975	921	5.9
International	1,459	1,513	(3.6)
Worldwide	2,434	2,434	0.0
ADVANCED			
U.S.	444	417	6.5
International	673	729	(7.6)
Worldwide	1,118	1,146	(2.5)
GENERAL			
U.S.	531	504	5.4

International	785	784	0.2
Worldwide	1,316	1,288	2.2
Vision			
U.S.	558	521	7.1
International	743	736	0.8
Worldwide	1,300	1,257	3.4
CONTACT LENSES / OTHER			
U.S.	444	400	11.1
International	509	511	(0.3)
Worldwide	953	910	4.7
SURGICAL			
U.S.	114	121	(6.0)
International	233	226	3.3
Worldwide	347	347	0.1
TOTAL MEDTECH			
U.S.	3,759	3,225	16.6
International	3,722	3,746	(0.6)
Worldwide	7,481	6,971	7.3
WORLDWIDE			
U.S.	12,517	11,414	9.7
International	12,229	12,012	1.8
Worldwide	$ 24,746	23,426	5.6 %

*Percentage greater than 100% or not meaningful
(1) Inclusive of RISPERDAL CONSTA which was previously disclosed separately
(2) Inclusive of INVOKANA which was previously disclosed separately
(3) Acquired on December 22, 2022

EARNINGS/(LOSS) BEFORE PROVISION FOR TAXES BY SEGMENT

	Fiscal First Quarter Ended		
(Dollars in Millions)	April 2, 2023	April 3, 2022	Percent Change
Consumer Health(1)	$ 776	686	13.1 %
Pharmaceutical(2)	4,444	3,924	13.3
MedTech(3)	1,445	1,477	(2.2)
Segment earnings before provision for taxes	6,665	6,087	9.5
Less: Expense not allocated to segments (4)	7,102	123	
Less: Consumer Health separation costs	300	102	
Worldwide income/(loss) before tax	$ (737)	5,862	*

*Percentage greater than 100% or not meaningful

(1) Consumer Health includes:

- Intangible amortization expense of $0.1 billion in both the fiscal first quarter of 2023 and 2022.

(2) Pharmaceutical includes:

- Intangible amortization expense of $0.7 billion and $0.8 billion in the fiscal first quarter of 2023 and 2022, respectively.
- COVID-19 Vaccine related exit costs of $0.4 billion in the fiscal first quarter of 2023.
- A restructuring related charge of $0.1 billion in the fiscal first quarter of 2023.

- In the fiscal first quarter of 2022, the Company recorded an intangible asset impairment charge of approximately $0.6 billion related to an in-process research and development asset, bermekimab (JnJ-77474462), an investigational drug for the treatment of Atopic Dermatitis (AD) and Hidradenitis Suppurativa (HS).
- Unfavorable changes in the fair value of securities in the fiscal first quarter of 2022 of $0.4 billion.

(3) MedTech includes:
- Intangible amortization expense of $0.4 billion and $0.3 billion in the fiscal first quarter of 2023 and 2022, respectively.
- A restructuring related charge of $0.1 billion in the fiscal first quarter of 2022.

(4)Amounts not allocated to segments include interest income/expense and general corporate income/expense. The fiscal first quarter of 2023 includes the incremental $6.9 billion charge related to the talc settlement proposal. See Note 11, Legal Proceedings, for additional details.

SALES BY GEOGRAPHIC AREA

	Fiscal First Quarter Ended		
(Dollars in Millions)	April 2, 2023	April 3, 2022	Percent Change
United States	$ 12,517	11,414	9.7 %
Europe	6,332	6,024	5.1
Western Hemisphere, excluding U.S.	1,587	1,482	7.1
Asia-Pacific, Africa	4,310	4,506	(4.3)
Total	$ 24,746	23,426	5.6 %

NOTE 10— ACQUISITIONS AND DIVESTITURES

There were no acquisitions or divestitures in the fiscal first quarter of 2023.

On December 22, 2022, the Company completed the acquisition of Abiomed, a leading, first-to-market provider of cardiovascular medical technology with a first-in-kind portfolio for the treatment of coronary artery disease and heart failure which also has an extensive innovation pipeline of life-saving technologies. The transaction broadens the Company's position as a growing cardiovascular innovator, advancing the standard of care in heart failure and recovery, one of healthcare's largest areas of unmet need. The transaction was accounted for as a business combination and the results of operations were included in the MedTech segment as of the date of the acquisition. The acquisition was completed through a tender offer for all outstanding shares. The consideration paid in the acquisition consisted of an upfront payment of $380.00 per share in cash, amounting to $17.1 billion, net of cash acquired, as well as a non-tradeable contingent value right (CVR) entitling the holder to receive up to $35.00 per share in cash (which with respect to the CVRs total approximately $1.6 billion in the aggregate) if certain commercial and clinical milestones are achieved. The corresponding enterprise value (without taking into account the CVRs) of approximately $16.5 billion includes cash, cash equivalents and marketable securities acquired.
The milestones of the CVR consist of:

a. $17.50 per share, payable if net sales for Abiomed products exceeds $3.7 billion during Johnson & Johnson's fiscal second quarter of 2027 through fiscal first quarter of 2028, or if this threshold is not met during this period and is subsequently met during any rolling four quarter period up to the end of Johnson & Johnson's fiscal first quarter of 2029, $8.75per share;
b. $7.50 per share payable upon FDA premarket application approval of the use of Impella® products in ST-elevated myocardial infarction (STEMI) patients without cardiogenic shock by January 1, 2028; and
c. $10.00 per share payable upon the first publication of a Class I recommendation for the use of Impella® products in high risk PCI or STEMI with or without cardiogenic shock within four years from their respective clinical endpoint publication dates, but in all cases no later than December 31, 2029.

The fair value of the acquisition was initially allocated to assets acquired of $19.9 billion (net of $0.3 billion cash acquired), primarily to goodwill for $10.9 billion, amortizable intangible assets for $6.6 billion, IPR&D for $1.1 billion, marketable securities of $0.6 billion and liabilities assumed of $2.8 billion, which includes the fair value of the contingent consideration mentioned above for $0.7 billion and deferred taxes of $1.8 billion. The goodwill is primarily attributable to the commercial acceleration and expansion of the portfolio and is not expected to be deductible for tax purposes. The contingent consideration was recorded in Other Liabilities on the Consolidated Balance Sheet.

As the acquisition occurred in December 2022, the Company is still finalizing the allocation of the purchase price to the individual assets acquired and liabilities assumed. The allocation of the purchase price included in the current period balance sheet is based on the best estimate of management and is preliminary and subject to change. To assist management in the allocation, the Company engaged valuation specialists to prepare appraisals. The Company will finalize the amounts recognized as the information necessary to complete the analysis is obtained. The Company expects to finalize these amounts as soon as possible but no later than one year from the acquisition date. In the fiscal first quarter of 2023, there were purchase price allocation adjustments netting to approximately $0.1 billion with an offsetting increase to goodwill.

The amortizable intangible assets were primarily comprised of already in-market products of the Impella® platform with an average weighted life of 14 years. The IPR&D assets were valued for technology programs for unapproved products. The value of the IPR&D was calculated using probability-adjusted cash flow projections discounted for the risk inherent in such projects. The probability of success factor ranged from 52% to 70%. The discount rate applied was 9.5%.

In 2022, the Company recorded acquisition related costs before tax of approximately $0.3 billion, which was recorded in Other (income)/expense.

There were no material acquisitions or divestitures in the fiscal first quarter of 2022.

NOTE 11 — LEGAL PROCEEDINGS

Johnson & Johnson and certain of its subsidiaries are involved in various lawsuits and claims regarding product liability; intellectual property; commercial; indemnification and other matters; governmental investigations; and other legal proceedings that arise from time to time in the ordinary course of their business.

The Company records accruals for loss contingencies associated with these legal matters when it is probable that a liability will be incurred, and the amount of the loss can be reasonably estimated. As of April 2, 2023, the Company has determined that the liabilities associated with certain litigation matters are probable and can be reasonably estimated. The Company has accrued for these matters and will continue to monitor each related legal issue and adjust accruals as might be warranted based on new information and further developments in accordance with ASC 450-20-25. For these and other litigation and regulatory matters discussed below for which a loss is probable or reasonably possible, the Company is unable to estimate the possible loss or range of loss beyond the amounts accrued. Amounts accrued for legal contingencies often result from a complex series of judgments about future events and uncertainties that rely heavily on estimates and assumptions including timing of related payments. The ability to make such estimates and judgments can be affected by various factors including, among other things, whether damages sought in the proceedings are unsubstantiated or indeterminate; scientific and legal discovery has not commenced or is not complete; proceedings are in early stages; matters present legal uncertainties; there are significant facts in dispute; procedural or jurisdictional issues; the uncertainty and unpredictability of the number of potential claims; ability to achieve comprehensive multi-party settlements; complexity of related cross-claims and counterclaims; and/or there are numerous parties involved. To the extent adverse awards, judgments or verdicts have been rendered against the Company, the Company does not record an accrual until a loss is determined to be probable and can be reasonably estimated.

In the Company’s opinion, based on its examination of these matters, its experience to date and discussions with counsel, the ultimate outcome of legal proceedings, net of liabilities accrued in the Company’s balance sheet, is not expected to have a material adverse effect on the Company’s financial position. However, the resolution of, or increase in accruals for, one or more of these matters in any reporting period may have a material adverse effect on the Company’s results of operations and cash flows for that period.

MATTERS CONCERNING TALC

A significant number of personal injury claims alleging that talc causes cancer were made against Johnson & Johnson Consumer Inc. and the Company arising out of the use of body powders containing talc, primarily JOHNSON’S Baby Powder. The number of these personal injury lawsuits, filed in state and federal courts in the United States as well as outside of the United States, continued to increase.

In talc cases that previously have gone to trial, the Company has obtained a number of defense verdicts, but there also have been verdicts against the Company, many of which have been reversed on appeal. In June 2020, the Missouri Court of Appeals reversed in part and affirmed in part a July 2018 verdict of $4.7 billion in Ingham v. Johnson & Johnson, et al., No. ED 207476 (Mo. App.), reducing the overall award to $2.1 billion. An application for transfer of the case to the Missouri Supreme Court was subsequently denied and in June 2021, a petition for certiorari, seeking a review of the Ingham decision by the United States Supreme Court, was denied. In June 2021, the Company paid the award, which, including interest, totaled approximately $2.5 billion. The facts and circumstances, including the terms of the award, were unique to the Ingham decision and not representative of other claims brought against the Company. The Company continues to believe that it has strong legal grounds to contest the other talc verdicts that it has appealed. Notwithstanding the Company’s confidence in the safety of its talc products, in certain circumstances the Company has settled cases.

In October 2021, Johnson & Johnson Consumer Inc. (Old JJCI) implemented a corporate restructuring (the 2021 Corporate Restructuring). As a result of that restructuring, Old JJCI ceased to exist and three new entities were created: (a) LTL Management LLC, a North Carolina limited liability company (LTL or Debtor); (b) Royalty A&M LLC, a North Carolina limited liability company and a direct subsidiary of LTL (RAM); and (c) the Debtor's direct parent, Johnson & Johnson Consumer Inc., a New Jersey company (New JJCI). The Debtor received certain of Old JJCI's assets and became solely responsible for the talc-related liabilities of Old JJCI, including all liabilities related in any way to injury or damage, or alleged injury or damage, sustained or incurred in the purchase or use of, or exposure to, talc, including talc contained in any product, or to the risk of, or responsibility for, any such damage or injury, except for any liabilities for which the exclusive remedy is provided under a workers' compensation statute or act (the Talc-Related Liabilities).

In October 2021, notwithstanding the Company's confidence in the safety of its talc products, the Debtor filed a voluntary petition with the United States Bankruptcy Court for the Western District of North Carolina, Charlotte Division, seeking relief under chapter 11 of the Bankruptcy Code (the LTL Bankruptcy Case). All litigation against LTL, Old JJCI, New JJCI, the Company, other of their corporate affiliates, identified retailers, insurance companies, and certain other parties (the Protected Parties) was stayed, although LTL did agree to lift the stay on a small number of appeals where appeal bonds had been filed. The LTL Bankruptcy Case was transferred to the United States Bankruptcy Court for the District of New Jersey. Claimants filed motions to dismiss the LTL Bankruptcy Case and, following a multiple day hearing, the New Jersey Bankruptcy Court denied those motions in March 2022.

The claimants subsequently filed notices of appeal as to the denial of the motions to dismiss the LTL Bankruptcy Case and the extension of the stay to the Protected Parties. On January 30, 2023, the Third Circuit reversed the Bankruptcy Court's ruling and remanded to the Bankruptcy Court to dismiss the LTL bankruptcy.

LTL filed a petition for rehearing of the Third Circuit's decision, which was denied on March 22, 2023. On the same day, LTL filed a motion in the Third Circuit to stay the mandate directing the New Jersey Bankruptcy Court to dismiss the LTL bankruptcy pending filing and disposition of a petition for writ of certiorari to the United States Supreme Court. On March 31, 2023, the Third Circuit denied the motion to stay the mandate and issued the mandate.

On April 4, 2023, the New Jersey Bankruptcy Court dismissed the LTL Bankruptcy Case, effectively lifting the stay as to all parties and returning the talc litigation to the tort system. Several hours later, also on April 4, 2023, LTL re-filed in the United States Bankruptcy Court for the District of New Jersey seeking relief under chapter 11 of the Bankruptcy Code (the LTL 2 Bankruptcy Case). As a result of the new filing, all talc claims against LTL were again automatically stayed pursuant to section 362 of the Bankruptcy Code. Additionally, on April 5, 2023, the New Jersey Bankruptcy Court issued a temporary restraining order staying all litigation as to LTL, Old JJCI, New JJCI, the Company, identified retailers, and certain other parties (the New Protected Parties).

On April 20, 2023, the New Jersey Bankruptcy Court issued a decision that granted limited injunctive relief to the Company and the New Protected Parties (the LTL 2 Preliminary Injunction). The LTL 2 Preliminary Injunction will remain in force and effect until June 15, 2023, subject to the New Jersey Bankruptcy Court revisiting its ruling at a hearing scheduled for May 22, 2023. Under the LTL 2 Preliminary Injunction, except for in those cases filed in the federal court ovarian cancer multi-district litigation, discovery in all personal injury and wrongful death matters is permitted to proceed. No trials may occur in any of the personal injury and wrongful death matters. On April 24, 2023, the Talc Claimants' Committee filed a motion to dismiss the LTL 2 Bankruptcy.

In the original bankruptcy case, the Company agreed to provide funding to LTL for the payment of amounts the New Jersey Bankruptcy Court determines are owed by LTL and the establishment of a $2.0 billion trust in furtherance of this purpose. The Company established a reserve for approximately $2.0 billion in connection with the aforementioned trust. After and as a result of the filing of the LTL Bankruptcy Case, the Company de-consolidated LTL, which is a related party. The impact of the de-consolidation is not material to the Company. In the LTL 2 Bankruptcy Case, the Company has agreed to contribute an additional $6.9 billion which, when added to the prior $2.0 billion, will be a total reserve of present value of $8.9 billion payable over 25 years (nominal value approximately $12.0 billion discounted at a rate of 4.41%), to resolve all the current and future talc claims.

The expected payment schedule provides that approximately $6.0 billion is paid in the first two years, with the remainder paid over the remaining 23 years. The parties have not yet reached a resolution of all talc matters in the LTL Bankruptcy Case, and the Company is unable to estimate the possible loss or range of loss beyond the amount accrued.

A class action advancing claims relating to industrial talc was filed against the Company and others in New Jersey state court in May 2022 (the Edley Class Action). The Edley Class Action asserts, among other things, that the Company fraudulently defended past asbestos personal injury lawsuits arising from exposure to industrial talc mined, milled, and manufactured before January 6, 1989 by the Company's then wholly owned subsidiary, Windsor Minerals, Inc., which is currently a debtor in the Imerys Bankruptcy described hereafter. The Company removed the Edley Class Action to federal court in the District of New

Jersey. In October 2022, the Company filed motions to dismiss and to deny certification of a class to pursue the Edley Class Action in the New Jersey District Court.

In February 2019, the Company's talc supplier, Imerys Talc America, Inc. and two of its affiliates, Imerys Talc Vermont, Inc. and Imerys Talc Canada, Inc. (collectively, Imerys) filed a voluntary petition under chapter 11 of the United States Code (the Bankruptcy Code) in the United States Bankruptcy Court for the District of Delaware (Imerys Bankruptcy). The Imerys Bankruptcy relates to Imerys's potential liability for personal injury from exposure to talcum powder sold by Imerys. In its bankruptcy, Imerys alleges it has claims against the Company for indemnification and rights to joint insurance proceeds.

In June 2020, Cyprus Mines Corporation and its parent, Cyprus Amax Minerals Company (CAMC) (together, Cyprus), which had owned certain Imerys talc mines, filed an adversary proceeding against the Company and Imerys in the Imerys Bankruptcy seeking a declaration of indemnity rights under certain contractual agreements (the Cyprus Adversary Proceeding). The Company denies such indemnification is owed and filed a motion to dismiss the adversary complaint. In February 2021, Cyprus filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code and filed its Disclosure Statement and Plan (the Cyprus Plan). The Cyprus Plan contemplates a settlement with Imerys and talc claimants where Cyprus would make a monetary contribution to a trust established under the Imerys Plan in exchange for an injunction against talc claims asserted against it and certain protected parties. Cyprus has not yet sought approval of its Disclosure Statement and Plan. Cyprus, along with the Tort Claimants' Committee (TCC) and Future Claimants' Representative (FCR) appointed in the Cyprus chapter 11 case, have agreed to participate in the mediation with the Mediation Parties. In October 2021, the Company filed a Notice of Bankruptcy Filing and Stay of Proceedings clarifying that the automatic stay arising upon the filing of the LTL Bankruptcy Case should apply to the Cyprus Adversary Proceeding. In June 2022, Cyprus commenced an Adversary Proceeding in its chapter 11 case seeking an order enforcing the automatic stay by enjoining parties from commencing or continuing "talc-related claims" against CAMC. In June 2022, the court entered a preliminary injunction order enjoining claimants from pursuing talc-related claims against CAMC through January 2023. The court subsequently extended the preliminary injunction through July 31, 2023.

Imerys, the TCC, the FCR, certain of Imerys's insurers, and certain parties in the Cyprus Mines chapter 11 case (collectively the Mediation Parties) have been engaged in mediation since October 2021.

In July 2021, Imerys commenced an adversary proceeding against the Company in the Imerys Bankruptcy (the Imerys Adversary Proceeding). The Imerys Adversary Proceeding sought, among other things, certain declarations with respect to the indemnification obligations allegedly owed by the Company to Imerys. The Company filed a motion to dismiss the adversary proceeding.

In February 2021, several of the Company's insurers involved in coverage litigation in New Jersey State Court (the Coverage Action) filed a motion in the Imerys Bankruptcy Court proceeding seeking a determination that the automatic stay does not apply to the Coverage Action and, in the alternative, seeking relief from the automatic stay to allow them to continue to litigate their claims in the Coverage Action. The Court entered an agreed order modifying the stay to allow the litigation in the Coverage Action to continue.

In February 2018, a securities class action lawsuit was filed against the Company and certain named officers in the United States District Court for the District of New Jersey, alleging that the Company violated the federal securities laws by failing to disclose alleged asbestos contamination in body powders containing talc, primarily JOHNSON'S Baby Powder, and that purchasers of the Company's shares suffered losses as a result. In April 2019, the Company moved to dismiss the complaint. In December 2019, the Court denied, in part, the motion to dismiss. In April 2021, briefing on Plaintiff's motion for class certification was completed. In March 2022, LTL asked the New Jersey Bankruptcy Court to stay the securities class action. In May 2022, the New Jersey Bankruptcy Court entered an order staying the securities class action and Plaintiff appealed the Bankruptcy Court's order. However, on March 31, 2023, the Third Circuit issued the mandate to dismiss the LTL Bankruptcy Case, which mooted the appeal, and on April 4, 2023, the New Jersey Bankruptcy Court dismissed the LTL Bankruptcy Case, effectively lifting the stay as to this matter.

A lawsuit was brought against the Company in the Superior Court of California for the County of San Diego alleging violations of California's Consumer Legal Remedies Act (CLRA) relating to JOHNSON'S Baby Powder. In that lawsuit, the plaintiffs allege that the Company violated the CLRA by failing to provide required Proposition 65 warnings. In July 2019, the Company filed a notice of removal to the United States District Court for the Southern District of California and plaintiffs filed a second amended complaint shortly thereafter. In October 2019, the Company moved to dismiss the second amended complaint for failure to state a claim upon which relief may be granted. In response to those motions, plaintiffs filed a third amended complaint. In December 2019, the Company moved to dismiss the third amended complaint for failure to state a claim upon which relief may be granted. In April 2020, the Court granted the motion to dismiss but granted leave to amend. In May 2020, plaintiffs filed a Fourth Amended Complaint but indicated that they would be filing a motion for leave to file a fifth amended complaint. Plaintiffs filed a Fifth Amended Complaint in August 2020. The Company moved to dismiss the Fifth Amended Complaint for failure to state a claim upon which relief may be granted. In January 2021, the Court issued an Order and opinion ruling in the Company's favor and granting the motion to dismiss with prejudice. In February 2021, Plaintiffs filed a Notice of

Appeal with the Ninth Circuit. Plaintiffs filed their opening brief in July 2021. The company filed its responsive brief in October 2021.

In June 2014, the Mississippi Attorney General filed a complaint in Chancery Court of The First Judicial District of Hinds County, Mississippi against the Company and Johnson & Johnson Consumer Companies, Inc. (now known as Johnson & Johnson Consumer Inc.) (collectively, JJCI). The complaint alleges that JJCI violated the Mississippi Consumer Protection Act by failing to disclose alleged health risks associated with female consumers' use of talc contained in JOHNSON'S Baby Powder and JOHNSON'S Shower to Shower (a product divested in 2012) and seeks injunctive and monetary relief. In February 2022, the trial court set the case for trial to begin in February 2023. However, in October 2022, the LTL bankruptcy court issued an order staying the case. On March 31, 2023, the Third Circuit issued the mandate to dismiss the LTL Bankruptcy Case and on April 4, 2023, the New Jersey Bankruptcy Court dismissed the LTL Bankruptcy Case, effectively lifting the stay as to this matter. The trial court has indicated it will set a new trial date in this matter during the second fiscal quarter of 2024.

In January 2020, the State of New Mexico filed a consumer protection case alleging that the Company deceptively marketed and sold its talcum powder products by making misrepresentations about the safety of the products and the presence of carcinogens, including asbestos. In March 2022, the New Mexico court denied the Company's motion to compel the State of New Mexico to engage in discovery of state agencies and denied the Company's request for interlocutory appeal of that decision. The Company then filed a Petition for Writ of Superintending Control and a Request for a Stay to the New Mexico Supreme Court on the issue of the State of New Mexico's discovery obligations. In April 2022, in view of the efforts to resolve talc-related claims in the LTL Bankruptcy Case, the Company and the State agreed to a 60-day stay of all matters except for the pending writ before the New Mexico Supreme Court, which expired in June 2022. Thereafter, the Company moved to enjoin prosecution of the case in the LTL Bankruptcy Case. In October 2022, the bankruptcy court issued an order staying the case. In December 2022, the State filed an appeal to the Third Circuit concerning the stay order. Separately, in September 2022, the New Mexico Supreme Court granted the Company's request for a stay pending further briefing on the scope of the State of New Mexico's discovery obligations. On March 31, 2023, the Third Circuit issued the mandate to dismiss the LTL Bankruptcy Case and on April 4, 2023, the New Jersey Bankruptcy Court dismissed the LTL Bankruptcy Case, effectively lifting the stay as to this matter. However, this case remains stayed as a result of the New Mexico Supreme Court's stay until such time as the Supreme Court issues an order concerning the State of New Mexico's discovery obligations.

Forty-two states and the District of Columbia (including Mississippi and New Mexico) have commenced a joint investigation into the Company's marketing of its talcum powder products. At this time, the multi-state group has not asserted any claims against the Company. Five states have issued Civil Investigative Demands seeking documents and other information. The Company has produced documents to Arizona, North Carolina, Texas, and Washington and entered into confidentiality agreements. The Company has not received any follow up requests from those states. In March 2022, each of the forty-two states agreed to mediation of their claims in the LTL Bankruptcy Case. In July 2022, New Mexico and Mississippi indicated they would no longer voluntarily submit to further mediation in the LTL Bankruptcy and would proceed with their respective cases in state court. In March 2023, the mediation was terminated. The procedural history and status of the New Mexico and Mississippi matters specifically have been discussed above.

In addition, the Company has received inquiries, subpoenas, and requests to produce documents regarding talc matters and the LTL Bankruptcy Case from various governmental authorities. The Company has produced documents and responded to inquiries, and will continue to cooperate with government inquiries.

MATTERS CONCERNING OPIOIDS

Beginning in 2014 and continuing to the present, the Company and Janssen Pharmaceuticals, Inc. (JPI), along with other pharmaceutical companies, have been named in close to 3,500 lawsuits related to the marketing of opioids, including DURAGESIC, NUCYNTA and NUCYNTA ER. The suits also raise allegations related to previously owned narcotic raw material and active pharmaceutical ingredient supplier subsidiaries, Tasmanian Alkaloids Pty, Ltd. and Noramco, Inc. (both subsidiaries were divested in 2016). The majority of the cases have been filed by state and local governments, including 20 suits filed by state or territorial Attorneys General following a multi-state investigation of opioid marketing practices. Similar lawsuits have also been filed by private plaintiffs and organizations, including but not limited to the following: individual plaintiffs on behalf of children born with Neonatal Abstinence Syndrome (NAS); hospitals; and health insurers/payors. In August 2019, the Company received a grand jury subpoena from the United States Attorney's Office for the Eastern District of New York for documents related to the Company's anti-diversion policies and procedures and distribution of its opioid medications, in what the Company understands to be part of a broader investigation into manufacturers' and distributors' monitoring programs and reporting under the Controlled Substances Act.

The majority of the opioid marketing cases have been filed in federal courts and coordinated in a multi-district litigation proceeding in the United States District Court for the Northern District of Ohio (Ohio MDL), with most of the remainder in various state courts. To date, the Company and JPI have litigated two of the cases to judgment and have prevailed in both, either at trial or on appeal. In November 2021, the Oklahoma Supreme Court reversed a $465 million judgment entered against the Company and JPI on a public nuisance claim brought by the Oklahoma Attorney General, holding that the marketing of

lawful products was not actionable under the State's public nuisance law, and directing entry of judgment for the Company and JPI. In February 2022, the Superior Court of Orange County, California, entered judgment for the Company, JPI, and three other pharmaceutical manufacturers on public nuisance and deceptive marketing claims brought by four California local governments, holding that the plaintiffs had failed to prove that any defendant's marketing was deceptive or that any defendant's allegedly deceptive marketing led to medically inappropriate prescribing. The California plaintiffs appealed from that judgment, but abandoned their appeal after electing to participate in the Company's national settlement agreement.

