REFINITIV

DELTA REPORT

10-Q

JNJ - JOHNSON & JOHNSON

10-Q - JUNE 30, 2024 COMPARED TO 10-Q - MARCH 31, 2024

The following comparison report has been automatically generated

TOTAL DELTAS	1328
CHANGES	275
DELETIONS	416
ADDITIONS	637

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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 March 31, 2024 June 30, 2024

or

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

Commission file number 1-3215

Johnson & Johnson

(Exact name of registrant as specified in its charter)

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

One Johnson & Johnson Plaza
New Brunswick, New Jersey 08933
(Address of principal executive offices)
Registrant's telephone number, including area code (732) 524-0400

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

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

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

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

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

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

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

Title of each class	Trading Symbol	Name of each exchange on which registered
Common Stock, Par Value $1.00	JNJ	New York Stock Exchange
0.650% Notes Due May 2024	JNJ24C	New York Stock Exchange
5.50% Notes Due November 2024	JNJ24BP	New York Stock Exchange
1.150% Notes Due November 2028	JNJ28	New York Stock Exchange
3.20% Notes Due November 2032	JNJ32	New York Stock Exchange
1.650% Notes Due May 2035	JNJ35	New York Stock Exchange
3.350% Notes Due November 2036	JNJ36A	New York Stock Exchange
3.550% Notes Due November 2044	JNJ44	New York Stock Exchange

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

On April 25, 2024 July 19, 2024, 2,406,679,183 2,407,243,667 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 obtain and protect adequate patent and other intellectual property rights for new and existing products and technologies in the United States and other important markets;
- The impact of patent expirations, typically followed by the introduction of competing generic, biosimilar or other products and resulting revenue and market share losses;
- Increasingly aggressive and frequent challenges to the Company's patents by competitors and others seeking to launch competing generic, biosimilar or other products and increased receptivity of courts, the United States Patent and Trademark Office and other decision makers to such challenges, potentially resulting in loss of market exclusivity and rapid decline in sales for the relevant product sooner than expected;
- Competition in research and development of new and improved products, processes and technologies, which can result in product and process obsolescence;
- Competition to reach agreement with third parties for collaboration, licensing, development and marketing agreements for products and technologies;
- Competition based on cost-effectiveness, product performance, technological advances and patents attained by competitors; and
- Allegations that the Company's products infringe the patents and other intellectual property rights of third parties, which could adversely affect the Company's ability to sell the products in question and require the payment of money damages and future royalties.

Risks related to product liability, litigation and regulatory activity

- Product efficacy or safety concerns, whether or not based on scientific evidence, potentially resulting in product withdrawals, recalls, regulatory action on the part of the United States Food and Drug Administration (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 and exposures to additional tax liabilities potentially in excess of existing reserves; and
- The issuance of new or revised accounting standards by the Financial Accounting Standards Board and regulations by the Securities and Exchange Commission.

Risks related to healthcare market trends and the realization of benefits from the Company's strategic initiatives

- 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 divest the Company's remaining ownership interest in Kenvue Inc. (Kenvue) and realize the anticipated benefits from the separation; and
- Kenvue's ability to succeed as a standalone publicly traded company. separation of Kenvue Inc.

Risks related to economic conditions, financial markets and operating internationally

- The risks associated with global operations on the Company and its customers and suppliers, including foreign governments in countries in which the Company operates;
- The impact of inflation and fluctuations in interest rates and currency exchange rates and the potential effect of such fluctuations on revenues, expenses and resulting margins;
- Potential changes in export/import and trade laws, regulations and policies of the United States and other countries, including any increased trade restrictions or tariffs and potential drug reimportation legislation;
- The impact on international operations from financial instability in international economies, sovereign risk, possible imposition of governmental controls and restrictive economic policies, and unstable international governments and legal systems;
- The impact of global public health crises and pandemics;

- Changes to global climate, extreme weather and natural disasters that could affect demand for the Company's products and services, cause disruptions in manufacturing and distribution networks, alter the availability of goods and services within the supply chain, and affect the overall design and integrity of the Company's products and operations;
- 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 31, 2023, for a description of certain risks that could, among other things, cause the Company's actual results to differ materially from those expressed in its forward-looking statements. Investors should understand that it is not possible to predict or identify all such factors and should not consider the risks described above to be a complete statement of all potential risks and uncertainties. The Company does not undertake to publicly update any forward-looking statement that may be made from time to time, whether as a result of new information or future events or developments.

