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 September 27, 2026

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
1.150% Notes Due November 2028	JNJ28	New York Stock Exchange
2.700% Notes Due February 2029	JNJ29B	New York Stock Exchange
3.200% Notes Due June 2032	JNJ32	New York Stock Exchange
3.050% Notes Due February 2033	JNJ33B	New York Stock Exchange
1.650% Notes Due May 2035	JNJ35	New York Stock Exchange
3.350% Notes Due June 2036	JNJ36A	New York Stock Exchange
3.350% Notes Due February 2037	JNJ37B	New York Stock Exchange
3.550% Notes Due June 2044	JNJ44	New York Stock Exchange
3.600% Notes Due February 2045	JNJ45	New York Stock Exchange
3.700% Notes Due February 2055	JNJ55	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 October 15, 2026, 2,407,310,266 shares of Common Stock, $1.00 par value, were outstanding.

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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 secure and maintain 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 (U.S. FDA) (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 may cause 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 Orthopaedics 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 payors 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 satisfy the necessary conditions to consummate the planned separation of the Company's Orthopaedics business on a timely basis or at all;
- The Company's ability to successfully separate the Company's Orthopaedics business and realize the anticipated benefits from the planned separation; and
- The structure of the separation transaction and the future operating and financial performance, market position and business strategy for each 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, and the impact of such changes on raw material prices, supply chains market volatility and the pace of product development;
- 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;

- The impact of global or economic changes or events, including global tensions and war; 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 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 December 28, 2025, 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)

	September 27, 2026	December 28, 2025
Assets		
Current assets:		
Cash and cash equivalents (Note 4)	$16,910	19,709
Marketable securities	318	393
Accounts receivable, trade, less allowances $187 (2025, $183)	18,987	17,178
Inventories (Note 2)	15,377	14,191
Prepaid expenses and other	4,759	4,153
Total current assets	**56,351**	**55,624**
Property, plant and equipment at cost	55,472	54,364
Less: accumulated depreciation	(31,368)	(31,195)
Property, plant and equipment, net	24,104	23,169
Intangible assets, net (Note 3)	46,652	50,403
Goodwill (Note 3)	48,474	48,772
Deferred taxes on income (Note 5)	6,748	6,874
Other assets	15,096	14,368
Total assets	**$197,425**	**199,210**
Liabilities and shareholders' equity		
Current liabilities:		
Loans and notes payable	$8,852	8,495
Accounts payable	9,317	11,991
Accrued liabilities	12,255	8,594
Accrued rebates, returns and promotions	18,936	19,124
Accrued compensation and employee related obligations	4,121	4,534
Accrued taxes on income (Note 5)	1,976	1,388
Total current liabilities	**55,457**	**54,126**
Long-term debt (Note 4)	35,799	39,438
Deferred taxes on income (Note 5)	4,835	6,791
Employee related obligations (Note 6)	6,559	6,957
Long-term taxes payable (Note 5)	497	486
Other liabilities	12,749	9,868
Total liabilities	**$115,896**	**117,666**
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)	(13,765)	(14,930)
Retained earnings and Additional paid-in capital	168,358	168,978
Less: common stock held in treasury, at cost (712,725,000 and 711,904,000 shares)	76,184	75,624
Total shareholders' equity	**$81,529**	**81,544**
Total liabilities and shareholders' equity	**$197,425**	**199,210**

See Notes to Consolidated Financial Statements

Johnson & Johnson and subsidiaries consolidated statements of earnings

(Unaudited; Dollars & Shares in Millions Except Per Share Amounts)

	Fiscal Third Quarter Ended			
	September 27, 2026	Percent to Sales	September 28, 2025	Percent to Sales
Sales to customers (Note 9)	**$25,399**	**100.0%**	**$23,993**	**100.0%**
Cost of products sold	8,097	31.9	7,303	30.4
Gross profit	17,302	68.1	16,690	69.6
Selling, marketing and administrative expenses	6,285	24.7	5,922	24.7
Research and development expense	4,652	18.3	3,672	15.3
In-process research and development impairments	339	1.4	—	—
Interest income	(186)	(0.7)	(227)	(0.9)
Interest expense, net of portion capitalized	217	0.8	245	1.0
Other (income) expense, net	5,780	22.8	(478)	(2.0)
Restructuring (Note 12)	181	0.7	63	0.3
Earnings before provision for taxes on income	34	0.1	7,493	31.2
(Benefit from)/Provision for taxes on income (Note 5)	(176)	(0.7)	2,341	9.7
Net earnings	**$210**	**0.8 %**	**$5,152**	**21.5 %**
Net earnings per share (Note 8)				
Basic	$0.09		$2.14	
Diluted	$0.09		$2.12	
Avg. shares outstanding				
Basic	**2,409.6**		**2,408.3**	
Diluted	**2,448.6**		**2,428.6**	

See Notes to Consolidated Financial Statements

Johnson & Johnson and subsidiaries consolidated statements of earnings

(Unaudited; Dollars & Shares in Millions Except Per Share Amounts)

	Fiscal Nine Months Ended			
	September 27, 2026	Percent to Sales	September 28, 2025	Percent to Sales
Sales to customers (Note 9)	**$74,771**	**100.0 %**	**$69,629**	**100.0 %**
Cost of products sold	24,254	32.4	22,288	32.0
Gross profit	50,517	67.6	47,341	68.0
Selling, marketing and administrative expenses	18,751	25.1	16,923	24.3
Research and development expense	11,832	15.8	10,413	15.0
In-process research and development impairments	375	0.5	—	—
Interest income	(634)	(0.8)	(819)	(1.2)
Interest expense, net of portion capitalized	770	1.0	757	1.1
Other (income) expense, net	6,405	8.6	(7,692)	(11.1)
Restructuring (Note 12)	247	0.3	144	0.2
Earnings before provision for taxes on income	12,771	17.1	27,615	39.7
Provision for taxes on income (Note 5)	1,792	2.4	5,927	8.6
Net earnings	**$10,979**	**14.7 %**	**$21,688**	**31.1 %**
Net earnings per share (Note 8)				
Basic	$4.56		$9.01	
Diluted	$4.49		$8.94	
Avg. shares outstanding				
Basic	**2,408.1**		**2,407.3**	
Diluted	**2,445.8**		**2,424.8**	

See Notes to Consolidated Financial Statements

Johnson & Johnson and subsidiaries consolidated statements of comprehensive income

(Unaudited; Dollars in Millions)

	Fiscal Third Quarter Ended		Fiscal Nine Months Ended	
	September 27, 2026	**September 28, 2025**	**September 27, 2026**	**September 28, 2025**
Net earnings	$210	5,152	$10,979	21,688
Other comprehensive income (loss), net of tax				
Foreign currency translation	479	(1,292)	2,017	(5,031)
Securities:				
Unrealized holding gain (loss) arising during period	—	—	—	(1)
Net change	—	—	—	(1)
Employee benefit plans:				
Prior service cost amortization during period	(36)	(35)	(106)	(106)
Gain amortization during period	77	82	229	238
Net change	41	47	123	132
Derivatives & hedges:				
Unrealized gain (loss) arising during period	(58)	434	(274)	1,642
Reclassifications to earnings	(276)	(121)	(701)	(238)
Net change	(334)	313	(975)	1,404
Other comprehensive income (loss)	186	(932)	1,165	(3,496)
Comprehensive income	**$396**	**4,220**	**$12,144**	**18,192**

See Notes to Consolidated Financial Statements

The tax cost/(benefit) effects in other comprehensive income/(loss) for the fiscal third quarter were as follows for 2026 and 2025, respectively: Foreign Currency Translation: $(162) million and $1.1 billion; Employee Benefit Plans: $8 million and $8 million; Derivatives & Hedges: $(89) million and $83 million.

The tax cost/(benefit) effects in other comprehensive income/(loss) for the fiscal nine months were as follows for 2026 and 2025, respectively: Foreign Currency Translation: $(885) million and $2.3 billion; Employee Benefit Plans: $24 million and $29 million; Derivatives & Hedges: $(259) million and $373 million.

Johnson & Johnson and subsidiaries consolidated statements of equity

(Unaudited; Dollars in Millions)

Fiscal Third Quarter Ended September 27, 2026

	Total	Retained Earnings and Additional Paid-in Capital	Accumulated Other Comprehensive Income (AOCI)	Common Stock Issued Amount	Treasury Stock Amount
Balance, June 28, 2026	**$84,971**	**171,665**	**(13,951)**	**3,120**	**(75,863)**
Net earnings	210	210	—	—	—
Cash dividends paid ($1.34 per share)	(3,227)	(3,227)	—	—	—
Employee compensation and stock option plans	1,101	(290)	—	—	1,391
Repurchase of common stock (including excise tax)	(1,712)	—	—	—	(1,712)
Other comprehensive income (loss), net of tax	186	—	186	—	—
Balance, September 27, 2026	**$81,529**	**168,358**	**(13,765)**	**3,120**	**(76,184)**

Fiscal Nine Months Ended September 27, 2026

	Total	Retained Earnings and Additional Paid-in Capital	Accumulated Other Comprehensive Income (AOCI)	Common Stock Issued Amount	Treasury Stock Amount
Balance, December 28, 2025	**$81,544**	**168,978**	**(14,930)**	**3,120**	**(75,624)**
Net earnings	10,979	10,979	—	—	—
Cash dividends paid ($3.98 per share)	(9,585)	(9,585)	—	—	—
Employee compensation and stock option plans	3,391	(2,014)	—	—	5,405
Repurchase of common stock (including excise tax)	(5,965)	—	—	—	(5,965)
Other comprehensive income (loss), net of tax	1,165	—	1,165	—	—
Balance, September 27, 2026	**$81,529**	**168,358**	**(13,765)**	**3,120**	**(76,184)**

Fiscal Third Quarter Ended September 28, 2025

	Total	Retained Earnings and Additional Paid-in Capital	Accumulated Other Comprehensive Income	Common Stock Issued Amount	Treasury Stock Amount
Balance, June 29, 2025	**$78,473**	**165,371**	**(14,305)**	**3,120**	**(75,713)**
Net earnings	5,152	5,152	—	—	—
Cash dividends paid ($1.30 per share)	(3,132)	(3,132)	—	—	—
Employee compensation and stock option plans	1,620	(110)	—	—	1,730
Repurchase of common stock (including excise tax)	(1,904)	—	—	—	(1,904)
Other comprehensive income (loss), net of tax	(932)	—	(932)	—	—
Balance, September 28, 2025	**$79,277**	**167,281**	**(15,237)**	**3,120**	**(75,887)**

Fiscal Nine Months Ended September 28, 2025

	Total	Retained Earnings and Additional Paid-in Capital	Accumulated Other Comprehensive Income	Common Stock Issued Amount	Treasury Stock Amount
Balance, December 29, 2024	**$71,490**	**155,791**	**(11,741)**	**3,120**	**(75,680)**
Net earnings	21,688	21,688	—	—	—
Cash dividends paid ($3.84 per share)	(9,250)	(9,250)	—	—	—
Employee compensation and stock option plans	2,876	(948)	—	—	3,824
Repurchase of common stock	(4,031)	—	—	—	(4,031)
Other comprehensive income (loss), net of tax	(3,496)	—	(3,496)	—	—
Balance, September 28, 2025	**$79,277**	**167,281**	**(15,237)**	**3,120**	**(75,887)**

See Notes to Consolidated Financial Statements

Johnson & Johnson and subsidiaries consolidated statements of cash flows

(Unaudited; Dollars in Millions)

	Fiscal Nine Months Ended	
	September 27, 2026	**September 28, 2025**
Cash flows from operating activities		
Net earnings	$10,979	21,688
Adjustments to reconcile net earnings to cash flows from operating activities:		
Depreciation and amortization of property and intangibles	6,080	5,492
Stock based compensation	1,115	1,045
Asset write-downs	801	123
Charges for acquired in-process research and development assets	964	109
Net gain on sale of assets/businesses	(27)	(131)
Deferred tax provision	(2,110)	5,215
Credit losses and accounts receivable allowances	5	(6)
Changes in assets and liabilities, net of effects from acquisitions and divestitures:		
Increase in accounts receivable	(1,759)	(2,172)
Increase in inventories	(1,152)	(1,404)
Increase in accounts payable and accrued liabilities	1,449	1,111
Decrease/(Increase) in other current and non-current assets	1,421	(7,653)
Increase/(Decrease) in other current and non-current liabilities	1,084	(6,196)
Net cash flows from operating activities	**18,850**	**17,221**
Cash flows used for investing activities		
Additions to property, plant and equipment	(3,732)	(2,995)
Proceeds from the disposal of assets/businesses, net (Note 10)	88	408
Acquisitions, net of cash acquired (Note 10)	(352)	(14,459)
Acquired in-process research and development assets / related milestones (Note 10)	(995)	(385)
Purchases of investments	(1,218)	(677)
Sales of investments	676	1,442
Credit support agreements activity, net	873	(2,338)
Other (including capitalized licenses and milestones)	(199)	(99)
Net cash used for investing activities	**(4,859)**	**(19,103)**
Cash flows used for financing activities		
Dividends to shareholders	(9,585)	(9,250)
Repurchase of common stock	(5,958)	(4,029)
Proceeds from short-term debt, net	15,422	10,673
Repayment of short-term debt, net	(16,310)	(10,524)
Proceeds from long-term debt, net of issuance costs	—	9,138
Repayment of long-term debt	(2,004)	(1,755)
Proceeds from the exercise of stock options/employee withholding tax on stock awards, net	2,274	1,831
Credit support agreements activity, net	(32)	(246)
Other	(587)	(8)
Net cash used for financing activities	**(16,780)**	**(4,170)**
Effect of exchange rate changes on cash and cash equivalents	(10)	178
Decrease in cash and cash equivalents	(2,799)	(5,874)
Cash and cash equivalents, beginning of period	19,709	24,105
Cash and cash equivalents, end of period	16,910	18,231

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 December 28, 2025. 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.

Recently Adopted Accounting Standards

ASU 2025-07: Derivatives and Hedging (Topic 815) and Revenue from Contracts with Customers (Topic 606)
Effective beginning fiscal year 2026, the Company prospectively adopted the amended guidance issued by the FASB that adds a scope exception to exclude from derivative accounting non-exchange-traded contracts with variables (underlyings) that are based on operations or activities specific to one of the parties to the contract. The adoption of this new accounting standard did not have a material impact on the Company's consolidated financial statements.

Recently Issued Accounting Standards Not Yet Adopted

There were no new material accounting standards issued in the fiscal nine months of 2026.

Supplier finance program obligations

The Company has agreements for supplier finance programs with third-party financial institutions. These programs provide enrolled suppliers with 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 join in the program.

Confirmed obligations under the program as of September 27, 2026, and December 28, 2025, were $0.8 billion and $0.8 billion, respectively. The obligations are presented as Accounts payable on the Consolidated Balance Sheets.

Note 2 – Inventories

(Dollars in Millions)	September 27, 2026	December 28, 2025
Raw materials and supplies	$2,483	2,530
Goods in process	3,930	3,828
Finished goods	8,964	7,833
Total inventories	$15,377	14,191

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 2025. 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)	September 27, 2026	December 28, 2025
Intangible assets with definite lives:		
Patents and trademarks — gross	$60,575	59,156
Less accumulated amortization	(34,676)	(32,507)
Patents and trademarks — net	**$25,899**	**26,649**
Customer relationships and other intangibles — gross	21,153	21,361
Less accumulated amortization	(15,465)	(14,998)
Customer relationships and other intangibles — net[1]	**$5,688**	**6,363**
Intangible assets with indefinite lives:		
Trademarks	1,726	1,772
Purchased in-process research and development	13,339	15,619
Total intangible assets — net	**$46,652**	**50,403**

[1] The majority is comprised of customer relationships

Goodwill as of September 27, 2026 was allocated by segment of business as follows:

(Dollars in Millions)	Innovative Medicine	MedTech	Total
Goodwill at December 28, 2025	$14,967	33,805	48,772
Goodwill, related to acquisitions	—	20	20
Currency translation/Other	(219)	(99)	(318)
Goodwill at September 27, 2026	**$14,748**	**33,726**	**48,474**

The weighted average amortization period for patents and trademarks is approximately 12 years. The weighted average amortization period for customer relationships and other intangible assets is approximately 19 years. The amortization expense of amortizable intangible assets included in the cost of products sold was $1.2 billion and $1.0 billion for the fiscal third quarters ended September 27, 2026 and September 28, 2025, respectively. The amortization expense of amortizable intangible assets included in the cost of products sold was $3.7 billion and $3.4 billion for the fiscal nine months ended September 27, 2026 and September 28, 2025, respectively.