In October 2019, after settling an initial test case brought by two Ohio counties in the Ohio MDL, the Company announced a proposed agreement in principle with a negotiating committee of state Attorneys General to settle all remaining government opioid litigation claims nationwide. Under the final national settlement agreement, which was announced in July 2021, the Company agreed to pay up to $5.0 billion to resolve all opioid lawsuits and future opioid claims by states, cities, counties, local school districts and other special districts, and tribal governments, contingent on sufficient participation by eligible government entities, and with credits back for entities that declined or were ineligible to participate. In July 2021, the Company announced that the terms of the agreement to settle the state and subdivision claims had been finalized and approximately half of the all-in settlement was paid by the first fiscal quarter of 2023. The expected payment schedule provides that approximately $0.6 billion of payments are to be paid by the end of the first fiscal quarter of 2024. The agreement is not an admission of liability or wrongdoing, and it provides for the release of all opioid-related claims against the Company, JPI, and their affiliates (including the Company's former subsidiaries Tasmanian Alkaloids Pty, Ltd. and Noramco, Inc.). By February 2022, 45 states, five territories, the District of Columbia, and the vast majority of eligible subdivisions had elected to participate in the settlement. The Company confirmed that this level of participation was sufficient to proceed with the agreement, which became effective in April 2022. Also in 2022, the Company completed separate settlements with most of the government entities that had declined to participate in the national settlement agreement, including all federally-recognized tribes, the States of Alabama, New Hampshire, and West Virginia and their participating subdivisions, and litigating Oklahoma subdivisions. Consequently, by the end of the fiscal year 2022, the Company and JPI had settled or otherwise resolved the opioid claims advanced by all government entity claimants except the State of Washington and its subdivisions, the City of Baltimore, a number of school districts and other special district claimants, and a handful of others.

The Company and JPI continue to defend the cases brought by the remaining government entity litigants as well as the cases brought by private litigants, including NAS claimants, hospitals, and health insurers/payors. Counting the private litigant cases, there are approximately 55 remaining opioid cases against the Company and JPI in various state courts, 545 remaining cases in the Ohio MDL, and 20 additional cases in other federal courts. Several of these cases are scheduled for trial in 2023, 2024, or 2025. In addition, the Province of British Columbia filed suit against the Company and its Canadian affiliate Janssen Inc., and many other industry members, in Canada, and is seeking to have that action certified as an opt in class action on behalf of other provincial/territorial and the federal governments in Canada. Additional proposed class actions have been filed in Canada against the Company and Janssen Inc., and many other industry members, by and on behalf of people who used opioids (for personal injuries), municipalities and First Nations bands. These actions allege a variety of claims related to opioid marketing practices, including false advertising, unfair competition, public nuisance, consumer fraud violations, deceptive acts and practices, false claims and unjust enrichment. The suits generally seek penalties and/or injunctive and monetary relief and, in some of the suits, the plaintiffs are seeking joint and several liability among the defendants. An adverse judgment in any of these lawsuits could result in the imposition of large monetary penalties and significant damages including, punitive damages, cost of abatement, substantial fines, equitable remedies and other sanctions.

From June 2017 through December 2019, the Company's Board of Directors received a series of shareholder demand letters alleging breaches of fiduciary duties related to the marketing of opioids. The Board retained independent counsel to investigate the allegations in the demands, and in April 2020, independent counsel delivered a report to the Board recommending that the Company reject the shareholder demands and take the steps that are necessary or appropriate to secure dismissal of related derivative litigation. The Board unanimously adopted the recommendations of the independent counsel's report.

In November 2019, one of the shareholders who sent a demand filed a derivative complaint against the Company as the nominal defendant and certain current and former directors and officers as defendants in the Superior Court of New Jersey. The complaint alleges breaches of fiduciary duties related to the marketing of opioids, and that the Company has suffered damages as a result of those alleged breaches. A series of additional derivative complaints making similar allegations against the same and similar defendants were filed in New Jersey state and federal courts in 2019 and 2020. By 2022, all but two state court cases had been voluntarily dismissed. In February 2022, the state court granted the Company's motion to dismiss one of the two cases, and the shareholder that brought the second case filed a notice of dismissal. The shareholder whose complaint was dismissed filed a motion for reconsideration. In May 2022, the state court held oral argument on the motion for reconsideration and subsequently denied the motion. The shareholder has appealed the state court's dismissal order.

PRODUCT LIABILITY

The Company and certain of its subsidiaries are involved in numerous product liability claims and lawsuits involving multiple products. Claimants in these cases seek substantial compensatory and, where available, punitive damages. While the Company believes it has substantial defenses, it is not feasible to predict the ultimate outcome of litigation. From time to time, even if it

has substantial defenses, the Company considers isolated settlements based on a variety of circumstances. The Company has accrued for these matters and will continue to monitor each related legal issue and adjust accruals as might be warranted based on new information and further developments in accordance with ASC 450-20-25. The Company accrues an estimate of the legal defense costs needed to defend each matter when those costs are probable and can be reasonably estimated. For certain of these matters, the Company has accrued additional amounts such as estimated costs associated with settlements, damages and other losses. Product liability accruals can represent projected product liability for thousands of claims around the world, each in different litigation environments and with different fact patterns. Changes to the accruals may be required in the future as additional information becomes available.

The table below contains the most significant of these cases and provides the approximate number of plaintiffs in the United States with direct claims in pending lawsuits regarding injuries allegedly due to the relevant product or product category as of April 2, 2023:

Product or product category	Number of Plaintiffs
Body powders containing talc, primarily JOHNSON'S Baby Powder	40,330
DePuy ASR XL Acetabular System and DePuy ASR Hip Resurfacing System	160
PINNACLE Acetabular Cup System	940
Pelvic meshes	8,780
ETHICON PHYSIOMESH Flexible Composite Mesh	2,070
RISPERDAL	520
ELMIRON	2,070
TYLENOL	200

The number of pending lawsuits is expected to fluctuate as certain lawsuits are settled or dismissed and additional lawsuits are filed.

MedTech

DePuy ASR XL Acetabular System and ASR Hip Resurfacing System

In August 2010, DePuy Orthopaedics, Inc. (DePuy) announced a worldwide voluntary recall of its ASR XL Acetabular System and DePuy ASR Hip Resurfacing System (ASR Hip) used in hip replacement surgery. Claims for personal injury have been made against DePuy and the Company. Cases filed in federal courts in the United States have been organized as a multi-district litigation in the United States District Court for the Northern District of Ohio. Litigation has also been filed in countries outside of the United States, primarily in the United Kingdom, Canada, Australia, Ireland, Germany, India and Italy. In November 2013, DePuy reached an agreement with a Court-appointed committee of lawyers representing ASR Hip plaintiffs to establish a program to settle claims with eligible ASR Hip patients in the United States who had surgery to replace their ASR Hips, known as revision surgery, as of August 2013. DePuy reached additional agreements in February 2015 and March 2017, which further extended the settlement program to include ASR Hip patients who had revision surgeries after August 2013 and prior to February 15, 2017. This settlement program has resolved more than 10,000 claims, thereby bringing to resolution significant ASR Hip litigation activity in the United States. However, lawsuits in the United States remain, and the settlement program does not address litigation outside of the United States. In Australia, a class action settlement was reached that resolved the claims of the majority of ASR Hip patients in that country. In Canada, the Company has reached agreements to settle the class actions filed in that country. The Company continues to receive information with respect to potential additional costs associated with this recall on a worldwide basis. The Company has established accruals for the costs associated with the United States settlement program and ASR Hip-related product liability litigation.

DePuy PINNACLE Acetabular Cup System

Claims for personal injury have also been made against DePuy Orthopaedics, Inc. and the Company (collectively, DePuy) relating to the PINNACLE Acetabular Cup System used in hip replacement surgery. Product liability lawsuits continue to be filed, and the Company continues to receive information with respect to potential costs and the anticipated number of cases. Most cases filed in federal courts in the United States have been organized as a multi-district litigation in the United States District Court for the Northern District of Texas (Texas MDL). Beginning on June 1, 2022, the Judicial Panel on Multidistrict Litigation ceased transfer of new cases into the Texas MDL, and there are now cases pending in federal court outside the Texas MDL. Litigation also has been filed in state courts and in countries outside of the United States. During the first quarter of 2019, DePuy established a United States settlement program to resolve these cases. As part of the settlement program, adverse verdicts have been settled. The Company has established an accrual for product liability litigation associated with the PINNACLE Acetabular Cup System and the related settlement program.

Ethicon Pelvic Mesh

Claims for personal injury have been made against Ethicon, Inc. (Ethicon) and the Company arising out of Ethicon's pelvic mesh devices used to treat stress urinary incontinence and pelvic organ prolapse. The Company continues to receive information with respect to potential costs and additional cases. Cases filed in federal courts in the United States had been organized as a multi-district litigation (MDL) in the United States District Court for the Southern District of West Virginia. In March 2021, the MDL Court entered an order closing the MDL. The MDL Court has remanded cases for trial to the jurisdictions where the case was originally filed and additional pelvic mesh lawsuits have been filed, and remain, outside of the MDL. The Company has settled or otherwise resolved the majority of the United States cases and the estimated costs associated with these settlements and the remaining cases are reflected in the Company's accruals. In addition, class actions and individual personal injury cases or claims seeking damages for alleged injury resulting from Ethicon's pelvic mesh devices have been commenced in various countries outside of the United States, including claims and cases in the United Kingdom, the Netherlands, Belgium, France, Ireland, Italy, Spain and Slovenia and class actions in Israel, Australia, Canada and South Africa. In November 2019, the Federal Court of Australia issued a judgment regarding its findings with respect to liability in relation to the three Lead Applicants and generally in relation to the design, manufacture, pre- and post-market assessments and testing, and supply and promotion of the devices in Australia used to treat stress urinary incontinence and pelvic organ prolapse. In September 2022, after exhausting its appeals, the Company reached an in-principle agreement to resolve the two pelvic mesh class actions in Australia and in March 2023 the Federal Court approved the settlement. The class actions in Canada were discontinued in 2020 as a result of a settlement of a group of cases and an agreement to resolve the Israeli class action was reached in May 2021. The parties in the Israeli class action are currently finalizing the terms of the settlement. A motion to approve the settlement was filed with the Court. The Company has established accruals with respect to product liability litigation associated with Ethicon's pelvic mesh products.

Ethicon Physiomesh

Following a June 2016 worldwide market withdrawal of Ethicon Physiomesh Flexible Composite Mesh (Physiomesh), claims for personal injury have been made against Ethicon, Inc. (Ethicon) and the Company alleging personal injury arising out of the use of this hernia mesh device. Cases filed in federal courts in the United States have been organized as a multi-district litigation (MDL) in the United States District Court for the Northern District of Georgia. A multi-county litigation (MCL) also has been formed in New Jersey state court and assigned to Atlantic County for cases pending in New Jersey. In addition to the matters in the MDL and MCL, there are additional lawsuits pending in the United States District Court for the Southern District of Ohio, which are part of the MDL for polypropylene mesh devices manufactured by C.R. Bard, Inc., and lawsuits pending in two New Jersey MCLs formed for Proceed/Proceed Ventral Patch and Prolene Hernia systems, and lawsuits pending outside the United States. In May 2021, Ethicon and lead counsel for the plaintiffs entered into a term sheet to resolve approximately 3,600 Physiomesh cases (covering approximately 4,300 plaintiffs) pending in the MDL and MCL at that time. A master settlement agreement (MSA) was entered into in September 2021 and includes 3,729 cases in the MDL and MCL. All deadlines and trial settings in those proceedings are currently stayed pending the completion of the settlement agreement. Of the cases subject to the MSA, 2,308 have been dismissed with prejudice. Ethicon has received releases from 3,496 plaintiffs, and releases continue to be submitted as part of the settlement process. Post-settlement cases in the Physiomesh MDL and MCL are subject to docket control orders requiring early expert reports and discovery requirements. As of March 2023, there are approximately 225 active cases subject to these orders which are being reviewed and evaluated.

Claims have also been filed against Ethicon and the Company alleging personal injuries arising from the PROCEED Mesh and PROCEED Ventral Patch hernia mesh products. In March 2019, the New Jersey Supreme Court entered an order consolidating these cases pending in New Jersey as an MCL in Atlantic County Superior Court. Additional cases have been filed in various federal and state courts in the United States, and in jurisdictions outside the United States.

Ethicon and the Company also have been subject to claims for personal injuries arising from the PROLENE Polypropylene Hernia System. In January 2020, the New Jersey Supreme Court created an MCL in Atlantic County Superior Court to handle such cases. Cases involving this product have also been filed in other federal and state courts in the United States.

In October 2022, an agreement in principle, subject to various conditions, was reached to settle the majority of the pending cases involving Proceed, Proceed Ventral Patch, Prolene Hernia System and related multi-layered mesh products. All litigation activities in the two New Jersey MCLs are stayed pending resolution of the proposed settlement. Future cases that are filed in the New Jersey MCLs will be subject to docket control orders requiring early expert reports and discovery requirements.

The Company has established accruals with respect to product liability litigation associated with Ethicon Physiomesh Flexible Composite Mesh, PROCEED Mesh and PROCEED Ventral Patch, and PROLENE Polypropylene Hernia System products.

Pharmaceuticals

RISPERDAL
Claims for personal injury have been made against Janssen Pharmaceuticals, Inc. and the Company arising out of the use of RISPERDAL, and related compounds, indicated for the treatment of schizophrenia, acute manic or mixed episodes associated with bipolar I disorder and irritability associated with autism. Lawsuits primarily have been filed in state courts in Pennsylvania, California, and Missouri. Other actions are pending in various courts in the United States and Canada. Product liability lawsuits continue to be filed, and the Company continues to receive information with respect to potential costs and the anticipated number of cases. The Company has successfully defended a number of these cases but there have been verdicts against the Company, including a verdict in October 2019 of $8.0 billion of punitive damages related to one plaintiff, which the trial judge reduced to $6.8 million in January 2020. In September 2021, the Company entered into a settlement in principle with the counsel representing plaintiffs in this matter and in substantially all of the outstanding cases in the United States. The costs associated with this and other settlements are reflected in the Company's accruals.

ELMIRON
Claims for personal injury have been made against a number of Johnson & Johnson companies, including Janssen Pharmaceuticals, Inc. and the Company, arising out of the use of ELMIRON, a prescription medication indicated for the relief of bladder pain or discomfort associated with interstitial cystitis. These lawsuits, which allege that ELMIRON contributes to the development of permanent retinal injury and vision loss, have been filed in both state and federal courts across the United States. In December 2020, lawsuits filed in federal courts in the United States, including putative class action cases seeking medical monitoring, were organized as a multi-district litigation in the United States District Court for the District of New Jersey. In addition, cases have been filed in various state courts of New Jersey, which have been coordinated in a multi-county litigation in Bergen County, as well as the Court of Common Pleas in Philadelphia, which have been coordinated and granted mass tort designation. In addition, three class action lawsuits have been filed in Canada. Product liability lawsuits continue to be filed, and the Company continues to receive information with respect to potential costs and the anticipated number of cases. The Company has established accruals for defense and indemnity costs associated with ELMIRON related product liability litigation.

Consumer Health

TYLENOL
Claims for personal injury have been made against Johnson and Johnson Consumer Inc. (JJCI), arising out of the use of TYLENOL, an over-the-counter pain medication, alleging that prenatal exposure to acetaminophen is associated with the development of autism spectrum disorder and/or attention-deficit/hyperactivity disorder. In October 2022, lawsuits filed in federal courts in the United States were organized as a multi-district litigation in the United States District Court for the Southern District of New York. In addition, lawsuits have been filed in Canada against Johnson & Johnson Inc. and the Company. Product liability lawsuits continue to be filed, and the Company continues to receive information with respect to potential costs and the anticipated number of cases. The Company has established accruals for defense costs associated with TYLENOL related product liability litigation.

INTELLECTUAL PROPERTY

Certain subsidiaries of the Company are subject, from time to time, to legal proceedings and claims related to patent, trademark and other intellectual property matters arising out of their businesses. Many of these matters involve challenges to the coverage and/or validity of the patents on various products and allegations that certain of the Company's products infringe the patents of third parties. Although these subsidiaries believe that they have substantial defenses to these challenges and allegations with respect to all significant patents, there can be no assurance as to the outcome of these matters. A loss in any of these cases could adversely affect the ability of these subsidiaries to sell their products, result in loss of sales due to loss of market exclusivity, require the payment of past damages and future royalties, and may result in a non-cash impairment charge for any associated intangible asset.

Pharmaceuticals - Litigation Against Filers of Abbreviated New Drug Applications (ANDAs)

The Company's subsidiaries have brought lawsuits against generic companies that have filed ANDAs with the U.S. FDA (or similar lawsuits outside of the United States) seeking to market generic versions of products sold by various subsidiaries of the Company prior to expiration of the applicable patents covering those products. These lawsuits typically include allegations of non-infringement and/or invalidity of patents listed in FDA's publication "Approved Drug Products with Therapeutic Equivalence Evaluations" (commonly known as the Orange Book). In each of these lawsuits, the Company's subsidiaries are seeking an order enjoining the defendant from marketing a generic version of a product before the expiration of the relevant patents (Orange Book Listed Patents). In the event the Company's subsidiaries are not successful in an action, or any automatic statutory stay expires before the court rulings are obtained, the generic companies involved would have the ability, upon regulatory approval, to introduce generic versions of their products to the market, resulting in the potential for substantial

market share and revenue losses for the applicable products, and which may result in a non-cash impairment charge in any associated intangible asset. In addition, from time to time, the Company's subsidiaries may settle these types of actions and such settlements can involve the introduction of generic versions of the products at issue to the market prior to the expiration of the relevant patents.

The Inter Partes Review (IPR) process with the United States Patent and Trademark Office (USPTO), created under the 2011 America Invents Act, is also being used at times by generic companies in conjunction with ANDAs and lawsuits to challenge the applicable patents.

XARELTO

Beginning in March 2021, Janssen Pharmaceuticals, Inc.; Bayer Pharma AG; Bayer AG; and Bayer Intellectual Property GmbH filed patent infringement lawsuits in United States district courts against generic manufacturers who have filed ANDAs seeking approval to market generic versions of XARELTO before expiration of certain Orange Book Listed Patents. The following entities are named defendants: Dr. Reddy's Laboratories, Inc.; Dr. Reddy's Laboratories, Ltd.; Lupin Limited; Lupin Pharmaceuticals, Inc.; Taro Pharmaceutical Industries Ltd.; Taro Pharmaceuticals U.S.A., Inc.; Teva Pharmaceuticals USA, Inc.; Mylan Pharmaceuticals Inc.; Mylan Inc.; USV Private Limited; Mankind Pharma Limited; Epic Pharma, LLC; Apotex Inc.; Apotex Corp.; Biocon Pharma Limited; Biocon Limited; Biocon Pharma, Inc.; and ScieGen Pharmaceuticals, Inc. The following U.S. patents are included in one or more cases: 9,539,218; and 10,828,310. In March 2023, the Company entered into a confidential settlement with Epic Pharma, LLC.

U.S. Patent No. 10,828,310 is also under consideration by the USPTO in an IPR proceeding.

OPSUMIT

Beginning in January 2023 Actelion Pharmaceuticals Ltd and Actelion Pharmaceuticals US, Inc. filed patent infringement lawsuits in United States district courts against generic manufacturers who have filed ANDAs seeking approval to market generic versions of OPSUMIT before expiration of certain Orange Book Listed Patents. The following entities are named defendants: Sun Pharmaceutical Industries Limited; Sun Pharmaceutical Industries, Inc.; Alembic Pharmaceuticals Ltd.; and Alembic Pharmaceuticals, Inc. The following U.S. patents are included in one or more cases: 7,094,781; and 10,946,015.

Beginning in May 2020, Janssen Inc. and Actelion Pharmaceuticals Ltd initiated a Statement of Claim under Section 6 of the Patented Medicines (Notice of Compliance) Regulations in Canada against generic manufacturers who have filed ANDSs seeking approval to market generic versions of OPSUMIT before expiration of certain listed patents. The following entities are named defendants: Sandoz Canada Inc.; Apotex Inc.; and Generic Medical Partners Inc. In March 2023, the Company entered into a confidential settlement agreement with Generic Medical Partners Inc. The following Canadian patent is included in one or more cases: 2,659,770.

INVEGA SUSTENNA

Beginning in January 2018, Janssen Pharmaceutica NV and Janssen Pharmaceuticals, Inc. filed patent infringement lawsuits in United States district courts against generic manufacturers who have filed ANDAs seeking approval to market generic versions of INVEGA SUSTENNA before expiration of the Orange Book Listed Patent. The following entities are named defendants: Teva Pharmaceuticals USA, Inc.; Mylan Laboratories Limited; Pharmascience Inc.; Mallinckrodt PLC; Specgx LLC; Tolmar, Inc.; and Accord Healthcare, Inc. The following U.S. patent is included in one or more cases: 9,439,906.

Beginning in February 2018, Janssen Inc. and Janssen Pharmaceutica NV initiated a Statement of Claim under Section 6 of the Patented Medicines (Notice of Compliance) Regulations against generic manufacturers who have filed ANDSs seeking approval to market generic versions of INVEGA SUSTENNA before expiration of the listed patent. The following entities are named defendants: Teva Canada Limited; Pharmascience Inc.; and Apotex Inc. The following Canadian patent is included in one or more cases: 2,655,335.

INVEGA TRINZA

Beginning in September 2020, Janssen Pharmaceuticals, Inc., Janssen Pharmaceutica NV, and Janssen Research & Development, LLC filed patent infringement lawsuits in United States district courts against generic manufacturers who have filed ANDAs seeking approval to market generic versions of INVEGA TRINZA before expiration of the Orange Book Listed Patent. The following entities are named defendants: Mylan Laboratories Limited; Mylan Pharmaceuticals Inc.; and Mylan Institutional LLC. The following U.S. patent is included in one or more cases: 10,143,693.

IMBRUVICA

Beginning in September 2021, Pharmacyclics LLC and Janssen Inc. initiated a Statement of Claim under Section 6 of the Patented Medicines (Notice of Compliance) Regulations against generic manufacturers who have filed ANDSs seeking approval to market generic versions of IMBRUVICA before expiration of certain listed patents. The following entities are named defendants: Natco Pharma (Canada) Inc.; and Sandoz Canada Inc. The following patents are included in one or more cases: 2,663,116; 2,928,721; 2,800,913; 3,007,787; 3,007,788; 2,875,986; and 3,022,256.

SYMTUZA
Beginning in November 2021, Janssen Products, L.P., Janssen Sciences Ireland Unlimited Company, Gilead Sciences, Inc. and Gilead Sciences Ireland UC filed patent infringement lawsuits in United States district courts against generic manufacturers who have filed ANDAs seeking approval to market generic versions of SYMTUZA before expiration of certain Orange Book Listed Patents. The following entities are named defendants: Lupin Limited; Lupin Pharmaceuticals, Inc.; MSN Laboratories Private Ltd.; MSN Life Sciences Private Ltd.; MSN Pharmaceuticals Inc.; Apotex Inc.; and Apotex Corp. The following U.S. patents are included in one or more cases: 10,039,718 and 10,786,518.

ERLEADA
Beginning in May 2022, Aragon Pharmaceuticals, Inc., Janssen Biotech, Inc., Sloan Kettering Institute for Cancer Research and The Regents of the University of California filed patent infringement lawsuits in United States district courts against generic manufacturers who have filed ANDAs seeking approval to market generic versions of ERLEADA before expiration of certain Orange Book Listed Patents. The following entities are named defendants: Lupin Limited; Lupin Pharmaceuticals, Inc.; Zydus Worldwide DMCC; Zydus Pharmaceuticals (USA), Inc.; Zydus Lifesciences Limited; Sandoz Inc.; Eugia Pharma Specialities Limited; Aurobindo Pharma USA, Inc.; Auromedics Pharma LLC; Hetero Labs Limited Unit V; and Hetero USA, Inc. The following U.S. patents are included in one or more cases: 9,481,663; 9,884,054; 10,052,314; 10,702,508; 10,849,888; 8,445,507; 8,802,689; 9,388,159; 9,987,261; and RE49,353.

UPTRAVI
Beginning in November 2022, Actelion Pharmaceuticals US Inc., Actelion Pharmaceuticals Ltd and Nippon Shinyaku Co., Ltd. filed patent infringement lawsuits in United States district courts against generic manufacturers who have filed ANDAs seeking approval to market generic versions of UPTRAVI before expiration of certain Orange Book Listed Patents. The following entities are named defendants: Alembic Pharmaceuticals Limited, Alembic Pharmaceuticals Inc.; Lupin Ltd.; Lupin Pharmaceuticals, Inc.; Cipla Limited; and Cipla USA Inc. The following U.S. patents are included in one or more cases: 8,791,122; 9,284,280; and 7,205,302.

GOVERNMENT PROCEEDINGS

Like other companies in the pharmaceutical, consumer health and medical devices industries, the Company and certain of its subsidiaries are subject to extensive regulation by national, state and local government agencies in the United States and other countries in which they operate. Such regulation has been the basis of government investigations and litigations. The most significant litigation brought by, and investigations conducted by, government agencies are listed below. It is possible that criminal charges and substantial fines and/or civil penalties or damages could result from government investigations or litigation.

MedTech

In August 2012, DePuy Orthopaedics, Inc., DePuy, Inc. (now known as DePuy Synthes, Inc.), and Johnson & Johnson Services, Inc. (collectively DePuy) received an informal request from the United States Attorney's Office for the District of Massachusetts and the Civil Division of the United States Department of Justice (the United States) for the production of materials relating to the DePuy ASR XL Hip device. In July 2014, the United States notified the United States District Court for the District of Massachusetts that it had declined to intervene in a *qui tam* case filed pursuant to the False Claims Act against the companies concerning the hip devices. In February 2016, the District Court granted the companies' motion to dismiss with prejudice, unsealed the *qui tam* complaint, and denied the *qui tam* relators' request for leave to file a further amended complaint. The *qui tam* relators appealed the case to the United States Court of Appeals for the First Circuit. In July 2017, the First Circuit affirmed the District Court's dismissal in part, reversed in part, and affirmed the decision to deny the relators' request to file a third amended complaint. In March 2021, DePuy filed its motion to strike and dismiss the relators' second amended complaint; the District Court denied DePuy's motion to strike and dismiss in July 2021. DePuy filed a motion for reconsideration of the District Court's July 2021 ruling. In November 2021, the District Court granted DePuy's motion for reconsideration and dismissed the case with prejudice. The District Court's order was unsealed in December 2021. The relators filed several post-dismissal motions, including a January 2022 omnibus motion for reconsideration, which the District Court denied. Following the District Court's order dismissing the case with prejudice, DePuy filed a December 2021 motion seeking the recovery of attorneys' fees and costs, which the District Court denied except as to costs. The Relators have appealed the District Court's dismissal of the case to the First Circuit. The briefing on the appeal is complete, the First Circuit held oral argument on December 6, 2022, and the First Circuit's decision remains pending.