Part I — Financial information

Item 1 — Financial statements

Johnson & Johnson and subsidiaries consolidated balance sheets

(Unaudited; Dollars in Millions Except Share and Per Share Data)

		March 31, 2024		December 31, 2023				
		June 30, 2024		December 31, 2023				
Assets								
Current assets:	Current assets:			Current assets:				
Cash and cash equivalents (Note 4)	Cash and cash equivalents (Note 4)	$25,473		21,859	Cash and cash equivalents (Note 4)	$24,878		21,859
Marketable securities								
Marketable securities								
Marketable securities		745		1,068		597		1,068
Accounts receivable, trade, less allowances $162 (2023, $166)		14,946		14,873				
Accounts receivable, trade, less allowances $161 (2023, $166)		15,794		14,873				
Inventories (Note 2)	Inventories (Note 2)	11,383		11,181	Inventories (Note 2)	12,169		11,181
Prepaid expenses and other	Prepaid expenses and other	4,455		4,514	Prepaid expenses and other	4,379		4,514
Total current assets								
Total current assets								
Total current assets		**57,002**		**53,495**		**57,817**		**53,495**
Property, plant and equipment at cost	Property, plant and equipment at cost	47,585		47,776	Property, plant and equipment at cost	48,035		47,776
Less: accumulated depreciation	Less: accumulated depreciation	(27,953)		(27,878)	Less: accumulated depreciation	(28,287)		(27,878)
Property, plant and equipment, net	Property, plant and equipment, net	19,632		19,898	Property, plant and equipment, net	19,748		19,898
Intangible assets, net (Note 3)	Intangible assets, net (Note 3)	34,286		34,175	Intangible assets, net (Note 3)	39,725		34,175
Goodwill (Note 3)	Goodwill (Note 3)	36,616		36,558	Goodwill (Note 3)	44,250		36,558
Deferred taxes on income (Note 5)	Deferred taxes on income (Note 5)	10,305		9,279	Deferred taxes on income (Note 5)	9,004		9,279
Other assets	Other assets	14,125		14,153	Other assets	10,544		14,153
Total assets								
Total assets								
Total assets		**$171,966**		**167,558**		**$181,088**		**167,558**
Liabilities and shareholders' equity								
Current liabilities:	Current liabilities:			Current liabilities:				
Loans and notes payable	Loans and notes payable	$8,550		3,451	Loans and notes payable	$9,855		3,451
Accounts payable	Accounts payable	8,174		9,632	Accounts payable	8,848		9,632
Accrued liabilities	Accrued liabilities	10,323		10,212	Accrued liabilities	10,539		10,212
Accrued rebates, returns and promotions	Accrued rebates, returns and promotions	16,182		16,001	Accrued rebates, returns and promotions	17,539		16,001
Accrued compensation and employee related obligations	Accrued compensation and employee related obligations	2,178		3,993	Accrued compensation and employee related obligations	2,843		3,993
Accrued taxes on income (Note 5)	Accrued taxes on income (Note 5)	3,318		2,993	Accrued taxes on income (Note 5)	4,309		2,993
Total current liabilities								
Total current liabilities								
Total current liabilities		**48,725**		**46,282**		**53,933**		**46,282**
Long-term debt (Note 4)	Long-term debt (Note 4)	25,082		25,881	Long-term debt (Note 4)	31,636		25,881
Deferred taxes on income (Note 5)	Deferred taxes on income (Note 5)	3,172		3,193	Deferred taxes on income (Note 5)	2,635		3,193
Employee related obligations (Note 6)	Employee related obligations (Note 6)	7,019		7,149	Employee related obligations (Note 6)	6,919		7,149
Long-term taxes payable (Note 5)	Long-term taxes payable (Note 5)		2,881	Long-term taxes payable (Note 5)		341	2,881	