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

(Dollars in Millions)				
2026	**2027**	**2028**	**2029**	**2030**
$5,100	4,400	3,700	3,600	3,500

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 September 27, 2026, the cumulative amount of cash collateral paid by the Company under the CSA amounted to $3.8 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 September 27, 2026, the Company had notional amounts outstanding for forward foreign exchange contracts, cross currency interest rate swaps and interest rate swaps of $44.3 billion, $34.0 billion and $7.0 billion, respectively. As of December 28, 2025, the Company had notional amounts outstanding for forward foreign exchange contracts, cross currency interest rate swaps and interest rate swaps of $40.6 billion, $38.9 billion and $8.0 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 with due dates ranging from 2028 to 2055 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 September 27, 2026, the balance of deferred net loss on derivatives included in accumulated other comprehensive income was $1.3 billion 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 third quarters ended September 27, 2026 and September 28, 2025, net of tax:

	September 27, 2026					September 28, 2025				
(Dollars in Millions)	Sales	Cost of Products Sold	R&D Expense	Interest (Income) Expense	Other (Income) Expense	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	$—	—	—	(38)	—	—	—	—	130	—
Derivatives designated as hedging instruments	—	—	—	38	—	—	—	—	(130)	—
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	—	—	—	40	—	—	—	—	47	—
Amount of gain or (loss) recognized in AOCI	—	—	—	40	—	—	—	—	47	—
Gain (Loss) on cash flow hedging relationship:										
Forward foreign exchange contracts:										
Amount of gain or (loss) reclassified from AOCI into income	(2)	128	9	—	6	1	19	(21)	—	(10)
Amount of gain or (loss) recognized in AOCI	1	(130)	(3)	—	(2)	(6)	100	2	—	—
Cross currency interest rate swaps contracts:										
Amount of gain or (loss) reclassified from AOCI into income	—	—	—	94	—	—	—	—	85	—
Amount of gain or (loss) recognized in AOCI	$—	—	—	36	—	—	—	—	291	—

The following table is a summary of the activity related to derivatives and hedges for the fiscal nine months ended September 27, 2026 and September 28, 2025, net of tax:

	September 27, 2026					September 28, 2025				
(Dollars in Millions)	Sales	Cost of Products Sold	R&D Expense	Interest (Income) Expense	Other (Income) Expense	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	$—	—	—	(33)	—	—	—	—	370	—
Derivatives designated as hedging instruments	—	—	—	33	—	—	—	—	(370)	—
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	—	—	—	132	—	—	—	—	145	—
Amount of gain or (loss) recognized in AOCI	—	—	—	132	—	—	—	—	145	—
Gain (Loss) on cash flow hedging relationship:										
Forward foreign exchange contracts:										
Amount of gain or (loss) reclassified from AOCI into income	(3)	291	14	—	7	2	(103)	(36)	—	(13)
Amount of gain or (loss) recognized in AOCI	(11)	(515)	74	—	41	8	671	(106)	—	(40)
Cross currency interest rate swaps contracts:										
Amount of gain or (loss) reclassified from AOCI into income	—	—	—	259	—	—	—	—	243	—
Amount of gain or (loss) recognized in AOCI	$—	—	—	5	—	—	—	—	964	—

As of September 27, 2026, and December 28, 2025, 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)	September 27, 2026	December 28, 2025	September 27, 2026	December 28, 2025
Long-term Debt	$7,278	8,318	(738)	(694)

The following table is the effect of derivatives not designated as hedging instruments for the fiscal third quarters ended 2026 and 2025:

		Gain/(Loss) Recognized In Income on Derivative		Gain/(Loss) Recognized In Income on Derivative	
(Dollars in Millions)	Location of Gain /(Loss) Recognized in Income on Derivative	Fiscal Third Quarter Ended		Fiscal Nine Months Ended	
Derivatives Not Designated as Hedging Instruments		September 27, 2026	September 28, 2025	September 27, 2026	September 28, 2025
Foreign Exchange Contracts	Other (income) expense	$14	33	(85)	76

The following table is the effect of net investment hedges for the fiscal third quarters ended in 2026 and 2025:

	Gain/(Loss) Recognized In Accumulated OCI		Location of Gain or (Loss) Reclassified from Accumulated OCI Into Income	Gain/(Loss) Reclassified From Accumulated OCI Into Income	
(Dollars in Millions)	September 27, 2026	September 28, 2025		September 27, 2026	September 28, 2025
Debt	$(16)	—	Interest (income) expense	—	—
Cross Currency interest rate swaps	$54	123	Interest (income) expense	—	—

The following table is the effect of net investment hedges for the fiscal nine months ended in 2026 and 2025:

	Gain/(Loss) Recognized In Accumulated OCI		Location of Gain or (Loss) Reclassified from Accumulated OCI Into Income	Gain/(Loss) Reclassified From Accumulated OCI Into Income	
(Dollars in Millions)	September 27, 2026	September 28, 2025		September 27, 2026	September 28, 2025
Debt	$361	(1,119)	Interest (income) expense	—	—
Cross Currency interest rate swaps	$399	264	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:

	December 28, 2025			September 27, 2026	
(Dollars in Millions)	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	$665	211	(52)	824	824
Equity Investments without readily determinable value	$910	(130)	545	1,325	1,325

[1] Recorded in Other (income)/expense, net. Equity Investments without readily determinable value includes the option premium related to Sail Biomedicines (Sail).

[2] Equity Investments without readily determinable value includes equity investment in Sail. 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 September 27, 2026 and December 28, 2025 were as follows:

	September 27, 2026				December 28, 2025
(Dollars in Millions)	Level 1	Level 2	Level 3	Total	Total[1]
Derivatives designated as hedging instruments:					
Assets:					
Forward foreign exchange contracts	$—	541	—	541	686
Interest rate contracts[2]	—	627	—	627	589
Total	—	1,168	—	1,168	1,275
Liabilities:					
Forward foreign exchange contracts	—	639	—	639	413
Interest rate contracts[2]	—	4,121	—	4,121	5,848
Total	—	4,760	—	4,760	6,261
Derivatives not designated as hedging instruments:					
Assets:					
Forward foreign exchange contracts	—	71	—	71	38
Liabilities:					
Forward foreign exchange contracts	—	83	—	83	46
Other Investments:					
Equity investments[3]	824	—	—	824	665
Debt securities[4]	—	3,456	—	3,456	2,854
Other Liabilities:					
Contingent consideration[5]	$—	—	729	729	753

Gross to Net Derivative Reconciliation	September 27, 2026	December 28, 2025
(Dollars in Millions)		
Total Gross Assets	$1,239	1,313
Credit Support Agreement (CSA)	(1,066)	(1,308)
Total Net Asset	173	5
Total Gross Liabilities	4,843	6,307
Credit Support Agreement (CSA)	(4,821)	(5,903)
Total Net Liabilities	$22	404

Summarized information about changes in liabilities for contingent consideration for the fiscal third quarters ended September 27, 2026 and September 28, 2025 is as follows:

	September 27, 2026	September 28, 2025
(Dollars in Millions)		
Beginning Balance	$753	1,217
Changes in estimated fair value[6]	(94)	(57)
Additions	70	—
Payments	—	(50)
Ending Balance	$729	1,110

(1) 2025 assets and liabilities are all classified as Level 2 with the exception of equity investments of $665 million, which are classified as Level 1 and contingent consideration of $753 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) Classified as non-current other liabilities.

(6) Ongoing fair value adjustment amounts are primarily recorded in Research and Development expense or Other (income) expense, net.

As of September 27, 2026, and December 28, 2025, cash and cash equivalents include money market funds of $4,936 million and $5,993 million, respectively, which would be considered level 1 in the fair value hierarchy.

The Company's cash, cash equivalents and current marketable securities as of September 27, 2026 comprised:

(Dollars in Millions)	Carrying Amount	Estimated Fair Value	Cash & Cash Equivalents	Current Marketable Securities
Cash	$3,276	3,276	3,276	—
Non-U.S. sovereign securities	7	7	—	7
U.S. reverse repurchase agreements	4,774	4,774	4,774	—
Money market funds	4,936	4,936	4,936	—
Time deposits[1]	779	779	779	—
Subtotal	13,772	13,772	13,765	7
U.S. Gov't securities	2,995	2,995	2,983	12
Other sovereign securities	224	224	117	107
Corporate and other debt securities	237	237	45	192
Subtotal available for sale debt[2]	$3,456	3,456	3,145	311
Total cash, cash equivalents and current marketable securities	$17,228	17,228	16,910	318

(1) Held to maturity investments are reported at amortized cost and gains or losses are reported in earnings.

(2) 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 December 28, 2025, the carrying amount of cash, cash equivalents and current marketable securities was 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 current marketable securities.

The contractual maturities of the available for sale securities as of September 27, 2026 are as follows:

(Dollars in Millions)	Cost Basis	Fair Value
Due within one year	$3,452	3,452
Due after one year through five years	4	4
Due after five years through ten years	—	—
Total debt securities	$3,456	3,456

Financial instruments not measured at fair value

The following financial liabilities are held at carrying amount on the consolidated balance sheet as of September 27, 2026:

(Dollars in Millions)	Carrying Amount	Estimated Fair Value
Financial Liabilities		
Loans and Notes Payable	$8,852	8,800
Non-Current Debt		
2.90% Notes due 2028	1,499	1,465
1.150% Notes due 2028 (750MM Euro 1.1372)	851	812
4.55% Notes due 2028	749	748
4.80% Notes due 2029	1,147	1,144
6.95% Notes due 2029	299	317
2.70% Notes due 2029 (600MM Euro 1.1372)	682	669
1.30% Notes due 2030	1,710	1,516
4.70% Notes due 2030	997	988
4.90% Notes due 2031	1,147	1,138
3.20% Notes due 2032 (700MM Euro 1.1372)	794	767
4.85% Notes due 2032	1,244	1,230
4.95% Notes due 2033	499	494
4.375% Notes due 2033	853	807
3.050% Notes due 2033 (700MM Euro 1.1372)	794	754
4.95% Notes due 2034	847	833
1.650% Notes due 2035 (1.5B Euro 1.1372)	1,697	1,396
5.00% Notes due 2035	1,244	1,218
3.35% Notes due 2036 (800MM Euro 1.1372)	905	849
3.587% Notes due 2036	920	856
5.95% Notes due 2037	995	1,039
3.625% Notes due 2037	1,404	1,280
3.350% Notes due 2037 (1.0B Euro 1.1372)	1,135	1,048
3.40% Notes due 2038	994	817
5.85% Notes due 2038	697	717
4.50% Notes due 2040	542	488
2.10% Notes due 2040	886	654
4.85% Notes due 2041	298	273
4.50% Notes due 2043	497	431
3.55% Notes due 2044 (1.0B Euro 1.1372)	1,128	1,000
3.60% Notes due 2045 (700MM Euro 1.1372)	791	700
3.73% Notes due 2046	1,980	1,473
3.75% Notes due 2047	857	734
3.50% Notes due 2048	744	521
2.25% Notes due 2050	833	529
5.25% Notes due 2054	844	775
3.70% Notes due 2055 (1.0B Euro 1.1372)	1,131	964
2.45% Notes due 2060	1,087	613
Other	78	81
Total Long Term Debt	$35,799	32,138

The weighted average effective interest rate on non-current debt is 3.68%.

The excess of the carrying value over the estimated fair value of debt was $1.7 billion at December 28, 2025.

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

The current debt balance as of September 27, 2026, includes $5.6 billion of commercial paper which has a weighted average interest rate of 3.76% and a weighted average maturity of approximately two months. The current debt balance as of December 28, 2025, included $6.5 billion of commercial paper which had a weighted average interest rate of 3.81% and a weighted average maturity of approximately two months.

Note 5 — Income taxes

The worldwide effective income tax rates for the fiscal nine months of 2026 and 2025 were 14.0% and 21.5%, respectively. The primary drivers for year over year change in the Company's effective tax were:

- In the fiscal third quarter of 2026, the Company recorded a $5.5 billion accrual related to the proposed resolution of talc ovarian litigation which reduced the 2026 year to date effective tax rate by approximately 2.5% versus an accrual reversal of approximately $7.0 billion related to the talc reserve in the fiscal first quarter of 2025 which increased the 2025 effective tax rate by approximately 0.3%.
- In the fiscal third quarter of 2025, the United States enacted the One Big Beautiful Bill Act (OBBBA). The OBBBA included provisions modifying the corporate income tax code, including the immediate expensing of domestic research and development expenditures for tax purposes, 100% bonus depreciation for qualified assets, and an increase in the statutory tax rate on foreign earnings from 10.5% to 12.6%. As a result, the Company remeasured its deferred tax balances for the changes in the tax rate and recorded a one-time remeasurement cost of approximately $1.0 billion which increased the 2025 effective tax rate by approximately 3.6%.
- Additional tax benefits in the fiscal first nine months of 2026 and 2025 related to the Company's share-based equity compensation programs that either vested or were exercised during the fiscal nine months of 2026 and 2025, which reduced the effective tax rate by 3.7% and 0.4%, respectively.

As of September 27, 2026, the Company had approximately $2.8 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 several jurisdictions. With respect to the United States, the Internal Revenue Service has completed its audit for the tax years through 2016 and the audit for tax years 2017 through 2020 is ongoing. In other major jurisdictions where the Company conducts business, the years that remain open to tax audit go back to the year 2014.

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 Third Quarter Ended				Fiscal Nine Months Ended			
	Retirement Plans		Other Benefit Plans		Retirement Plans		Other Benefit Plans	
(Dollars in Millions)	September 27, 2026	September 28, 2025	September 27, 2026	September 28, 2025	September 27, 2026	September 28, 2025	September 27, 2026	September 28, 2025
Service cost	$235	223	81	72	706	656	241	216
Interest cost	359	358	52	54	1,079	1,065	156	161
Expected return on plan assets	(636)	(604)	(1)	(2)	(1,913)	(1,790)	(5)	(5)
Amortization of prior service cost/(credit)	(46)	(46)	—	—	(138)	(138)	(1)	(1)
Recognized actuarial (gains)/losses	69	86	26	16	208	254	78	47
Curtailments and settlements	1		—	—	1	1	—	—
Net periodic benefit cost/ (credit)	$(18)	17	158	140	(57)	48	469	418

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 nine months ended September 27, 2026, the Company contributed $94 million and $15 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)
December 28, 2025	$(13,947)	—	(693)	(290)	(14,930)
Net change	2,017	—	123	(975)	1,165
September 27, 2026	$(11,930)	—	(570)	(1,265)	(13,765)

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 per share

The following is a reconciliation of basic net earnings per share to diluted net earnings per share:

	Fiscal Third Quarter Ended		Fiscal Nine Months Ended	
(Shares in Millions)	September 27, 2026	September 28, 2025	September 27, 2026	September 28, 2025
Basic net earnings per share	$0.09	2.14	4.56	9.01
Average shares outstanding — basic	2,409.6	2,408.3	2,408.1	2,407.3
Potential shares exercisable under stock option plans	95.1	124.3	93.8	89.3
Less: shares which could be repurchased under treasury stock method	(56.1)	(104.0)	(56.1)	(71.8)
Average shares outstanding — diluted	2,448.6	2,428.6	2,445.8	2,424.8
Diluted net earnings per share	$0.09	2.12	4.49	8.94

(Shares in Millions)				
The diluted net earnings per share calculation excluded the following number of shares related to stock options, as the exercise price of these options was greater than the average market value of the Company's stock.	0.0	0.0	5.6	38.8

Note 9 — Segments of business and geographic areas

The Company is organized into two business segments: Innovative Medicine and MedTech.

The Company's chief operating decision maker (CODM) is the Chief Executive Officer (Principal Executive Officer). For the Innovative Medicine and MedTech segments, the CODM uses segment income before tax to allocate resources (including employees, financial, and capital resources) for each segment predominantly in the annual forecasting process. The CODM considers planning-to-actual variances on a quarterly basis to assess performance and make decisions about allocating resources to the segments.