In October 2012, the Company was contacted by the California Attorney General's office regarding a multi-state Attorney General investigation of the marketing of surgical mesh products for hernia and urogynecological purposes by the Company's subsidiary, Ethicon, Inc. (Ethicon). In May 2016, California and Washington filed civil complaints against the Company, Ethicon and Ethicon US, LLC alleging violations of their consumer protection statutes. Similar complaints were filed against the companies by the following states: Kentucky, Mississippi, West Virginia and Oregon. In October 2019, the Company and Ethicon settled the multi-state investigation with 41 other states and the District of Columbia. Between April 2019 and February

2023, the Company settled with Washington, West Virginia, Oregon, Mississippi and Kentucky. The California case started trial in July 2019 and concluded in September 2019. In January 2020, the Court in California issued a statement of decision, finding in favor of the State of California, and awarded civil penalties in the amount of $344 million. In April 2020, the Court in California denied the Company's motion for a new trial. In August 2020, the Court entered judgment with respect to the penalties of $344 million, but denied the Attorney General's request for injunctive relief. The Company appealed the penalty judgment. In April 2022, the Court of Appeals reduced the judgment to $302 million, but otherwise denied the appeal. In July 2022, the Supreme Court of California denied the Company's petition to review the Court of Appeals decision, and the Company recorded a charge to reflect the judgment in the second quarter of 2022. In November 2022, the Company petitioned the United States Supreme Court for review. In February 2023, the Company's petition to the United States Supreme Court was denied.

In June 2017, the Company received a subpoena from the United States Attorney's Office for the District of Massachusetts seeking information regarding practices pertaining to the sterilization of DePuy Synthes, Inc. (DePuy) spinal implants at three hospitals in Boston as well as interactions of employees of Company subsidiaries with physicians at these hospitals. The Company and DePuy fully cooperated with the government's investigation. In January 2023, the Company, DePuy Synthes, Inc., and DePuy Synthes Sales Inc. entered into a settlement agreement with the United States resolving the matter for an immaterial amount. The only claim remaining before the United States District Court for the District of Massachusetts is the Relator's employment retaliation claim.

In July 2018, the Public Prosecution Service in Rio de Janeiro and representatives from the Brazilian antitrust authority CADE inspected the offices of more than 30 companies including Johnson & Johnson do Brasil Indústria e Comércio de Produtos para Saúde Ltda. The authorities appear to be investigating allegations of possible anti-competitive behavior and possible improper payments in the medical device industry. The Company continues to respond to inquiries regarding the Foreign Corrupt Practices Act from the United States Department of Justice and the United States Securities and Exchange Commission.

Pharmaceuticals

The Company and several of its pharmaceutical subsidiaries (the J&J AWP Defendants), along with numerous other pharmaceutical companies, were named as defendants in a series of lawsuits in state and federal courts involving allegations that the pricing and marketing of certain pharmaceutical products amounted to fraudulent and otherwise actionable conduct because, among other things, the companies allegedly reported an inflated Average Wholesale Price (AWP) for the drugs at issue. Payors alleged that they used those AWPs in calculating provider reimbursement levels. The plaintiffs in these cases included three classes of private persons or entities that paid for any portion of the purchase of the drugs at issue based on AWP, and state government entities that made Medicaid payments for the drugs at issue based on AWP. Many of these cases, both federal actions and state actions removed to federal court, were consolidated for pre-trial purposes in a multi-district litigation in the United States District Court for the District of Massachusetts, where all claims against the J&J AWP Defendants were ultimately dismissed. The J&J AWP Defendants also prevailed in a case brought by the Commonwealth of Pennsylvania. Other AWP cases have been resolved through court order or settlement. The case brought by Illinois was settled after trial. In New Jersey, a putative class action based upon AWP allegations is pending against Centocor, Inc. and Ortho Biotech Inc. (both now Janssen Biotech, Inc.), the Company and ALZA Corporation. All other cases have been resolved.

In July 2016, the Company and Janssen Products, LP were served with a qui tam complaint pursuant to the False Claims Act filed in the United States District Court for the District of New Jersey alleging the off-label promotion of two HIV products, PREZISTA and INTELENCE, and anti-kickback violations in connection with the promotion of these products. The complaint was filed under seal in December 2012. The federal and state governments have declined to intervene, and the lawsuit is being prosecuted by the relators. The Court denied summary judgment on all claims in December 2021. Daubert motions were granted in part and denied in part in January 2022, and the case is proceeding to trial.

In March 2017, Janssen Biotech, Inc. (JBI) received a Civil Investigative Demand from the United States Department of Justice regarding a False Claims Act investigation concerning management and advisory services provided to rheumatology and gastroenterology practices that purchased REMICADE or SIMPONI ARIA. In August 2019, the United States Department of Justice notified JBI that it was closing the investigation. Subsequently, the United States District Court for the District of Massachusetts unsealed a qui tam False Claims Act complaint, which was served on the Company. The Department of Justice had declined to intervene in the qui tam lawsuit in August 2019. The Company filed a motion to dismiss, which was granted in part and denied in part. Discovery is underway.

In April and September 2017, the Company received subpoenas from the United States Attorney for the District of Massachusetts seeking documents broadly relating to pharmaceutical copayment support programs for DARZALEX, OLYSIO, REMICADE, SIMPONI, STELARA and ZYTIGA. The subpoenas also seek documents relating to Average Manufacturer Price and Best Price reporting to the Center for Medicare and Medicaid Services related to those products, as well as rebate payments to state Medicaid agencies. The Company has provided documents in response to the subpoenas.

From time to time, the Company has received requests from a variety of United States Congressional Committees to produce information relevant to ongoing congressional inquiries. It is the policy of Johnson & Johnson to cooperate with these inquiries by producing the requested information.

GENERAL LITIGATION

The Company (subsequently substituted by Johnson & Johnson Consumer Inc. (JJCI)) along with more than 120 other companies, is a defendant in a cost recovery and contribution action brought by Occidental Chemical Corporation in June 2018 in the United States District Court for the District of New Jersey, related to the clean-up of a section of the Lower Passaic River in New Jersey.

The Company or its subsidiaries are also parties to various proceedings brought under the Comprehensive Environmental Response, Compensation, and Liability Act, commonly known as Superfund, and comparable state, local or foreign laws in which the primary relief sought is the cost of past and/or future remediation.

In October 2017, certain United States service members and their families brought a complaint against a number of pharmaceutical and medical devices companies, including Johnson & Johnson and certain of its subsidiaries in United States District Court for the District of Columbia, alleging that the defendants violated the United States Anti-Terrorism Act. The complaint alleges that the defendants provided funding for terrorist organizations through their sales practices pursuant to pharmaceutical and medical device contracts with the Iraqi Ministry of Health. In July 2020, the District Court dismissed the complaint. In January 2022, the United States Court of Appeals for the District of Columbia Circuit reversed the District Court's decision. In February 2023, defendants petition for rehearing on the decision was denied.

MedTech

In October 2020, Fortis Advisors LLC (Fortis), in its capacity as representative of the former stockholders of Auris Health Inc. (Auris), filed a complaint against the Company, Ethicon Inc., and certain named officers and employees (collectively, Ethicon) in the Court of Chancery of the State of Delaware. The complaint alleges breach of contract, fraud, and other causes of action against Ethicon in connection with Ethicon's acquisition of Auris in 2019. The complaint seeks damages and other relief. In December 2021, the Court granted in part and denied in part defendants' motion to dismiss certain causes of action. All claims against the individual defendants were dismissed. The trial is scheduled for January 2024.

In October 2019, Innovative Health, LLC filed a complaint against Biosense Webster, Inc. (BWI) in the United States District Court for the Middle District of California. The complaint alleges that certain of BWI's business practices and contractual terms violate the antitrust laws of the United States and the State of California by restricting competition in the sale of High Density Mapping Catheters and Ultrasound Catheters. In December 2021, BWI filed a motion for summary judgment. In March 2022, the Court granted BWI's motion for summary judgment. In April 2022, Innovative appealed this ruling to the United States Court of Appeals for the Ninth Circuit. Oral argument has been set for June 2023.

Pharmaceuticals

Beginning in September 2017, multiple purported class actions were filed on behalf of indirect purchasers of REMICADE against the Company and Janssen Biotech, Inc. (collectively, Janssen) alleging that Janssen has violated federal antitrust laws through its contracting strategies for REMICADE. The cases were consolidated for pre-trial purposes as *In re REMICADE Antitrust Litigation* in United States District Court for the Eastern District of Pennsylvania. This case was settled in February 2022. The Court issued final approval in March 2023.

In June 2019, the United States Federal Trade Commission (FTC) issued a Civil Investigative Demand to the Company and Janssen Biotech, Inc. (collectively, Janssen) in connection with its investigation of whether Janssen's REMICADE contracting practices violate federal antitrust laws. The Company has produced documents and information responsive to the Civil Investigative Demand. Janssen is in ongoing discussions with the FTC staff regarding its inquiry.

In February 2022, the United States Federal Trade Commission (FTC) issued Civil Investigative Demands to Johnson & Johnson and Janssen Biotech, Inc. (collectively, Janssen) in connection with its investigation of whether advertising practices for REMICADE violate federal law. Janssen has produced documents and information responsive to the Civil Investigative Demands. Janssen is in ongoing discussions with the FTC staff regarding the inquiry.

In June 2022, Genmab A/S filed a Notice for Arbitration with International Institute for Conflict Prevention and Resolution (CPR) against Janssen Biotech, Inc. seeking milestones and an extended royalty term for Darzalex FASPRO. Janssen filed its Notice of Defense in July 2022. Genmab and Janssen have cross-moved for early disposition of the arbitration. In April 2023, the Arbitration Panel ruled in Janssen's favor and dismissed Genmab's claims. In April 2023, Genmab announced that it intends to appeal the award.

In October 2018, two separate putative class actions were filed against Actelion Pharmaceutical Ltd., Actelion Pharmaceuticals U.S., Inc., and Actelion Clinical Research, Inc. (collectively Actelion) in United States District Court for the District of Maryland and United States District Court for the District of Columbia. The complaints allege that Actelion violated state and federal antitrust and unfair competition laws by allegedly refusing to supply generic pharmaceutical manufacturers with samples of TRACLEER. TRACLEER is subject to a Risk Evaluation and Mitigation Strategy required by the U.S. Food and Drug Administration, which imposes restrictions on distribution of the product. In January 2019, the plaintiffs dismissed the District of Columbia case and filed a consolidated complaint in the United States District Court for the District of Maryland.

In May 2019, a class action antitrust complaint was filed against Janssen R&D Ireland (Janssen) and Johnson & Johnson in the United States District Court for the Northern District of California. The complaint alleges that Janssen violated federal and state antitrust and consumer protection laws by agreeing to exclusivity provisions in its agreements with Gilead concerning the development and marketing of combination antiretroviral therapies (cART) to treat HIV. The complaint also alleges that Gilead entered into similar agreements with Bristol-Myers Squibb and Japan Tobacco. In December 2021, several insurance companies and other payers filed individual “Opt-Out” complaints containing allegations similar to the original complaint. In September 2022, the Court granted in part and denied in part plaintiff’s motion for class certification. Trial was scheduled for May 2023; in March 2023, the Court issued an order dividing the matter into two separate trials. The first trial, scheduled for May 2023, relates to claims that do not involve Janssen. The court did not set a date for trial on the claims that do involve Janssen.

In June 2022, Janssen Pharmaceuticals, Inc. filed a Demand for Arbitration against Emergent Biosolutions Inc. et al (EBSI) with the American Arbitration Association, alleging that EBSI breached the parties’ Manufacturing Services Agreement for the Company’s COVID-19 vaccine. In July 2022, Emergent filed its answering statement and counterclaims. The hearing is scheduled for March 2024.

In October 2022, Janssen Pharmaceuticals, Inc. filed a Demand for Arbitration against Merck Sharp & Dohme Corp. with the American Arbitration Association pursuant to the Parties’ agreements relating to production of drug substance and drug product for the Company’s COVID-19 vaccine. Also in October 2022, Merck filed its answer and counterclaims. The hearing is scheduled for September 2023.

Consumer Health

In November 2019, the Company received a demand for indemnification from Pfizer Inc. (Pfizer), pursuant to the 2006 Stock and Asset Purchase Agreement between the Company and Pfizer. Also in November 2019, Johnson & Johnson Inc. received notice reserving rights to claim indemnification from Sanofi Consumer Health, Inc. (Sanofi), pursuant to the 2016 Asset Purchase Agreement between Johnson & Johnson Inc. and Sanofi. In January 2020, Johnson & Johnson received a demand for indemnification from Boehringer Ingelheim Pharmaceuticals, Inc. (Boehringer Ingelheim), pursuant to the 2006 Asset Purchase Agreement among the Company, Pfizer, and Boehringer Ingelheim. In November 2022, Johnson & Johnson received a demand for indemnification from GlaxoSmithKline LLC (GSK), pursuant to the 2006 Stock and Asset Purchase Agreement between the Company and Pfizer, and certain 1993, 1998, and 2002 agreements between Glaxo Wellcome and Warner-Lambert entities. The notices seek indemnification for legal claims related to over-the-counter ZANTAC (ranitidine) products. Plaintiffs in the underlying actions allege that ZANTAC and other over-the-counter ranitidine medications contain unsafe levels of NDMA (N-nitrosodimethylamine) and can cause and/or have caused various cancers in patients using the products, and seek injunctive and monetary relief. The Company and Johnson & Johnson Inc. have also been named in putative class actions filed in Canada with similar allegations regarding ZANTAC or ranitidine use. Johnson & Johnson Inc. was also named as a defendant along with other manufacturers in various personal injury actions in Canada related to ZANTAC products. Johnson & Johnson Inc. has provided Sanofi notice reserving rights to claim indemnification pursuant to the 2016 Asset Purchase Agreement related to the class actions and personal injury actions.

Beginning in May 2021, multiple putative class actions were filed in state and federal courts (California, Florida, New York, and New Jersey) against various Johnson & Johnson entities alleging violations of state consumer fraud statutes based on nondisclosure of alleged benzene contamination of certain Neutrogena and Aveeno sunscreen products and the affirmative promotion of those products as “safe”; and, in at least one case, alleging a strict liability manufacturing defect and failure to warn claims, asserting that the named plaintiffs suffered unspecified injuries as a result of alleged exposure to benzene. The Judicial Panel on Multi-District Litigation has consolidated all pending actions, except one product liability case and one case pending in New Jersey state court, in the United States District Court for the Southern District of Florida, Fort Lauderdale Division. In October 2021, the Company reached an agreement in principle for the settlement of a nationwide class, encompassing the claims of the consolidated actions, subject to approval by the Florida federal Court. In December 2021, plaintiffs in the consolidated actions filed a motion for preliminary approval of a nationwide class settlement. The court issued an order granting final approval of the settlement in February 2023. A Notice of Appeal was filed in April 2023.

Item 2 — MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

RESULTS OF OPERATIONS

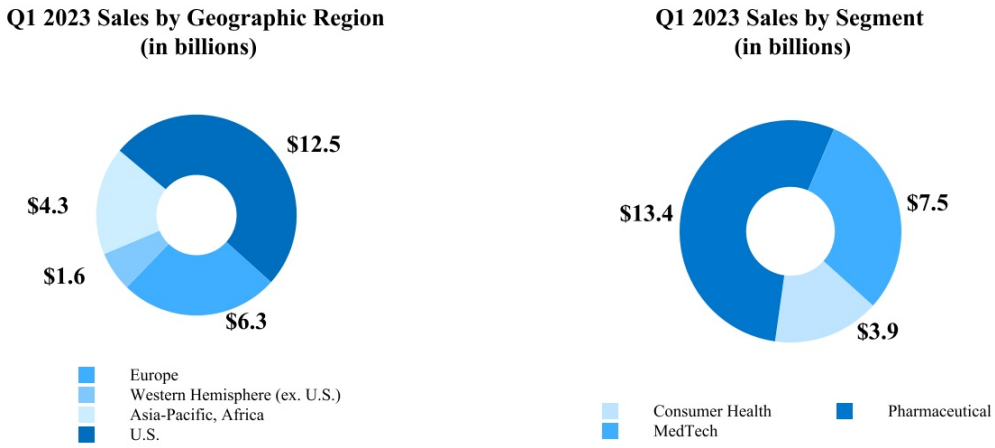
Sales to Customers

Analysis of Consolidated Sales

For the fiscal first quarter of 2023, worldwide sales were $24.7 billion, a total increase of 5.6%, which included operational growth of 9.0% and a negative currency impact of 3.4% as compared to 2022 fiscal first quarter sales of $23.4 billion. In the fiscal first quarter of 2023, the net impact of acquisitions and divestitures on worldwide operational sales growth was a positive 1.4%.

Sales by U.S. companies were $12.5 billion in the fiscal first quarter of 2023, which represented an increase of 9.7% as compared to the prior year. In the fiscal first quarter of 2023, the net impact of acquisitions and divestitures on the U.S. operational sales growth was a positive 2.3%. Sales by international companies were $12.2 billion, a total increase of 1.8%, which included operational growth of 8.3% and a negative currency impact of 6.5%. In the fiscal first quarter of 2023, the net impact of acquisitions and divestitures on the international operational sales growth was a positive 0.4%.

In the fiscal first quarter of 2023, sales by companies in Europe achieved growth of 5.1%, which included operational growth of 10.0% and a negative currency impact of 4.9%. Sales by companies in the Western Hemisphere, excluding the U.S., achieved growth of 7.1%, including operational growth of 14.3% and a negative currency impact of 7.2%. Sales by companies in the Asia-Pacific, Africa region experienced a decline of 4.3%, including operational growth of 4.1% offset by a negative currency impact of 8.4%.



Note: values may have been rounded

Analysis of Sales by Business Segments

Consumer Health

Consumer Health segment sales in the fiscal first quarter of 2023 were $3.9 billion, an increase of 7.4% as compared to the same period a year ago, including operational growth of 11.3% and a negative currency impact of 3.9%. U.S. Consumer Health segment sales increased by 11.4%. International Consumer Health segment sales increased by 4.4% including operational growth of 11.3% and a negative currency impact of 6.9%. In the fiscal first quarter of 2023, the net impact of acquisitions and divestitures on the Consumer Health segment operational sales growth was negligible.

Major Consumer Health Franchise Sales — Fiscal First Quarter Ended

(Dollars in Millions)	April 2, 2023	April 3, 2022	Total Change	Operations Change	Currency Change
OTC[(1)]	$ 1,642	$ 1,461	12.4 %	15.8 %	(3.4) %
Skin Health/Beauty	1,110	1,012	9.7	13.1	(3.4)
Oral Care	361	366	(1.3)	2.1	(3.4)
Baby Care	359	355	1.0	6.5	(5.5)
Women’s Health	217	228	(4.8)	4.1	(8.9)
Wound Care/Other	164	164	(0.1)	2.5	(2.6)
Total Consumer Health Sales	**$ 3,852**	**$ 3,586**	**7.4 %**	**11.3 %**	**(3.9)%**

The OTC franchise achieved operational growth of 15.8% as compared to the prior year fiscal first quarter. The growth was driven by price actions, exceptionally high Cough/Cold/Flu incidences primarily in Europe, and one-time supply replenishment reflected in TYLENOL, MOTRIN, NICORETTE and IMODIUM.

The Skin Health/Beauty franchise achieved operational growth of 13.1% as compared to the prior year fiscal first quarter. The growth was driven by price actions, one-time supply replenishment and sun season pipeline fill, and e-commerce and club channel performance driven by new product innovations in NEUTROGENA and AVEENO. The growth was partially offset by U.S. portfolio simplification and competitive pressures.

The Oral Care franchise achieved operational growth of 2.1% as compared to the prior year fiscal first quarter. The growth was driven by U.S. price actions, partially offset by category deceleration outside the U.S. and the negative impact from suspension of personal care sales in Russia.

The Baby Care franchise achieved operational growth of 6.5% as compared to the prior year fiscal first quarter. The growth was driven by price actions, one-time supply replenishment and lapping of a prior year reserve true-up outside the U.S. The growth was partially offset by the negative impact from suspension of personal care sales in Russia.

The Women’s Health franchise achieved operational growth of 4.1% as compared to the prior year fiscal first quarter primarily driven by price actions and strong performance in India partially offset by the negative impact from suspension of personal care sales in Russia.
The Wound Care/Other franchise achieved operational growth of 2.5% as compared to the prior year fiscal first quarter primarily driven by price actions and strong demand in Canada.

In November 2021, the Company announced its intention to separate the Company’s Consumer Health business (Kenvue as the name for the planned New Consumer Health Company), with the intention to create a new, publicly traded company by the end of the fiscal year 2023, pending market conditions.

Pharmaceutical

Pharmaceutical segment sales in the fiscal first quarter of 2023 were $13.4 billion, an increase of 4.2% as compared to the same period a year ago, including an operational increase of 7.2% and a negative currency impact of 3.0%. U.S. Pharmaceutical sales increased 5.9% as compared to the same period a year ago. International Pharmaceutical sales increased by 2.4%, including operational growth of 8.6% and a negative currency impact of 6.2%. In the fiscal first quarter of 2023, the net impact of acquisitions and divestitures on the Pharmaceutical segment operational sales growth was negligible.

Major Pharmaceutical Therapeutic Area Sales** — Fiscal First Quarter Ended

(Dollars in Millions)	April 2, 2023	April 3, 2022	Total Change	Operations Change	Currency Change
Immunology	**$ 4,112**	**$ 4,119**	**(0.2)%**	**2.5 %**	**(2.7)%**
REMICADE	487	663	(26.5)	(25.0)	(1.5)
SIMPONI/ SIMPONI ARIA	537	571	(5.8)	(1.9)	(3.9)
STELARA	2,444	2,288	6.8	9.6	(2.8)
TREMFYA	640	590	8.4	11.0	(2.6)
Other Immunology	3	6	(51.3)	(51.3)	0.0
Infectious Diseases	**1,586**	**1,297**	**22.3**	**26.4**	**(4.1)**
COVID-19 VACCINE	747	457	63.4	70.8	(7.4)
EDURANT/rilpivirine	280	248	12.8	18.0	(5.2)
PREZISTA/ PREZCOBIX/ REZOLSTA/ SYMTUZA	477	501	(4.8)	(3.7)	(1.1)
Other Infectious Diseases	82	91	(9.8)	(8.0)	(1.8)
Neuroscience	**1,804**	**1,741**	**3.6**	**6.1**	**(2.5)**
CONCERTA/ methylphenidate	206	157	31.4	38.2	(6.8)
INVEGA SUSTENNA/ XEPLION/ INVEGA TRINZA/ TREVICTA	1,044	1,048	(0.4)	1.7	(2.1)
SPRAVATO	131	70	86.9	88.0	(1.1)
Other Neuroscience[(1)]	423	467	(9.4)	(6.9)	(2.5)
Oncology	**4,112**	**3,950**	**4.1**	**7.7**	**(3.6)**
CARVYKTI	72	—	*	*	—
DARZALEX	2,264	1,856	22.0	25.7	(3.7)
ERLEADA	542	400	35.6	40.3	(4.7)
IMBRUVICA	827	1,038	(20.3)	(17.2)	(3.1)
ZYTIGA/ abiraterone acetate	245	539	(54.5)	(50.9)	(3.6)
Other Oncology	162	118	37.4	41.0	(3.6)
Pulmonary Hypertension	**872**	**852**	**2.4**	**5.0**	**(2.6)**
OPSUMIT	440	443	(0.7)	2.3	(3.0)
UPTRAVI	362	325	11.4	12.4	(1.0)
Other Pulmonary Hypertension	70	83	(16.1)	(9.3)	(6.8)
Cardiovascular / Metabolism / Other	**927**	**910**	**1.8**	**3.0**	**(1.2)**
XARELTO	578	508	13.7	13.7	—
Other[(2)]	349	402	(13.2)	(10.5)	(2.7)
Total Pharmaceutical Sales	**$ 13,413**	**$ 12,869**	**4.2 %**	**7.2 %**	**(3.0)%**

* Percentage greater than 100% or not meaningful
**Certain prior year amounts have been reclassified to conform to current year presentation
(1) Inclusive of RISPERDAL CONSTA which was previously disclosed separately
(2) Inclusive of INVOKANA which was previously disclosed separately

Immunology products achieved operational growth of 2.5% as compared to the same period a year ago driven by market growth and share growth of STELARA (ustekinumab) in Crohn's disease and Ulcerative Colitis partially offset by unfavorable patient mix and price. Additionally, strong growth of TREMFYA (guselkumab) was due to share gains in Psoriasis and Psoriatic Arthritis partially offset by unfavorable patient mix. Lower sales of REMICADE (infliximab) were due to biosimilar competition.

Biosimilar versions of REMICADE have been introduced in the United States and certain markets outside the United States and additional competitors continue to enter the market. Continued infliximab biosimilar competition will result in a further reduction in sales of REMICADE.

The latest expiring United States composition of matter patent for STELARA (ustekinumab) expires in September 2023. STELARA (ustekinumab) U.S. sales in fiscal 2022 were approximately $6.4 billion. Third parties have filed abbreviated Biologics License Applications with the FDA seeking approval to market biosimilar versions of STELARA. In the event the Company is not successful in defending its patent claims in related lawsuits, biosimilar versions of STELARA may be introduced to the market, potentially resulting in substantial market share and revenue losses. There is also risk that one or more competitors could launch a biosimilar version of the product at issue following regulatory approval even though one or more valid patents are in place.

Infectious disease products achieved operational growth of 26.4% as compared to the same period a year ago. Growth was primarily driven by COVID-19 vaccine revenue (which is now substantially complete) and EDURANT (rilpivirine) sales. This was partially offset by lower sales of PREZISTA and PREZCOBIX/REZOLSTA (darunavir/cobicistat) due to increased competition outside the U.S.

Neuroscience products achieved operational sales growth of 6.1% as compared to the same period a year ago. Growth of SPRAVATO (esketamine) was driven by ongoing launches in the U.S. and Europe as well as increased patient demand. Paliperidone long-acting injectables growth was due to the strength of INVEGA SUSTENNA/XEPLION (paliperidone palmitate) and INVEGA TRINZA/TREVICTA driven by new patient starts and persistence of treatment as well as the launch of INVEGA HAFYERA/BYANNLI. This was partially offset by the XEPLION loss of exclusivity in the European Union. Oncology products achieved operational sales growth of 7.7% as compared to the same period a year ago. Strong sales of DARZALEX (daratumumab) were driven by share gains in all regions, continued market growth, and strong FASPRO adoption. Growth of ERLEADA (apalutamide) was due to continued strong share gains, market growth, and increased penetration from new launches. Sales of CARVYKTI (ciltacabtagene autoleucel) were driven by continued market share gains and the ongoing phased launch. Growth was partially offset by ZYTIGA (abiraterone acetate) due to loss of exclusivity and IMBRUVICA (ibrutinib) due to global competitive pressures.

Pulmonary Hypertension achieved operational sales growth of 5.0% as compared to the same period a year ago. Sales growth was due to market and volume growth from UPTRAVI (selexipag) and OPSUMIT (macitentan) partially offset by declines in Other Pulmonary Hypertension.

Cardiovascular / Metabolism / Other products achieved operational growth of 3.0% as compared to the same period a year ago. The growth of XARELTO (rivaroxaban) was primarily driven by favorable patient mix and market growth partially offset by share loss.