Other liabilities	Other liabilities	15,067		13,398	Other liabilities	14,086		13,398
Total liabilities								
Total liabilities								
Total liabilities		**$101,946**		**98,784**		**$109,550**		**98,784**
Commitments and Contingencies (Note 11)	Commitments and Contingencies (Note 11)			Commitments and Contingencies (Note 11)				
Shareholders' equity:	Shareholders' equity:			Shareholders' equity:				
Common stock — par value $1.00 per share (authorized 4,320,000,000 shares; issued 3,119,843,000 shares)	Common stock — par value $1.00 per share (authorized 4,320,000,000 shares; issued 3,119,843,000 shares)	$3,120		3,120	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)	Accumulated other comprehensive income (loss) (Note 7)	(10,768)		(12,527)	Accumulated other comprehensive income (loss) (Note 7)	(11,253)		(12,527)
Retained earnings and Additional paid-in capital	Retained earnings and Additional paid-in capital	153,378		153,843	Retained earnings and Additional paid-in capital	155,360		153,843
Less: common stock held in treasury, at cost (713,120,000 and 712,765,000 shares)		75,710		75,662				
Less: common stock held in treasury, at cost (712,997,000 and 712,765,000 shares)		75,689		75,662				
Total shareholders' equity	**Total shareholders' equity**	**$70,020**		**68,774**	**Total shareholders' equity**	**$71,538**		**68,774**
Total liabilities and shareholders' equity	**Total liabilities and shareholders' equity**	**$171,966**		**167,558**	**Total liabilities and shareholders' equity**	**$181,088**		**167,558**

See Notes to Consolidated Financial Statements

Johnson & Johnson and subsidiaries consolidated statements of earnings

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

		Fiscal First Quarter Ended				Fiscal Second Quarter Ended			
		March 31, 2024	Percent to Sales	April 2, 2023	Percent to Sales	June 30, 2024	Percent to Sales	July 2, 2023	Percent to Sales
Sales to customers (Note 9)	**Sales to customers (Note 9)**	**$21,383**	**100.0 %**	**$20,894**	**100.0 %**	**Sales to customers (Note 9)**	**$22,447**	**100.0 %**	**$21,519**	**100.0 %**
Cost of products sold										
Gross profit										
Selling, marketing and administrative expenses										
Research and development expense										
In-process research and development impairments										
Interest income										

Interest expense, net of portion capitalized				
Other (income) expense, net				
Restructuring (Note 12)				
Earnings (loss) before provision for taxes on income				
Provision for (benefit from) taxes on income (Note 5)				
Net earnings (loss) from continuing operations	3,255	15.2 %	(491)	(2.3)%
Net earnings from discontinued operations, net of tax				
Net earnings (loss)				
Net earnings (loss)				
Net earnings (loss)				
Earnings before provision for taxes on income				
Provision for taxes on income (Note 5)				
Net earnings from continuing operations	4,686	20.9 %	5,376	25.0 %
Net earnings (loss) from discontinued operations, net of tax (Note 13)				
Net earnings				
Net earnings				
Net earnings				
Net earnings (loss) per share (Note 8)				
Net earnings (loss) per share (Note 8)				
Net earnings (loss) per share (Note 8)				
Continuing operations - basic	Continuing operations - basic	$1.35	$(0.19)	Continuing operations - basic $1.95 $2.07
Discontinued operations - basic				
Total net earnings (loss) per share - basic				
Total net earnings (loss) per share - basic				
Total net earnings (loss) per share - basic				
Continuing operations - diluted				
Continuing operations - diluted				
Continuing operations - diluted		$1.34	$(0.19)	$1.93 $2.05
Discontinued operations - diluted				
Total net earnings (loss) per share - diluted				
Total net earnings (loss) per share - diluted				
Total net earnings (loss) per share - diluted				