Sales by segment of business

	Fiscal Third Quarter Ended			Fiscal Nine Months Ended		
(Dollars in Millions)	September 27, 2026	September 28, 2025	Percent Change	September 27, 2026	September 28, 2025	Percent Change
INNOVATIVE MEDICINE						
Oncology						
U.S.	$4,267	3,468	23.0 %	$11,951	9,866	21.1 %
International	3,335	3,060	9.0	10,030	8,652	15.9
Worldwide	7,602	6,529	16.4	21,981	18,519	18.7
DARZALEX						
U.S.	2,528	2,088	21.1	7,171	5,934	20.9
International	1,711	1,584	8.0	5,239	4,514	16.1
Worldwide	4,239	3,672	15.4	12,410	10,448	18.8
CARVYKTI						
U.S.	472	396	19.4	1,377	1,072	28.5
International	238	128	85.3	587	260	*
Worldwide	710	524	35.5	1,964	1,332	47.4
TECVAYLI						
U.S.	236	115	*	549	334	64.4
International	77	62	24.0	225	160	40.6
Worldwide	312	177	76.6	774	494	56.7
TALVEY						
U.S.	112	85	31.6	325	235	38.1
International	59	37	62.9	172	79	*
Worldwide	171	122	40.9	497	314	58.3
RYBREVANT/ LAZCLUZE						
U.S.	201	136	47.9	566	388	46.1
International	119	61	94.5	300	130	*
Worldwide	320	198	62.3	866	518	67.4
ERLEADA						
U.S.	423	378	11.8	1,161	1,048	10.8
International	600	558	7.7	1,806	1,567	15.3
Worldwide	1,023	936	9.4	2,967	2,615	13.5
IMBRUVICA						
U.S.	145	211	(31.6)	437	685	(36.3)
International	420	483	(13.2)	1,386	1,453	(4.7)

(Dollars in Millions)	Fiscal Third Quarter Ended September 27, 2026	Fiscal Third Quarter Ended September 28, 2025	Fiscal Third Quarter Ended Percent Change	Fiscal Nine Months Ended September 27, 2026	Fiscal Nine Months Ended September 28, 2025	Fiscal Nine Months Ended Percent Change
Worldwide	563	695	(18.8)	1,822	2,139	(14.8)
OTHER ONCOLOGY[1]						
U.S.	149	61	*	365	171	*
International	111	147	(24.4)	314	488	(35.7)
Worldwide	262	207	26.3	680	659	3.2
Immunology						
U.S.	2,804	2,676	4.8	7,031	7,377	(4.7)
International	1,417	1,493	(5.1)	4,414	4,492	(1.7)
Worldwide	4,221	4,168	1.3	11,445	11,868	(3.6)
TREMFYA						
U.S.	1,772	989	79.1	4,279	2,384	79.5
International	624	434	43.7	1,771	1,181	49.9
Worldwide	2,396	1,424	68.3	6,050	3,566	69.7
SIMPONI / SIMPONI ARIA						
U.S.	269	309	(13.2)	798	906	(11.9)
International	299	377	(20.6)	1,035	1,130	(8.4)
Worldwide	568	687	(17.3)	1,833	2,036	(10.0)
REMICADE						
U.S.	258	326	(20.8)	742	923	(19.6)
U.S. Exports	12	19	(37.1)	40	63	(36.6)
International	124	132	(6.2)	372	413	(9.8)
Worldwide	394	476	(17.3)	1,154	1,398	(17.5)
STELARA						
U.S.	368	1,022	(64.0)	924	3,081	(70.0)
International	349	549	(36.5)	1,188	1,768	(32.8)
Worldwide	716	1,570	(54.4)	2,112	4,848	(56.4)
OTHER IMMUNOLOGY						
U.S.	126	12	*	249	21	*
International	21	0	*	48	0	*
Worldwide	147	12	*	297	21	*
Neuroscience						
U.S.	1,733	1,367	26.8	4,886	3,712	31.6
International	642	658	(2.4)	2,001	2,011	(0.5)
Worldwide	2,375	2,024	17.3	6,887	5,722	20.3
SPRAVATO						
U.S.	559	405	37.9	1,479	1,047	41.3
International	66	53	22.7	197	146	34.8
Worldwide	624	459	36.1	1,676	1,193	40.5
CAPLYTA[2]						
U.S.	398	240	66.1	1,029	451	*
International	—	—	—	—	—	—
Worldwide	398	240	66.1	1,029	451	*

(Dollars in Millions)	Fiscal Third Quarter Ended			Fiscal Nine Months Ended		
	September 27, 2026	September 28, 2025	Percent Change	September 27, 2026	September 28, 2025	Percent Change
INVEGA SUSTENNA / XEPLION / INVEGA TRINZA / TREVICTA						
U.S.	739	664	11.4	2,235	2,021	10.6
International	258	267	(3.0)	816	804	1.5
Worldwide	998	929	7.3	3,051	2,824	8.0
CONCERTA / methylphenidate						
U.S.	6	14	(56.3)	40	76	(47.3)
International	138	127	8.1	386	376	2.4
Worldwide	143	140	2.1	425	452	(5.9)
OTHER NEUROSCIENCE						
U.S.	32	46	(30.6)	104	119	(12.6)
International	180	210	(14.3)	602	684	(12.0)
Worldwide	212	256	(17.3)	706	803	(12.1)
Pulmonary Hypertension (PH)						
U.S.	588	815	(27.8)	2,233	2,358	(5.3)
International	309	300	2.9	942	895	5.2
Worldwide	897	1,115	(19.5)	3,175	3,253	(2.4)
UPTRAVI						
U.S.	383	392	(2.2)	1,154	1,139	1.3
International	100	92	8.9	306	272	12.7
Worldwide	483	484	(0.1)	1,460	1,411	3.5
OPSUMIT/OPSYNVI						
U.S.	193	409	(52.8)	1,042	1,175	(11.3)
International	179	168	5.9	538	507	6.0
Worldwide	372	578	(35.7)	1,580	1,682	(6.1)
OTHER PULMONARY HYPERTENSION						
U.S.	12	13	(7.3)	37	44	(15.5)
International	30	39	(23.8)	98	116	(15.6)
Worldwide	42	53	(19.7)	135	160	(15.6)
Infectious Diseases (ID)						
U.S.	317	326	(2.7)	959	961	(0.2)
International	496	501	(1.2)	1,506	1,472	2.3
Worldwide	813	829	(1.8)	2,465	2,434	1.3
EDURANT / rilpivirine						
U.S.	5	7	(31.6)	15	21	(30.1)
International	382	378	1.0	1,131	1,082	4.5
Worldwide	386	385	0.4	1,145	1,103	3.8
PREZISTA / PREZCOBIX / REZOLSTA / SYMTUZA						
U.S.	307	315	(2.5)	937	932	0.6
International	74	81	(8.9)	259	264	(1.9)
Worldwide	381	397	(3.8)	1,196	1,196	0.0

(Dollars in Millions)	Fiscal Third Quarter Ended September 27, 2026	Fiscal Third Quarter Ended September 28, 2025	Fiscal Third Quarter Ended Percent Change	Fiscal Nine Months Ended September 27, 2026	Fiscal Nine Months Ended September 28, 2025	Fiscal Nine Months Ended Percent Change
OTHER INFECTIOUS DISEASES						
U.S.	5	4	29.9	7	8	(11.4)
International	40	42	(6.2)	116	126	(8.0)
Worldwide	46	47	(3.0)	124	135	(8.2)
Cardiovascular / Metabolism / Other (CVM)						
U.S.	736	750	(1.9)	2,235	2,381	(6.1)
International	112	149	(24.3)	378	461	(17.9)
Worldwide	849	899	(5.6)	2,614	2,842	(8.0)
XARELTO						
U.S.	653	635	2.7	1,959	1,946	0.7
International	—	—	—	—	—	—
Worldwide	653	635	2.7	1,959	1,946	0.7
OTHER						
U.S.	84	115	(27.2)	276	435	(36.5)
International	112	149	(24.3)	378	461	(17.9)
Worldwide	197	264	(25.5)	655	896	(26.9)
Total PH, ID, CVM						
U.S.	1,643	1,891	(13.2)	5,428	5,700	(4.8)
International	917	950	(3.5)	2,826	2,828	(0.1)
Worldwide	2,560	2,843	(9.9)	8,254	8,529	(3.2)
TOTAL INNOVATIVE MEDICINE						
U.S.	10,447	9,402	11.1	29,297	26,655	9.9
International	6,310	6,161	2.4	19,270	17,983	7.2
Worldwide	16,757	15,563	7.7	48,567	44,638	8.8
MEDTECH						
Cardiovascular						
U.S.	1,397	1,306	7.0	4,222	3,931	7.4
International	910	908	0.2	2,866	2,698	6.2
Worldwide	2,307	2,213	4.3	7,088	6,629	6.9
ELECTROPHYSIOLOGY						
U.S.	771	720	7.0	2,290	2,145	6.8
International	717	698	2.8	2,219	2,064	7.5
Worldwide	1,487	1,418	4.9	4,509	4,209	7.1
ABIOMED						
U.S.	335	336	(0.3)	1,066	1,035	3.0
International	78	86	(10.4)	275	256	7.2
Worldwide	412	423	(2.3)	1,340	1,291	3.8
SHOCKWAVE						
U.S.	261	220	18.8	771	659	17.0
International	64	59	9.3	194	169	14.8
Worldwide	325	278	16.8	965	828	16.6

(Dollars in Millions)	Fiscal Third Quarter Ended			Fiscal Nine Months Ended		
	September 27, 2026	September 28, 2025	Percent Change	September 27, 2026	September 28, 2025	Percent Change
OTHER CARDIOVASCULAR						
U.S.	31	30	3.6	96	93	3.2
International	50	65	(21.9)	177	209	(15.0)
Worldwide	81	95	(13.9)	273	302	(9.4)
Surgery						
U.S.	1,070	1,031	3.7	3,210	3,076	4.3
International	1,459	1,511	(3.4)	4,483	4,417	1.5
Worldwide	2,528	2,542	(0.6)	7,692	7,493	2.7
ADVANCED						
U.S.	500	477	5.1	1,476	1,411	4.7
International	654	688	(5.0)	1,991	1,991	0.0
Worldwide	1,155	1,165	(0.9)	3,467	3,402	1.9
GENERAL						
U.S.	568	555	2.4	1,733	1,666	4.0
International	805	823	(2.2)	2,492	2,426	2.7
Worldwide	1,373	1,378	(0.3)	4,225	4,092	3.3
Vision						
U.S.	596	571	4.3	1,740	1,694	2.7
International	865	828	4.4	2,537	2,354	7.8
Worldwide	1,461	1,400	4.4	4,277	4,048	5.6
CONTACT LENSES / OTHER						
U.S.	465	456	1.9	1,378	1,337	3.1
International	588	562	4.7	1,669	1,565	6.6
Worldwide	1,053	1,018	3.5	3,047	2,902	5.0
SURGICAL						
U.S.	132	116	13.6	363	358	1.4
International	276	266	3.8	867	789	10.0
Worldwide	408	383	6.8	1,230	1,147	7.3
Orthopaedics						
U.S.	1,448	1,396	3.8	4,353	4,200	3.6
International	898	878	2.2	2,794	2,620	6.6
Worldwide	2,345	2,274	3.2	7,146	6,820	4.8
HIPS						
U.S.	271	262	3.5	831	796	4.4
International	148	144	2.6	465	440	5.7
Worldwide	419	405	3.1	1,296	1,235	4.9
KNEES						
U.S.	221	216	2.1	688	673	2.2
International	165	160	3.0	528	482	9.7
Worldwide	386	377	2.5	1,216	1,155	5.3

(Dollars in Millions)	Fiscal Third Quarter Ended			Fiscal Nine Months Ended		
	September 27, 2026	September 28, 2025	Percent Change	September 27, 2026	September 28, 2025	Percent Change
TRAUMA						
U.S.	555	512	8.6	1,623	1,515	7.1
International	288	281	2.4	880	818	7.6
Worldwide	844	793	6.4	2,504	2,333	7.3
SPINE, SPORTS & OTHER						
U.S.	401	406	(1.2)	1,211	1,216	(0.4)
International	296	293	1.3	920	881	4.5
Worldwide	697	698	(0.1)	2,131	2,096	1.7
TOTAL MEDTECH						
U.S.	4,512	4,306	4.8	13,525	12,902	4.8
International	4,130	4,124	0.1	12,679	12,089	4.9
Worldwide	8,642	8,430	2.5	26,204	24,991	4.9
WORLDWIDE						
U.S.	14,959	13,708	9.1	42,822	39,557	8.3
International	10,440	10,285	1.5	31,949	30,072	6.2
Worldwide	$25,399	23,993	5.9%	$74,771	69,629	7.4%

* Percentage greater than 100% or not meaningful

(1) Includes the sales of ZYTIGA which were previously disclosed separately

(2) Acquired with Intra-Cellular Therapies on April 2, 2025

Adjustments to revenue recognized as a result of changes in estimates for the Company's most significant U.S. rebates and discounts liability balances for products shipped in previous years were approximately 0.4% and 2.4% of U.S. Innovative Medicine revenue during the fiscal third quarter of 2026 and 2025, respectively and approximately 2.6% and 3.1% of U.S. Innovative Medicine revenue during the fiscal nine months of 2026 and 2025, respectively.

In October 2025, the Company announced its intention to separate its Orthopaedics business and expects the separation to be completed in mid-2027.

Segment income before tax

(Dollars in Millions)	Fiscal Third Quarter Ended					
	September 27, 2026			September 28, 2025		
	Innovative Medicine[1]	MedTech[2]	Total	Innovative Medicine[1]	MedTech[2]	Total
Sales to customers	$16,757	8,642		15,563	8,430	
Cost of products sold	4,486	3,597		3,672	3,612	
Selling, marketing and administrative	3,035	3,014		2,869	2,801	
Research and development expense	3,888	764		2,944	728	
Other segment items [3]	282	491		(368)	2	
Segment income before tax	$5,066	776	5,842	6,446	1,287	7,733
(Income)/Expense not allocated to segments [4]			5,808			240
Earnings before provision for taxes on income			$34			$7,493

	Fiscal Nine Months Ended					
Sales to customers	$48,567	26,204		44,638	24,991	
Cost of products sold	13,172	11,035		11,670	10,576	
Selling, marketing and administrative	9,083	8,989		7,919	8,319	
Research and development expense	9,576	2,256		8,361	2,052	
Other segment items [3]	104	732		(520)	132	
Segment income before tax	$16,632	3,192	19,824	17,208	3,912	21,120
(Income)/Expense not allocated to segments [4]			7,053			(6,495)
Earnings before provision for taxes on income			$12,771			$27,615

[1] Innovative Medicine includes:

- Intangible amortization expense of $0.8 billion and $0.6 billion in the fiscal third quarters of 2026 and 2025, respectively.

  Intangible amortization expense of $2.3 billion and $2.0 billion in the fiscal nine months of 2026 and 2025, respectively.
- Restructuring related charge of $0.1 billion and $0.3 billion in the fiscal third quarter and fiscal nine months of 2026, respectively. Refer to Note 12 for additional details.
- Acquired in-process research and development expense of approximately $1.0 billion related to the acquisition of Firefly Bio, Inc. in the fiscal third quarter and fiscal nine months of 2026. Refer to Note 10 for additional details.
- Expense of $0.3 billion related to the strategic collaboration with Sail Biomedicines (Sail) in the fiscal third quarter and fiscal nine months of 2026. Refer to Note 10 for additional details.

[2] MedTech includes:

- Intangible amortization expense of $0.5 billion in both the fiscal third quarters of 2026 and 2025.

  Intangible amortization expense of $1.4 billion in both the fiscal nine months of 2026 and 2025.
- Orthopaedics Separation related costs of $0.4 billion and $0.7 billion in the fiscal third quarter and fiscal nine months of 2026, respectively as compared to $0 in the fiscal third quarter and fiscal nine months of 2025.
- In-process research and development impairment charges of $0.3 billion and $0.4 billion in the fiscal third quarter and fiscal nine months of 2026, respectively, primarily related to PreCardia, a non-strategic asset acquired as part of the Abiomed acquisition in 2022.
- Impact of tariff recoveries of approximately $0.2 billion in the fiscal third quarter and fiscal nine months of 2026.

[3] Other segment items for each reportable segment include other income and expense (gains and losses on divestitures and sales of assets), restructuring activities and impairment charges related to in-process research and development

[4] Amounts not allocated to segments include interest (income)/expense and general corporate (income)/expense. The fiscal third quarter and fiscal nine months of 2026 includes a charge of $5.5 billion related to the proposed talc ovarian litigation resolution. The fiscal nine months of 2025 includes approximately $7.0 billion related to the talc reserve reversal.