The Company maintains a policy that no end customer will be permitted direct delivery of product to a location other than the billing location. This policy impacts contract pharmacy transactions involving non-grantee 340B covered entities for most of the Company's drugs, subject to multiple exceptions. Both grantee and non-grantee covered entities can maintain certain contract pharmacy arrangements under policy exceptions. The Company has been and will continue to offer 340B discounts to covered entities on all of its covered outpatient drugs, and it believes its policy will improve its ability to identify inappropriate duplicate discounts and diversion prohibited by the 340B statute. The 340B Drug Pricing Program is a U.S. federal government program requiring drug manufacturers to provide significant discounts on covered outpatient drugs to covered entities. This policy had discount implications which positively impacted sales to customers in the fiscal first quarter of 2023.

MedTech

The MedTech segment sales in the fiscal first quarter of 2023 were $7.5 billion, an increase of 7.3% as compared to the same period a year ago, which included operational growth of 11.0% and a negative currency impact of 3.7%. U.S. MedTech sales increased 16.6%. International MedTech sales decreased by 0.6%, including operational growth of 6.2% offset by a negative currency impact of 6.8%. In the fiscal first quarter of 2023, the net impact of acquisitions and divestitures on the MedTech segment operational sales growth was a positive 4.6%, related to the Abiomed acquisition.

Major MedTech Franchise Sales** — Fiscal First Quarter Ended

(Dollars in Millions)	April 2, 2023	April 3, 2022	Total Change	Operations Change	Currency Change
Surgery	**$ 2,434**	**$ 2,434**	**0.0 %**	**4.1 %**	**(4.1)%**
Advanced	1,118	1,146	(2.5)	1.6	(4.1)
General	1,316	1,288	2.2	6.4	(4.2)
Orthopaedics	**2,245**	**2,188**	**2.6**	**5.1**	**(2.5)**
Hips	390	389	0.4	2.7	(2.3)
Knees	368	339	8.7	11.3	(2.6)
Trauma	757	748	1.2	3.4	(2.2)
Spine, Sports & Other	729	712	2.4	5.2	(2.8)
Interventional Solutions	**1,503**	**1,092**	**37.6**	**41.9**	**(4.3)**
Electrophysiology	1,092	1,002	9.1	13.3	(4.2)
Abiomed	324	—	*	*	—
Other Interventional Solutions	87	90	(3.9)	1.1	(5.0)
Vision	**1,300**	**1,257**	**3.4**	**7.6**	**(4.2)**
Contact Lenses/Other	953	910	4.7	9.3	(4.6)
Surgical	347	347	0.1	3.1	(3.0)
Total MedTech Sales	**$ 7,481**	**$ 6,971**	**7.3 %**	**11.0 %**	**(3.7)%**

* Percentage greater than 100% or not meaningful
**Certain prior year amounts have been reclassified to conform to current year presentation

The Surgery franchise achieved operational sales growth of 4.1% as compared to the prior year fiscal first quarter. The operational growth in Advanced Surgery was primarily driven by the following: Biosurgery global procedure recovery, the strength from new products and a differentiated portfolio; and Energy products double digit growth in the U.S. with improved procedure volumes and strength of new products partially offset by volume-based procurement in China and product supply challenges; partially offset by Endocutter decline primarily due to volume-based procurement in China, competitive pressures predominately in the U.S. and supply challenges partially offset by positive uptake from recently launched products. The operational growth in General Surgery was primarily driven by improved procedure volumes coupled with technology penetration and benefits from differentiated Wound Closure portfolio.

The Orthopaedics franchise achieved operational sales growth of 5.1% as compared to the prior year fiscal first quarter. The operational growth in hips reflects global procedure recovery and strength across the portfolio. This was partially offset by impacts of volume-based procurement in China and supply challenges. The operational growth in knees was primarily driven by global procedure recovery, strength of the ATTUNE portfolio and pull through related to the VELYS Robotic assisted solution. This was partially offset by impacts of volume-based procurement in China. The operational growth in Trauma was driven by the adoption of recently launched products. This was partially offset by softer procedure volumes compared to the prior year and impacts of volume-based procurement in China. The operational growth in Spine, Sports & Other was primarily driven by market growth and positive new product performance in Digital Solutions, shoulders and spine. This was partially offset by impacts of volume-based procurement in China and continued competitive pressures in Spine.

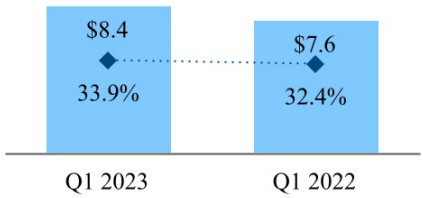
The Interventional Solutions franchise achieved operational sales growth of 41.9% as compared to the prior year fiscal first quarter which includes sales from Abiomed acquired on December 22, 2022. Electrophysiology grew by double digits in all regions except Asia Pacific which reflects the impacts of COVID-19 procedure disruption and volume-based procurement in China.

The Vision franchise achieved operational sales growth of 7.6% as compared to the prior year fiscal first quarter. The Contact Lenses/Other operational growth was primarily driven by the market recovery, continued strong performance in the ACUVUE OASYS 1-Day family (including recent launches) and effective commercial execution. This was partially offset by supply challenges. The Surgical operational growth was primarily driven by the strength in Monofocal IOLs partially offset by softer refractive and premium IOL markets and supply challenges.

ANALYSIS OF CONSOLIDATED EARNINGS BEFORE PROVISION FOR TAXES ON INCOME

Consolidated earnings/loss before provision for taxes on income for the fiscal first quarter of 2023 was a loss of $0.7 billion representing (3.0)% of sales as compared to earnings of $5.9 billion in the fiscal first quarter of 2022, representing 25.0% of sales primarily driven by the $6.9 billion charge related to the talc settlement proposal.

Cost of Products Sold



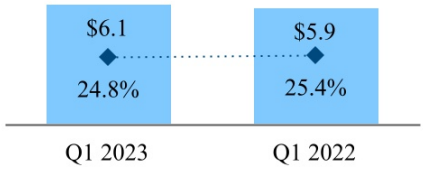
(Dollars in billions. Percentages in chart are as a percent to total sales)

Q1 2023 versus Q1 2022
Cost of products sold increased as a percent to sales primarily driven by:

- one-time COVID-19 vaccine manufacturing related exit costs and mix in the Pharmaceutical business
- Commodity inflation and Abiomed amortization in the MedTech business

The intangible asset amortization expense included in cost of products sold for the fiscal first quarters of 2023 and 2022 was $1.2 billion and $1.1 billion, respectively.

Selling, Marketing and Administrative Expenses

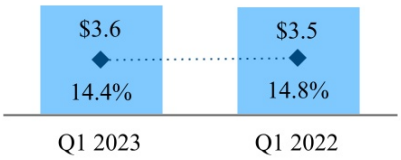


(Dollars in billions. Percentages in chart are as a percent to total sales)

Q1 2023 versus Q1 2022
Selling, Marketing and Administrative Expenses decreased as a percent to sales primarily driven by:

- A reduction in brand marketing expenses in the Pharmaceutical business

Research and Development Expense



(Dollars in billions. Percentages in chart are as a percent to total sales)

Q1 2023 versus Q1 2022
Research and Development decreased as a percent to sales driven by:

- a reduction in COVID-19 Vaccine related expenses

partially offset by

- portfolio progression in the Pharmaceutical business

In-Process Research and Development (IPR&D)

In the fiscal first quarter of 2023, the Company recorded a charge of approximately $0.1 billion associated with the IPR&D acquired with Pulsar Vascular in 2016. In the fiscal first quarter of 2022, the Company recorded an intangible asset impairment charge of approximately $0.6 billion related to an in-process research and development asset, bermekimab (JnJ-77474462), an investigational drug for the treatment of Atopic Dermatitis (AD) and Hidradenitis Suppurativa (HS). The Company acquired all rights to bermekimab from XBiotech, Inc. in the fiscal year 2020.

Interest (Income) Expense

Interest income in the fiscal first quarter of 2023 was $235 million as compared to $22 million in the fiscal first quarter of 2022 primarily due to higher rates of interest earned on cash balances. Interest expense in the fiscal first quarter of 2023 was $215 million as compared to interest expense of $10 million in the same period a year ago primarily due to a higher debt balance at higher interest rates. The balance of cash, cash equivalents, restricted cash and current marketable securities was $32.3 billion ($24.6 billion unrestricted and $7.7 billion restricted) at the end of the fiscal first quarter of 2023 as compared to $30.4 billion at the end of the fiscal first quarter of 2022. The Company's debt position was $52.9 billion ($7.7 billion related to Kenvue debt) as of April 2, 2023, as compared to $33.1 billion the same period a year ago.

Other (Income) Expense, Net*

Q1 2023 versus Q1 2022
Other (income) expense, net for the fiscal first quarter of 2023 was unfavorable by $7.3 billion as compared to the prior year primarily due to the following:

Fiscal First Quarter *(Dollars in Billions)(Income)/Expense*	2023	2022	Change
Litigation related[(1)]	$ 6.9	0.0	6.9
Consumer Health separation costs	0.3	0.1	0.2
COVID-19 Vaccine related exit costs	0.2	0.0	0.2
Changes in the fair value of securities	0.1	0.4	(0.3)
Employee benefit plan related	(0.4)	(0.3)	(0.1)
Other	0.1	(0.3)	0.4
Total Other (Income) Expense, Net	$ 7.2	(0.1)	7.3

[(1)] Related to the talc settlement proposal

*Other (income) expense, net is the account where the Company records gains and losses related to the sale and write-down of certain investments in equity securities held by Johnson & Johnson Innovation - JJDC, Inc. (JJDC), changes in the fair value of securities, gains and losses on divestitures, gains and losses on sale of assets, certain transactional currency gains and losses, acquisition-related costs, litigation accruals and settlements, investment (income)/loss related to employee benefit plans, as well as royalty income.

EARNINGS BEFORE PROVISION FOR TAXES BY SEGMENT

Income (loss) before tax by segment of business for the fiscal first quarters were as follows:

	Income Before Tax		Segment Sales		Percent of Segment Sales	
(Dollars in Millions)	April 2, 2023	April 3, 2022	April 2, 2023	April 3, 2022	April 2, 2023	April 3, 2022
Consumer Health	$ 776	$ 686	$ 3,852	$ 3,586	20.1 %	19.1 %
Pharmaceutical	4,444	3,924	13,413	12,869	33.1	30.5
MedTech	1,445	1,477	7,481	6,971	19.3	21.2
Segment earnings before tax	6,665	6,087	24,746	23,426	26.9	26.0
Less: Expenses not allocated to segments[(1)]	7,102	123				
Less: Consumer Health separation costs	300	102				
Worldwide income/(loss) before tax	$ (737)	$ 5,862	$ 24,746	$ 23,426	(3.0)%	25.0 %

[(1)]Amounts not allocated to segments include interest (income) expense and general corporate (income) expense. The fiscal first quarter of 2023 includes the incremental $6.9 billion charge related to the talc settlement proposal.

Consumer Health Segment

The Consumer Health segment income before tax as a percent of sales in the fiscal first quarter of 2023 was 20.1% versus 19.1% for the same period a year ago. The increase in the income before tax as a percent of sales in the fiscal first quarter of 2023 as compared to the prior year was primarily driven by the following:

- pricing actions

  partially offset by
- commodity inflation

Pharmaceutical Segment

The Pharmaceutical segment income before tax as a percent of sales in the fiscal first quarter of 2023 was 33.1% versus 30.5% for the same period a year ago. The increase in the income before tax as a percent of sales for the fiscal first quarter as compared to the prior year was primarily driven by the following:

- An IPR&D charge of $0.6 billion in 2022 related to bermekimab (JnJ-77474462), an investigational drug for the treatment of AD and Hidradenitis Suppurativa (HS)
- Unfavorable changes in the fair value of securities in 2022 of $0.4 billion
- Leveraging in selling and marketing expenses

  partially offset by
- COVID-19 Vaccine related exit costs of $0.4 billion in 2023
- Restructuring charges of $0.1 billion in 2023
- Unfavorable product mix

MedTech Segment

The MedTech segment income before tax as a percent of sales in the fiscal first quarter of 2023 was 19.3% versus 21.2% for the same period a year ago. The decrease in the income before tax as a percent of sales for the fiscal first quarter was primarily driven by the following:

- Higher amortization expense of $0.1 billion in 2023 related to Abiomed
- An IPR&D charge in 2023 of approximately $0.1 billion related to the Pulsar Vascular acquisition
- Acquisition costs related to Abiomed
- Commodity inflation in 2023

  partially offset by
- No Restructuring charges in 2023 versus $0.1 billion in 2022
- Proactive management of costs

Restructuring

In the first quarter of 2023, the Company completed a prioritization of its research and development (R&D) investment within the Pharmaceutical segment to focus on the most promising medicines with the greatest benefit to patients. This resulted in the exit of certain programs including the discontinuation of its respiratory syncytial virus (RSV) adult vaccine program, HIV and hepatitis. The pre-tax restructuring charge of approximately $0.1 billion in the fiscal first quarter of 2023 includes the termination of partnered and non-partnered program costs and asset impairments. In the fiscal first quarter of 2022, the Company recorded a pre-tax charge of $0.1 billion related to a restructuring program of its Global Supply Chain. The Global Supply Chain program was announced in the second quarter of 2018 and was completed in the fiscal fourth quarter of 2022.

Provision for Taxes on Income

The worldwide effective income tax rate for the first fiscal three months of 2023 was 90.8% in 2023 and 12.2% in 2022.

On December 15, 2022, the European Union (EU) Member States formally adopted the EU's Pillar Two Directive, which generally provides for a minimum effective tax rate of 15%, as established by the Organization for Economic Co-operation and Development (OECD) Pillar Two Framework that was supported by over 130 countries worldwide. The EU effective dates are January 1, 2024, and January 1, 2025, for different aspects of the directive. A significant number of other countries are also implementing similar legislation. The Company is continuing to evaluate the potential impact on future periods of the Pillar Two Framework, pending legislative adoption by additional individual countries, including those within the European Union.

Subsequent to April 2, 2023, as part of the planned separation of the Company's Consumer Health business the Company anticipates the recognition of approximately $0.5 billion in incremental international tax costs due to the reorganization of certain international subsidiaries in the fiscal second quarter of 2023. During the fiscal year 2023, the Company is expected to incur additional tax costs related to the legal separation of the Consumer Health business.

For discussion related to the 2023 provision for taxes refer to Note 5 to the Consolidated Financial Statements.

LIQUIDITY AND CAPITAL RESOURCES

Cash Flows

Cash, cash equivalents and restricted cash were $26.9 billion at the end of the fiscal first quarter of 2023 as compared with $14.1 billion at the end of fiscal year 2022. The primary sources and uses of cash that contributed to the $12.8 billion increase were:

(Dollars In Billions)		
$	14.1	Q4 2022 Cash and cash equivalents balance
	3.3	net cash generated from operating activities
	3.3	net cash generated from investing activities
	6.1	net cash generated from financing activities
	0.1	rounding
$	26.9	Q1 2023 Cash, cash equivalents and restricted cash balance

In addition, the Company had $5.4 billion in marketable securities at the end of the fiscal first quarter of 2023 and $9.4 billion at the end of fiscal year 2022.

Cash flow from operations of $3.3 billion was the result of:

(Dollars In Billions)	
$ (0.1)	Net Loss
1.1	non-cash expenses and other adjustments primarily for depreciation and amortization, stock-based compensation, asset write-downs and credit losses and accounts receivable allowances partially offset by the deferred tax provision and net gain on sale of assets/businesses
(0.6)	an increase in accounts receivable and inventories
(2.6)	a decrease in accounts payable and accrued liabilities
(0.9)	an increase in other current and non-current assets
6.3	an increase in other current and non-current liabilities
0.1	Rounding
$ 3.3	Cash Flow from operations

Cash flow from investing activities of $3.3 billion was primarily from:

(Dollars In Billions)	
(0.9)	additions to property, plant and equipment
4.0	net sales of investments
0.2	credit support agreements activity, net
$ 3.3	Net cash from investing activities

Cash flow from financing activities of $6.1 billion was primarily from:

(Dollars In Billions)	
$ (2.9)	dividends to shareholders
(3.5)	repurchase of common stock
5.2	net proceeds from short term debt and repayment of long term debt
7.7	proceeds from Kenvue long term debt, net of issuance cost
$ (0.4)	other and rounding
$ 6.1	Net cash from financing activities

The Company has access to substantial sources of funds at numerous banks worldwide. In September 2022, the Company secured a new 364-day Credit Facility of $10 billion, which expires on September 7, 2023. In November 2022, the Company secured an additional 364-day revolving Credit Facility of $10 billion, which has an expiration of November 21, 2023. Interest charged on borrowings under the credit line agreement is based on either Secured Overnight Financing Rate (SOFR) Reference Rate or other applicable market rate as allowed plus applicable margins. Commitment fees under the agreement are not material.

In March 2023, Kenvue, a wholly owned subsidiary of the Company, priced an offering of senior unsecured notes in an aggregate principal amount of $7.75 billion (See Note 4 to the Consolidated Financial Statements for additional details). The senior unsecured notes (the Notes) will be senior unsecured obligations of Kenvue and will initially be fully and unconditionally guaranteed (the Guarantees) on a senior unsecured basis by the Company. The Guarantees will terminate upon (1) the completion in all material respects of the transfer of the assets and liabilities of Johnson & Johnson's Consumer Health Business to Kenvue and (2) Kenvue having registered equity securities. The Notes were issued in connection with Johnson & Johnson's separation of its Consumer Health Business. Kenvue intends to use the proceeds from the offering of the Notes as partial consideration to Johnson & Johnson for the Consumer Health Business that Johnson & Johnson will transfer to Kenvue. The proceeds of the Notes offering were placed in a segregated escrow account pending the transfer of the assets and liabilities of the Consumer Health Business to Kenvue and as such, classified as restricted cash as of the balance sheet date. On April 5, 2023, the net proceeds of the Notes were released from escrow upon completion of the Consumer Health Business transfer.

Further, in March 2023, Kenvue entered into a credit agreement providing for a five-year senior unsecured revolving credit facility (the Revolving Credit Facility) in an aggregate principal amount of $4.0 billion to be made available in U.S. dollars and Euros. The Revolving Credit Facility contains representations and warranties, covenants and events of default that are customary for this type of financing, including covenants restricting the incurrence of liens and the entry into certain merger transactions. In addition, Kenvue entered into a commercial paper program (the Commercial Paper Program) of up to $4.0 billion in aggregate principal amount of commercial paper under the Commercial Paper Program. The Commercial Paper Program contains representations and warranties, covenants and default that are customary for this type of financing.

Subsequent to the fiscal first quarter, on April 24, 2023, the Company announced that Kenvue has launched a roadshow for the initial public offering ("IPO") of 151,204,000 shares of its common stock. Kenvue expects to grant the underwriters a 30-day option to purchase up to an additional 22,680,600 shares of its common stock to cover over-allotments, if any. The IPO price is currently expected to be between $20.00 and $23.00 per share. Kenvue has applied to list its common stock on the New York Stock Exchange under the symbol "KVUE." After the completion of the IPO, Johnson & Johnson will own 1,716,160,000 shares of Kenvue's common stock, representing 91.9% of the total outstanding shares of Kenvue's common stock (or 90.8% if the underwriters exercise in full their over-allotment option).

As of April 2, 2023, the Company's cash, cash equivalents, restricted cash ($7.7 billion related to Kenvue) and marketable securities was approximately $32.3 billion and had approximately $52.9 billion of notes payable and long-term debt ($7.7 billion related to Kenvue) for a net debt position of $20.6 billion as compared to the prior year net debt position of $2.8 billion. Considering recent market conditions, the Company has re-evaluated its operating cash flows and liquidity profile and does not foresee any significant incremental risk. The Company anticipates that operating cash flows, the ability to raise funds from external sources, borrowing capacity from existing committed credit facilities and access to the commercial paper markets will continue to provide sufficient resources to fund operating needs, including the Company's remaining balance to be paid on the agreement to settle opioid litigation for approximately $2.5 billion and the establishment of the $8.9 billion reserve (present value) for the talc settlement proposal. (See Note 11 to the Consolidated Financial Statements for additional details). In addition, the Company monitors the global capital markets on an ongoing basis and from time to time may raise capital when market conditions are favorable.

Subsequent to April 2, 2023, the Company paid approximately $3.5 billion to the U.S. Treasury including $1.5 billion related to the current installment due on foreign undistributed earnings as part of the TCJA charge (see Note 1 to the Consolidated Financial Statements in the Company's Annual Report on Form 10-K for the fiscal year ended January 1, 2023), $1.4 billion in advance payments to resolve certain items under examination in its 2013 through 2016 U.S. IRS audit, and $0.6 billion primarily related to the normal estimated payment for the fiscal first quarter of 2023.

On September 14, 2022, the Company announced that its Board of Directors approved a share repurchase program, authorizing the Company to purchase up to $5.0 billion of the Company's Common Stock. Any shares acquired will be available for general corporate purposes. As of April 2, 2023, $5.0 billion has been repurchased and the repurchase program was completed.

Dividends

On January 3, 2023, the Board of Directors declared a regular cash dividend of $1.13 per share, payable on March 7, 2023, to shareholders of record as of February 21, 2023.

On April 18, 2023, the Board of Directors declared a regular cash dividend of $1.19 per share, payable on June 6, 2023, to shareholders of record as of May 23, 2023. The Company expects to continue the practice of paying regular quarterly cash dividends.

OTHER INFORMATION

New Accounting Pronouncements

Refer to Note 1 to the Consolidated Financial Statements for new accounting pronouncements.

Economic and Market Factors

Russia-Ukraine War

Although the long-term implications of Russia's invasion of Ukraine are difficult to predict at this time, the financial impact of the conflict in the fiscal first quarter of 2023, including accounts receivable or inventory reserves, was not material. As of both the fiscal first quarter ending April 2, 2023, and the 2022 fiscal year ending January 1, 2023, the business of the Company's Ukraine subsidiaries represented less than 1% of the Company's consolidated assets and revenues. As of both the fiscal first quarter ending April 2, 2023, and the 2022 fiscal year ending January 1, 2023, the business of the Company's Russian subsidiaries represented less than 1% of the Company's consolidated assets and represented 1% of revenues.

In early March of 2022, the Company took steps to suspend all advertising, enrollment in clinical trials, and any additional investment in Russia. Additionally, at the end of March 2022, the Company made the decision to suspend supply of personal care products in Russia. The Company continues to supply its other products as patients rely on many of the products for healthcare purposes.

The Company operates in certain countries where the economic conditions continue to present significant challenges. The Company continues to monitor these situations and take appropriate actions. Inflation rates and currency exchange rates continue to have an effect on worldwide economies and, consequently, on the way the Company operates. The Company has accounted for operations in Venezuela, Argentina and Turkey (beginning in the fiscal second quarter of 2022) as highly inflationary, as the prior three-year cumulative inflation rate surpassed 100%. In the face of increasing costs, the Company strives to maintain its profit margins through cost reduction programs, productivity improvements and periodic price increases.

Governments around the world consider various proposals to make changes to tax laws, which may include increasing or decreasing existing statutory tax rates. In connection with various government initiatives, companies are required to disclose more information to tax authorities on operations around the world, which may lead to greater audit scrutiny of profits earned in other countries. A change in statutory tax rate in any country would result in the revaluation of the Company's deferred tax assets and liabilities related to that particular jurisdiction in the period in which the new tax law is enacted. This change would result in an expense or benefit recorded to the Company's Consolidated Statement of Earnings. The Company closely monitors these proposals as they arise in the countries where it operates. Changes to the statutory tax rate may occur at any time, and any related expense or benefit recorded may be material to the fiscal quarter and year in which the law change is enacted.

The Company faces various worldwide health care changes that may continue to result in pricing pressures that include health care cost containment and government legislation relating to sales, promotions and reimbursement of health care products.

Changes in the behavior and spending patterns of purchasers of healthcare products and services, including delaying medical procedures, rationing prescription medications, reducing the frequency of physician visits and foregoing healthcare insurance coverage, as a result of the current global economic downturn, may continue to impact the Company's businesses.

The Company faces regular intellectual property challenges from third parties, including generic and biosimilar manufacturers, seeking to manufacture and market generic and biosimilar versions of key pharmaceutical products prior to the expiration of the applicable patents. These challengers file Abbreviated New Drug Applications or abbreviated Biologics License Applications with the FDA or otherwise challenged the coverage and/or validity of the Company's patents. In the event the Company is not successful in defending the patent claims challenged in the resulting lawsuits, generic or biosimilar versions of the products at issue may be introduced to the market, resulting in the potential for substantial market share and revenue losses for those products, and which may result in a non-cash impairment charge in any associated intangible asset. There is also risk that one or more competitors could launch a generic or biosimilar version of the product at issue following regulatory approval even though one or more valid patents are in place.

Item 3 — QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

There has been no material change in the Company's assessment of its sensitivity to market risk since its presentation set forth in Item 7A, "Quantitative and Qualitative Disclosures About Market Risk," in its Annual Report on Form 10-K for the fiscal year ended January 1, 2023.

Item 4 — CONTROLS AND PROCEDURES

Disclosure controls and procedures. At the end of the period covered by this report, the Company evaluated the effectiveness of the design and operation of its disclosure controls and procedures. The Company's disclosure controls and procedures are designed to ensure that information required to be disclosed by the Company in the reports that it files or submits under the Securities Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by the Company in the reports that it files or submits under the Securities Exchange Act is accumulated and communicated to the Company's management, including its principal executive and principal financial officers, or persons performing similar functions, as appropriate, to allow timely decisions regarding required disclosure. Joaquin Duato, Chief Executive Officer; Chairman, Executive Committee and Joseph J. Wolk, Executive Vice President, Chief Financial Officer, reviewed and participated in this evaluation. Based on this evaluation, Messrs. Duato and Wolk concluded that, as of the end of the period covered by this report, the Company's disclosure controls and procedures were effective.

Internal control. During the period covered by this report, there were no changes in the Company's internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting. The Company continues to monitor and assess the effectiveness of the design and operation of its disclosure controls and procedures.

Part II — OTHER INFORMATION

Item 1 — LEGAL PROCEEDINGS

The information called for by this item is incorporated herein by reference to Note 11 included in Part I, Item 1, Financial Statements (unaudited) — Notes to Consolidated Financial Statements.

Item 2 — UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

(c) Purchases of Equity Securities by the Issuer and Affiliated Purchasers.

On September 14, 2022, the Company announced that its Board of Directors approved a share repurchase program, authorizing the Company to purchase up to $5.0 billion of the Company's Common Stock. Share repurchases may be made at management's discretion from time to time on the open market or through privately negotiated transactions. The repurchase program was completed during the fiscal first quarter of 2023.

The following table provides information with respect to Common Stock purchases by the Company during the fiscal first quarter of 2023. Common stock purchases on the open market are made as part of a systematic plan to meet the needs of the Company's compensation programs. The repurchases below also include the stock-for-stock option exercises that settled in the fiscal first quarter.