Avg. shares outstanding																			
Avg. shares outstanding																			
Avg. shares outstanding																			
Basic	**Basic**	**2,408.2**					**2,605.5**				**Basic**		**2,406.8**					**2,598.4**	
Diluted	**Diluted**	**2,430.1**					**2,605.5**	*	**Diluted**			**2,422.0**					**2,625.7**		

See Notes to Consolidated Financial Statements

** Basic shares used when in a loss position from continuing operations*

Prior year results have been recast to reflect the continuing operations of Johnson & Johnson

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Johnson & Johnson and subsidiaries consolidated statements of comprehensive income earnings

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

	Fiscal First Quarter Ended	
	March 31, 2024	**April 2, 2023**
Net earnings / (Loss)	$3,255	(68)
Other comprehensive income (loss), net of tax		
Foreign currency translation	2,123	(181)
Securities:		
Unrealized holding gain (loss) arising during period	2	17
Reclassifications to earnings	—	—
Net change	2	17
Employee benefit plans:		
Prior service cost amortization during period	(238)	(35)
Gain (loss) amortization during period	290	(33)
Net change	52	(68)
Derivatives & hedges:		
Unrealized gain (loss) arising during period	(167)	570
Reclassifications to earnings	(251)	3
Net change	(418)	573
Other comprehensive income (loss)	1,759	341
Comprehensive income	**$5,014**	**273**

	Fiscal Six Months Ended			
	June 30, 2024	**Percent to Sales**	**July 2, 2023**	**Percent to Sales**
Sales to customers (Note 9)	**$43,830**	**100.0 %**	**$42,413**	**100.0 %**
Cost of products sold	13,380	30.5	13,149	31.0
Gross profit	30,450	69.5	29,264	69.0
Selling, marketing and administrative expenses	10,938	25.0	10,302	24.3
Research and development expense	6,982	16.0	7,158	16.9
In-process research and development impairments	194	0.4	49	0.1

Interest income	(759)	(1.8)	(524)	(1.2)
Interest expense, net of portion capitalized	425	1.0	429	1.0
Other (income) expense, net	3,057	7.0	6,556	15.5
Restructuring (Note 12)	151	0.3	275	0.6
Earnings before provision for taxes on income	9,462	21.6	5,019	11.8
Provision for taxes on income (Note 5)	1,521	3.5	134	0.3
Net earnings from continuing operations	7,941	18.1 %	4,885	11.5 %
Net earnings from discontinued operations, net of tax (Note 13)	—		191	
Net earnings	**$7,941**		**$5,076**	
Net earnings per share (Note 8)				
Continuing operations - basic	$3.30		$1.88	
Discontinued operations - basic	—		$0.07	
Total net earnings per share - basic	**$3.30**		**$1.95**	
Continuing operations - diluted	$3.27		$1.86	
Discontinued operations - diluted	—		$0.07	
Total net earnings per share - diluted	**$3.27**		**$1.93**	
Avg. shares outstanding				
Basic	**2,407.5**		**2,601.9**	
Diluted	**2,428.5**		**2,630.7**	

See Notes to Consolidated Financial Statements

Amounts presented Prior year results have not been recast to exclude discontinued operations.