(Dollars in Millions)	Identifiable Assets	
	September 27, 2026	December 28, 2025
Innovative Medicine	$78,944	78,057
MedTech	86,214	86,482
Total	165,158	164,539
General corporate [1]	32,267	34,671
Worldwide total	**$197,425**	**199,210**

[1]General corporate includes cash, cash equivalents, marketable securities and other corporate assets.

(Dollars in Millions)	Additions to Property, Plant & Equipment		Depreciation and Amortization	
	Fiscal Nine Months Ended			
	September 27, 2026	September 28, 2025	September 27, 2026	September 28, 2025
Innovative Medicine	$1,865	1,166	$3,258	2,757
MedTech	1,701	1,674	2,638	2,564
Segments total	3,566	2,840	5,896	5,321
General corporate	166	155	184	171
Worldwide total	**$3,732**	**2,995**	**$6,080**	**5,492**

Sales by geographic area

(Dollars in Millions)	Fiscal Third Quarter Ended			Fiscal Nine Months Ended		
	September 27, 2026	September 28, 2025	Percent Change	September 27, 2026	September 28, 2025	Percent Change
United States	$14,959	13,708	9.1%	$42,822	39,557	8.3%
Europe	5,405	5,440	(0.6)	16,979	15,937	6.5
Western Hemisphere, excluding U.S.	1,385	1,231	12.5	3,987	3,604	10.6
Asia-Pacific, Africa	3,650	3,614	1.0	10,983	10,531	4.3
Total	**$25,399**	**23,993**	**5.9%**	**$74,771**	**69,629**	**7.4%**

Note 10 — Acquisitions, divestitures and other arrangements

Business combinations

Acquisitions of a business are accounted for as business combinations applying the acquisition method of accounting. Under this method, the assets acquired and liabilities assumed are recorded at their respective fair values as of the acquisition date in the Company's consolidated financial statements. The excess of the purchase price over the fair value of the acquired net assets, where applicable, is recorded as goodwill. The results of operations of these acquisitions have been included in the Company's financial statements from their respective dates of acquisition.

In the fiscal nine months of 2026, there were no material business combinations.

2025 Transactions

During the fiscal year 2025, the Company acquired Halda Therapeutics OpCo, Inc. (Halda Therapeutics) and Intra-Cellular Therapies, Inc. (Intra-Cellular) for a total of $17.5 billion, net of cash acquired.

Halda Therapeutics

On December 26, 2025, the Company completed the acquisition of Halda Therapeutics, a clinical-stage biotechnology company with proprietary Regulated Induced Proximity TArgeting Chimera (RIPTAC™) platform to develop oral, targeting therapies for

multiple types of solid tumors, including prostate cancer, in an all-cash merger transaction for total consideration transferred of approximately $3.05 billion, net of cash acquired. The acquisition was accounted for as a business combination and the results of operations and goodwill are included in the Innovative Medicine segment as of the acquisition date. Included in the total consideration transferred was $0.2 billion of acquisition-related costs, primarily related to post-closing compensation expense due to the acceleration of equity awards. This expense was recorded in Other (income) expense, net. Acquisition related costs before tax for the fiscal nine months of 2026 were not material.

The fair value of the assets acquired is $3.4 billion, which primarily relates to acquired in-process research and development (IPR&D) of $2.8 billion and goodwill of $0.6 billion. The fair value of the liabilities assumed is $0.6 billion, primarily related to deferred taxes. These values are preliminary and based on the best estimate of management, which is subject to change within the measurement period. As of the fiscal nine months ended September 27, 2026, there have been no material measurement period adjustments.

Intra-Cellular

On April 2, 2025, the Company completed the acquisition of Intra-Cellular, a biopharmaceutical company focused on the development and commercialization of therapeutics for central nervous system disorders. This acquisition advances the Company's industry-leading portfolio in mental health with the addition of CAPLYTA (lumateperone), the first and only U.S. FDA-approved treatment for bipolar I and II depression as an adjunctive therapy and monotherapy and is also approved for the treatment of schizophrenia in adults. This acquisition also includes a promising clinical-stage pipeline with best-in-class potential in generalized anxiety disorder and Alzheimer's disease-related psychosis and agitation.

The Company acquired all the outstanding shares of Intra-Cellular's common stock for $132.00 per share in an all-cash merger transaction for total consideration transferred of $14.5 billion. The acquisition was accounted for as a business combination and the results of operations and goodwill are included in the Innovative Medicine segment as of the acquisition date. In addition, acquisition-related costs before tax incurred during the fiscal year 2025 were $0.4 billion, of which $0.1 billion related to post-closing compensation expense due to the acceleration of equity awards and were recorded to Other (income) expense, net. Acquisition related costs before tax for the fiscal nine months of 2026 were not material.

The fair value of the assets acquired is $17.5 billion, which primarily relates to acquired in-process research and development (IPR&D) of $8.3 billion, an amortizable intangible asset of $5.2 billion, goodwill of $2.9 billion and other current and non-current assets of $1.1 billion. The fair value of the liabilities assumed is $3.0 billion, primarily related to deferred taxes. During the fiscal fourth quarter of 2025, the U.S. FDA approved CAPLYTA as an adjunctive therapy with anti-depressants for the treatment of major depressive disorder in adults. This IPR&D asset was reclassified to a definite lived asset and began amortizing in the fiscal fourth quarter of 2025.

Asset acquisitions

If it is determined that the acquired set does not meet the definition of a business under the acquisition method of accounting, the transaction is accounted for as an asset acquisition. In this case, no goodwill is recorded, acquired in-process research and development (IPR&D) with no alternative future use is immediately recorded as research and development expense and contingent consideration is recorded when the related event occurs.

Firefly Bio

On July 29, 2026, the Company completed the acquisition of Firefly Bio, Inc. (Firefly), a biotechnology company advancing its proprietary Firelink™ degrader antibody conjugate (DAC) platform, for approximately $1.0 billion in cash. The Company recorded an IPR&D charge of approximately $1.0 billion, and the results of operations are included in the Innovative Medicine segment as of the acquisition date.

In the fiscal nine months of 2025, there were no material asset acquisitions.

In the fiscal nine months of 2026 and 2025, there were no material divestitures.

Other arrangements

Royalty Pharma

In the fiscal first quarter of 2026, the Company entered into a co-funding agreement with Royalty Pharma plc. (Royalty Pharma) under which the Company will receive up to a total of $0.5 billion during the fiscal years 2026 and 2027 to support the clinical development of JNJ-4804, a co-antibody therapy in development to treat chronic immune-mediated diseases. As there is a substantive and genuine transfer of risk to Royalty Pharma, the development funding is recognized as an obligation to perform contractual services. Accordingly, the funding the Company receives is recognized as a reduction to Research and development expense as the Company performs its contractual services.

If successful, upon regulatory approval of certain indications in the U.S. or other major markets, Royalty Pharma will receive approval-based fixed milestone payments up to approximately $0.5 billion and will also be eligible to receive sales-based milestone payments and low-single digit royalties based on commercial sales. The funding received during the fiscal nine months of 2026 was not material.

Sail Biomedicines

In the fiscal third quarter of 2026, the Company entered into strategic agreements and collaboration with Sail Biomedicines (Sail), a biotechnology company developing in vivo CAR-T therapies for immune-mediated diseases. The Company is collaborating with Sail to advance its lead immune-mediated disease program and broader platform technology, with incentives to expand the application of Sail's in vivo CAR-T platform across additional therapeutic targets over time. Under the terms of the agreements, the Company made total initial payments of $0.8 billion, including a $0.5 billion equity investment recorded within Other assets, and the remainder, primarily related to an option premium payment, is recorded within Other (income) and expense, net on the Consolidated Statement of Earnings. On the Consolidated Statement of Cash Flows, the transaction of $0.8 billion is primarily recorded within purchases of investments and the option premium is recorded as an adjustment to Net Earnings within Asset Write-downs. Additionally, the Company has been granted an exclusive option to acquire Sail for approximately $2.6 billion.

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 September 27, 2026, 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

As of September 27, 2026, there are approximately 76,500 plaintiffs in the United States with direct claims against the Company and its affiliates in pending lawsuits regarding injuries allegedly due to the use of body powders containing talc, primarily JOHNSON’S Baby Powder.

In talc cases that 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. The Company continues to believe that it has strong legal grounds to contest all the 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 an effort to expeditiously resolve the litigation for the overwhelming majority of claimants, beginning in October 2021, the Company underwent a series of corporate restructurings which ultimately resulted in two entities, Red River Talc, LLC (Red River) and Pecos River Talc LLC (Pecos River), being assigned 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. As a result of the restructurings, all claims in North America related to ovarian and other gynecological cancers were separated and allocated to Red River, and mesothelioma, governmental unit, and certain other claims in North America were allocated to Pecos River. In connection with these restructurings, the Company filed a series of three Chapter 11 bankruptcy proceedings. Ultimately, each of the bankruptcy proceedings was dismissed and, as a result, the Company reversed substantially all, or approximately $7.0 billion, from amounts previously reserved for the bankruptcy resolution in the fiscal first quarter of 2025.

Following the third bankruptcy dismissal, litigation in the tort system recommenced with both ovarian cancer and mesothelioma trials scheduled in various state courts throughout 2026 and beyond. In July 2026, following certain favorable rulings in the multi-district litigation (MDL) pending in the United States District Court for the District of New Jersey and plaintiffs' withdrawal of their causation experts in the first bellwether matters, the Company announced a plan to resolve the ovarian cancer docket. Specifically, the Company reached an agreement with plaintiff firms leading the MDL and related state court proceedings conditioned on, among other things, the express participation of at least 95% of the remaining claims. The proposed resolution calls for a $5.5 billion commitment by the Company. The proposed agreement does not impact the mesothelioma docket, which remains ongoing. The Company also faces litigation in Canada.

As of the third quarter of 2026, the total present value of the reserve for talc related matters is approximately $9.0 billion, comprising the ovarian settlement agreement, executed settlement agreements, litigation defense, and other costs. Approximately half of the reserve is recorded as a current liability.

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 December 2023, the court granted plaintiffs' motion for class certification. In July 2025, the Third Circuit affirmed the court's order granting class certification. In September 2025, the Company petitioned the Third Circuit for rehearing or rehearing en banc, which was denied in October 2025. In February 2026, the Company filed a writ of certiorari with the United States Supreme Court regarding the Third Circuit's decision, which the Supreme Court denied in April 2026. Expert discovery is proceeding.

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 voluntary petitions for relief under Chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court for the District of Delaware. In February 2021, Cyprus Mines Corporation (Cyprus), which sold certain talc mines and assets to Imerys, filed a voluntary petition for relief under Chapter 11 of the Bankruptcy Code in the Delaware Bankruptcy Court. In July 2024, the Company, Imerys, Cyprus, and certain of their affiliates (including their parent entities), and the tort claimants' committees and future claimants' representatives appointed in the Imerys debtors' and Cyprus debtors' respective Chapter 11 cases, entered into a global settlement agreement (the Imerys Settlement Agreement) to resolve the parties' ongoing disputes, including disputes raised in the Imerys and Cyprus bankruptcies regarding (i) the Company's alleged obligations to indemnify Imerys and Cyprus for personal injury claims allegedly caused by exposure to talc contained in the Company's products and (ii) entitlements to proceeds of certain of the Company's insurance policies. In October 2024, the Delaware Bankruptcy Court entered an order approving the Imerys Settlement Agreement (the Settlement Order). Certain insurers appealed the Settlement Order and sought a stay of the Settlement Order pending appeal, which the Delaware Bankruptcy Court denied in January 2025. In August 2025, the United States District Court for the District of Delaware denied the insurers' appeal of the Settlement Order. The insurers appealed that decision and, in October 2026, the Third Circuit dismissed the appeal.

Intellectual property

Certain subsidiaries of the Company are involved in 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 scope and/or validity of patents that relate to various products and/or to allegations that certain of the Company's products infringe the intellectual property rights 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.

Innovative Medicine

INVEGA SUSTENNA

Beginning in January 2018, Janssen Pharmaceutica NV and Janssen Pharmaceuticals, Inc. (collectively, Janssen) 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: Eugia Pharma Specialities Ltd. and Eugia US, LLC. The following U.S. patent is included: 9,439,906. In June 2026, Janssen entered into a confidential settlement with Eugia Pharma Specialities Ltd. and Eugia US, LLC.

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. Pharmascience Inc. is a named defendant. The following Canadian patent is included in one or more cases: 2,655,335. In September 2024, the Supreme Court of Canada granted Pharmascience's motion to appeal the Federal Court's decision that the 2,655,335 Patent is not invalid. In July 2026, the Supreme Court of Canada dismissed Pharmascience's appeal.

ERLEADA

Beginning in January 2025, Aragon Pharmaceuticals, Inc., Janssen Inc. (collectively, Janssen Inc.), and Sloan-Kettering Institute for Cancer Research (SKI) initiated Statements of Claims under Section 6 of the Patented Medicines (Notice of Compliance) Regulations against Sandoz Canada Inc. (Sandoz) in response to Sandoz's filing of ANDSs seeking approval to market 60 mg and 240 mg generic versions of ERLEADA before the expiration of CA Patent Nos. 3,008,345; 2,875,767; 2,885,415; and 3,128,331. Janssen Inc. and SKI are seeking orders enjoining Sandoz from marketing 60 mg and 240 mg generic versions of ERLEADA before the expiration of the relevant patents. Trial took place in August and September 2026. A decision is pending.

Beginning in June 2026, Aragon Pharmaceuticals, Inc., Janssen Biotech, Inc., and Sloan-Kettering Institute for Cancer Research initiated a patent infringement lawsuit in the United States District Court for the District of New Jersey against MSN Pharmaceuticals Inc., MSN Laboratories Private Limited, and Novadoz Pharmaceuticals, LLC who filed an ANDA seeking approval to market 60 mg and 240 mg generic versions of ERLEADA before the expiration of certain Orange Book listed patents. The following U.S. patents are included in the case: 9,481,663; 11,963,952; 12,303,493; and 12,303,497.

Beginning in October 2026, Aragon Pharmaceuticals, Inc. and Janssen Biotech, Inc. initiated a patent infringement lawsuit in the United States District Court for the District of New Jersey against Lupin Limited and Lupin Pharmaceuticals, Inc. who filed an ANDA seeking approval to market 60 mg generic versions of ERLEADA before the expiration of certain Orange Book listed patents. The following U.S. patents are included in the case: 12,303,493 and 12,303,497.

SPRAVATO

Beginning in May 2023, Janssen Pharmaceuticals, Inc. and Janssen Pharmaceutica NV filed patent infringement lawsuits in United States district courts against generic manufacturers who have filed ANDAs seeking approval to market generic versions of SPRAVATO before expiration of certain Orange Book listed patents. The following entities are named defendants: Sandoz Inc. (Sandoz) and Alkem Laboratories Ltd. The following U.S. patents are included in one or more cases: 10,869,844; 11,173,134; 11,311,500; and 11,446,260. A trial against Sandoz took place in February 2026. In August 2026, the United States District Court for the District of New Jersey issued a decision finding that the asserted patents are infringed and not invalid. In September 2026, Sandoz appealed.

CAPLYTA

Beginning in March 2024, Intra-Cellular Therapies, Inc. (Intra-Cellular) filed patent infringement lawsuits in the United States District Court for the District of New Jersey against generic manufacturers who have filed ANDAs seeking approval to market generic versions of CAPLYTA before expiration of certain Orange Book listed patents. The following entities are named defendants: Zydus Pharmaceuticals (USA) Inc. and Zydus Lifesciences Ltd. The following U.S. patents are included: RE 48,825; RE 48,839; 8,648,077; 9,168,258; 9,199,995; 9,616,061; 9,956,227; 10,117,867; 10,464,938; 10,960,009; 11,026,951; 11,753,419; 11,980,617; 12,070,459; 12,090,155; 12,122,792; 12,128,043; 12,409,176; and 12,410,195. In August 2026, Intra-Cellular, Zydus Pharmaceuticals (USA) Inc., and Zydus Lifesciences Ltd. entered into a confidential settlement agreement and the case was dismissed.