Fiscal Month Period	Total Number of Shares Purchased[1]	Avg. Price Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs [2]	Maximum Number of Shares that May Yet Be Purchased Under the Plans or Programs
January 2, 2023 through January 29, 2023	2,507,585	176.23	635,911	—
January 30, 2023 through February 26, 2023	18,143,502	162.00	13,852,301	—
February 27, 2023 through April 2, 2023	996,230	156.52	646,230	—
Total	21,647,317	163.39	15,134,442	—

(1) During the fiscal first quarter of 2023, the Company repurchased an aggregate of 21,647,317 shares of Johnson & Johnson Common Stock in open-market transactions, of which 15,134,442 shares were purchased pursuant to the repurchase program that was publicly announced on September 14, 2022, and of which 6,512,875 shares were purchased as part of a systematic plan to meet the needs of the Company's compensation programs.

(2) As of April 2, 2023, an aggregate of 30,546,218 shares were purchased for a total of $5.0 billion since the inception of the repurchase program announced on September 14, 2022.

Item 6 — EXHIBITS

Exhibit 10.1 Global Performance Share Unit Award Agreement

Exhibit 10.2 Global Restricted Share Unit Award Agreement

Exhibit 10.3 Global Nonqualified Stock Option Award Agreement

Exhibit 31.1 Certification of Chief Executive Officer under Rule 13a-14(a) of the Securities Exchange Act pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 — Filed with this document.

Exhibit 31.2 Certification of Chief Financial Officer under Rule 13a-14(a) of the Securities Exchange Act pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 — Filed with this document.

Exhibit 32.1 Certification of Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 — Furnished with this document.

Exhibit 32.2 Certification of Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 — Furnished with this document.

Exhibit 101:

EX-101.INS	Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document
EX-101.SCH	Inline XBRL Taxonomy Extension Schema
EX-101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase
EX-101.LAB	Inline XBRL Taxonomy Extension Label Linkbase
EX-101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase
EX-101.DEF	Inline XBRL Taxonomy Extension Definition Document
Exhibit 104:	Cover Page Interactive Data File—the cover page interactive data file does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

JOHNSON & JOHNSON
(Registrant)

Date: April 28, 2023

By /s/ J. J. WOLK

J. J. WOLK

Executive Vice President, Chief Financial Officer (Principal Financial Officer)

Date: April 28, 2023

By /s/ R. J. DECKER Jr.

R. J. DECKER Jr.

Controller (Principal Accounting Officer)

JOHNSON & JOHNSON
2022 LONG-TERM INCENTIVE PLAN

GLOBAL PERFORMANCE SHARE UNIT AWARD AGREEMENT

Granted To:

WWID #	Target Number of PSUs:
Grant Date:	Performance Period:
Scheduled Vesting Date:	The third anniversary of the Grant Date (the "Scheduled Vesting Date")
Certification Date:	The date following the end of the Performance Period on which the Committee certifies the level of achievement of the performance-based vesting criteria set forth in Appendix A hereto

Grant No.	**Grant Type**	**Target No. of PSUs**
	Performance Share Units	

In addition to such other conditions as may be established by the Committee in its sole discretion, in consideration of the granting of an award under the terms of the Johnson & Johnson 2022 Long-Term Incentive Plan, as amended from time to time (the "Plan"), you agree as follows:

1. Grant of Performance Share Units.

(a) *Award*. Subject to the terms and conditions of this Global Performance Share Unit Award Agreement, including any country-specific terms in Appendix B hereto and any other exhibits or addendums to these documents (collectively, this "Agreement") and the Plan, Johnson & Johnson, a New Jersey corporation (the "Corporation"), hereby grants you Performance Share Units ("PSUs") in the above-stated target number (the "Target Number of PSUs"). The actual number of PSUs that become vested (which may be more or less than the Target Number of PSUs) shall be determined as provided in accordance with the terms of this Agreement (including, without limitation, Section 2 of this Agreement and Appendix A). Each PSU that becomes vested in accordance with this Agreement will be settled in one share of Common Stock of the Corporation, par value $1.00 per share ("Common Stock"), or cash in lieu thereof, in either case subject to and in accordance with the terms of Section 4 of this Agreement. Except where the context clearly indicates otherwise, each capitalized term used herein shall have the definition assigned to it by this Agreement or, to the extent that this Agreement does not define a capitalized term used herein, by the Plan. The PSUs granted herein are subject to all of the terms and conditions of the Plan, and the terms of the Plan are hereby incorporated herein by reference.

(b) *Conditions*. This grant of PSUs is conditioned on your (i) electronically accepting this grant on the website of the Plan recordkeeper (or in such other manner as the Corporation may establish or permit from time to time) and (ii) opening and maintaining a

brokerage account that is permitted for use with respect to awards granted under the Plan, in each case by the deadline established by the Corporation and/or set forth on the website of the Plan recordkeeper. By accepting this grant of PSUs, you will have confirmed your acceptance of all of the terms and conditions of this Agreement. **If you do not accept this grant of PSUs by the applicable deadline, your grant will be cancelled.**

2. Vesting of PSUs; Competition with the Corporation Group.

(a) *General.* Except as otherwise provided in this Section 2, on the later of the above-stated Scheduled Vesting Date or the Certification Date you shall vest in a number of PSUs, if any, based upon the achievement of specified levels of performance during the Performance Period (as determined by the Committee in its sole discretion), as set forth in Appendix A hereto (the "Performance Goals"), provided, that, (i) you are Employed on the Scheduled Vesting Date and have been Employed at all times since the Grant Date and (ii) you have complied with and are in compliance with the terms of this Agreement, as determined by the Corporation in its sole discretion.

(b) *Termination of Employment - General.* If, prior to the Scheduled Vesting Date, you cease to be Employed for any reason, then except as otherwise provided in Section 2(c) (Certain Terminations; Disability), the PSUs shall be forfeited for no consideration on the Date of Termination.

(c) *Certain Terminations; Disability.*

(i) *Termination of Employment due to Death*. If, prior to the Scheduled Vesting Date, you die while Employed, then, to the extent the PSUs are still outstanding, your estate, beneficiary or any person who acquires the PSUs by inheritance or devise, as applicable, shall (i) immediately become vested in the Target Number of PSUs on your date of death and (ii) be eligible to vest in the Top-Up Number of PSUs on the Certification Date based upon actual achievement relative to the Performance Goals during the Performance Period, and your estate, beneficiary or any person who acquires the PSUs by inheritance or devise, as applicable, shall receive a number of shares of Common Stock (or cash in lieu thereof), as provided in Section 4 (Settlement of PSUs; Tax Withholding; Compliance With Securities Laws; Compliance with Compensation Recoupment Policy).

(ii) *Disability*. If, prior to the Scheduled Vesting Date, you become Disabled while Employed, then, to the extent the PSUs are still outstanding, you shall (i) immediately become vested in the Target Number of PSUs on the date of Disability and (ii) be eligible to vest in the Top-Up Number of PSUs on the Certification Date based upon actual achievement relative to the Performance Goals during the Performance Period.

(iii) *Termination due to Specified Divestiture or Reduction in Force*. If, prior to the Scheduled Vesting Date, (A) your Employment terminates as a result of a Specified Divestiture or a Reduction in Force and (B) at the time of such termination of Employment, the conditions set forth in Section 2(c)(iv) (Qualifying Separation) are not satisfied with respect to the PSUs, then, a Pro Rata Number of PSUs shall remain outstanding and you shall be eligible to become vested in a number of PSUs (which may be more or less than the Pro Rata Number of PSUs) on the Certification Date in accordance with Section 2(a), based upon actual achievement relative to the Performance Goals during the Performance Period using the Pro Rata Number of PSUs (and not the Target Number of PSUs) as a base. For purposes of this Agreement, a "Pro Rata Number of PSUs" means the number of PSUs equal to the result, rounded to the nearest whole number, of (I) the Target Number of PSUs, multiplied by (II) a fraction, the numerator of which is the number of days that elapsed from the Grant Date through and including the Date of Termination and the denominator of which is the total number of days in the period commencing

on the Grant Date and ending on (and including) the Scheduled Vesting Date. Notwithstanding this Section 2(c)(iii), you will be treated as having terminated Employment pursuant to Section 2(b) hereof (Termination of Employment – General) if, at any time prior to the Scheduled Vesting Date, the Corporation determines in its sole discretion that applying this Section 2(c)(iii) in a particular case (or cases) is not advisable or appropriate or consistent with the intent of this Section 2(c)(iii).

(iv) *Qualifying Separation*. If your Employment terminates prior to the Scheduled Vesting Date, but after the date that is six (6) months following the Grant Date:

(A) for any reason other than a termination of Employment pursuant to Section 2(c)(i) (Termination of Employment due to Death) or Section 2(c)(vi) (Termination for Cause), and

(B) as of the Date of Termination, either (I) you have attained age fifty-five (55) and have at least ten (10) years of Service with at least five (5) consecutive years of Service immediately before your Date of Termination or (II) you have attained age sixty-two (62) (a termination of Employment that satisfies the conditions set forth in clauses (A) and (B) above, a "Qualifying Separation"),

then, subject to the terms of this Agreement, to the extent the PSUs are still outstanding, the PSUs shall remain outstanding and eligible to become vested on the Certification Date in accordance with Section 2(a) of this Agreement, based upon actual achievement relative to the Performance Goals during the Performance Period. For the avoidance of doubt, this Section 2(c)(iv) (Qualifying Separation) shall not apply if your Employment terminates on or prior to the date that is six (6) months following the Grant Date, as reflected in the records of the Corporation. If a termination of Employment satisfies the conditions set forth in Section 2(c)(iii) (Termination due to Specified Divestiture or Reduction in Force) and this Section 2(c)(iv) (Qualifying Separation), only this Section 2(c)(iv) (Qualifying Separation) shall apply.

Notwithstanding the foregoing, you will be treated as having terminated Employment pursuant to Section 2(b) hereof (Termination of Employment – General) if, at any time prior to the Scheduled Vesting Date, the Corporation determines in its discretion that applying this Section 2(c)(iv) (Qualifying Separation), (1) to employees based on age at the time of termination of Employment and not to all employees may violate any law or public policy applicable to you and/or the PSUs (whether as applied to all holders of PSUs or only holders of PSUs in the jurisdiction where you are employed), or (2) in a particular case (or cases) is not advisable or appropriate or consistent with the intent of this Section 2(c)(iv).

(v) *Death Following Certain Terminations*. Notwithstanding the foregoing, if you die following (A) a termination of Employment pursuant to Section 2(c)(iv) (Qualifying Separation) or (B) a termination of Employment pursuant to Section 2(c)(iii) (Termination due to Specified Divestiture or Reduction in Force), but in either case prior to the Scheduled Vesting Date, then your estate, beneficiary or any person who acquires the PSUs by inheritance or devise, as applicable, shall (I) become vested in (x) the Target Number of PSUs on the date of your death following a termination of Employment pursuant to Section 2(c)(iv) (Qualifying Separation) or (y) the Pro Rata Number of PSUs on the date of your death following a termination of Employment pursuant to Section 2(c)(iii) (Termination due to Specified Divestiture or Reduction in Force), and (II) be eligible to vest in the Top-Up Number of PSUs on the Certification Date based upon actual achievement relative to the Performance Goals during the Performance Period; provided, that, in the event of your death following a termination of Employment pursuant to Section 2(c)(iii) (Termination due to Specified Divestiture or Reduction in Force), the Top-Up Number of PSUs shall be equal to the positive difference, if any, between the number of PSUs that would have vested based on actual achievement relative to the

Performance Goals during the Performance Period (based on the Pro Rata Number of PSUs that remain outstanding following the Date of Termination), less the Pro Rata Number of PSUs (the "Pro Rata Top-Up Number of PSUs").

(vi) *Termination for Cause*. Without limiting the generality of Section 2(b), and notwithstanding any other provision of this Section 2(c), if you cease to be Employed for any reason (including, without limitation, as a result of your voluntary resignation) in connection with or following the occurrence of an event that constitutes Cause, then the PSUs and any other awards you hold under the Plan shall immediately be forfeited for no consideration as of the Date of Termination. If following your Date of Termination, the Corporation becomes aware of conduct or activity by you that occurred during or following your Employment that would have constituted Cause, then any PSUs (or portions thereof) or any other awards held by you under the Plan that are unvested or unexercised (and any payments or benefits in respect thereto) as of the date that the Corporation becomes aware of such conduct or activity shall be forfeited.

(vii) *Corporation Determinations*. In the event of your termination of Employment, the determination of the reason for such termination and the applicable treatment under this Section 2 shall be made by the Corporation in its sole discretion.

(d) *Competition With the Corporation Group*. In order to protect the Corporation Group's goodwill and investments in research and development and Customer and business relationships and to prevent the disclosure of the Corporation Group's confidential and trade secret information, thereby promoting the long-term success of the Corporation Group's business, you agree to the following:

(i) During your Employment, you will not, without the prior written consent of the Corporation, directly or indirectly engage in Competitive Activities.

(ii) For a period of eighteen (18) months following your Date of Termination, you will not, without the prior written consent of the Corporation, directly or indirectly perform, or assist others to perform, work for a Competitor in a position or in any geographic location in which you could disadvantage the Corporation Group or advantage the Competitor through (a) your disclosure or use of the Corporation Group's confidential or trade secret information and/or (b) your use of the Corporation Group's Customer relationships and goodwill.

(iii) *Rescission and Forfeiture*. You understand and agree that if the Corporation determines you have violated Section 2(d)(i) and/or Section 2(d)(ii) and/or any non-competition or non-solicitation agreement that you have with any member of the Corporation Group, then, in addition to injunctive relief, damages, and all other equitable and legal rights and remedies:

(A) the PSUs shall be forfeited for no consideration on the earliest date on which you are first in violation of Section 2(d)(i) and/or
Section 2(d)(ii) or any non-competition or non-solicitation agreement that you have with any member of the Corporation Group; and

(B) upon the Corporation's demand, you shall immediately deliver to the Corporation (I) a number of shares of Common Stock equal to the number of PSUs that vested and were settled in the form of Common Stock (for the avoidance of doubt, without reduction for any shares of Common Stock that may have been withheld to satisfy applicable withholding taxes) and (II) the gross amount of cash paid to you (for the avoidance of doubt, without reduction for amounts withheld to satisfy applicable withholding taxes) for any PSUs

that were settled in the form of cash, in each case in respect of any PSUs that vested within the twelve (12) month period of time immediately preceding the earliest date on which you are first in violation of Section 2(d)(i) and/or Section 2(d)(ii) or any non-competition or non-solicitation agreement that you have with any member of the Corporation Group. To the extent that you do not, as of the date of the Corporation's demand for repayment, hold a number of shares of Common Stock sufficient to satisfy your obligation set forth in clause (I) above, you shall pay the Corporation an amount in cash equal to the result of (x) (i) the number shares required to be delivered by you to the Corporation pursuant to clause (I) above, less (ii) the number of shares actually delivered by you to the Corporation pursuant to clause (I), multiplied by (y) the Fair Market Value per share of Common Stock as of the business day immediately preceding the date of the Corporation's demand for repayment. You agree to deliver and execute such documents (including, if applicable, share certificates) as the Corporation may deem necessary to effect the repayment obligations referred to in this Section 2(d)(iii)(B).

(iv) You understand and agree that the remedies set forth in Section 2(d)(iii) shall not be the Corporation Group's exclusive remedies in the event of a breach of the non-competition obligations set forth in Section 2(d)(i) and/or Section 2(d)(ii) or in any other applicable non-competition or non-solicitation agreement that you have with any member of the Corporation Group, and that the Corporation Group reserves all other rights and remedies available to it at law or in equity.

(e) *Conditions on Vesting upon or following Termination of Employment*. Your eligibility to vest in any of the PSUs upon or following the date of your termination of Employment shall be subject to (i) your compliance with the non-competition obligations in Section 2(d)(i) and/or Section 2(d)(ii) and/or any other applicable non-competition or non-solicitation agreement with any member of the Corporation Group and (ii) if required by any member of the Corporation Group at the time of your termination of Employment, your execution of a separation agreement and/or a general release of claims in favor of the Corporation and its subsidiaries and affiliates containing such provisions and in such form as required by the Corporation that becomes effective within sixty (60) days following the Date of Termination or such earlier date as the Corporation may require (but in no event later than the latest date for settlement under Section 4(a)). In the event a separation agreement and/or a release of claims is required by the Corporation Group and (A) (I) the PSUs vest upon the Date of Termination or (II) the Vesting Date falls within the period that you have to provide such release of claims, and (B) the period in which the PSUs must be settled pursuant to Section 4(a) spans two calendar years, settlement of the vested PSUs will be made in the second calendar year.

3. Rights to Common Stock. Prior to the delivery of shares of Common Stock to you pursuant to Section 4(a) (if applicable), you shall not have any rights in, or with respect to, any of the shares of Common Stock underlying the PSUs, including, but not limited to, any voting rights and the right to receive any dividends (or dividend equivalents) that may be paid or any distributions that may be made with respect to such Common Stock.

4. Settlement of PSUs; Tax Withholding; Compliance With Securities Laws; Compliance With Compensation Recoupment Policy.

(a) *General.* Subject to the terms of this Agreement, within sixty (60) days following the Vesting Date (but in no event later than the first March 15th to occur following the end of the Performance Period), you will receive from the Corporation one share of Common Stock for each PSU that becomes vested in accordance with the terms of this Agreement, or, at the discretion of the Committee, the cash equivalent of the Fair Market Value on the Vesting Date, reduced by any whole shares of Common Stock that are withheld or sold or any cash withheld to satisfy applicable Federal, state and local income taxes, social insurance, payroll tax, fringe benefits tax, payment on account or other tax-related items related to your participation in

the Plan and legally applicable or deemed applicable to you (the "Tax-Related Items") in the amount determined by the Corporation. In lieu of the foregoing, the Corporation or other applicable member of the Corporation Group may determine that withholding of Tax-Related Items shall be satisfied by any other method permitted under the Plan. Notwithstanding the foregoing, if you are a Section 16 officer of the Corporation under the Securities Exchange Act of 1934, as amended, then the Corporation will satisfy any applicable tax withholding obligations by withholding in shares of Common Stock upon the relevant taxable event (with such withholding obligations determined based on the applicable statutory withholding rates and without regard to Section 83(c)(3) of the Internal Revenue Code of 1986, as amended), unless otherwise determined by the Committee.

(b) *Registration and Listing*. Notwithstanding Section 4(a), shares of Common Stock shall not be issued pursuant to this Agreement, unless, on the Vesting Date, there is in effect a current registration statement or amendment thereto under the Securities Act of 1933, as amended, covering the shares of Common Stock to be issued upon vesting of the PSUs, and such shares are authorized for listing on the New York Stock Exchange or another securities exchange as determined by the Corporation. Nothing herein shall be deemed to require the Corporation to apply for, to effect, or to obtain such registration or listing.

(c) *Compensation Recoupment Policy*. You hereby acknowledge and agree that you and the PSUs, including any cash and/or shares of Common Stock that may be delivered to you pursuant to the PSUs, are subject to the Corporation's Compensation Recoupment Policy, as may be amended and/or restated from time to time, a current copy of which can be found on the Corporation's website at http://www.investor.jnj.com/gov/compensation-recoupment-policy.cfm. The terms and conditions of the Compensation Recoupment Policy hereby are incorporated by reference into this Agreement.

5. Nontransferability of PSUs. The PSUs and any rights granted hereunder may not be sold, transferred, assigned, pledged or hypothecated in any way (whether by operation of law or otherwise), other than by will or the laws of descent and distribution or in accordance with any beneficiary designation procedures that may be established by the Corporation. Nor shall any such rights be subject to execution, attachment or similar process, other than in accordance with the terms of the Plan. Upon any attempt to sell, transfer, assign, pledge, hypothecate, or otherwise dispose of the PSUs or of any rights granted herein contrary to the provisions of the Plan or this Agreement, or upon the levy of any attachment or similar process upon the PSUs or such rights, the PSUs and such rights shall, at the election of the Corporation, be forfeited for no consideration.

6. No Special Employment Rights; No Rights to Awards. Nothing contained in the Plan or this Agreement shall be construed or deemed by any person under any circumstances to bind any member of the Corporation Group to continue your employment for the vesting period, Performance Period or for any other period, to create a right to employment with the Corporation, to form or amend an employment or service contract with the Corporation or to interfere in any way with any right of a member of the Corporation Group to terminate your employment at any time. You hereby acknowledge and agree that (i) the Plan is established voluntarily by the Corporation, is discretionary in nature and may be modified, amended, or terminated by the Corporation at any time, as provided in the Plan, (ii) your participation in the Plan is voluntary and you are voluntarily accepting the grant of PSUs, (iii) the PSUs and the shares of Common Stock subject to the PSUs, and the income and value of same, do not constitute part of your normal or expected compensation or salary for any purposes, including, but not limited to, calculating any severance, resignation, termination indemnities, redundancy, dismissal, end-of-service payments, bonuses, long-service awards, pension or retirement benefits or welfare benefits or similar payments, and in no event should be considered as compensation for, or in any way relating to, past services to the Corporation Group, (iv) the PSUs and shares of

Common Stock subject to the PSUs, and the income and value of same, are not intended to replace any pension rights or compensation, (v) the grant of the PSUs is exceptional, voluntary and occasional and does not create any contractual or other right to receive future grants of PSUs, or benefits in lieu of PSUs, even if PSUs have been granted in the past, (vi) unless otherwise agreed with the Corporation, the PSUs and the shares of Common Stock subject to the PSUs, and the income and value of same, are not granted as consideration, or in connection with, the service you may provide as a director of a subsidiary of the Corporation, (vii) the future value of the underlying shares of Common Stock is unknown, indeterminable and cannot be predicted with certainty, (viii) no claim or entitlement to compensation or damages shall arise from forfeiture or recoupment of the PSU resulting from the termination of your Employment or other service relationship (regardless of the reason for such termination and whether or not later found to be invalid or in breach of employment laws in the jurisdiction where you are employed or the terms of your employment agreement, if any), (ix) you shall seek all necessary approvals under, make all required notifications under, and comply with all laws, rules, and regulations applicable to the ownership of the PSUs and, if applicable, shares of Common Stock, including currency and exchange laws, rules, and regulations, (x) neither the Corporation nor any of its subsidiaries or affiliates shall be liable for any foreign exchange rate fluctuation between your local currency and the US dollar that may affect the value of the PSUs or of any amounts due to you pursuant to settlement of the PSUs or the subsequent sale of any shares of Common Stock acquired upon settlement, (xi) the determination of the form of awards granted under the Plan is made by the Committee in its sole discretion, and (xii) the Corporation is not providing any tax, legal, or financial advice, nor is the Corporation making any recommendations regarding your participation in the Plan or your acquisition or sale of the underlying shares of Common Stock, and you should consult your own personal tax, legal and financial advisors regarding your participation in the Plan before taking any action related to the PSUs.

7. Notices. Unless the Corporation notifies you otherwise in writing, all notices, designations, and payments to be submitted to the Corporation in connection with the PSUs shall be addressed to:

Equity Compensation Resources
One Johnson & Johnson Plaza
New Brunswick, NJ 08933
USA

8. Adjustments for Changes in the Corporation's Corporate Structure. The PSUs granted hereunder shall be subject to the provisions of the Plan relating to adjustments for changes in the Corporation's corporate structure.

9. Definitions. The following capitalized terms shall have the definitions set forth below for purposes of this Agreement:

(a) "Cause" means (i) your conviction for or a plea of *nolo contendere* to the commission of a felony under federal or state law, or (ii) any act by you that, in the Corporation's opinion, constitutes fraud, embezzlement, dishonesty, disclosure of confidential information, the willful and deliberate failure to perform your employment duties in any material respect, a conflict of interest, a violation of the non-competition obligations set forth in Section 2(d)(i) of this Agreement or any other applicable non-competition, non-solicitation, or confidentiality agreement or obligation that you have with any member of the Corporation Group, a violation of any standards of conduct policies or other policies of the Corporation Group to which you are subject, or any other event that is inimical or contrary to the best interests of the Corporation Group. Any determination of "Cause" shall be made by the Corporation in its sole discretion, and its determination shall be final and binding.

(b) "Certification Date" means the Certification Date identified on the first page of this Agreement, which shall occur in the first February following the end of the Performance Period.

(c) "Committee" means the Compensation & Benefits Committee of the Board of Directors of the Corporation (or any successor committee), or any person or persons to whom the Committee has delegated authority to administer, construe or interpret the terms of the Plan, pursuant to Section 3(d) of the Plan.

(d) "Competitor" means any person or entity including, but not limited to, you or anyone acting on your behalf, that is engaged or preparing to be engaged in research, development, production, manufacturing, marketing or selling of, or consulting on, any product, process, technology, machine, invention or service in existence or under development that resembles, competes with, may now or in the future compete with, can be substituted for or can be marketed as a substitute for any product, process, technology, machine, invention, or service of the Corporation Group that is in existence or that is, was, or is planned to be under development. The Corporation shall determine whether any individual or entity is a "Competitor" in its sole discretion, and its determination shall be final.

(e) "Competitive Activities" means any and all activities (including preparations) which compete with, are intended to compete with, or which otherwise may adversely affect or interfere with the Corporation Group's business or advantage a Competitor whether immediately or in the future. The Corporation shall determine whether any conduct constitutes "Competitive Activities" in its sole discretion, and its determination shall be final.

(f) "Corporation Group" means the Corporation and its subsidiaries and affiliates, as determined by the Corporation.

(g) "Customer" means any entity, client, account, or person, including the employees, agents, or representatives of the foregoing, or any entity or person who participates, influences or has any responsibility in making purchasing decisions on behalf of such entities, clients, accounts, or persons, to whom or to which you contacted, solicited any business from, sold to, rendered any service to, were assigned to, had responsibilities for, received commissions or any compensation on, or promoted or marketed any products or services to during the eighteen (18) month period of time preceding your Date of Termination. The Corporation shall determine whether any individual or entity is a "Customer" in its sole discretion, and its determination shall be final.

(h) "Date of Termination" means the date on which your Employment terminates.

(i) "Disability" or "Disabled" means that you have been determined to be unable to work because of a disability (i) that lasts for a period in excess of twenty-six (26) weeks and (ii) (A) that entitles you to long-term disability benefits under the long-term disability policy of the Corporation or its applicable affiliate under which you are covered, or (B) if there is no such policy, that you have been determined to be "disabled" (or of similar status) by the Corporation (or its applicable affiliate) in accordance with applicable procedures and policies. Notwithstanding the foregoing, (I) you will not be considered to have incurred a Disability unless you are identified as "disabled" (or of similar status) in accordance with the personnel and/or human resources policies of the Corporation or its applicable affiliate, as in effect from time to time and (II) if the PSUs are subject to Section 409A (as determined by the Corporation), then you will not be considered to have incurred a Disability unless such condition also constitutes a "disability" within the meaning of Treasury Regulation Section 1.409A-3(i)(4).

(j) "Divestiture" means the disposition of an organizational unit or business unit by the Corporation or one of its subsidiaries, whether pursuant to merger, reorganization, consolidation, spinoff, sale of assets, sale of stock, outsourcing arrangement, or asset transfer, in each case that (i) the Corporation determines constitutes a Divestiture and (ii) directly results in (A) the termination of your Employment and the employment of a group of employees of the Corporation Group and (B) you and such other employees becoming employed by an acquiring company or staffing firm.

(k) "Employed" or "Employment" means any period of time during which you are an employee of the Corporation Group in good standing, as determined by the Corporation Group in accordance with its applicable practices, policies and records; provided, that, during such period you are (i) in active employment status with the Corporation Group or (ii) on a Corporation Group-approved leave of absence (as determined by the Corporation Group in its sole discretion). For the avoidance of doubt, you shall not be considered to be Employed (x) for any period during which you are not considered to be an employee in good standing pursuant to the Corporation Group's practices, policies and records, (y) during any notice period or salary continuation period required by contract, practice or local law (such as a "garden leave" or similar period) or any severance period (if you are covered by a severance agreement or arrangement) or (z) for any period of leave that is not approved by the Corporation Group (as determined by the Corporation Group in its sole discretion).

(l) "Grant Date" means the date on which the PSUs are granted, as identified on the first page of this Agreement.

(m) "Performance Period" means the three-year performance period identified on the first page of this Agreement.

(n) "Reduction in Force" means a termination of Employment (i) due to a position elimination or (ii) in connection with a site closing or plant closing. The determination of whether there has been a position elimination for purposes of this Agreement, or whether a termination of Employment is otherwise in connection with a Reduction in Force, shall be made by the Corporation in its sole discretion and without regard to whether you are eligible to receive severance or other separation benefits from any member of the Corporation Group in connection with your termination of Employment.

(o) "Service" means Employment with the Corporation or one of its subsidiaries or affiliates, while that corporation or other legal entity was a subsidiary or affiliate of the Corporation, unless the Corporation has otherwise provided on or before the Grant Date.

(p) "Specified Divestiture" means a Divestiture in which the PSUs (or portion thereof) that would otherwise be forfeited hereunder as a result of a termination of Employment due to such Divestiture are not or would not be replaced (with cash-based compensation, equity-based compensation, or any other compensation or benefit) in whole or in part by the acquiring company, staffing firm, or other entity involved in such Divestiture, or any affiliate of the foregoing (as applicable, the "Acquiring Entity") in the event that you accepted employment with the Acquiring Entity. The determination of whether any compensation or benefit is provided in replacement of forfeited PSUs, or whether a Divestiture constitutes a Specified Divestiture, shall be made by the Corporation in its sole discretion.

(q) "Top-Up Number of PSUs" means the positive difference, if any, between (i) the number of PSUs that would have become vested based upon actual achievement relative to the Performance Goals during the Performance Period, less (ii) the Target Number of PSUs; provided, that, the Top-up Number of PSUs shall not be less than zero.

(r) "Vesting Date" means the earliest of (to the extent applicable): (i) the later of the Scheduled Vesting Date or the Certification Date; or (ii) in the event of a termination of Employment pursuant to Section 2(c)(i) (Termination of Employment due to Death) or a Disability pursuant to Section 2(c)(ii) (Disability), (A) with respect to the Target Number of PSUs, the Date of Termination or the date you become Disabled, as applicable, and (B) with respect to the Top-Up Number of PSUs, the Certification Date; or (iii) in the event of your death as described in Section 2(c)(v) (Death following Certain Terminations), (A) with respect to the Target Number of PSUs or Pro Rata Number of PSUs, as applicable, the date of death, and (B) with respect to the Top-Up Number of PSUs or the Pro Rata Top-Up Number of PSUs, as applicable, the Certification Date; or (iv) the date the PSUs vest and become payable pursuant to any applicable provision of the Plan (provided, that, if the PSUs are subject to Section 409A (as determined by the Corporation), payment will occur on the earliest permissible date determined by the Corporation that would not result in accelerated taxation and/or tax penalties under Section 409A).

10. Miscellaneous.

(a) *Amendment*s. Except as provided herein, this Agreement may not be amended or otherwise modified unless evidenced in writing and signed by an authorized representative of the Corporation.

(b) *Third-Party Beneficiaries*. You acknowledge and agree that all affiliates and subsidiaries of the Corporation have, or will as the result of a future acquisition, merger, assignment, or otherwise have, an interest in your Employment and your compliance with the obligations in Section 2(d) (Competition with the Corporation Group), and that those entities are each express, third-party beneficiaries of this Agreement.

(c) *Binding Effect*. This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators, successors and assigns.

(d) *Severability*. In the event that Section 2(d) (Competition with the Corporation Group) of this Agreement is invalidated or not enforced under applicable law, this shall not affect the validity or enforceability of the remaining provisions of this Agreement or the Plan. To the extent that Section 2(d) of this Agreement is unenforceable because it is deemed overbroad, the provision shall be applied and enforced in a more limited manner to the fullest extent permissible under the applicable law. You further understand and agree that, in the event Section 2(d) of this Agreement is declared invalid, void, overbroad, or unenforceable, in whole or in part, for any reason, you shall remain bound by any non-competition, confidentiality, non-solicitation, and/or non-disclosure agreement previously entered between you and any member of the Corporation Group.

(e) *Appendix B*. Notwithstanding any provisions in this Agreement, the PSUs shall be subject to any additional terms and conditions set forth in Appendix B for your country. Moreover, if you relocate to one of the countries included in Appendix B, the additional terms and conditions for such country will apply to you, to the extent the Corporation determines that the application of such terms and conditions is necessary or advisable for legal or administrative reasons. Appendix B constitutes part of this Agreement.

(f) ***Data Privacy Consent. By accepting this grant, you hereby unconditionally consent to the collection, use and transfer, in electronic or other form, of your personal data as described in this document by and among, as applicable, your employing entity (the "Employer") and the Corporation and the Corporation Group for the exclusive purpose of implementing, administering and managing any awards issued to you under the***

Plan. You understand that the Corporation and your Employer may hold certain personal information about you, including, but not limited to, your name, home address, email address, telephone number, date of birth, social insurance number or other identification number, salary, nationality, job title, details of all PSUs or any other entitlement to shares of stock awarded, canceled, vested, unvested or outstanding in your favor ("Data"), for the purpose of implementing, administering and managing any grants issued to you under the Plan. You understand that Data may be transferred to any third parties, as may be selected by the Corporation, which are assisting in the implementation, administration and management of the Plan and the fulfillment of this Agreement. You understand that the recipients of the Data may be located in the United States or elsewhere, and that the recipients' country may have different data privacy laws and protections from your country. You understand that if you reside outside of the United States, you may request a list with the names and addresses of any potential recipients of the Data by contacting your local human resources representative. You authorize the recipients, which may assist the Corporation (presently or in the future) with implementing, administering and managing the Plan to receive, possess, use, retain and transfer the Data, in electronic or other form, for the purposes of implementing, administering and managing grants under the Plan and the fulfillment of this Agreement. You understand the Data will be held only as long as is necessary to implement, administer and manage grants under the Plan and this Agreement. You understand that if you reside outside of the United States, you may, at any time, view Data, request information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing your human resources representative. Further, you understand that your consent herein is being provided on a purely voluntary basis. If you do not consent, or if you later seek to revoke your consent, your Employment status or Service will not be affected; the only consequence of refusing or withdrawing your consent is that the Corporation may not be able to grant PSUs or other equity awards to you or administer or maintain such awards. Therefore, you understand that refusing or withdrawing your consent may affect your ability to participate in the Plan. For more information on the consequences of your refusal to consent or withdrawal of consent, you understand that you may contact your local human resources representative.

(g) *Entire Agreement*. This Agreement and the Plan constitute the entire agreement between the parties relating to the subject matter hereof, and any previous agreement or understanding between the parties with respect thereto is superseded by this Agreement and the Plan.

(h) *Section 409A*. The intent of the parties is that payments and benefits under this Agreement are exempt from or comply with Section 409A of the Internal Revenue Code of 1986, as amended, and the regulations and guidance issued thereunder ("Section 409A"), to the extent subject thereto, and accordingly, to the maximum extent permitted, this Agreement shall be interpreted and administered to be in compliance therewith or exempt therefrom, as applicable. Notwithstanding anything to the contrary in the Plan or this Agreement, the Corporation reserves the right to revise this Agreement as it deems necessary or advisable, in its sole discretion and without your consent, to comply with Section 409A or to otherwise avoid imposition of any additional tax or income recognition under Section 409A prior to the actual payment of cash or shares of Common Stock pursuant to the PSUs. However, the Corporation makes no representation that the PSUs are not subject to Section 409A nor makes any undertaking to preclude Section 409A from applying to the PSUs. The Corporation shall not have any liability under the Plan or this Agreement for any taxes, penalties or interest due on amounts paid or payable pursuant to the Plan or this Agreement, including any taxes, penalties or interest imposed under Section 409A. For purposes of the Plan and this Agreement, to the extent the PSUs constitute "non-qualified deferred compensation" within the meaning of Section 409A and necessary to avoid accelerated taxation and/or tax penalties under Section 409A, a termination of Employment shall not be deemed to have occurred for purposes of settlement of

any portion of the PSUs unless such termination constitutes a "separation from service" within the meaning of Section 409A and, for purposes of any such provision of this Agreement, references to a "termination," "termination of Employment" or similar terms shall mean "separation from service." Each amount to be paid under this Agreement shall be construed as a separately identified payment for purposes of Section 409A. In addition, notwithstanding anything herein to the contrary, if you are deemed on the Date of Termination to be a "specified employee" within the meaning of that term under Section 409A and you are subject to U.S. federal taxation, then, to the extent the settlement of the PSUs following such termination of Employment is considered the payment of non-qualified deferred compensation under Section 409A payable on account of a "separation from service" that is not exempt from Section 409A, such settlement shall be delayed until the date that is the earlier of (i) the expiration of the six-month period measured from the date of such "separation from service" or (ii) the date of your death.

(i) *Acknowledgement*. By electing to accept this Agreement, you acknowledge receipt of this Agreement and hereby confirm your understanding of the terms set forth in this Agreement. In the event of any conflict between the terms of the Plan and this Agreement, the terms of the Plan shall control. The Corporation may, in its sole discretion, decide to deliver any documents (including, without limitation, information required to be delivered to you pursuant to applicable securities laws) related to current or future participation in the Plan by electronic means. You hereby consent to receive such documents by electronic delivery and agree to participate in the Plan through an online or electronic system established and maintained by the Corporation or a third party designated by the Corporation.

(j) *Language*. You acknowledge that you are proficient in the English language, or have consulted with an advisor who is proficient in the English language, so as to enable you to understand the provisions of this Agreement and the Plan. If you have received this Agreement or any other document related to the Plan translated into a language other than English, and the meaning of the translated version is different than the English version, the English version will control.

(k) *Imposition of Other Requirements*. The Corporation reserves the right to impose other requirements on your participation in the Plan, on the PSUs and on any shares of Common Stock acquired under the Plan, to the extent the Corporation determines it is necessary or advisable in order to comply with local law or to facilitate the administration of the Plan, to make any corrections or adjustments that it deems necessary or appropriate, and to require you to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

(l) *Waiver*. You acknowledge that a waiver by the Corporation of breach of any provision of this Agreement shall not operate or be construed as a waiver of any other provision of this Agreement, or of any subsequent breach by you or any other grantee.

(m) *Governing Law*. This Agreement shall be governed by and construed in accordance with the laws of the State of New Jersey without giving effect to conflict of laws principles, except to the extent superseded by federal law and as set forth in this Section 9(m). Provided that you primarily resided and worked in California during and in connection with your employment with the Corporation Group and at the time that you accepted this Agreement and participation in the Plan, (i) this Agreement shall be governed by and construed in accordance with the laws of the State of California; and (ii) Section 2(d)(ii) shall not apply with respect to services you render in California that do not involve your use or disclosure of the Corporation Group's confidential or trade secret information.

(n) *Submission to Jurisdiction; Waiver of Jury Trial*. Any litigation brought against a party to this Agreement shall be brought in any U.S. federal or state court located in the State of New Jersey and each of the parties submits to the exclusive jurisdiction of such courts for the purpose of any such litigation; provided, that, a final judgment in any such litigation shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other matter provided by law. Each party agrees not to assert (A) any objection which it may have to venue in U.S. federal or state court located in the State of New Jersey, (B) any claim that litigation has been brought in an inconvenient forum and (C) any claim that such court does not have jurisdiction with respect to such litigation. Each party waives any right to a trial by jury with respect to any matters arising under this Agreement or any other awards granted under the Plan.

JOHNSON & JOHNSON

By: 

Carolyn Hoenisch
Senior Finance Director
Savings Plan, Pension, Equity Compensation Operations
Johnson & Johnson
One Johnson & Johnson Plaza
New Brunswick, NJ 08933
USA

JOHNSON & JOHNSON
2022 LONG-TERM INCENTIVE PLAN

GLOBAL RESTRICTED SHARE UNIT AWARD AGREEMENT

Granted To:

WWID #	Total Units:
Grant Date:	Scheduled Vesting Date(s): the date(s) set forth in the table below (each, a "Scheduled Vesting Date")

Grant No.	Grant Type	No. of Units	Scheduled Vesting Date
	Restricted Share Units		
	Restricted Share Units		
	Restricted Share Units		

In addition to such other conditions as may be established by the Committee in its sole discretion, in consideration of the granting of an award under the terms of the Johnson & Johnson 2022 Long-Term Incentive Plan, as amended from time to time (the "Plan"), you agree as follows:

1. Grant of Restricted Share Units.

(a) *Award*. Subject to the terms and conditions of this Global Restricted Share Unit Award Agreement, including any country-specific terms in Appendix A hereto and any other exhibits or addendums to these documents (collectively, this "Agreement") and the Plan, Johnson & Johnson, a New Jersey corporation (the "Corporation"), hereby grants you the above-stated number of Restricted Share Units ("RSUs"), which will become vested subject to the terms and conditions of this Agreement. Upon vesting of each RSU, you will receive one share of Common Stock of the Corporation, par value $1.00 per share ("Common Stock"), or cash in lieu thereof, in either case subject to and in accordance with the terms of Section 4 of this Agreement. Except where the context clearly indicates otherwise, each capitalized term used herein shall have the definition assigned to it by this Agreement or, to the extent that this Agreement does not define a capitalized term used herein, by the Plan. The RSUs granted herein are subject to all of the terms and conditions of the Plan, and the terms of the Plan are hereby incorporated herein by reference.

(b) *Conditions*. This grant of RSUs is conditioned on your (i) electronically accepting this grant on the website of the Plan recordkeeper (or in such other manner as the Corporation may establish or permit from time to time) and (ii) opening and maintaining a brokerage account that is permitted for use with respect to awards granted under the Plan, in each case by the deadline established by the Corporation and/or set forth on the website of the Plan recordkeeper. By accepting this grant of RSUs, you will have confirmed your acceptance of all of

the terms and conditions of this Agreement. **If you do not accept this grant of RSUs by the applicable deadline, your grant will be cancelled.**

2. Vesting of RSUs; Competition with the Corporation Group.

(1) *General*. Except as otherwise provided in this Section 2, the RSUs granted herein shall become vested on the above-stated Scheduled Vesting Dates in accordance with the schedule set forth above, provided, that, with respect to each RSU, (i) you are Employed on the applicable Scheduled Vesting Date and have been Employed at all times since the Grant Date and (ii) you have complied with and are in compliance with the terms of this Agreement, as determined by the Corporation in its sole discretion.

(2) *Termination of Employment - General*. If, prior to the applicable Scheduled Vesting Date, you cease to be Employed for any reason, then except as otherwise provided in Section 2(c) (Certain Terminations; Disability), the RSUs shall be forfeited for no consideration on the Date of Termination.

(3)

(3) *Certain Terminations; Disability*.

(a) *Termination of Employment due to Death*. If you die while Employed, then the RSUs shall immediately become vested in full as of your date of death (to the extent still outstanding and not already vested), and your estate, beneficiary or any person who acquires the RSUs by inheritance or devise, as applicable, shall receive a number of shares of Common Stock (or cash in lieu thereof), as provided in Section 4 (Settlement of RSUs; Tax Withholding; Compliance With Securities Laws; Compliance with Compensation Recoupment Policy).

(b) *Disability*. If you become Disabled while Employed, you shall immediately become vested in full in the RSUs (to the extent still outstanding and not already vested) on the date of Disability.

(c) *Qualifying Separation*. If your Employment terminates after the date that is six (6) months following the Grant Date:

(i)for any reason other than a termination of Employment pursuant to Section 2(c)(i) (Termination of Employment due to Death) or Section 2(c)(v) (Termination for Cause), and

(ii)as of the Date of Termination either (I) you have attained age fifty-five (55) and have at least ten (10) years of Service with at least five (5) consecutive years of Service immediately before your Date of Termination or (II) you have attained age sixty-two (62) (a termination of Employment that satisfies the conditions set forth in clauses (A) and (B) above, a "Qualifying Separation"),

then, subject to the terms of this Agreement, you shall become vested in the RSUs (to the extent still outstanding and not already vested) on the applicable Scheduled Vesting Dates in accordance with the schedule set forth above. For the avoidance of doubt, this Section 2(c)(iii) (Qualifying Separation) shall not apply if your Employment terminates on or prior to the date that is six (6) months following the Grant Date, as reflected in the records of the Corporation.

Notwithstanding the foregoing, you will be treated as having terminated Employment pursuant to Section 2(b) hereof (Termination of Employment – General) if, at any time prior to the

applicable Scheduled Vesting Date, the Corporation determines in its sole discretion that applying this Section 2(c)(iii) (Qualifying Separation), (1) to employees based on age at the time of termination of Employment and not to all employees may violate any law or public policy applicable to you and/or the RSUs (whether as applied to all holders of RSUs or to only holders of RSUs in the jurisdiction where you are employed), or (2) in a particular case (or cases) is not advisable or appropriate or consistent with the intent of this Section 2(c)(iii).

(d) *Death Following Qualifying Separation*. Notwithstanding the foregoing, if you die following a termination of Employment pursuant to Section 2(c)(iii) (Qualifying Separation), but prior to any Scheduled Vesting Date that had not occurred as of the date of your death, then your estate, beneficiary or any person who acquires the RSUs (to the extent still outstanding) by inheritance or devise, as applicable, shall become fully vested in such RSUs on the date of your death.

(e) *Termination for Cause*. Without limiting the generality of Section 2(b), and notwithstanding any other provision of this Section 2(c), if you cease to be Employed for any reason (including, without limitation, as a result of your voluntary resignation) in connection with or following the occurrence of an event that constitutes Cause, then the RSUs and any other awards that you hold under the Plan shall immediately be forfeited for no consideration as of the Date of Termination. If following your Date of Termination, the Corporation becomes aware of conduct or activity by you that occurred during or following your Employment that would have constituted Cause, then any RSUs (or portions thereof) or any other awards held by you under the Plan that are unvested or unexercised (and any payments or benefits in respect thereto) as of the date that the Corporation becomes aware of such conduct or activity shall be forfeited.

(f) *Corporation Determinations*. In the event of your termination of Employment, the determination of the reason for such termination and the applicable treatment under this Section 2 shall be made by the Corporation in its sole discretion.

(4) *Competition With the Corporation Group*. In order to protect the Corporation Group's goodwill and investments in research and development and Customer and business relationships and to prevent the disclosure of the Corporation Group's confidential and trade secret information, thereby promoting the long-term success of the Corporation Group's business, you agree to the following:

(a) During your Employment, you will not, without the prior written consent of the Corporation, directly or indirectly engage in Competitive Activities.

(b) For a period of eighteen (18) months following your Date of Termination, you will not, without the prior written consent of the Corporation, directly or indirectly perform, or assist others to perform, work for a Competitor in a position or in any geographic location in which you could disadvantage the Corporation Group or advantage the Competitor through (a) your disclosure or use of the Corporation Group's confidential or trade secret information and/or (b) your use of the Corporation Group's Customer relationships and goodwill.

(c) *Rescission and Forfeiture*. You understand and agree that if the Corporation determines you have violated Section 2(d)(i) and/or Section 2(d)(ii) and/or any non-competition or non-solicitation agreement that you have with any member of the Corporation Group, then, in addition to injunctive relief, damages, and all other equitable and legal rights and remedies:

(i)the RSUs shall be forfeited for no consideration on the earliest date on which you are first in violation of Section 2(d)(i) and/or
Section 2(d)(ii) or any non-competition or non-solicitation agreement that you have with any member of the Corporation Group; and

(ii)upon the Corporation's demand, you shall immediately deliver to the Corporation (I) a number of shares of Common Stock equal to the number of RSUs that vested and were settled in the form of Common Stock (for the avoidance of doubt, without reduction for any shares of Common Stock that may have been withheld and/or sold to satisfy applicable withholding taxes) and (II) the gross amount of cash paid to you (for the avoidance of doubt, without reduction for amounts withheld to satisfy applicable withholding taxes) for any RSUs that were settled in the form of cash, in each case in respect of any RSUs that vested within the twelve (12) month period of time immediately preceding the earliest date on which you are first in violation of Section 2(d)(i) and/or Section 2(d)(ii) or any non-competition or non-solicitation agreement that you have with any member of the Corporation Group. To the extent that you do not, as of the date of the Corporation's demand for repayment, hold a number of shares of Common Stock sufficient to satisfy your obligation set forth in clause (I) above, you shall pay the Corporation an amount in cash equal to the result of (x) (i) the number shares required to be delivered by you to the Corporation pursuant to clause (I) above, less (ii) the number of shares actually delivered by you to the Corporation pursuant to clause (I), multiplied by (y) the Fair Market Value per share of Common Stock as of the business day immediately preceding the date of the Corporation's demand for repayment. You agree to deliver and execute such documents (including, if applicable, share certificates) as the Corporation may deem necessary to effect the repayment obligations referred to in this Section 2(d)(iii)(B).

(d) You understand and agree that the remedies set forth in Section 2(d)(iii) shall not be the Corporation Group's exclusive remedies in the event of a breach of the non-competition obligations set forth in Section 2(d)(i) and/or Section 2(d)(ii) or in any other applicable non-competition or non-solicitation agreement that you have with any member of the Corporation Group, and that the Corporation Group reserves all other rights and remedies available to it at law or in equity.

(5) *Conditions on Vesting upon or following Termination of Employment*. Your eligibility to vest in any of the RSUs upon or following the date of your termination of Employment shall be subject to (i) your compliance with the non-competition obligations in Section 2(d)(i) and/or Section 2(d)(ii) and/or any other applicable non-competition or non-solicitation agreement with any member of the Corporation Group and (ii) if required by any member of the Corporation Group at the time of your termination of Employment, your execution of a separation agreement and/or a general release of claims in favor of the Corporation and its subsidiaries and affiliates containing such provisions and in such form as required by the Corporation Group that becomes effective prior to the latest date for settlement of the RSUs set forth in Section 4(a) (or such earlier date as the Corporation Group may require). In the event a separation agreement and/or a release of claims is required by the Corporation Group and (A) (I) the RSUs vest upon the Date of Termination or (II) the Vesting Date falls within the period that you have to provide such release of claims, and (B) the period in which the RSUs must be settled pursuant to Section 4(a) spans two calendar years, then settlement of the vested RSUs will be made in the second calendar year.

3. Rights to Common Stock. Prior to the delivery of shares of Common Stock to you pursuant to Section 4(a) (if applicable), you shall not have any rights in, or with respect to, any of the shares of Common Stock underlying the RSUs, including, but not limited to, any voting rights and the right to receive any dividends (or dividend equivalents) that may be paid or any distributions that may be made with respect to such Common Stock.

4. Settlement of RSUs; Tax Withholding; Compliance With Securities Laws; Compliance with Compensation Recoupment Policy.

(a) *General*. Subject to the terms of this Agreement, within sixty (60) days following the Vesting Date (but in no event later than the first March 15th occurring thereafter), you will receive from the Corporation one share of Common Stock for each RSU that vested on that date, or, at the discretion of the Committee, the cash equivalent of the Fair Market Value on the Vesting Date, reduced by any whole shares of Common Stock that are withheld or sold or any cash withheld to satisfy applicable Federal, state and local income taxes, social insurance, payroll tax, fringe benefits tax, payment on account or other tax-related items related to your participation in the Plan and legally applicable or deemed applicable to you (the "Tax-Related Items") in the amount determined by the Corporation. In lieu of the foregoing, the Corporation or other applicable member of the Corporation Group may determine that withholding of Tax-Related Items shall be satisfied by any other method permitted under the Plan. Notwithstanding the foregoing, if you are a Section 16 officer of the Corporation under the Securities Exchange Act of 1934, as amended, then the Corporation will satisfy any applicable tax withholding obligations by withholding in shares of Common Stock upon the relevant taxable event (with such withholding obligations determined based on the applicable statutory withholding rates and without regard to Section 83(c)(3) of the Internal Revenue Code of 1986, as amended), unless otherwise determined by the Committee.

(b) *Registration and Listing*. Notwithstanding Section 4(a) hereof, shares of Common Stock shall not be issued pursuant to this Agreement unless, on the Vesting Date, there is in effect a current registration statement or amendment thereto under the Securities Act of 1933, as amended, covering the shares of Common Stock to be issued upon vesting of the RSUs, and such shares are authorized for listing on the New York Stock Exchange or another securities exchange as determined by the Corporation. Nothing herein shall be deemed to require the Corporation to apply for, to effect, or to obtain such registration or listing.

(c) *Compensation Recoupment Policy*. You hereby acknowledge and agree that you and the RSUs, including any cash and/or shares of Common Stock that may be delivered to you pursuant to the RSUs, are subject to the Corporation's Compensation Recoupment Policy, as may be amended and/or restated from time to time, a current copy of which can be found on the Corporation's website at http://www.investor.jnj.com/gov/compensation-recoupment-policy.cfm. The terms and conditions of the Compensation Recoupment Policy hereby are incorporated by reference into this Agreement.

5. Nontransferability of RSUs. The RSUs and any rights granted hereunder may not be sold, transferred, assigned, pledged, or hypothecated in any way (whether by operation of law or otherwise), other than by will or the laws of descent and distribution or in accordance with any beneficiary designation procedures that may be established by the Corporation. Nor shall any such rights be subject to execution, attachment, or similar process, other than in accordance with the terms of the Plan. Upon any attempt to sell, transfer, assign, pledge, hypothecate, or otherwise dispose of the RSUs or of any rights granted herein contrary to the provisions of the Plan or this Agreement, or upon the levy of any attachment or similar process upon the RSUs or such rights, the RSUs and such rights shall, at the election of the Corporation, be forfeited for no consideration.