CARVYKTI

In January 2026, 2seventy bio, Inc. filed suit in the Unified Patent Court, Local Division of Brussels, against the Company, Janssen Biotech, Inc., Janssen Pharmaceuticals Inc., Janssen-Cilag International NV, Janssen Pharmaceutica NV, Janssen-Cilag NV, Janssen Biologics B.V., Janssen-Cilag B.V., Janssen-Cilag GmbH, Janssen-Cilag, Janssen-Cilag SpA, Janssen-Cilag A/S, Janssen-Cilag Aktiebolag, Janssen-Cilag Farmaceutica Lda., Legend Biotech Corporation, Legend Biotech USA Inc., Legend Biotech Ireland Limited, and Legend Biotech Belgium BV alleging that the manufacture and sale of CARVYKTI infringes EU Patent No. 3 689 383. In the suit, the exclusive licensee, 2seventy bio, Inc., seeks damages and an injunction. In May 2026, The United States of America, including the Department of Health and Human Services, Office of Technology Transfer, as the patent owner, intervened in the action. An oral hearing is scheduled for March 2027.

DARZALEX

In February 2026, BIOCAD JSC (BIOCAD) and PK-137 LLC filed a lawsuit against Genmab A/S and Johnson & Johnson LLC in the Arbitrazh Court of Moscow Region seeking: (1) a declaration of entitlement to use the inventions claimed in Genmab's EA Patent No. 015584 in the manufacture/marketing of their drug "Daratumia" (INN daratumumab) starting from March 24, 2026, on the basis that patent EA 015584 expires March 23, 2026; (2) a declaration that Genmab's and Johnson & Johnson LLC's actions in obtaining PTE extending Genmab's EA Patent No. 037929 and sending warning letters to BIOCAD asserting infringement risks after March 24, 2026 constitute unfair competition under Article 14.8 of Law on Protection of Competition (EA 037929 has PTE until March 23, 2031); and (3) an order restraining Genmab and Johnson & Johnson LLC from creating obstacles to BIOCAD's introduction of "Daratumia" into civil circulation starting from March 24, 2026. In September 2026, BIOCAD and PK-137 LLC withdrew their unfair competition claim and BIOCAD launched its biosimilar daratumumab product at risk.

SIMPONI

In March 2026, Janssen Biotech, Inc. and Janssen Sciences Ireland Unlimited Company (collectively, Janssen) filed a patent infringement lawsuit in the United States District Court for the District of Delaware against Accord BioPharma, Inc. (Accord) and Bio-Thera Solutions, Ltd. (Bio-Thera) in response to Accord's filing of an aBLA seeking approval to market biosimilar versions of SIMPONI and SIMPONI ARIA and providing notice of commercial marketing pursuant to 42 U.S.C. § 262(l)(8)(A) for those biosimilar products. The following U.S. patents are included in the case: 8,017,325; 8,586,356; 8,852,889; 8,956,830; 9,170,249; 9,217,168; 9,475,858; 9,487,810; 9,663,810; 9,890,410; 12,129,292; 12,139,735; and 12,180,271. The following U.S. patents were dismissed without prejudice: 11,014,982; 11,041,020; 12,122,824; and 12,291,566. Janssen sought an order enjoining defendants from marketing their biosimilar versions of SIMPONI and SIMPONI ARIA before the expiration of the asserted patents. In September 2026, the court preliminarily enjoined Accord and Bio-Thera pending trial. Trial is scheduled for March 2028. Accord and Bio-Thera appealed the injunction.

In March 2026, Accord BioPharma, Inc., Intas Pharmaceuticals Ltd., and Bio-Thera Solutions, Ltd. submitted four petitions requesting inter partes review (IPR) of U.S. patent nos. 11,014,982; 11,041,020; 12,122,824; and 12,291,566. In September 2026, the U.S. Patent & Trademark Office instituted review of the patents. A final written decision is expected by September 2027.

In June 2026, Janssen Biotech, Inc. and Janssen Sciences Ireland Unlimited Company (collectively, Janssen) filed a patent infringement lawsuit in the United States District Court for the Eastern District of Virginia against Alvotech hf. and Alvotech USA Inc. (Alvotech USA) in response to Alvotech USA's filing of aBLAs seeking approval to market biosimilar versions of SIMPONI and SIMPONI ARIA and providing notice of commercial marketing pursuant to 42 U.S.C. § 262(l)(8)(A) for those biosimilar products. The following U.S. patents are included in the case: 8,017,325; 8,852,889; 8,956,830; 9,170,249; 9,217,168; 9,475,858; 9,487,810; 9,663,810; 9,890,410; 10,421,986; 11,225,516; 12,139,735; 12,534,524; and 12,595,454. Janssen is seeking an order enjoining defendants from marketing their biosimilar versions of SIMPONI and SIMPONI ARIA before the expiration of the asserted patents. In July 2026, Janssen filed a motion for preliminary injunction pending trial. In September 2026, Teva Pharmaceuticals USA Inc. intervened seeking a declaratory judgment of noninfringement and invalidity. No trial date has been set.

MedTech

In March 2016, Abiomed, Inc. filed a declaratory judgment action against Maquet Cardiovascular LLC (Maquet) in the United States District Court for the District of Massachusetts seeking a declaration that certain Impella products do not infringe Maquet patents. Maquet counterclaimed for infringement against Abiomed, Inc., Abiomed Europe GmbH, and Abiomed R&D, Inc. The following U.S. patents are at issue: 8,888,728; 9,327,068; 9,545,468; 9,561,314; and 9,597,437. In February 2026, the U.S. Court of Appeals for the Federal Circuit remanded the case after considering the district court's claim constructions. Discovery will begin based on the altered constructions.

In November 2017, Maquet Cardiovascular LLC filed suit against Abiomed, Inc., Abiomed R&D, Inc., and Abiomed Europe GmbH in the United States District Court for the District of Massachusetts alleging that certain Impella products infringe Maquet patents. U.S. Patent No. 10,238,783 remains in the suit, and trial was held in May 2026. The jury returned a verdict in Abiomed's favor. Post-trial motions are pending.

Government proceedings

Like other companies in the pharmaceutical and medical technologies 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 June 2026, three Relators filed an Amended False Claims Act Complaint in the United States District Court for the Southern District of Florida alleging the Company and DePuy Synthes, along with Tenet Healthcare Corporation, Delray Medical Center, and West Boca Medical Center caused the submission of false claims to federal and Florida healthcare programs. The Relators are sales representatives for competitor companies, and the complaint was served following a decision by the Department of Justice to decline intervening in the case. The Company and DePuy Synthes disagree with and are defending themselves against these claims.

Innovative Medicine

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 trial commenced in May 2024. In June 2024, a jury found no liability regarding the anti-kickback violations but found liability for a portion of the off-label promotion claims. The Company challenged the verdict on the off-label claims in post-trial briefing. In March 2025, the court dismissed the state law portion of the claims but entered judgment on the federal claims. The Company appealed the remainder of the verdict to the Third Circuit. The federal government has intervened for the limited purpose of defending the qui tam provision of the False Claims Act. Briefing is complete and oral argument was held in March 2026. A decision is pending. In April 2026, the Third Circuit ordered the parties to engage in mediation.

In March 2017, Janssen Biotech, Inc. (JBI) received a Civil Investigative Demand from the United States Department of Justice (DOJ) 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 DOJ 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 DOJ declined to intervene in the qui tam lawsuit in August 2019. In September 2026, the court denied relator/plaintiff's motion for summary judgment and granted the Company's motion for summary judgment in full, thus obviating the need for a trial. Relator/plaintiff has until October 30, 2026 to file a notice of appeal.

General litigation

The Company or its subsidiaries regularly face claims in legal proceedings related to contracts, trade secrets, antitrust, unfair competition, consumer protection, and environmental issues, the most significant of which are listed below. Although the Company and its subsidiaries believe that they have substantial defenses to these cases, there can be no assurance as to the outcome of these matters. A loss in any of these cases could require the payment of damages, injunctions, and/or other relief.

In October 2017, certain United States service members, civilians, and their families brought a complaint against a number of pharmaceutical and medical devices companies, including the Company and certain of its subsidiaries in the 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 operative complaint. In January 2022, the United States Court of Appeals for the District of Columbia Circuit reversed the district court’s decision. In June 2024, the Supreme Court vacated the D.C. Circuit's decision and remanded the case to the D.C. Circuit for reconsideration. In January 2026, the D.C. Circuit affirmed its reversal of the district court's dismissal of the complaint. In August 2026, defendants

filed a petition for a writ of certiorari to the Supreme Court. In September 2026, defendants filed an additional motion to dismiss certain claims in the operative complaint.

In September 2026, additional United States service members, civilians, and their families filed an action against the same defendants in the United States District Court for the District of Columbia alleging similar claims, including violation of the Anti-Terrorism Act.

In February 2024, a putative class action was filed against the Company and the Pension & Benefits Committee of Johnson & Johnson in the United States District Court for the District of New Jersey. The complaint alleges that the defendants breached fiduciary duties under the Employee Retirement Income Security Act (ERISA) by allegedly mismanaging the Company's prescription-drug benefits program. The complaint seeks damages and other relief. In March 2025, plaintiffs filed a second amended complaint. In November 2025, the court granted defendants' motion to dismiss plaintiffs' fiduciary duty claims. Plaintiffs voluntarily withdrew their remaining claim, and the court entered final judgment in defendants' favor in January 2026. Plaintiffs appealed to the United States Court of Appeals for the Third Circuit.

MedTech

In October 2020, Fortis Advisors LLC, as representative of the former stockholders of Auris Health Inc. (Auris), filed a complaint against the Company alleging breach of contract, fraud, and other causes of action in connection with Ethicon's acquisition of Auris in 2019. In January 2026, the Company paid a $0.8 billion judgment, inclusive of interest.

In October 2019, Innovative Health, LLC filed a complaint against Biosense Webster, Inc. (BWI) in the United States District Court for the Central 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 May 2025, a jury returned its verdict in favor of Innovative Health. In August 2025, the court issued a permanent injunction concerning BWI's business practices. BWI appealed both the jury verdict and the permanent injunction. In June 2026, briefing of the appeal was completed.

Innovative Medicine

In October 2018, two separate putative class actions were filed against Actelion Pharmaceuticals Ltd., Actelion Pharmaceuticals US, Inc. and Actelion Clinical Research, Inc. (collectively, Actelion) in the United States District Court for the District of Maryland and the 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, plaintiffs dismissed the District of Columbia case and filed a consolidated complaint in the United States District Court for the District of Maryland. In September 2024, the district court granted plaintiffs' motion for class certification. In February 2026, the parties agreed to settle the matter. In July 2026, the court granted final approval of the settlement.

In December 2023, a putative class action lawsuit was filed against the Company and Janssen Biotech Inc. (collectively, Janssen) in the United States District Court for the Eastern District of Virginia. The complaint alleges that Janssen violated federal and state antitrust laws and other state laws by delaying biosimilar competition with STELARA through Janssen's enforcement of patent rights covering STELARA. The complaint seeks damages and other relief. In August 2024, the court granted in part and denied in part Janssen's motion to dismiss plaintiffs' amended complaint. In December 2025, the court granted plaintiffs' motion for class certification. In January 2026, the court granted summary judgment for Janssen on plaintiffs' claim regarding patents obtained through the acquisition of Momenta Pharmaceuticals, Inc. in 2020. In March 2026, plaintiffs appealed to the United States Court of Appeals for the Fourth Circuit.

In December 2018, Janssen Biotech, Inc., Janssen Oncology, Inc., Janssen Research & Development, LLC, and the Company (collectively, Janssen) were served with a qui tam complaint on behalf of the United States, certain states, and the District of Columbia. The complaint alleges that Janssen violated the federal False Claims Act and state law when providing pricing information for ZYTIGA to the government in connection with direct sales and reimbursement programs. The federal and state governments have declined to intervene, and the lawsuit is being prosecuted by the relator. In December 2021, the United States District Court for the District of New Jersey denied Janssen's motion to dismiss. Daubert proceedings are ongoing.

In August 2025, Xoma Corporation (Xoma) filed a complaint against Janssen Biotech, Inc. (Janssen) in the United States District Court for the Eastern District of Pennsylvania. The complaint alleges breach of contract, unjust enrichment, and declaratory relief

claims against Janssen regarding the alleged failure to obtain a license from Xoma in connection with Janssen's commercialization of TREMFYA. In December 2025, the court denied Janssen's motion to dismiss.

Note 12 — Restructuring

In the fiscal second quarter of 2026, the Company initiated a supply chain restructuring program primarily in the Innovative Medicine segment to exit certain manufacturing locations as part of its optimization efforts to streamline operations. The pre-tax restructuring expense in the fiscal third quarter of 2026 primarily related to exit costs. Total project costs of approximately $0.3 billion have been recorded since the restructuring was announced. The program is expected to be substantially complete by the end of 2029 with estimated costs between $0.7 billion and $0.8 billion, and include site and supplier exit costs, decommissioning and asset impairments costs.

In fiscal 2025, the Company initiated a restructuring program of its Surgery franchise within the MedTech segment to simplify and focus operations by exiting certain non-strategic product lines and optimize select sites across the network. The pre-tax restructuring expense in the fiscal third quarter of 2026 and 2025 primarily included costs related to product exits. Total project costs of approximately $0.4 billion have been recorded since the restructuring was announced. This program will be completed as of the fiscal fourth quarter of 2026 at a total project cost of approximately $0.6 billion.

In fiscal 2023, the Company initiated a restructuring program of its Orthopaedics franchise within its MedTech segment to streamline operations by exiting certain markets, product lines and distribution network arrangements. The pre-tax restructuring expense in the fiscal third quarter of 2026 primarily included costs related to market and product exits. The pre-tax restructuring expense in the fiscal third quarter of 2025 primarily included asset impairments as well as market and product exits. Total project costs of approximately $0.9 billion have been recorded since the restructuring was announced. This program will be completed as of the fourth quarter of 2026 at a total cost of approximately $1.0 billion.

The following table summarizes the restructuring expenses for 2026 and 2025:

(Pre-tax Dollars in Millions)	Q3 2026	Q3 2025	Q3 YTD 2026	Q3 YTD 2025
Innovative Medicine supply chain[1]	$74	—	274	—
MedTech Segment Surgery franchise[2]	80	128	194	157
MedTech Segment Orthopaedics franchise[3]	41	40	65	145
Total Programs	$195	168	533	302

(1) Included $103 million in Restructuring, a reversal of $18 million expense in Cost of products sold and a reversal of $11 million expense in Other (Income)/Expense on the Consolidated Statement of Earnings in the fiscal third quarter of 2026. Included $171 million in Other (Income)/Expense and $103 million in Restructuring on the Consolidated Statement of Earnings in the fiscal nine months of 2026.

(2) Included $44 million in Restructuring, $6 million in Cost of products sold and $30 million in Other (Income)/Expense on the Consolidated Statement of Earnings in the fiscal third quarter of 2026. Included $105 million in Restructuring, $30 million in Cost of products sold and $59 million in Other (Income)/Expense on the Consolidated Statement of Earnings in the fiscal nine months of 2026. Included $35 million in Restructuring and $93 million in Other income and expense on the Consolidated Statement of Earnings in the fiscal third quarter of 2025. Included $64 million in Restructuring and $93 million in Other income and expense on the Consolidated Statement of Earnings in the fiscal nine months of 2025.

(3) Included $34 million in Restructuring and $7 million in Cost of products sold on the Consolidated Statement of Earnings in the fiscal third quarter of 2026. Included $39 million in Restructuring, $25 million in Cost of products sold and $1 million in Other (Income)/Expense on the Consolidated Statement of Earnings in the fiscal nine months of 2026. Included $28 million in Restructuring and $12 million in Cost of products sold on the Consolidated Statement of Earnings in the fiscal third quarter of 2025. Included $80 million in Restructuring, $35 million in Cost of products sold and $30 million in Other (Income)/Expense on the Consolidated Statement of Earnings in the fiscal nine months of 2025.

Restructuring reserves as of September 27, 2026 and December 28, 2025 were insignificant.