6. No Special Employment Rights; No Rights to Awards. Nothing contained in the Plan or this Agreement shall be construed or deemed by any person under any circumstances to bind any member of the Corporation Group to continue your employment for the vesting period or for any other period, to create a right to employment with the Corporation, to form or amend an employment or service contract with the Corporation or to interfere in any way with any right of a member of the Corporation Group to terminate your employment at any time. You

hereby acknowledge and agree that (i) the Plan is established voluntarily by the Corporation, is discretionary in nature and may be modified, amended, or terminated by the Corporation at any time, as provided in the Plan, (ii) your participation in the Plan is voluntary and you are voluntarily accepting the grant of RSUs, (iii) the RSUs and the shares of Common Stock subject to the RSUs, and the income and value of same, do not constitute part of your normal or expected compensation or salary for any purposes, including, but not limited to, calculating any severance, resignation, termination indemnities, redundancy, dismissal, end-of-service payments, bonuses, long-service awards, pension or retirement benefits or welfare benefits or similar payments, and in no event should be considered as compensation for, or in any way relating to, past services to the Corporation Group, (iv) the RSUs and shares of Common Stock subject to the RSUs, and the income and value of same, are not intended to replace any pension rights or compensation, (v) the grant of the RSUs is exceptional, voluntary and occasional and does not create any contractual or other right to receive future grants of RSUs, or benefits in lieu of RSUs, even if RSUs have been granted in the past, (vi) unless otherwise agreed with the Corporation, the RSUs and the shares of Common Stock subject to the RSUs, and the income and value of same, are not granted as consideration, or in connection with, the service you may provide as a director of a subsidiary of the Corporation, (vii) the future value of the underlying shares of Common Stock is unknown, indeterminable and cannot be predicted with certainty, (viii) no claim or entitlement to compensation or damages shall arise from forfeiture or recoupment of the RSU resulting from the termination of your Employment or other service relationship (regardless of the reason for such termination and whether or not later found to be invalid or in breach of employment laws in the jurisdiction where you are employed or the terms of your employment agreement, if any), (ix) you shall seek all necessary approvals under, make all required notifications under, and comply with all laws, rules, and regulations applicable to the ownership of the RSUs and, if applicable, shares of Common Stock, including currency and exchange laws, rules, and regulations, (x) neither the Corporation nor any of its subsidiaries or affiliates shall be liable for any foreign exchange rate fluctuation between your local currency and the US dollar that may affect the value of the RSUs or of any amounts due to you pursuant to settlement of the RSUs or the subsequent sale of any shares of Common Stock acquired upon settlement, (xi) the determination of the form of any award granted under the Plan is made by the Committee in its sole discretion and (xii) the Corporation is not providing any tax, legal, or financial advice, nor is the Corporation making any recommendations regarding your participation in the Plan, or your acquisition or sale of the underlying shares of Common Stock, you should consult your own personal tax, legal and financial advisors regarding your participation in the Plan before taking any action related to the RSUs.

7. Notices. Unless the Corporation notifies you otherwise in writing, all notices, designations, and payments to be submitted to the Corporation in connection with the RSUs shall be addressed to:

Equity Compensation Resources
One Johnson & Johnson Plaza
New Brunswick, NJ 08933
USA

8. Definitions. The following capitalized terms shall have the definitions set forth below for purposes of this Agreement:

(a) "Cause" means (i) your conviction for or a plea of *nolo contendere* to the commission of a felony under federal or state law, or (ii) any act by you that, in the Corporation's opinion, constitutes fraud, embezzlement, dishonesty, disclosure of confidential information, the willful and deliberate failure to perform your employment duties in any material respect, a conflict of interest, a violation of the non-competition obligations set forth in Section 2(d)(i) of this Agreement or any other applicable non-competition, non-solicitation, or

confidentiality agreement or obligation that you have with any member of the Corporation Group, a violation of any standards of conduct policies or other policies of the Corporation Group to which you are subject, or any other event that is inimical or contrary to the best interests of the Corporation Group. Any determination of "Cause" shall be made by the Corporation in its sole discretion, and its determination shall be final and binding.

(b) "Committee" means the Compensation & Benefits Committee of the Board of Directors of the Corporation (or any successor committee), or any person or persons to whom the Committee has delegated authority to administer, construe or interpret the terms of the Plan, pursuant to Section 3(d) of the Plan.

(c) "Competitor" means any person or entity including, but not limited to, you or anyone acting on your behalf, that is engaged or preparing to be engaged in research, development, production, manufacturing, marketing or selling of, or consulting on, any product, process, technology, machine, invention or service in existence or under development that resembles, competes with, may now or in the future compete with, can be substituted for or can be marketed as a substitute for any product, process, technology, machine, invention, or service of the Corporation Group that is in existence or that is, was, or is planned to be under development. The Corporation shall determine whether any individual or entity is a "Competitor" in its sole discretion, and its determination shall be final.

(d) "Competitive Activities" means any and all activities (including preparations) which compete with, are intended to compete with, or which otherwise may adversely affect or interfere with the Corporation Group's business or advantage a Competitor whether immediately or in the future. The Corporation shall determine whether any conduct constitutes "Competitive Activities" in its sole discretion, and its determination shall be final.

(e) "Corporation Group" means the Corporation and its subsidiaries and affiliates, as determined by the Corporation.

(f) "Customer" means any entity, client, account, or person, including the employees, agents, or representatives of the foregoing, or any entity or person who participates, influences or has any responsibility in making purchasing decisions on behalf of such entities, clients, accounts, or persons, to whom or to which you contacted, solicited any business from, sold to, rendered any service to, were assigned to, had responsibilities for, received commissions or any compensation on, or promoted or marketed any products or services to during the eighteen (18) month period of time preceding your Date of Termination. The Corporation shall determine whether any individual or entity is a "Customer" in its sole discretion, and its determination shall be final.

(g) "Date of Termination" means the date on which your Employment terminates.

(h) "Disability" or "Disabled" means that you have been determined to be unable to work because of a disability (i) that lasts for a period in excess of twenty-six (26) weeks and (ii) (A) that entitles you to long-term disability benefits under the long-term disability policy of the Corporation or its applicable affiliate under which you are covered, or (B) if there is no such policy, that you have been determined to be "disabled" (or of similar status) by the Corporation (or its applicable affiliate) in accordance with applicable procedures and policies. Notwithstanding the foregoing, (I) you will not be considered to have incurred a Disability unless you are identified as "disabled" (or of similar status) in accordance with the personnel and/or human resources policies of the Corporation or its applicable affiliate, as in effect from time to time and (II) if the RSUs are subject to Section 409A (as determined by the Corporation), then

you will not be considered to have incurred a Disability unless such condition also constitutes a "disability" within the meaning of Treasury Regulation Section 1.409A-3(i)(4).

(i) "Employed" or "Employment" means any period of time during which you are an employee of the Corporation Group in good standing, as determined by the Corporation Group in accordance with its applicable practices, policies and records; provided, that, during such period you are (i) in active employment status with the Corporation Group or (ii) on a Corporation Group-approved leave of absence (as determined by the Corporation Group in its sole discretion). For the avoidance of doubt, you shall not be considered to be Employed (x) for any period during which you are not considered to be an employee in good standing pursuant to the Corporation Group's practices, policies and records, (y) during any notice period or salary continuation period required by contract, practice or local law (such as a "garden leave" or similar period) or any severance period (if you are covered by a severance agreement or arrangement) or (z) for any period of leave that is not approved by the Corporation Group (as determined by the Corporation Group in its sole discretion).

(j) "Grant Date" means the date on which the RSUs are granted, as identified on the first page of this Agreement.

(k) "Service" means Employment with the Corporation or one of its subsidiaries or affiliates, while that corporation or other legal entity was a subsidiary or affiliate of the Corporation, unless the Corporation has otherwise provided on or before the Grant Date.

(l) "Vesting Date" means, with respect to an RSU, the earliest of (to the extent applicable): (i) the applicable Scheduled Vesting Date; or (ii) the date of death, in the event of a termination of Employment pursuant to Section 2(c)(i) (Termination Due to Death) or a death described in Section 2(c)(iv) (Death following Qualifying Separation); or (iii) the date you become Disabled, in the event of a Disability described in Section 2(c)(ii) (Disability); or (iv) the date the RSUs vest and become payable pursuant to any applicable provision of the Plan (provided, that, if the RSUs are subject to Section 409A (as determined by the Corporation), payment will occur on the earliest permissible date determined by the Corporation that would not result in accelerated taxation and/or tax penalties under Section 409A).

9. Miscellaneous.

(a) *Amendments*. Except as provided herein, this Agreement may not be amended or otherwise modified unless evidenced in writing and signed by an authorized representative of the Corporation.

(b) *Third-Party Beneficiaries*. You acknowledge and agree that all affiliates and subsidiaries of the Corporation have, or will as the result of a future acquisition, merger, assignment, or otherwise have, an interest in your Employment and your compliance with the obligations in Section 2(d) (Competition with the Corporation Group), and that those entities are each express, third-party beneficiaries of this Agreement.

(c) *Binding Effect*. This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators, successors and assigns.

(d) *Severability*. In the event that Section 2(d) (Competition with the Corporation Group) of this Agreement is invalidated or not enforced under applicable law, this shall not affect the validity or enforceability of the remaining provisions of this Agreement or the Plan. To the extent that Section 2(d) of this Agreement is unenforceable because it is deemed overbroad, the provision shall be applied and enforced in a more limited manner to the fullest

extent permissible under the applicable law. You further understand and agree that, in the event Section 2(d) of this Agreement is declared invalid, void, overbroad, or unenforceable, in whole or in part, for any reason, you shall remain bound by any non-competition, confidentiality, non-solicitation, and/or non-disclosure agreement previously entered between you and any member of the Corporation Group.

(e) *Appendix A*. Notwithstanding any provisions in this Agreement, the RSUs shall be subject to any additional terms and conditions set forth in Appendix A for your country. Moreover, if you relocate to one of the countries included in Appendix A, the additional terms and conditions for such country will apply to you, to the extent the Corporation determines that the application of such terms and conditions is necessary or advisable for legal or administrative reasons. Appendix A constitutes part of this Agreement.

(f) ***Data Privacy Consent. By accepting this grant, you hereby unconditionally consent to the collection, use and transfer, in electronic or other form, of your personal data as described in this document by and among, as applicable, your employing entity (the "Employer") and the Corporation and the Corporation Group for the exclusive purpose of implementing, administering and managing any awards issued to you under the Plan. You understand that the Corporation and your Employer may hold certain personal information about you, including, but not limited to, your name, home address, email address, telephone number, date of birth, social insurance number or other identification number, salary, nationality, job title, details of all RSUs or any other entitlement to shares of stock awarded, canceled, vested, unvested or outstanding in your favor ("Data"), for the purpose of implementing, administering and managing any grants issued to you under the Plan. You understand that Data may be transferred to any third parties, as may be selected by the Corporation, which are assisting in the implementation, administration and management of the Plan and the fulfillment of this Agreement. You understand that the recipients of the Data may be located in the United States or elsewhere, and that the recipients' country may have different data privacy laws and protections from your country. You understand that if you reside outside of the United States, you may request a list with the names and addresses of any potential recipients of the Data by contacting your local human resources representative. You authorize the recipients, which may assist the Corporation (presently or in the future) with implementing, administering and managing the Plan to receive, possess, use, retain and transfer the Data, in electronic or other form, for the purposes of implementing, administering and managing grants under the Plan and the fulfillment of this Agreement. You understand the Data will be held only as long as is necessary to implement, administer and manage grants under the Plan and this Agreement. You understand that if you reside outside of the United States, you may, at any time, view Data, request information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing your human resources representative. Further, you understand that your consent herein is being provided on a purely voluntary basis. If you do not consent, or if you later seek to revoke your consent, your Employment status or Service will not be affected; the only consequence of refusing or withdrawing your consent is that the Corporation may not be able to grant RSUs or other equity awards to you or administer or maintain such awards. Therefore, you understand that refusing or withdrawing your consent may affect your ability to participate in the Plan. For more information on the consequences of your refusal to consent or withdrawal of consent, you understand that you may contact your local human resources representative.***

(g) *Entire Agreement*. This Agreement and the Plan constitute the entire agreement between the parties relating to the subject matter hereof, and any previous agreement or understanding between the parties with respect thereto is superseded by this Agreement and the Plan.

(h) *Section 409A*. The intent of the parties is that payments and benefits under this Agreement comply with Section 409A of the Internal Revenue Code of 1986, as amended, and the regulations and guidance issued thereunder ("Section 409A"), to the extent subject thereto, and accordingly, to the maximum extent permitted, this Agreement shall be interpreted and administered to be in compliance therewith. Notwithstanding anything to the contrary in the Plan or this Agreement, the Corporation reserves the right to revise this Agreement as it deems necessary or advisable, in its sole discretion and without your consent, to comply with Section 409A or to otherwise avoid imposition of any additional tax or income recognition under Section 409A prior to the actual payment of cash or shares of Common Stock pursuant to the RSUs. However, the Corporation makes no representation that the RSUs are not subject to Section 409A nor makes any undertaking to preclude Section 409A from applying to the RSUs. The Corporation shall not have any liability under the Plan or this Agreement for any taxes, penalties or interest due on amounts paid or payable pursuant to the Plan or this Agreement, including any taxes, penalties or interest imposed under Section 409A. For purposes of the Plan and this Agreement, to the extent necessary to avoid accelerated taxation and/or tax penalties under Section 409A, a termination of Employment shall not be deemed to have occurred for purposes of settlement of any portion of the RSUs unless such termination constitutes a "separation from service" within the meaning of Section 409A and, for purposes of any such provision of this Agreement, references to a "termination," "termination of Employment" or similar terms shall mean "separation from service." Each amount to be paid under this Agreement shall be construed as a separately identified payment for purposes of Section 409A. In addition, notwithstanding anything herein to the contrary, if you are deemed on the Date of Termination to be a "specified employee" within the meaning of that term under Section 409A and you are subject to U.S. federal taxation, then, to the extent the settlement of the RSUs following such termination of Employment is considered the payment of "non-qualified deferred compensation" under Section 409A payable on account of a "separation from service" that is not exempt from Section 409A, such settlement shall be delayed until the date that is the earlier of (i) the expiration of the six-month period measured from the date of such "separation from service" or (ii) the date of your death.

(i) *Acknowledgement*. By electing to accept this Agreement, you acknowledge receipt of this Agreement and hereby confirm your understanding of the terms set forth in this Agreement. In the event of any conflict between the terms of the Plan and this Agreement, the terms of the Plan shall control. The Corporation may, in its sole discretion, decide to deliver any documents (including, without limitation, information required to be delivered to you pursuant to applicable securities laws) related to current or future participation in the Plan by electronic means. You hereby consent to receive such documents by electronic delivery and agree to participate in the Plan through an online or electronic system established and maintained by the Corporation or a third party designated by the Corporation.

(j) *Language*. You acknowledge that you are proficient in the English language, or have consulted with an advisor who is proficient in the English language, so as to enable you to understand the provisions of this Agreement and the Plan. If you have received this Agreement or any other document related to the Plan translated into a language other than English, and the meaning of the translated version is different than the English version, the English version will control.

(k) *Imposition of Other Requirements*. The Corporation reserves the right to impose other requirements on your participation in the Plan, on the RSUs and on any shares of Common Stock acquired under the Plan, to the extent the Corporation determines it is necessary or advisable in order to comply with local law or to facilitate the administration of the Plan, to make any corrections or adjustments that it deems necessary or appropriate, and to require you to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

(l) *Waiver*. You acknowledge that a waiver by the Corporation of breach of any provision of this Agreement shall not operate or be construed as a waiver of any other provision of this Agreement, or of any subsequent breach by you or any other grantee.

(m) *Governing Law*. This Agreement shall be governed by and construed in accordance with the laws of the State of New Jersey without giving effect to conflict of laws principles, except to the extent superseded by federal law and as set forth in this Section 9(m). Provided that you primarily resided and worked in California during and in connection with your employment with the Corporation Group and at the time that you accepted this Agreement and participation in the Plan, (i) this Agreement shall be governed by and construed in accordance with the laws of the State of California; and (ii) Section 2(d)(ii) shall not apply with respect to services you render in California that do not involve your use or disclosure of the Corporation Group's confidential or trade secret information.

(n) *Submission to Jurisdiction; Waiver of Jury Trial*. Any litigation brought against a party to this Agreement shall be brought in any U.S. federal or state court located in the State of New Jersey and each of the parties submits to the exclusive jurisdiction of such courts for the purpose of any such litigation; provided, that, a final judgment in any such litigation shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other matter provided by law. Each party agrees not to assert (A) any objection which it may have to venue in U.S. federal or state court located in the State of New Jersey, (B) any claim that litigation has been brought in an inconvenient forum and (C) any claim that such court does not have jurisdiction with respect to such litigation. Each party waives any right to a trial by jury with respect to any matters arising under this Agreement or any other awards granted under the Plan.

JOHNSON & JOHNSON

By: 

Carolyn Hoenisch
Senior Finance Director
Savings Plan, Pension, Equity Compensation Operations
Johnson & Johnson
One Johnson & Johnson Plaza
New Brunswick, NJ 08933
USA

JOHNSON & JOHNSON
2022 LONG-TERM INCENTIVE PLAN

GLOBAL NONQUALIFIED STOCK OPTION AWARD AGREEMENT

Granted To: **Grant Date:**
WWID #

Total Shares:
Purchase Price Per Share:

Scheduled Vesting Date(s): the date(s) set forth in the table below (each, a "Scheduled Vesting Date")

Grant No.	Grant Type	No. of Shares	Scheduled Vesting Date
	NQSO		
	NQSO		
	NQSO		

In addition to such other conditions as may be established by the Committee in its sole discretion, in consideration of the granting of an award under the terms of the Johnson & Johnson 2022 Long-Term Incentive Plan, as amended from time to time (the "Plan"), you agree as follows:

1. Grant of Nonqualified Stock Option.

(a) *Award*. Subject to the terms and conditions of this Global Nonqualified Stock Option Agreement, including any country-specific terms in Appendix A hereto and any other exhibits or addendums to these documents (collectively, this "Agreement") and the Plan, Johnson & Johnson, a New Jersey corporation (the "Corporation"), hereby grants you a non-qualified stock option (this "Option") to purchase from it the above-stated number of shares of common stock of the Corporation, par value $1.00 per share ("Common Stock"), at the above-stated price per share (such per share price, the "Purchase Price"), which will become vested subject to the terms and conditions of this Agreement. This Option, and the exercise of this Option, is subject to all of the terms and conditions of the Plan, and the terms of the Plan are hereby incorporated herein by reference. Except where the context clearly indicates otherwise, each capitalized term used herein shall have the definition assigned to it by this Agreement or, to the extent that this Agreement does not define a capitalized term used herein, by the Plan.

(b) *Conditions*. This Option grant is conditioned on your (i) electronically accepting this grant on the website of the Plan recordkeeper (or in such other manner as the Corporation may establish or permit from time to time) and (ii) opening and maintaining a brokerage account that is permitted for use with respect to awards granted under the Plan, in each case by the deadline established by the Corporation and/or set forth on the website of the Plan recordkeeper. By accepting this Option grant, you will have confirmed your acceptance of all of

the terms and conditions of this Agreement. **If you do not accept this Option grant by the applicable deadline, your grant will be cancelled.**

2. Vesting of Option; Competition with the Corporation Group.

(a) *Vesting*. Except as otherwise provided in Section 3 (Termination of Employment; Disability), the Option shall become vested on the above-stated Scheduled Vesting Dates in accordance with the schedule set forth above, provided, that, (i) you are Employed on the applicable Scheduled Vesting Date and have been Employed at all times since the Grant Date and (ii) you have complied with and are in compliance with the terms of this Agreement, as determined by the Corporation in its sole discretion.

(b) *Competition With the Corporation Group*. In order to protect the Corporation Group's goodwill and investments in research and development and Customer and business relationships and to prevent the disclosure of the Corporation Group's confidential and trade secret information, thereby promoting the long-term success of the Corporation Group's business, you agree to the following:

(i)During your Employment, you will not, without the prior written consent of the Corporation, directly or indirectly engage in Competitive Activities.

(ii)For a period of eighteen (18) months following your Date of Termination, you will not, without the prior written consent of the Corporation, directly or indirectly perform, or assist others to perform, work for a Competitor in a position or in any geographic location in which you could disadvantage the Corporation Group or advantage the Competitor through (A) your disclosure or use of the Corporation Group's confidential or trade secret information and/or (B) your use of the Corporation Group's Customer relationships and goodwill.

(iii)*Rescission and Forfeiture*. You understand and agree that if the Corporation determines you have violated Section 2(b)(i) and/or Section 2(b)(ii) and/or any non-competition or non-solicitation agreement that you have with any member of the Corporation Group, then, in addition to injunctive relief, damages, and all other equitable and legal rights and remedies:

(1) the Option (whether or not vested) shall be forfeited for no consideration on the earliest date on which you are first in violation of Section 2(b)(i) and/or Section 2(b)(ii) or any non-competition or non-solicitation agreement that you have with any member of the Corporation Group; and

(2) upon the Corporation's demand, you shall immediately deliver to the Corporation (I) a number of shares of Common Stock equal to the number of shares of Common Stock with respect to which you exercised the Option (for the avoidance of doubt, without reduction for any shares of Common Stock that may have been withheld and/or sold to satisfy applicable withholding taxes) within the twelve (12) month period of time immediately preceding the earliest date on which you are first in violation of Section 2(b)(i) and/or Section 2(b)(ii) or any non-competition or non-solicitation agreement that you have with any member of the Corporation Group, less (II) the number of shares of Common Stock withheld upon exercise to satisfy the Purchase Price (or, if you paid the Purchase Price in cash, the number of shares that would have been withheld had the purchase price been paid via cashless exercise). To the extent that you do not, as of the date of the Corporation's demand for repayment, hold a number of shares of Common Stock sufficient to satisfy the obligation set forth in the preceding sentence, you shall pay the Corporation an amount in cash equal to (x) (i) the number shares required to be delivered by you to the Corporation pursuant to the preceding sentence, less (ii) the number of shares actually delivered by you to the Corporation pursuant to the preceding

sentence, multiplied by (y) the Fair Market Value per share of Common Stock as of the business day immediately preceding the date of the Corporation's demand for repayment. You agree to deliver and execute such documents (including, if applicable, share certificates) as the Corporation may deem necessary to effect the repayment obligations referred to in this Section 2(b)(iii)(B).

(iv) You understand and agree that the remedies set forth in Section 2(b)(iii) shall not be the Corporation Group's exclusive remedies in the event of a breach of the non-competition obligations set forth in Section 2(b)(i) and/or Section 2(b)(ii) or in any other applicable non-competition or non-solicitation agreement that you have with any member of the Corporation Group, and that the Corporation Group reserves all other rights and remedies available to it at law or in equity.

3. Termination of Employment; Disability.

(a) *Termination of Employment - General*. If you cease to be Employed for any reason, then, except as otherwise provided in this Section 3 (Termination of Employment; Disability), (i) any portion of the Option that has not vested as of your Date of Termination shall be forfeited for no consideration on your Date of Termination; and (ii) any portion of the Option that has vested as of your Date of Termination and that has not been exercised shall terminate in full on the earlier of (A) the date that is three (3) months after your Date of Termination or (B) the Expiration Date.

(b) *Termination of Employment due to Death*. If you die while Employed, then any portion of the Option that remains outstanding and that has not vested shall immediately become vested in full as of your date of death, and your estate, beneficiary or any person who acquires the Option by inheritance or devise, as applicable, shall have the right to exercise any unexercised portion of the Option until the Expiration Date.

(c) *Disability.* If you become Disabled while Employed, then any portion of the Option that remains outstanding and that has not vested shall immediately become vested in full as of the date of Disability, and you (or should you die within said period, then by your estate, beneficiary or any person who acquires the Option by inheritance or devise, as applicable) shall have the right to exercise any unexercised portion of the Option until the Expiration Date.

(d) *Certain other Terminations*.

(i) *Qualifying Separation*. If your Employment terminates after the date that is six (6) months following the Grant Date:

(1) for any reason other than a termination of Employment pursuant to Section 3(b) (Termination of Employment due to Death) or Section 3(f) (Termination for Cause); and

(2) as of the Date of Termination, either (I) you have attained age fifty-five (55) and have at least ten (10) years of Service, with at least five (5) consecutive years of Service immediately before your Date of Termination, or (II) you have attained age sixty-two (62) (a termination of Employment that satisfies the conditions set forth in clauses (A) and (B) immediately above, a "Qualifying Separation"),

then, to the extent the Option remains outstanding as of the date of your Qualifying Separation, and subject to the terms of this Agreement, the Option shall become vested and exercisable on the applicable Scheduled Vesting Date in accordance with the schedule set forth above (to the extent not already vested and exercisable) and shall remain exercisable until the Expiration Date.

For the avoidance of doubt, this Section 3(d)(i) shall not apply if your Employment terminates on or prior to the date that is six (6) months following the Grant Date, as reflected in the records of the Corporation.

(ii)*Non-Qualifying Separation*. If, on or after a Scheduled Vesting Date,

(1) your Employment terminates for any reason other than a termination of Employment pursuant to Section 3(b) (Termination of Employment due to Death) or Section 3(f) (Termination for Cause), and

(2) as of the Date of Termination, you have attained age fifty-five (55), but the conditions set forth in Section 3(d)(i) (Qualifying Separation) are not satisfied with respect to the Option (a termination that satisfies the conditions set forth in clauses (A) and (B) immediately above, a "Non-Qualifying Separation"),

then, subject to the terms of this Agreement, any vested portion of the Option that remains outstanding as of the date of your Non-Qualifying Separation shall terminate on the earlier of (A) the third (3rd) anniversary of your Date of Termination or (B) the Expiration Date. For the avoidance of doubt, this Section 3(d)(ii) (Non-Qualifying Separation) shall not apply with respect to any portion of the Option that was not vested as of your Date of Termination.

Notwithstanding this Section 3(d), you will be treated as having terminated Employment pursuant to Section 3(a) hereof (Termination of Employment – General) if, at any time, the Corporation determines in its sole discretion that applying Section 3(d)(i) (Qualifying Separation) or Section 3(d)(ii) (Non-Qualifying Separation) (1) to employees based on age at the time of termination of Employment and not to all employees may violate any law or public policy applicable to you and/or the Option (whether as applied to all holders of options or to only holders of options in the jurisdiction where you are employed), or (2) in a particular case (or cases) is not advisable or appropriate or consistent with the intent of this Section 3(d).

(e) *Death Following Qualifying Separation*. Notwithstanding the foregoing, if you die following a termination of Employment pursuant to Section 3(d)(i) (Qualifying Separation), then, to the extent the Option (or portion thereof) remains outstanding as of the date of your death, your estate, beneficiary or any person who acquires the Option (or portion thereof) by inheritance or devise, as applicable, shall become vested in the Option (on the date of your death (to the extent unvested as of such date) and shall have the right to exercise any unexercised portion of the Option until the Expiration Date.

(f) *Termination for Cause*. Without limiting the generality of Section 3(b), and notwithstanding any other provision of this Section 3, if you cease to be Employed for any reason (including without limitation, as a result of your voluntary resignation) in connection with or following the occurrence of an event that constitutes Cause, then the Option, whether or not vested, and any other award you hold under the Plan, shall immediately be forfeited for no consideration as of the Date of Termination. If following your Date of Termination, the Corporation becomes aware of conduct or activity by you that occurred during or following your Employment that would have constituted Cause, then any portion of the Option or any other awards held by you under the Plan that are unvested or unexercised (and any payments or benefits in respect thereto) as of the date that the Corporation becomes aware of such conduct or activity shall be forfeited.

(g) *Conditions on Vesting Upon or Following Termination of Employment*. Your eligibility to vest in or exercise the Option (or any portion thereof) upon or following the date of your termination of Employment shall be subject to (i) your compliance with the non-competition obligations in Section 2(b)(i) and/or Section 2(b)(ii) and/or any other applicable

non-competition or non-solicitation agreement with any member of the Corporation Group and (ii) if required by any member of the Corporation Group at the time of your termination of Employment, your execution of a separation agreement and/or general release of claims in favor of the Corporation and its subsidiaries and affiliates containing such provisions and in such form as required by the Corporation Group that becomes effective within sixty (60) days following the date of termination (or such earlier date as the Corporation Group may require).

(i) *Corporation Determinations*. In the event of your termination of Employment, the determination of the reason for such termination and the applicable treatment under this Section 3 (Termination of Employment; Disability) shall be made by the Corporation in its sole discretion.

4. Exercise of Option; Payment of Purchase Price.

(a) *Exercise of Option*.

(i)*General*. This Option may not be exercised until the Vesting Date. Once vested, the Option (or applicable vested portion thereof) shall be exercisable in accordance with the procedures established by the Corporation, subject to Section 4(c) of this Agreement. This Option shall terminate and shall not be exercisable after the closing of the New York Stock Exchange on the earlier of (i) the Expiration Date or (ii) the date on which the Option otherwise terminates pursuant to this Agreement (including, without limitation, pursuant to Section 2 (Vesting of the Option; Competition with the Corporation Group) or Section 3 (Termination of Employment; Disability)). If the New York Stock Exchange is not open on the date that the Option terminates, the Option shall no longer be exercisable after the closing of the New York Stock Exchange on the last day immediately preceding such date on which the New York Stock Exchange is open.

(ii)*Exercise Procedure*. Subject to the conditions set forth in this Agreement and the Plan, you must exercise the Option by providing notice of exercise in accordance with procedures established by the Corporation from time to time. This notice must be accompanied by payment in full of the aggregate Purchase Price and any applicable taxes required by law in accordance with the terms of this Agreement. You may purchase less than the number of shares of Common Stock covered by the Option. You may not exercise the Option for a fractional share.

(iii)*Automatic Exercise Upon Expiration of the Option*. Notwithstanding any other provision of this Agreement, if, as of the close of trading on the last trading day on which all or a portion the outstanding Option may be exercised (such day, the "Last Trading Date"), (x) the then-Fair Market Value of a share of Common Stock exceeds the Purchase Price by at least $0.01 and (y) the result of the option exercise would yield one or more shares of Common Stock (such expiring portion of the Option that is so in-the-money, the "Auto-Exercise Eligible Option"), you will be deemed to have automatically exercised such Auto-Exercise Eligible Option (to the extent not previously been exercised or forfeited) as of the close of trading on the Last Trading Date in accordance with the provisions of this Section 4(a)(iii). In the event of an automatic exercise pursuant to this Section 4(a)(iii), the Corporation will reduce the number of shares of Common Stock issued to you upon such exercise in an amount necessary to satisfy (A) your aggregate Purchase Price obligation for the Auto-Exercise Eligible Option and (B) applicable Tax-Related Items (as defined below) arising upon the automatic exercise (unless the Corporation deems that a different method of satisfying such obligations is practicable and advisable), in each case, based on the closing price of the shares of Common Stock as of the close of trading on the Last Trading Date. In addition, this Section 4(a)(iii) shall not apply to any Option to the extent that this Section causes the Option to fail to qualify for favorable tax treatment under applicable law. The Corporation may, at any time in its discretion and for any

reason, determine not to automatically exercise the Option. The automatic exercise procedure is provided as a convenience and as a protection against inadvertent expiration of an Option. Because any exercise of an Option is normally your responsibility, you hereby waive any claims against the Corporation or any of its affiliates, employees or agents if an automatic exercise does not occur for any reason and the Option expires.

(b) *Payment of Purchase Price*. The Purchase Price payable upon exercise of the Option shall be paid in U.S. dollars or, unless otherwise determined by the Committee, (i) pursuant to any cashless exercise procedure through the use of a brokerage arrangement approved by the Corporation; (ii) in Common Stock valued at Fair Market Value at the time of exercise; (iii) a combination of such Common Stock and cash; or (iv) such other method(s) as the Corporation may permit from time to time in its discretion; provided, that,: (A) fractional shares of Common Stock shall not be accepted as payment of the Purchase Price; (B) shares of Common Stock that you acquired within the six (6) month period immediately preceding the date of exercise may not be used to pay the Purchase Price; (C) shares of Common Stock that were issued to you by the Corporation upon your exercise of an incentive stock option within the one (1) year period immediately preceding the exercise of the Option may not be used to pay the Purchase Price; and (D) any shares of Common Stock used to pay the Purchase Price (or any portion thereof) must be owned by you free and clear of any liens, encumbrances or security interests.

(c) *Exercisability Subject to Administrative Processes*. You acknowledge and agree that your ability to exercise the Option on any specific date or during any specific period on or following the Vesting Date (whether the Vesting Date occurs during your Employment or upon or following your Date of Termination) is subject to and may be limited by the Corporation's administrative practices under the Plan as in effect from time to time. These practices may include, without limitation, the imposition of blackout periods during which the Option may not be exercised, periods during which the Option may not be exercised as a result of updates, maintenance, errors or changes on or to the Plan recordkeeper's electronic platform or otherwise, or such other limitations as the Corporation may deem necessary or advisable in its sole discretion.

5. Delivery of Shares; Tax Withholding; Compliance With Securities Laws; Compensation Recoupment Policy.

(a) *General*. The Corporation shall, after receiving the aggregate Purchase Price for the shares of Common Stock purchased and paid for under the Option, make delivery of such shares to you, reduced by any whole shares of Common Stock that are withheld or sold or any cash withheld to satisfy applicable Federal, state and local income taxes, social insurance, payroll tax, fringe benefits tax, payment on account or other tax-related items related to your participation in the Plan and legally applicable or deemed applicable to you (the "Tax-Related Items") in the amount determined by the Corporation. In lieu of the foregoing, the Corporation or other applicable member of the Corporation Group may determine that withholding of Tax-Related Items shall be satisfied by any other method permitted under the Plan. Notwithstanding the foregoing, if you are a Section 16 officer of the Corporation under the Securities Exchange Act of 1934, as amended, then, unless otherwise determined by the Committee, if the Purchase Price upon exercise of the Option is paid (i) in cash or shares of Common Stock held prior to the date of exercise, then any Tax-Related Items shall be satisfied in cash and (ii) pursuant to a cashless exercise procedure, then any Tax-Related Items shall be satisfied by the disposition of shares pursuant to such cashless exercise (with such withholding obligations determined based on the applicable statutory withholding rates).

(b) *Registration and Listing*. The Option shall not be exercisable unless at the time of exercise there is in effect a current registration statement or amendment thereto under the

Securities Act of 1933, as amended, covering the shares of Common Stock to be issued upon exercise of the Option and such shares are authorized for listing on the New York Stock Exchange or another securities exchange as determined by the Corporation. Nothing herein shall be deemed to require the Corporation to apply for, to effect or to obtain such registration or listing.

(c) *Compensation Recoupment Policy*. You hereby acknowledge and agree that you and the Option, including any shares of Common Stock that may be delivered to you pursuant to this Option, are subject to the Corporation's Compensation Recoupment Policy, as may be amended and/or restated from time to time, a current copy of which can be found on the Corporation's website at http://www.investor.jnj.com/gov/compensation-recoupment-policy.cfm. The terms and conditions of the Compensation Recoupment Policy hereby are incorporated by reference into this Agreement.

6. Nontransferability of Option. The Option is exercisable during your lifetime only by you, and no rights granted hereunder may be sold, transferred, assigned, pledged or hypothecated in any way (whether by operation of law or otherwise), other than by will or the laws of descent and distribution or in accordance with any beneficiary designation procedures that may be established by the Corporation. Nor shall any such rights be subject to execution, attachment or similar process, other than in accordance with the terms of the Plan. Upon any attempt to sell, transfer, assign, pledge, hypothecate or otherwise dispose of the Option or of such rights contrary to the provisions of the Plan or this Agreement, or upon the levy of any attachment or similar process upon the Option or such rights, the Option and such rights shall, at the election of the Corporation, be forfeited for no consideration.

7. No Special Employment Rights; No Rights to Awards

. Nothing contained in the Plan or this Agreement shall be construed or deemed by any person under any circumstances to bind any member of the Corporation Group to continue your employment for the period within which the Option may be exercised or for any other period, to create a right to employment with the Corporation, to form or amend an employment or service contract with the Corporation or to interfere in any way with any right of a member of the Corporation Group to terminate your employment at any time. You hereby acknowledge and agree that (i) the Plan is established voluntarily by the Corporation, is discretionary in nature and may be modified, amended, or terminated by the Corporation at any time, as provided in the Plan, (ii) your participation in the Plan is voluntary and you are voluntarily accepting the Option grant, (iii) the Option and shares of Common Stock subject to the Option, and the income and value of same, do not constitute part of your normal or expected compensation or salary for any purposes, including, but not limited to, calculating any severance, resignation, termination indemnities, redundancy, dismissal, end-of-service payments, bonuses, long-service awards, pension or retirement benefits or welfare benefits or similar payments, and in no event should be considered as compensation for, or in any way relating to, past services to the Corporation Group, (iv) the Option and shares of Common Stock subject to the Option, and the income and value of same, are not intended to replace any pension rights or compensation, (v) the grant of the Option is exceptional, voluntary and occasional and does not create any contractual or other right to receive future grants of options, or benefits in lieu of options, even if options have been granted in the past, (vi) unless otherwise agreed with the Corporation, the Option and the shares of Common Stock subject to the Option, and the income and value of same, are not granted as consideration, or in connection with, the service you may provide as a director of a subsidiary of the Corporation, (vii) the future value of the underlying shares of Common Stock is unknown, indeterminable and cannot be predicted with certainty, (viii) if the underlying shares of Common Stock do not increase in value, the Option will have no value, (ix) if you exercise the Option and acquire shares of Common Stock, the value of such shares of Common Stock may increase or decrease in value, even below the purchase price (x) no claim or entitlement to compensation or damages shall arise from forfeiture or recoupment of the Option resulting from the termination of

your Employment or other service relationship (regardless of the reason for such termination and whether or not later found to be invalid or in breach of employment laws in the jurisdiction where you are employed or the terms of your employment agreement, if any), (xi) you shall seek all necessary approvals under, make all required notifications under, and comply with all laws, rules, and regulations applicable to the ownership of the Option and, if applicable, shares of Common Stock, including currency and exchange laws, rules, and regulations, (xii) neither the Corporation nor any of its subsidiaries or affiliates shall be liable for any foreign exchange rate fluctuation between your local currency and the U.S. dollar that may affect the value of the Option or of any amounts due to you upon exercise of the Option or the subsequent sale of any shares of Common Stock acquired upon exercise, (xiii) the determination of the form of awards granted under the Plan is made by the Committee in its sole discretion, and (xiv) the Corporation is not providing any tax, legal, or financial advice, nor is the Corporation making any recommendations regarding your participation in the Plan, or your acquisition or sale of the underlying shares of Common Stock and you should consult your own personal tax, legal and financial advisors regarding your participation in the Plan before taking any action related to the Option.

8. Notices. Unless the Corporation notifies you otherwise in writing, all notices, designations, and payments to be submitted to the Corporation in connection with the Option shall be addressed to:

Equity Compensation Resources
One Johnson & Johnson Plaza
New Brunswick, NJ 08933
USA

9. Definitions. The following capitalized terms shall have the definitions set forth below for purposes of this Agreement:

(a) "Cause" means (i) your conviction for or a plea of *nolo contendere* to the commission of a felony under federal or state law, or (ii) any act by you that, in the Corporation's opinion, constitutes fraud, embezzlement, dishonesty, disclosure of confidential information, the willful and deliberate failure to perform your employment duties in any material respect, a conflict of interest, a violation of the non-competition obligations set forth in Section 2(b)(i) of this Agreement or any other applicable non-competition, non-solicitation, or confidentiality agreement or obligation that you have with any member of the Corporation Group, a violation of any standards of conduct policies or other policies of the Corporation Group to which you are subject, or any other event that is inimical or contrary to the best interests of the Corporation Group. Any determination of "Cause" shall be made by the Corporation in its sole discretion, and its determination shall be final and binding.

(b) "Committee" means the Compensation & Benefits Committee of the Board of Directors of the Corporation (or any successor committee), or any person or persons to whom the Committee has delegated authority to administer, construe or interpret the terms of the Plan, pursuant to Section 3(d) of the Plan.

(c) "Competitor" means any person or entity including, but not limited to, you or anyone acting on your behalf, that is engaged or preparing to be engaged in research, development, production, manufacturing, marketing or selling of, or consulting on, any product, process, technology, machine, invention or service in existence or under development that resembles, competes with, may now or in the future compete with, can be substituted for or can be marketed as a substitute for any product, process, technology, machine, invention, or service of the Corporation Group that is in existence or that is, was, or is planned to be under

development. The Corporation shall determine whether any individual or entity is a "Competitor" in its sole discretion, and its determination shall be final.

(d) "Competitive Activities" means any and all activities (including preparations) which compete with, are intended to compete with, or which otherwise may adversely affect or interfere with the Corporation Group's business or advantage a Competitor whether immediately or in the future. The Corporation shall determine whether any conduct constitutes "Competitive Activities" in its sole discretion, and its determination shall be final.

(e) "Corporation Group" means the Corporation and its subsidiaries and affiliates, as determined by the Corporation.

(f) "Customer" means any entity, client, account, or person, including the employees, agents, or representatives of the foregoing, or any entity or person who participates, influences or has any responsibility in making purchasing decisions on behalf of such entities, clients, accounts, or persons, to whom or to which you contacted, solicited any business from, sold to, rendered any service to, were assigned to, had responsibilities for, received commissions or any compensation on, or promoted or marketed any products or services to during the eighteen (18) month period of time preceding your Date of Termination. The Corporation shall determine whether any individual or entity is a "Customer" in its sole discretion, and its determination shall be final.

(g) "Date of Termination" means the date on which your Employment terminates.

(h) "Disability" or "Disabled" means that you have been determined to be unable to work because of a disability (i) that lasts for a period in excess of twenty-six (26) weeks and (ii) (A) that entitles you to long-term disability benefits under the long-term disability policy of the Corporation or its applicable affiliate under which you are covered, or (B) if there is no such policy, that you have been determined to be "disabled" (or of similar status) by the Corporation (or its applicable affiliate) in accordance with applicable procedures and policies. Notwithstanding the foregoing, (I) you will not be considered to have incurred a Disability unless you are identified as "disabled" (or of similar status) in accordance with the personnel and/or human resources policies of the Corporation or its applicable affiliate, as in effect from time to time and (II) if the Option is subject to Section 409A (as determined by the Corporation), then you will not be considered to have incurred a Disability unless such condition also constitutes a "disability" within the meaning of Treasury Regulation Section 1.409A-3(i)(4).

(i) "Employed" or "Employment" means any period of time during which you are an employee of the Corporation Group in good standing, as determined by the Corporation Group in accordance with its applicable practices, policies and records; provided, that, during such period you are (i) in active employment status with the Corporation Group or (ii) on a Corporation Group-approved leave of absence (as determined by the Corporation Group in its sole discretion). For the avoidance of doubt, you shall not be considered to be Employed (x) for any period during which you are not considered to be an employee in good standing pursuant to the Corporation Group's practices, policies and records, (y) during any notice period or salary continuation period required by contract, practice or local law (such as a "garden leave" or similar period) or any severance period (if you are covered by a severance agreement or arrangement) or (z) for any period of leave that is not approved by the Corporation Group (as determined by the Corporation Group in its sole discretion).

(j) "Expiration Date" means the tenth anniversary of the Grant Date.

(k) "Grant Date" means the date on which the Option is granted, as identified on the first page of this Agreement.

(l) "Service" means Employment with the Corporation or one of its subsidiaries or affiliates, while that corporation or other legal entity was a subsidiary or affiliate of the Corporation, unless the Corporation has otherwise provided on or before the Grant Date.

(m) "Vesting Date" means the earliest of (to the extent applicable): (i) the applicable Scheduled Vesting Date; or (ii) the date of death, in the event of a termination of Employment pursuant to Section 3(b) (Termination Due to Death) or a death described in Section 3(e) (Death Following Qualifying Separation); or (iii) the date you become Disabled, in the event of a Disability described in Section 3(c) (Disability); or (iv) the date the Option (or any portion thereof) vests and becomes exercisable pursuant any applicable provision of the Plan.

10. Miscellaneous.

(a) *Amendments*. Except as provided herein, this Agreement may not be amended or otherwise modified unless evidenced in writing and signed by an authorized representative of the Corporation.

(b) *Third-Party Beneficiaries*. You acknowledge and agree that all affiliates and subsidiaries of the Corporation have, or will as the result of a future acquisition, merger, assignment, or otherwise have, an interest in your Employment and your compliance with the obligations in Section 2(b) (Competition with the Corporation Group), and that those entities are each express, third-party beneficiaries of this Agreement.

(c) *Binding Effect*. This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators, successors and assigns.

(d) *Severability*. In the event that Section 2(b) (Competition with the Corporation Group) of this Agreement is invalidated or not enforced under applicable law, this shall not affect the validity or enforceability of the remaining provisions of this Agreement or the Plan. To the extent that Section 2(b) of this Agreement is unenforceable because it is deemed overbroad, the provision shall be applied and enforced in a more limited manner to the fullest extent permissible under the applicable law. You further understand and agree that, in the event Section 2(b) of this Agreement is declared invalid, void, overbroad, or unenforceable, in whole or in part, for any reason, you shall remain bound by any non-competition, confidentiality, non-solicitation, and/or non-disclosure agreement previously entered between you and any member of the Corporation Group.

(e) *Appendix A*. Notwithstanding any provisions in this Agreement, the Option shall be subject to any additional terms and conditions set forth in Appendix A for your country. Moreover, if you relocate to one of the countries included in Appendix A, the additional terms and conditions for such country will apply to you, to the extent the Corporation determines that the application of such terms and conditions is necessary or advisable for legal or administrative reasons. Appendix A constitutes part of this Agreement.

(f) ***Data Privacy Consent. By accepting this grant, you hereby unconditionally consent to the collection, use and transfer, in electronic or other form, of your personal data as described in this document by and among, as applicable, your employing entity (the "Employer") and the Corporation and the Corporation Group for the exclusive purpose of implementing, administering and managing any awards issued to you under the Plan. You understand that the Corporation and your Employer may hold certain personal***

information about you, including, but not limited to, your name, home address, email address, telephone number, date of birth, social insurance number or other identification number, salary, nationality, job title, details of all Options or any other entitlement to shares of stock awarded, canceled, vested, unvested or outstanding in your favor ("Data"), for the purpose of implementing, administering and managing any grants issued to you under the Plan. You understand that Data may be transferred to any third parties, as may be selected by the Corporation, which are assisting in the implementation, administration and management of the Plan and the fulfillment of this Agreement. You understand that the recipients of the Data may be located in the United States or elsewhere, and that the recipients' country may have different data privacy laws and protections from your country. You understand that if you reside outside of the United States, you may request a list with the names and addresses of any potential recipients of the Data by contacting your local human resources representative. You authorize the recipients, which may assist the Corporation (presently or in the future) with implementing, administering and managing the Plan to receive, possess, use, retain and transfer the Data, in electronic or other form, for the purposes of implementing, administering and managing grants under the Plan and the fulfillment of this Agreement. You understand the Data will be held only as long as is necessary to implement, administer and manage grants under the Plan and this Agreement. You understand that if you reside outside of the United States, you may, at any time, view Data, request information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing your human resources representative. Further, you understand that your consent herein is being provided on a purely voluntary basis. If you do not consent, or if you later seek to revoke your consent, your Employment status or Service will not be affected; the only consequence of refusing or withdrawing your consent is that the Corporation may not be able to grant options or other equity awards to you or administer or maintain such awards. Therefore, you understand that refusing or withdrawing your consent may affect your ability to participate in the Plan. For more information on the consequences of your refusal to consent or withdrawal of consent, you understand that you may contact your local human resources representative.

(g) *Entire Agreement*. This Agreement and the Plan constitute the entire agreement between the parties relating to the subject matter hereof, and any previous agreement or understanding between the parties with respect thereto is superseded by this Agreement and the Plan.

(h) *Section 409A*. The intent of the parties is that payments and benefits under this Agreement shall be exempt from or shall comply with Section 409A of the Internal Revenue Code of 1986, as amended, and the regulations and guidance issued thereunder ("Section 409A"), to the extent subject thereto, and accordingly, to the maximum extent permitted, this Agreement shall be interpreted and administered to be in compliance therewith or exempt therefrom, as applicable. Notwithstanding anything to the contrary in the Plan or this Agreement, the Corporation reserves the right to revise this Agreement as it deems necessary or advisable, in its sole discretion and without your consent, to comply with Section 409A or to otherwise avoid imposition of any additional tax or income recognition under Section 409A. However, the Corporation makes no representation that the Option is not subject to Section 409A nor makes any undertaking to preclude Section 409A from applying to the Option. The Corporation shall not have any liability under the Plan or this Agreement for any taxes, penalties or interest due on amounts paid or payable pursuant to the Plan or this Agreement, including any taxes, penalties or interest imposed under Section 409A. For purposes of the Plan and this Agreement, to the extent necessary to avoid accelerated taxation and/or tax penalties under Section 409A, a termination of Employment shall not be deemed to have occurred for purposes of settlement of any portion of the Option unless such termination constitutes a "separation from service" within the meaning of Section 409A and, for purposes of any such provision of this Agreement, references to a

“termination,” “termination of Employment” or similar terms shall mean “separation from service.”

(i) *Acknowledgement*. By electing to accept this Agreement, you acknowledge receipt of this Agreement and hereby confirm your understanding of the terms set forth in this Agreement. In the event of any conflict between the terms of the Plan and this Agreement, the terms of the Plan shall control. The Corporation may, in its sole discretion, decide to deliver any documents (including, without limitation, information required to be delivered to you pursuant to applicable securities laws) related to current or future participation in the Plan by electronic means. You hereby consent to receive such documents by electronic delivery and agree to participate in the Plan through an online or electronic system established and maintained by the Corporation or a third party designated by the Corporation.

(j) *Language*. You acknowledge that you are proficient in the English language, or have consulted with an advisor who is proficient in the English language, so as to enable you to understand the provisions of this Agreement and the Plan. If you have received this Agreement or any other document related to the Plan translated into a language other than English, and the meaning of the translated version is different than the English version, the English version will control.

(k) *Imposition of Other Requirements*. The Corporation reserves the right to impose other requirements on your participation in the Plan, on the Option and on any shares of Common Stock acquired under the Plan, to the extent the Corporation determines it is necessary or advisable in order to comply with local law or to facilitate the administration of the Plan, to make any corrections or adjustments that it deems necessary or appropriate, and to require you to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

(l) *Waiver*. You acknowledge that a waiver by the Corporation of breach of any provision of this Agreement shall not operate or be construed as a waiver of any other provision of this Agreement, or of any subsequent breach by you or any other grantee.

(m) *Governing Law*. This Agreement shall be governed by and construed in accordance with the laws of the State of New Jersey without giving effect to conflict of laws principles, except to the extent superseded by federal law and as set forth in this Section 9(m). Provided that you primarily resided and worked in California during and in connection with your employment with the Corporation Group and at the time that you accepted this Agreement and participation in the Plan, (i) this Agreement shall be governed by and construed in accordance with the laws of the State of California; and (ii) Section 2(b)(ii) shall not apply with respect to services you render in California that do not involve your use or disclosure of the Corporation Group’s confidential or trade secret information.

(n) *Submission to Jurisdiction; Waiver of Jury Trial*. Any litigation brought against a party to this Agreement shall be brought in any U.S. federal or state court located in the State of New Jersey and each of the parties submits to the exclusive jurisdiction of such courts for the purpose of any such litigation; provided, that, a final judgment in any such litigation shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other matter provided by law. Each party agrees not to assert (A) any objection which it may have to venue in U.S. federal or state court located in the State of New Jersey, (B) any claim that litigation has been brought in an inconvenient forum and (C) any claim that such court does not have jurisdiction with respect to such litigation. Each party waives any right to a trial by jury with respect to any matters arising under this Agreement or any other awards granted under the Plan.

JOHNSON & JOHNSON

By: 

Carolyn Hoenisch
Senior Finance Director
Savings Plan, Pension, Equity Compensation Operations
Johnson & Johnson
One Johnson & Johnson Plaza
New Brunswick, NJ 08933
USA

Exhibit 31.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT

I, Joaquin Duato, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarterly period ended April 2, 2023 (the “report”) of Johnson & Johnson (the "Company");

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Company as of, and for, the periods presented in this report;

4. The Company's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rule 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rule 13a-15(f) and 15d-15(f)) for the Company and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the Company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the Company's internal control over financial reporting that occurred during the Company's most recent fiscal quarter (the Company's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting; and

5. The Company's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Company's auditors and the audit committee of the Company's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal control over financial reporting.

/s/ Joaquin Duato

Joaquin Duato
Chief Executive Officer

Date: April 28, 2023

Exhibit 31.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT

I, Joseph J. Wolk, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarterly period ended April 2, 2023 (the “report”) of Johnson & Johnson (the "Company");

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Company as of, and for, the periods presented in this report;

4. The Company's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rule 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rule 13a-15(f) and 15d-15(f)) for the Company and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the Company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the Company's internal control over financial reporting that occurred during the Company's most recent fiscal quarter (the Company's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting; and

5. The Company's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Company's auditors and the audit committee of the Company's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal control over financial reporting.

/s/ Joseph J. Wolk

Joseph J. Wolk
Chief Financial Officer

Date: April 28, 2023

Exhibit 32.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER

PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT

The undersigned, Joaquin Duato, the Chief Executive Officer of Johnson & Johnson, a New Jersey corporation (the "Company"), pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, hereby certifies that, to the best of my knowledge:

(1) the Company's Quarterly Report on Form 10-Q for the quarterly period ended April 2, 2023 (the"Report") fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934; and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Joaquin Duato
Joaquin Duato
Chief Executive Officer

Dated: April 28, 2023

This certification is being furnished to the SEC with this Report pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not, except to the extent required by such Act, be deemed filed by the Company for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to liability of that section.

Exhibit 32.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER

PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT

The undersigned, Joseph J. Wolk, the Chief Financial Officer of Johnson & Johnson, a New Jersey corporation (the "Company"), pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, hereby certifies that, to the best of my knowledge:

(1) the Company's Quarterly Report on Form 10-Q for the quarterly period ended April 2, 2023 (the "Report") fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934; and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Joseph J. Wolk
Joseph J. Wolk
Chief Financial Officer

Dated: April 28, 2023

This certification is being furnished to the SEC with this Report pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not, except to the extent required by such Act, be deemed filed by the Company for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to liability of that section.