Item 2 — Management's discussion and analysis of financial condition and results of operations

Results of operations

Sales to customers

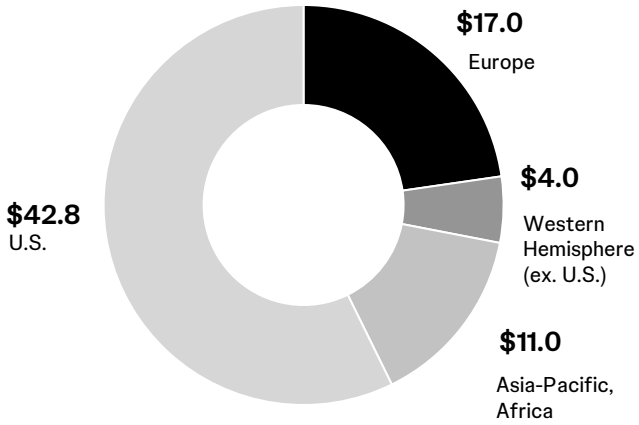
Analysis of consolidated sales

For the fiscal nine months of 2026, worldwide sales were $74.8 billion, a total increase of 7.4%, including an operational* increase of 6.0% as compared to 2025 fiscal nine months sales of $69.6 billion. Currency fluctuations had a positive impact of 1.4% for the fiscal nine months of 2026. In the fiscal nine months of 2026, acquisitions and divestitures had a net positive impact of 0.3%, on worldwide operational sales growth, primarily related to CAPLYTA. In the fiscal nine months of 2026, the negative impact of the STELARA sales decline, due to biosimilar competition, on worldwide operational sales was approximately 4.7%.

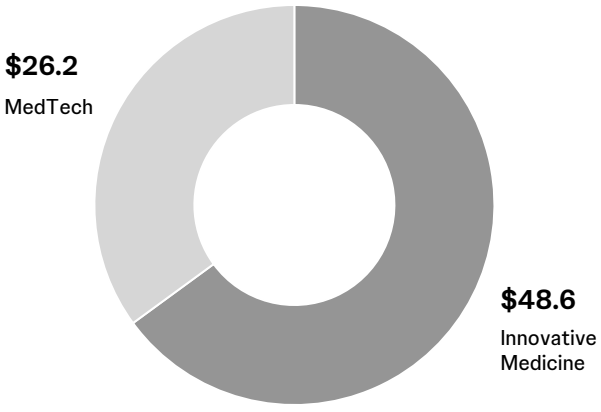
Sales by U.S. companies were $42.8 billion in the fiscal nine months of 2026, which represented an increase of 8.3% as compared to the prior year. In the fiscal nine months of 2026, acquisitions and divestitures had net positive impact of 0.7% on U.S. operational sales growth, primarily related to CAPLYTA. In the fiscal nine months of 2026, the negative impact of the STELARA sales decline, due to biosimilar competition on U.S. operational sales was approximately 6.6%. Sales by international companies were $31.9 billion, which represented an increase of 6.2%, including an operational increase of 3.0%, and a positive currency impact of 3.2% as compared to the fiscal nine months sales of 2025. In the fiscal nine months of 2026, the net impact of acquisitions and divestitures on international operational sales growth was a negative 0.1%. In the fiscal nine months of 2026, the negative impact of the STELARA sales decline, due to biosimilar competition, on international operational sales was approximately 2.4%.

In the fiscal nine months of 2026, sales by companies in Europe achieved growth of 6.5%, which included an operational increase of 2.3% and a positive currency impact of 4.2%. Sales by companies in the Western Hemisphere, excluding the U.S., achieved growth of 10.6%, which included an operational increase of 4.5% and a positive currency impact of 6.1%. Sales by companies in the Asia-Pacific, Africa region achieved growth of 4.3%, including operational growth of 3.6% and a positive currency impact of 0.7%.

Fiscal nine months 2026 sales by geographic region (in billions)



Fiscal nine months 2026 sales by segment (in billions)



Note: values may have been rounded

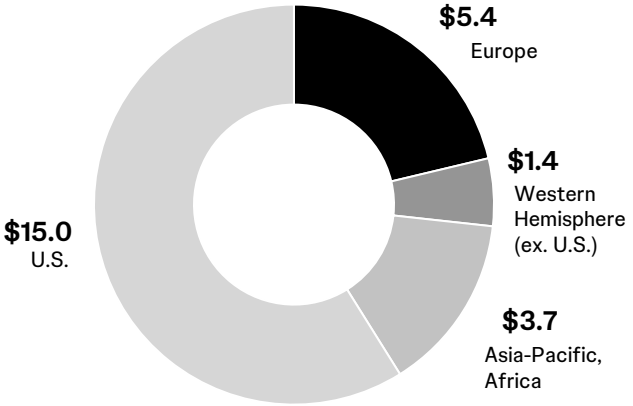
*operational excludes the effect of translational currency

For the fiscal third quarter of 2026, worldwide sales were $25.4 billion, a total increase of 5.9%, which included operational growth of 6.0% and a negative currency impact of 0.1% as compared to 2025 fiscal third quarter sales of $24.0 billion. In the fiscal third quarter of 2026, the net impact of acquisitions and divestitures on worldwide operational sales growth was a negative 0.1%. In the fiscal third quarter of 2026, the negative impact of the STELARA sales decline, due to biosimilar competition, on worldwide operational sales was approximately 4.2%.

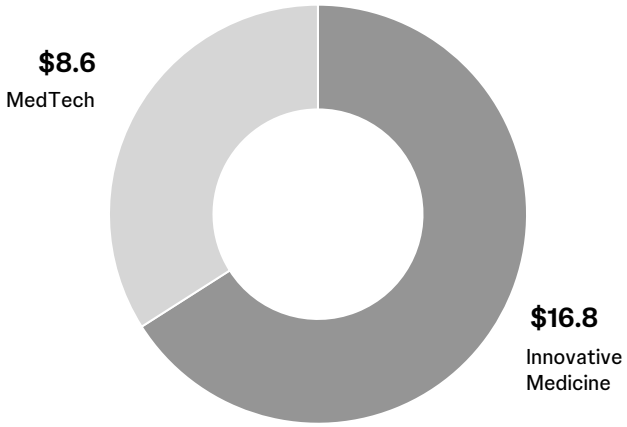
Sales by U.S. companies were $15.0 billion in the fiscal third quarter of 2026, which represented an increase of 9.1% as compared to the prior year. In the fiscal third quarter of 2026, there was no net impact from acquisitions and divestitures on U.S. operational sales growth. In the fiscal third quarter of 2026, the negative impact of the STELARA sales decline, due to biosimilar competition on U.S. operational sales was approximately 5.9%. Sales by international companies were $10.4 billion, a total increase of 1.5%, which included operational growth of 1.8% and a negative currency impact of 0.3%. In the fiscal third quarter of 2026, the net impact of acquisitions and divestitures on international operational sales growth was a negative 0.1%. In the fiscal third quarter of 2026, the negative impact of the STELARA sales decline, due to biosimilar competition, on international operational sales was approximately 2.1%.

In the fiscal third quarter of 2026, sales by companies in Europe experienced a sales decline of 0.6%, which included operational growth of 1.0% offset by a negative currency impact of 1.6%. Sales by companies in the Western Hemisphere, excluding the U.S., achieved growth of 12.5%, which included operational growth of 8.0% and a positive currency impact of 4.5%. Sales by companies in the Asia-Pacific, Africa region achieved growth of 1.0%, which included operational growth of 1.0% and 0.0% impact from currency.

Q3 2026
Sales by Geographic Region (in billions)



Q3 2026
Sales by Segment (in billions)



Note: values may have been rounded

Analysis of sales by business segments

Innovative Medicine

Innovative Medicine segment sales in the fiscal nine months of 2026 were $48.6 billion, an increase of 8.8% as compared to the same period a year ago, with an operational increase of 7.4% and a positive currency impact of 1.4%. U.S. Innovative Medicine sales increased 9.9% as compared to the same period a year ago. International Innovative Medicine sales increased by 7.2%, including an operational increase of 3.6% and a positive currency impact of 3.6%. In the fiscal nine months of 2026, the net impact of acquisitions and divestitures on the Innovative Medicine segment operational sales growth was a positive 0.5%, primarily related to CAPLYTA. In the fiscal nine months of 2026, the negative impact of the STELARA sales decline, due to biosimilar competition, was an approximate 7.8%, 10.4% and 4.2% on worldwide, U.S. and international Innovative Medicine segment operational sales, respectively.

Major Innovative Medicine therapeutic area sales — Fiscal Nine Months Ended

(Dollars in Millions)	September 27, 2026	September 28, 2025	Total Change	Operations Change	Currency Change
Oncology	**$21,981**	**$18,519**	**18.7 %**	**16.8 %**	**1.9 %**
DARZALEX	12,410	10,448	18.8	17.0	1.8
CARVYKTI	1,964	1,332	47.4	45.5	1.9
TECVAYLI	774	494	56.7	55.7	1.0
TALVEY	497	314	58.3	57.5	0.8
RYBREVANT/ LAZCLUZE	866	518	67.4	67.5	(0.1)
ERLEADA	2,967	2,615	13.5	10.8	2.7
IMBRUVICA	1,822	2,139	(14.8)	(17.5)	2.7
Other Oncology[1]	680	659	3.2	2.9	0.3
Immunology	**11,445**	**11,868**	**(3.6)**	**(4.8)**	**1.2**
TREMFYA	6,050	3,566	69.7	67.9	1.8
SIMPONI/ SIMPONI ARIA	1,833	2,036	(10.0)	(11.6)	1.6
REMICADE	1,154	1,398	(17.5)	(18.4)	0.9
STELARA	2,112	4,848	(56.4)	(57.2)	0.8
Other Immunology	297	21	*	*	*
Neuroscience	**6,887**	**5,722**	**20.3**	**19.5**	**0.8**
SPRAVATO	1,676	1,193	40.5	39.7	0.8
CAPLYTA[2]	1,029	451	*	*	—
INVEGA SUSTENNA/ XEPLION/ INVEGA TRINZA/ TREVICTA	3,051	2,824	8.0	7.4	0.6
CONCERTA/methylphenidate	425	452	(5.9)	(7.0)	1.1
Other Neuroscience	706	803	(12.1)	(14.2)	2.1
Pulmonary Hypertension	**3,175**	**3,253**	**(2.4)**	**(3.0)**	**0.6**
UPTRAVI	1,460	1,411	3.5	2.6	0.9
OPSUMIT/ OPSYNVI	1,580	1,682	(6.1)	(6.6)	0.5
Other Pulmonary Hypertension	135	160	(15.6)	(15.4)	(0.2)
Infectious Diseases	**2,465**	**2,434**	**1.3**	**(1.1)**	**2.4**
EDURANT/rilpivirine	1,145	1,103	3.8	0.0	3.8
PREZISTA/ PREZCOBIX/ REZOLSTA/ SYMTUZA	1,196	1,196	0.0	(0.9)	0.9
Other Infectious Diseases	124	135	(8.2)	(11.7)	3.5
Cardiovascular / Metabolism / Other	**2,614**	**2,842**	**(8.0)**	**(8.5)**	**0.5**
XARELTO	1,959	1,946	0.7	0.7	—
Other	655	896	(26.9)	(28.5)	1.6
Total Innovative Medicine Sales	**$48,567**	**$44,638**	**8.8%**	**7.4%**	**1.4 %**

Innovative Medicine segment sales in the fiscal third quarter of 2026 were $16.8 billion, an increase of 7.7% as compared to the same period a year ago, including an operational increase of 7.9% and a negative currency impact of 0.2%. U.S. Innovative Medicine sales increased 11.1% as compared to the same period a year ago. International Innovative Medicine sales increased by 2.4%, including an operational increase of 3.0% and a negative currency impact of 0.6%. In the fiscal third quarter of 2026, the impact of divestitures on the worldwide Innovative Medicine segment operational sales growth was a negative 0.1%. In the fiscal third quarter of 2026, the negative impact of the STELARA sales decline, due to biosimilar competition, was an approximate 6.9%, 9.2% and 3.8% on worldwide, U.S. and international Innovative Medicine segment operational sales, respectively.

Major Innovative Medicine therapeutic area sales — Fiscal Third Quarter Ended

(Dollars in Millions)	September 27, 2026	September 28, 2025	Total Change	Operations Change	Currency Change
Oncology	**$7,602**	**$6,529**	**16.4 %**	**16.7 %**	**(0.3)%**
DARZALEX	4,239	3,672	15.4	15.6	(0.2)
CARVYKTI	710	524	35.5	35.2	0.3
TECVAYLI	312	177	76.6	77.3	(0.7)
TALVEY	171	122	40.9	42.1	(1.2)
RYBREVANT/ LAZCLUZE	320	198	62.3	63.5	(1.2)
ERLEADA	1,023	936	9.4	9.4	0.0
IMBRUVICA	563	695	(18.8)	(18.4)	(0.4)
Other Oncology[1]	262	207	26.3	26.7	(0.4)
Immunology	**4,221**	**4,168**	**1.3**	**1.4**	**(0.1)**
TREMFYA	2,396	1,424	68.3	68.2	0.1
SIMPONI/ SIMPONI ARIA	568	687	(17.3)	(17.1)	(0.2)
REMICADE	394	476	(17.3)	(17.6)	0.3
STELARA	716	1,570	(54.4)	(54.0)	(0.4)
Other Immunology	147	12	*	*	*
Neuroscience	**2,375**	**2,024**	**17.3**	**17.6**	**(0.3)**
SPRAVATO	624	459	36.1	36.0	0.1
CAPLYTA	398	240	66.1	66.1	—
INVEGA SUSTENNA/ XEPLION/ INVEGA TRINZA/ TREVICTA	998	929	7.3	7.5	(0.2)
CONCERTA/ methylphenidate	143	140	2.1	2.9	(0.8)
Other Neuroscience	212	256	(17.3)	(16.2)	(1.1)
Pulmonary Hypertension	**897**	**1,115**	**(19.5)**	**(19.2)**	**(0.3)**
UPTRAVI	483	484	(0.1)	(0.2)	0.1
OPSUMIT/ OPSYNVI	372	578	(35.7)	(35.2)	(0.5)
Other Pulmonary Hypertension	42	53	(19.7)	(17.7)	(2.0)
Infectious Diseases	**813**	**829**	**(1.8)**	**(1.1)**	**(0.7)**
EDURANT/rilpivirine	386	385	0.4	1.8	(1.4)
PREZISTA/ PREZCOBIX/ REZOLSTA/ SYMTUZA	381	397	(3.8)	(3.6)	(0.2)
Other Infectious Diseases	46	47	(3.0)	(4.5)	1.5
Cardiovascular / Metabolism / Other	**849**	**899**	**(5.6)**	**(5.5)**	**(0.1)**
XARELTO	653	635	2.7	2.7	—
Other	197	264	(25.5)	(25.3)	(0.2)
Total Innovative Medicine Sales	**$16,757**	**$15,563**	**7.7%**	**7.9%**	**(0.2)%**

*percentage greater than 100% or not meaningful

(1) Includes sales of ZYTIGA which were previously disclosed separately

(2) Acquired with Intra-Cellular Therapies on April 2, 2025

Oncology products achieved operational sales growth of 16.7% as compared to the same period a year ago. Contributors to the growth were: DARZALEX (daratumumab) driven by strong share gains and market growth, CARVYKTI (ciltacabtagene autoleucel) driven by share gains and continued site expansion, TECVAYLI (teclistamab-cqyv) driven by share gains from the U.S. TECVAYLI + DARZALEX FASPRO approval, TALVEY (talquetamab-tgvs) driven by share gains from expansion in the community setting, RYBREVANT (amivantamab)/LAZCLUZE (lazertinib) driven by launch uptake and share gains, ERLEADA (apalutamide) due to continued share gains and market growth partially offset by unfavorable patient mix and Other Oncology driven by the U.S. launch uptake of INLEXZO (gemcitabine intravesical system). Growth was partially offset by a decline in IMBRUVICA (ibrutinib) sales due to share loss from competitive pressures and unfavorable patient mix.

Immunology products achieved operational sales growth of 1.4% as compared to the same period a year ago due to the growth of TREMFYA (guselkumab) driven by share gains across all indications with significant IBD launch momentum and market growth as well as growth in Other Immunology driven by IMAAVY (nipocalimab) and ICOTYDE (icotrokinra) launch uptake in the U.S. Growth was partially offset by a decline of STELARA (ustekinumab) driven by the impact of biosimilar competition and increasing adoption of novel classes as well as declines of SIMPONI/SIMPONI ARIA (golimumab) and REMICADE (infliximab) driven by share loss, biosimilar competition, and unfavorable patient mix partially offset by market growth.

The Company expects STELARA biosimilars to continue to negatively impact the Company's sales of STELARA. Biosimilars for SIMPONI have entered the European market in the second quarter of 2026, with a potential U.S. entrant later in 2026. This will likely result in a reduction in future sales.

Neuroscience products achieved operational growth of 17.6% as compared to the same period a year ago. The sales growth of SPRAVATO (esketamine) was driven by continued share gains, supported by increased patient demand due to strong physician adoption. Growth of CAPLYTA (lumateperone) was driven by strong continued momentum in the adjunctive treatment of Major Depressive Disorder (aMDD) launch and continued demand across bipolar disorder and schizophrenia. Growth of INVEGA SUSTENNA / XEPLION / INVEGA TRINZA / TREVICTA was primarily driven by favorable patient and inventory dynamics partially offset by share loss.

Pulmonary Hypertension products experienced an operational sales decline of 19.2% as compared to the same period a year ago. The sales of UPTRAVI (selexipag) were flat due to unfavorable patient mix partially offset by market and share growth. There are potential generic entrants in 2027 in the U.S. and Europe which will likely result in a reduction in future sales. The sales decline of OPSUMIT (macitentan)/OPSYNVI (macitentan/tadalafil) was driven by lower demand following U.S. generic entrants late in the second quarter of 2026. There are potential generic entrants in 2027 in Europe which will likely result in a reduction in future sales.

Infectious disease products experienced an operational sales decline of 1.1% as compared to the same period a year ago. The sales decrease of PREZISTA/ PREZCOBIX/ REZOLSTA/ SYMTUZA was driven by declines in share and market partially offset by favorable patient mix.

Cardiovascular / Metabolism / Other products experienced an operational sales decline of 5.5% as compared to the same period a year ago. The sales decline was partially offset by an increase in XARELTO (rivaroxaban) sales primarily driven by favorable patient mix partially offset by continued share erosion. There are potential generic entrants in 2027 in the U.S. which will likely result in a reduction in future sales.

The Company recently announced a policy revising the 340B pricing offer on its covered outpatient drugs to require covered entities to submit limited, commercially standard claims data for each 340B-eligible drug dispense or administration. Subject to each covered entity's submission of appropriate claims data, the Company will continue to offer the covered entity access to 340B pricing on the Company's covered outpatient drugs up-front at the time of purchase. The Company also recently updated its 340B contract pharmacy policy, which permits covered entities to designate up to one contract pharmacy for dispensing of the Company's 340B-priced covered outpatient drugs. A covered entity may continue to purchase and receive 340B pricing on such drugs dispensed or administered at its own eligible locations. Both policies include exceptions for certain covered entities.

The Company believes these policies are necessary to identify and address duplicate discounts, diversion, and other non-compliance and improve program oversight and dispute resolution. The 340B Drug Pricing Program is a U.S. federal government program that requires drug manufacturers to provide significant discounts on covered outpatient drugs to covered entities as a condition of manufacturers receiving reimbursement for their drugs under Medicaid and Medicare Part B.

MedTech

The MedTech segment sales in the fiscal nine months of 2026 were $26.2 billion, an increase of 4.9% as compared to the same period a year ago, with an operational increase of 3.5% and a positive currency impact of 1.4%. U.S. MedTech sales increased by 4.8%. International MedTech sales increased by 4.9%, including an operational increase of 2.2% and a positive currency impact of 2.7%. In the fiscal nine months of 2026, the net impact of acquisitions and divestitures on the MedTech segment operational sales growth was a negative 0.1%.

Major MedTech franchise sales — Fiscal Nine Months Ended

(Dollars in Millions)	September 27, 2026	September 28, 2025	Total Change	Operations Change	Currency Change
Cardiovascular	**$7,088**	**$6,629**	**6.9 %**	**5.8 %**	**1.1 %**
Electrophysiology	4,509	4,209	7.1	5.6	1.5
Abiomed	1,340	1,291	3.8	3.5	0.3
Shockwave	965	828	16.6	16.6	0.0
Other Cardiovascular	273	302	(9.4)	(11.3)	1.9
Surgery	**7,692**	**7,493**	**2.7**	**0.8**	**1.9**
Advanced	3,467	3,402	1.9	0.2	1.7
General	4,225	4,092	3.3	1.3	2.0
Vision	**4,277**	**4,048**	**5.6**	**4.8**	**0.8**
Contact Lenses/Other	3,047	2,902	5.0	4.4	0.6
Surgical	1,230	1,147	7.3	5.9	1.4
Orthopaedics	**7,146**	**6,820**	**4.8**	**3.6**	**1.2**
Hips	1,296	1,235	4.9	3.6	1.3
Knees	1,216	1,155	5.3	4.2	1.1
Trauma	2,504	2,333	7.3	6.2	1.1
Spine, Sports & Other	2,131	2,096	1.7	0.4	1.3
Total MedTech Sales	**$26,204**	**$24,991**	**4.9%**	**3.5%**	**1.4 %**

MedTech segment sales in the fiscal third quarter of 2026 were $8.6 billion, an increase of 2.5% as compared to the same period a year ago, which included operational growth of 2.5% and currency impact of 0.0%. U.S. MedTech sales increased by 4.8%. International MedTech sales increased by 0.1%, including operational growth of 0.1% and a currency impact of 0.0%. In the fiscal third quarter of 2026, the net impact of acquisitions and divestitures on the MedTech segment operational sales growth was 0.0%.

Major MedTech franchise sales — Fiscal Third Quarter Ended

(Dollars in Millions)	September 27, 2026	September 28, 2025	Total Change	Operations Change	Currency Change
Cardiovascular	**$2,307**	**$2,213**	**4.3 %**	**4.1%**	**0.2 %**
Electrophysiology	1,487	1,418	4.9	4.4	0.5
Abiomed	412	423	(2.3)	(1.5)	(0.8)
Shockwave	325	278	16.8	17.2	(0.4)
Other Cardiovascular	81	95	(13.9)	(14.7)	0.8
Surgery	**2,528**	**2,542**	**(0.6)**	**(1.0)**	**0.4**
Advanced	1,155	1,165	(0.9)	(1.3)	0.4
General	1,373	1,378	(0.3)	(0.8)	0.5
Vision	**1,461**	**1,400**	**4.4**	**5.1**	**(0.7)**
Contact Lenses/Other	1,053	1,018	3.5	4.3	(0.8)
Surgical	408	383	6.8	7.1	(0.3)
Orthopaedics	**2,345**	**2,274**	**3.2**	**3.4**	**(0.2)**
Hips	419	405	3.1	3.3	(0.2)
Knees	386	377	2.5	3.1	(0.6)
Trauma	844	793	6.4	6.5	(0.1)
Spine, Sports & Other	697	698	(0.1)	0.1	(0.2)
Total MedTech Sales	**$8,642**	**$8,430**	**2.5%**	**2.5%**	**0.0 %**

The Cardiovascular franchise achieved operational sales growth of 4.1% as compared to the prior year fiscal third quarter. Electrophysiology sales growth was driven by procedure growth, commercial execution and new product performance (VARIPULSE, TRUPULSE, CRYSTAL and DUAL ENERGY STSF) partially offset by competitive pressures in Pulsed Field Ablation catheters and inventory dynamics outside the U.S. Abiomed sales decline was driven by lower patient volumes partially offset by sustained adoption of Impella 5.5. Shockwave sales growth was driven by strong adoption of Coronary and Peripheral portfolios and new product launches.

The Surgery franchise experienced an operational sales decline of 1.0% as compared to the prior year fiscal third quarter. The Advanced Surgery operational decline was primarily driven by China volume-based procurement, the impact of the surgery transformation program and disruptions in the Middle East across all platforms as well as competitive pressures in Endocutters and Energy. This was partially offset by the strength of the portfolio and commercial execution in Biosurgery and new product launches in Energy and Endocutters. The operational decline in General Surgery was primarily driven by China volume-based procurement partially offset by technology penetration and upgrades within the differentiated Wound Closure portfolio coupled with market expansion.

The Vision franchise achieved operational sales growth of 5.1% as compared to the prior year fiscal third quarter. The Contact Lenses/Other operational growth was driven by strong performance in the ACUVUE OASYS 1-Day family of products including recent launches and strategic price actions partially offset by inventory dynamics. The Surgical operational growth was primarily driven by the strength of recent product innovations, robust demand for premium IOLs and strong commercial execution partially offset by disruptions in the Middle East.

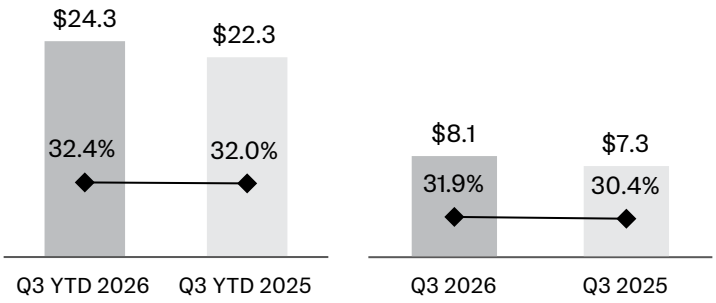
The Orthopaedics franchise achieved operational sales growth of 3.4% as compared to the prior year fiscal third quarter. The operational growth in Hips was due to new product launches. The operational growth in Knees was driven by the strength of the ATTUNE portfolio driven in part by pull through related to the VELYS Robotic assisted solutions. The operational growth in Trauma was primarily driven by recently launched products and commercial execution partially offset by inventory dynamics outside the U.S. The operational growth in Spine, Sports & Other was driven by new product innovations partially offset by competitive pressures and inventory dynamics.

In October 2025, the Company announced its intention to separate its Orthopaedics business and expects the separation to be completed in mid-2027.

Analysis of consolidated earnings before provision for taxes on income

Consolidated earnings before provision for taxes on income for the fiscal nine months of 2026 was $12.8 billion representing 17.1% of sales as compared to $27.6 billion in the fiscal nine months of 2025, representing 39.7% of sales. Consolidated earnings before provision for taxes on income for the fiscal third quarter of 2026 was $34.0 million representing 0.1% of sales as compared to $7.5 billion in the fiscal third quarter of 2025, representing 31.2% of sales. The fiscal third quarter and nine months of 2026 includes a charge of approximately $5.5 billion related to the proposed talc ovarian litigation resolution and $1.0 billion of acquired in-process research and development expense related to the acquisition of Firefly Bio, Inc. The fiscal nine months of 2025 includes approximately $7.0 billion related to the talc reserve reversal.

Cost of products sold



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

Fiscal nine months Q3 2026 versus Fiscal nine months Q3 2025

Cost of products sold increased slightly as a percent to sales driven by:

- Unfavorable product mix primarily driven by the decline of STELARA sales in the Innovative Medicine business
- Increased intangible asset amortization expense in the Innovative Medicine segment for Intra-Cellular (additional CAPLYTA indication)

  partially offset by
- Impact of tariff recoveries of approximately $0.2 billion in the MedTech business
- Favorable currency in the Innovative Medicine business

The intangible asset amortization expense included in cost of products sold for the fiscal nine months of 2026 and 2025 was $3.7 billion and $3.4 billion, respectively.

Q3 2026 versus Q3 2025

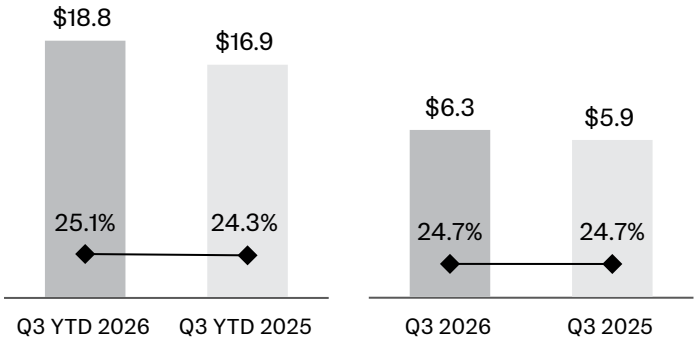
Cost of products sold increased as a percent to sales primarily driven by:

- Unfavorable product mix primarily driven by the decline of STELARA sales in the Innovative Medicine business
- Increased intangible asset amortization expense in the Innovative Medicine segment for Intra-Cellular (additional CAPLYTA indication)

  partially offset by
- Impact of tariff recoveries of approximately $0.2 billion in the MedTech business

  The intangible asset amortization expense included in cost of products sold for the fiscal third quarters of 2026 and 2025 was $1.2 billion and $1.0 billion, respectively.

Selling, marketing and administrative expenses



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

Fiscal nine months Q3 2026 versus Fiscal nine months Q3 2025

Selling, Marketing and Administrative Expenses increased as a percent to sales primarily driven by:

- Commercial investments in the Innovative Medicine and MedTech businesses

Q3 2026 versus Q3 2025

Selling, Marketing and Administrative Expenses was flat as a percent to sales.

Research and development expense

Research and development expense by segment of business was as follows:

	Fiscal Third Quarter Ended				Fiscal Nine Months Ended			
	2026		2025		2026		2025	
(Dollars in Millions)	Amount	% of Sales*	Amount	% of Sales*	Amount	% of Sales*	Amount	% of Sales*
Innovative Medicine	$3,888	23.2%	$2,944	18.9%	$9,576	19.7%	$8,361	18.7%
MedTech	764	8.8	728	8.6	2,256	8.6	2,052	8.2
Total research and development expense	**$4,652**	**18.3%**	**$3,672**	**15.3%**	**$11,832**	**15.8%**	**$10,413**	**15.0%**
Percent increase over the prior	26.7%				13.6%			

*As a percent to segment sales

Fiscal nine months Q3 2026 versus Fiscal nine months Q3 2025 and Q3 2026 versus Q3 2025

Research and Development increased as a percent to sales primarily driven by:

- Acquired in-process research and development expense of approximately $1.0 billion related to the acquisition of Firefly Bio, Inc. (Firefly)

In-process research and development (IPR&D) impairments

In the fiscal nine months of 2026, the Company recorded a charge of approximately $0.4 billion primarily related to PreCardia, a non-strategic asset acquired as part of the Abiomed acquisition in 2022.

Interest (income) expense

Interest (income) expense in the fiscal nine months of 2026 was net expense of $136 million as compared to net income of $62 million in the fiscal nine months of 2025. The increase in net expense was driven by a lower average cash balance earning a lower rate of interest and a higher average debt balance. Interest (income) expense in the fiscal third quarter of 2026 was net expense of $31 million and was relatively flat as compared to net expense of $18 million in the fiscal third quarter of 2025. The balance of cash, cash equivalents and current marketable securities was $17.2 billion at the end of the fiscal third quarter of 2026 as compared to $18.6 billion at the end of the fiscal third quarter of 2025. The Company's debt position was $44.6 billion as of September 27, 2026, as compared to $45.8 billion the same period a year ago.

Other (income) expense, net*

Fiscal nine months Q3 2026 versus Fiscal nine months Q3 2025

Other (income) expense, net for the fiscal nine months of 2026 was an expense of $6.4 billion as compared to $7.7 billion of income in the prior year primarily due to the following:

Fiscal Nine Months				
(Dollars in Billions)(Income)/Expense		September 27, 2026	September 28, 2025	Change
Litigation related[1]	$	6.1	(6.9)	13.0
Orthopaedics separation related		0.7	0.0	0.7
Employee benefit related		(0.5)	(0.4)	(0.1)
Changes in the fair value/sale of securities		(0.3)	(0.3)	—
Sail Biomedicines Option Premium		0.3	0.0	0.3
Restructuring related		0.2	0.1	0.1
Acquisition, Integration and Divestiture related		0.1	0.4	(0.3)
Other		(0.2)	(0.6)	0.4
Total Other (Income) Expense, Net	$	6.4	(7.7)	14.1

[1] The fiscal nine months of 2026 includes a charge of $5.5 billion related to the proposed talc ovarian litigation resolution. The fiscal nine months of 2025 include approximately $7.0 billion related to the talc reserve reversal. For additional details related to talc refer to Note 11 to the Consolidated Financial Statements.

Q3 2026 versus Q3 2025

Other (income) expense, net for the fiscal third quarter of 2026 reflected an expense of $5.8 billion as compared to $0.5 billion of income in the prior year primarily due to the following:

Fiscal Third Quarter				
(Dollars in Billions)(Income)/Expense		September 27, 2026	September 28, 2025	Change
Litigation related[1]	$	5.5	0.0	5.5
Orthopaedics separation related		0.3	0.0	0.3
Sail Biomedicines Option Premium		0.3	0.0	0.3
Employee benefit related		(0.2)	(0.1)	(0.1)
Changes in the fair value/sale of securities		0.0	(0.4)	0.4
Acquisition, Integration and Divestiture related		0.0	0.1	(0.1)
Other		(0.1)	(0.1)	—
Total Other (Income) Expense, Net	$	5.8	(0.5)	6.3

[1] The fiscal third quarter of 2026 includes a charge related to the proposed talc ovarian litigation resolution. For additional details related to talc refer to Note 11 to the Consolidated Financial Statements.

*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 and on sales of assets, certain transactional currency gains and losses, acquisition and divestiture-related costs, litigation accruals and settlements, investment (income)/loss related to employee benefit plans, as well as royalty income.

Segment income before tax

Income before tax by segment of business for the fiscal nine months were as follows:

	Income Before Tax		Segment Sales		Percent of Segment Sales	
(Dollars in Millions)	September 27, 2026	September 28, 2025	September 27, 2026	September 28, 2025	September 27, 2026	September 28, 2025
Innovative Medicine	$16,632	$17,208	$48,567	$44,638	34.2%	38.6%
MedTech	3,192	3,912	26,204	24,991	12.2	15.7
Segment total	19,824	21,120	74,771	69,629	26.5	30.3
(Income) Expenses not allocated to segments[(1)]	7,053	(6,495)				
Earnings before provision for taxes on income	$12,771	$27,615	$74,771	$69,629	17.1 %	39.7 %

(1) Amounts not allocated to segments include interest (income) expense, certain litigation expenses and general corporate (income) expense. The fiscal nine months of 2026 includes a charge of $5.5 billion related to the proposed talc ovarian litigation resolution. The fiscal nine months of 2025 include approximately $7.0 billion related to the talc reserve reversal. For additional details related to talc refer to Note 11 to the Consolidated Financial Statements.

Innovative Medicine segment

The Innovative Medicine segment income before tax as a percent of sales in the fiscal nine months of 2026 was 34.2% versus 38.6% for the same period a year ago. The decrease in the income before tax as a percent of sales for the fiscal nine months of 2026 as compared to the prior year was primarily driven by the following:

- Acquired in-process research and development expense of approximately $1.0 billion related to the acquisition of Firefly in 2026
- Expense of $0.3 billion primarily related to the option premium associated with Sail Biomedicines (Sail) in 2026
- Restructuring related costs of $0.3 billion in 2026
- Higher intangible asset amortization expense of $0.3 billion in 2026 related to Intra-Cellular (additional CAPLYTA indication)
- Unfavorable product mix in Cost of products sold, primarily driven by the decline of STELARA sales

  partially offset by

- Favorable currency in Cost of products sold

MedTech segment

The MedTech segment income before tax as a percent of sales in the fiscal nine months of 2026 was 12.2% versus 15.7% for the same period a year ago. The decrease in the income before tax as a percent of sales for the fiscal nine months of 2026 was primarily driven by the following:

- Orthopaedics separation related costs of $0.7 billion in 2026
- Unfavorable changes in the fair value of securities of $0.2 billion versus 2025
- In-process research and development impairment charges of $0.4 billion in 2026, primarily related to PreCardia, a non-strategic asset acquired as part of the Abiomed acquisition in 2022

  partially offset by

- Impact of tariff recoveries of approximately $0.2 billion included in Cost of products sold

Income before tax by segment of business for the fiscal third quarters were as follows:

	Income Before Tax		Segment Sales		Percent of Segment Sales	
(Dollars in Millions)	September 27, 2026	September 28, 2025	September 27, 2026	September 28, 2025	September 27, 2026	September 28, 2025
Innovative Medicine	$5,066	$6,446	$16,757	$15,563	30.2%	41.4%
MedTech	776	1,287	8,642	8,430	9.0	15.3
Segment total	5,842	7,733	25,399	23,993	23.0	32.2
(Income)/ Expenses not allocated to segments[1]	5,808	240				
Earnings before provision for taxes on income	$34	$7,493	$25,399	$23,993	0.1%	31.2%

[1] Amounts not allocated to segments include interest (income) expense, certain litigation expenses and general corporate (income) expense. The fiscal third quarter of 2026 includes a charge of $5.5 billion related to the proposed talc ovarian litigation resolution. For additional details related to talc refer to Note 11 to the Consolidated Financial Statements.

Innovative Medicine segment

The Innovative Medicine segment income before tax as a percent of sales in the fiscal third quarter of 2026 was 30.2% versus 41.4% for the same period a year ago. The decrease in the income before tax as a percent of sales for the fiscal third quarter of 2026 as compared to the prior year was primarily driven by the following:

- Acquired in-process research and development expense of approximately $1.0 billion related to the acquisition of Firefly in 2026
- Expense of $0.3 billion primarily related to the option premium associated with Sail Biomedicines (Sail) in 2026
- Higher intangible asset amortization expense of $0.2 billion in 2026 related to Intra-Cellular (additional CAPLYTA indication)
- Favorable changes of $0.2 billion in the fair value of securities in 2025 as compared to 2026
- Restructuring related costs of $0.1 billion in 2026
- Unfavorable product mix in Cost of products sold, primarily driven by the decline of STELARA sales

  partially offset by
- Favorable currency in Cost of products sold

MedTech segment

The MedTech segment income before tax as a percent of sales in the fiscal third quarter of 2026 was 9.0% versus 15.3% for the same period a year ago. The decrease in the income before tax as a percent of sales for the fiscal third quarter of 2026 as compared to the prior year was primarily driven by the following:

- Orthopaedics separation related costs of $0.4 billion in 2026
- Unfavorable changes in the fair value of securities of $0.2 billion versus 2025
- In-process research and development impairment charge of $0.3 billion in 2026, related to PreCardia, a non-strategic asset acquired as part of the Abiomed acquisition in 2022

  partially offset by
- Impact of tariff recoveries of approximately $0.2 billion included in Cost of products sold

Restructuring

In the fiscal second quarter of 2026, the Company initiated a supply chain restructuring program primarily in the Innovative Medicine segment to exit certain manufacturing locations as part of its optimization efforts to streamline operations. The program is expected to be substantially complete by the end of 2029 with estimated costs between $0.7 billion and $0.8 billion, and include site and supplier exit costs, decommissioning and asset impairments costs. The pre-tax restructuring expense was $74 million in the fiscal third quarter of 2026, of which $103 million was recorded in Restructuring, a reversal of $18 million of expense in Cost of products sold and a reversal of $11 million of expense in Other income and expense on the Consolidated Statement of Earnings primarily related to exit costs. The pre-tax restructuring expense was $274 million in the fiscal nine months of 2026, of which $103 million was recorded in Restructuring and $171 million in Other income and expense on the Consolidated Statement of Earnings primarily related to asset impairments and exit costs. Total project costs of approximately $0.3 billion have been recorded since the restructuring was announced.

In fiscal 2025, the Company initiated a restructuring program of its Surgery franchise within the MedTech segment to simplify and focus operations by exiting certain non-strategic product lines and optimize select sites across the network. The pre-tax restructuring expense was $80 million in the fiscal third quarter of 2026, of which $44 million was recorded in Restructuring, $6 million in Cost of products sold and $30 million in Other income and expense on the Consolidated Statement of Earnings primarily related to product exits. The pre-tax restructuring expense was $194 million in the fiscal nine months of 2026, of which $105 million was recorded in Restructuring, $30 million in Cost of products sold and $59 million in Other income and expense on the Consolidated Statement of Earnings primarily related to product exits. The pre-tax restructuring expense was $128 million in the fiscal third quarter of 2025, of which $35 million was recorded in Restructuring and $93 million in Other income and expense on the Consolidated Statement of Earnings. The pre-tax restructuring expense was $157 million in the fiscal nine months of 2025, of which $64 million was recorded in Restructuring and $93 million in Other income and expense on the Consolidated Statement of Earnings. Total project costs of approximately $0.4 billion have been recorded since the restructuring was announced. This program will be completed as of the fiscal fourth quarter of 2026 at a total project cost of approximately $0.6 billion.

In fiscal 2023, the Company initiated a restructuring program of its Orthopaedics franchise within its MedTech segment to streamline operations by exiting certain markets, product lines and distribution network arrangements. The pre-tax restructuring expense was $41 million in the fiscal third quarter of 2026, of which $34 million was recorded in Restructuring and $7 million in Cost of products sold on the Consolidated Statement of Earnings primarily for costs related to market and product exits. The pre-tax restructuring expense was $65 million in the fiscal nine months of 2026, of which $39 million was recorded in Restructuring, $1 million in Other (Income)/Expense and $25 million in Cost of products sold on the Consolidated Statement of Earnings primarily for costs related to market and product exits. The pre-tax restructuring expense was $40 million in the fiscal third quarter of 2025, of which $28 million was recorded in Restructuring and $12 million in Cost of products sold on the Consolidated Statement of Earnings primarily for costs related to market and product exits. The pre-tax restructuring expense was $145 million in the fiscal nine months of 2025, of which $80 million was recorded in Restructuring, $35 million in Cost of products sold and $30 million in Other (Income)/Expense on the Consolidated Statement of Earnings primarily for costs related to asset impairments as well as market and product exits. Total project costs of approximately $0.9 billion have been recorded since the restructuring was announced. This program will be completed as of the fiscal fourth quarter of 2026 at a total project cost of approximately $1.0 billion.

For further details related to the restructuring refer to Note 12 to the Consolidated Financial Statements.

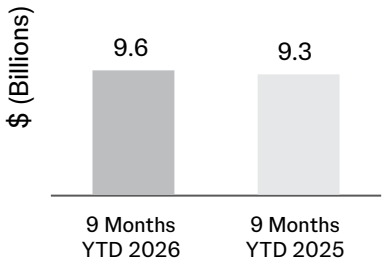
Provision for taxes on income

The worldwide effective income tax rate for the fiscal nine months was 14.0% in 2026 and 21.5% in 2025.

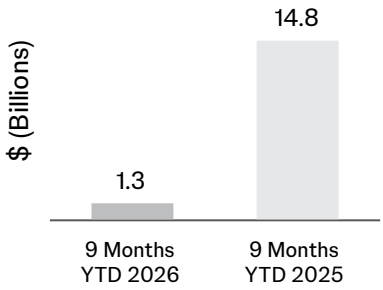
For further details related to the fiscal 2026 provision for taxes refer to Note 5 to the Consolidated Financial Statements.

Liquidity and capital resources

Dividends to shareholders



Acquisitions*, net of cash acquired



*Includes business combinations and asset acquisitions

Cash flows

Cash and cash equivalents were $16.9 billion at the end of the fiscal third quarter of 2026 as compared with $19.7 billion at the end of fiscal year 2025. The primary sources and uses of cash that contributed to the $2.8 billion decrease were:

(Dollars In Billions)	
19.7	Q4 2025 Cash and cash equivalents balance
18.9	net cash generated from operating activities
(4.9)	net cash used for investing activities
(16.8)	net cash used for financing activities
$ 16.9	Q3 2026 Cash and cash equivalents

In addition, the Company had $0.3 billion in marketable securities at the end of the fiscal third quarter of 2026 and $0.4 billion at the end of fiscal year 2025.

Cash flow from operations of $18.9 billion was the result of:

(Dollars In Billions)	
$ 11.0	Net earnings
6.8	non-cash expenses and other adjustments primarily for depreciation and amortization, stock-based compensation and asset write-downs partially offset by deferred tax provision and net gain on sale of assets/businesses
(2.9)	an increase in accounts receivable and inventories
1.4	an increase in accounts payable and accrued liabilities
1.4	a decrease in other current and non-current assets
1.1	an increase in other current and non-current liabilities
0.1	rounding
$ 18.9	Net cash flows from operations

Cash flow used for investing activities of $4.9 billion was primarily from:

(Dollars In Billions)	
$ (3.7)	additions to property, plant and equipment
0.1	proceeds from the disposal of assets/businesses, net
(0.4)	acquisitions, net of cash acquired
(1.0)	acquired in-process research and development assets/related milestones
(0.5)	net purchases of investments
0.9	credit support agreements activity, net
(0.3)	Other and rounding
$ (4.9)	Net cash used for investing activities

Cash flow used for financing activities of $16.8 billion was primarily from:

(Dollars In Billions)	
$ (9.6)	dividends to shareholders
(6.0)	repurchase of common stock
(2.9)	net repayment of short and long term debt
2.3	proceeds from stock options exercised/employee withholding tax on stock awards, net
(0.6)	Other, primarily Auris shareholder payment (described in Note 11), Credit support agreements and rounding
$ (16.8)	Net cash used for financing activities

The Company has access to substantial sources of funds at numerous banks worldwide and has the ability to issue up to $20 billion in Commercial Paper. Furthermore, in June 2026, the Company secured a new 364-day Credit Facility of $12.5 billion (expiration on June 23, 2027) which may be used for general corporate purposes including to support commercial paper borrowings. 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.

As of September 27, 2026, the Company had cash, cash equivalents and marketable securities of approximately $17.2 billion and had approximately $44.6 billion of notes payable and long-term debt for a net debt position of $27.4 billion as compared to the prior year fiscal third quarter net debt position of $27.2 billion. 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 of approximately $9.0 billion related to talc matters, $3.2 billion related to the current portion of Corporate bonds due and approximately $2.6 billion for the option to acquire Sail (refer to Note 10 to the Consolidated Financial Statements for further details) and the remaining approximately $0.9 billion related to opioid settlements. 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.

Dividends

On July 15, 2026, the Board of Directors declared a regular cash dividend of $1.34 per share, payable on September 8, 2026, to shareholders of record as of August 25, 2026.

On October 13, 2026, the Board of Directors declared a regular cash dividend of $1.34 per share, payable on December 8, 2026, to shareholders of record as of November 24, 2026. 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

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, Turkey and Egypt 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.

The long-term implications of regional conflicts on the Company are difficult to predict. The financial impact of known existing conflicts, particularly in the Middle East, negatively impacted growth in the MedTech Surgery business in the fiscal third quarter of 2026.

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 may be further impacted by the imposition of tariffs, trade protection measures or other policies adopted by any jurisdiction that favor domestic companies and technologies over foreign competitors.

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 including recent actions in the U.S. and foreign countries such as Germany. Recent U.S. policy initiatives have focused on prescription drug affordability, including the use of, international reference pricing methodologies, intended to reduce costs for American patients and the U.S. Government. The Company has entered into voluntary agreements with the U.S. government that include patient affordability initiatives, participation in certain pricing programs, and continued investment in U.S.-based research, development, and manufacturing capabilities. The Company continues to implement and evaluate the potential effects of these agreements and related policy initiatives.

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, 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 December 28, 2025.

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.

The Company is implementing a multi-year, enterprise-wide initiative to integrate, simplify and standardize processes and systems for the human resources, information technology, procurement, supply chain and finance functions. These are enhancements to support the growth of the Company's financial shared service capabilities and standardize financial systems. This initiative is not in response to any identified deficiency or weakness in the Company's internal control over financial reporting. In response to this initiative, the Company has and will continue to align and streamline the design and operation of its financial control environment.

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.

The following table provides information with respect to Common Stock purchases by the Company during the fiscal third quarter of 2026. 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 third 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	Maximum Number of Shares that May Yet Be Purchased Under the Plans or Programs
June 29, 2026 through July 26, 2026	3,265,000	251.70	—	—
July 27, 2026 through August 23, 2026	1,177,561	270.67	—	—
August 24, 2026 through September 27, 2026	2,100,509	270.53	—	—
Total	**6,543,070**	**261.16**	**—**	**—**

[1] During the fiscal third quarter of 2026, the Company repurchased an aggregate of 6,543,070 shares of Johnson & Johnson Common Stock in open-market transactions, all of which were purchased as part of a systematic plan to meet the needs of the Company's compensation programs.

Item 5 — Other information

Securities trading plans of Directors and Executive Officers. During the fiscal third quarter of 2026, none of our directors or officers (as defined in Rule 16a-1(f) of the Exchange Act) informed us of the adoption or termination of a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement," each as defined in Item 408 of Regulation S-K.

Item 6 — Exhibits

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.

Date: October 21, 2026

JOHNSON & JOHNSON

(Registrant)

Date: October 21, 2026

By /s/ **J. J. Wolk**

J. J. Wolk, Executive Vice President, Chief Financial Officer (Principal Financial Officer)

By /s/ **R. J. Decker Jr.**

R. J. Decker Jr., Controller (Principal Accounting Officer)