The tax effects in other comprehensive income/(loss) for the fiscal first quarter were as follows for 2024 and 2023, respectively: Foreign Currency Translation: $619 million and $234 million; Securities: $1 million and $5 million; Employee Benefit Plans: $42 million and $22 million; Derivatives & Hedges: $111 million and $154 million.

reflect the continuing operations of Johnson & Johnson

Johnson & Johnson and subsidiaries consolidated statements of equity comprehensive income

(Unaudited; Dollars in Millions)

Fiscal First Quarter Ended March 31, 2024

	Total	Retained Earnings and Additional Paid-in Capital	Accumulated Other Comprehensive Income (AOCI)	Common Stock Issued Amount	Treasury Stock Amount
Balance, December 31, 2023	**$68,774**	**153,843**	**(12,527)**	**3,120**	**(75,662)**
Net earnings	3,255	3,255	—	—	—
Cash dividends paid ($1.19 per share)	(2,869)	(2,869)	—	—	—
Employee compensation and stock option plans	577	(851)	—	—	1,428

Repurchase of common stock	(1,475)	—	—	—	(1,475)
Other	(1)	—	—	—	(1)
Other comprehensive income (loss), net of tax	1,759	—	1,759	—	—
Balance, March 31, 2024	**$70,020**	**153,378**	**(10,768)**	**3,120**	**(75,710)**

Fiscal First Quarter Ended April 2, 2023

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

	Fiscal Second Quarter Ended		Fiscal Six Months Ended	
	June 30, 2024	July 2, 2023	June 30, 2024	July 2, 2023
Net earnings	$4,686	5,144	$7,941	5,076
Other comprehensive income (loss), net of tax				
Foreign currency translation	(389)	(715)	1,734	(896)
Securities:				
Unrealized holding gain (loss) arising during period	(1)	4	1	21
Reclassifications to earnings	—	—	—	—
Net change	(1)	4	1	21
Employee benefit plans:				
Prior service cost amortization during period	(34)	(36)	(272)	(71)
Gain (loss) amortization during period	43	(34)	333	(67)
Net change	9	(70)	61	(138)
Derivatives & hedges:				
Unrealized gain (loss) arising during period	75	(137)	(92)	433
Reclassifications to earnings	(179)	(139)	(430)	(136)
Net change	(104)	(276)	(522)	297
Other comprehensive income (loss)	(485)	(1,057)	1,274	(716)
Comprehensive income	**$4,201**	**4,087**	**$9,215**	**4,360**

See Notes to Consolidated Financial Statements

Amounts presented have not been recast to exclude discontinued operations.

The tax effects in other comprehensive income/(loss) for the fiscal second quarter were as follows for 2024 and 2023, respectively: Foreign Currency Translation: $65 million and $32 million; Securities: $1 million and $1 million; Employee Benefit Plans: $1 million and $21 million; Derivatives & Hedges: $28 million and $74 million.

The tax effects in other comprehensive income/(loss) for the fiscal six months were as follows for 2024 and 2023, respectively: Foreign Currency Translation: $684 million and $266 million; Securities: $6 million in 2023; Employee Benefit Plans: $41 million and $43 million; Derivatives & Hedges: $139 million and $80 million.

Johnson & Johnson and subsidiaries consolidated statements of cash flows equity

(Unaudited; Dollars in Millions)

Fiscal Second Quarter Ended June 30, 2024

	Fiscal Three Months Ended	
	March 31, 2024	April 2, 2023
Cash flows from operating activities		
Net earnings/(Loss)	$3,255	(68)
Adjustments to reconcile net earnings to cash flows from operating activities:		
Depreciation and amortization of property and intangibles	1,815	1,880
Stock based compensation	302	306
Asset write-downs	185	426
Net gain on sale of assets/businesses	—	(8)
Deferred tax provision	(1,562)	(1,543)
Credit losses and accounts receivable allowances	—	1
Changes in assets and liabilities, net of effects from acquisitions and divestitures:		
Increase in accounts receivable	(279)	(54)
Increase in inventories	(348)	(524)
Decrease in accounts payable and accrued liabilities	(2,483)	(2,572)
Decrease/(Increase) in other current and non-current assets	3,199	(915)
(Decrease)/Increase in other current and non-current liabilities	(427)	6,328
Net cash flows from operating activities	**3,657**	**3,257**
Cash flows from investing activities		
Additions to property, plant and equipment	(807)	(863)
Proceeds from the disposal of assets/businesses, net (Note 10)	210	40
Acquisitions, net of cash acquired (Note 10)	(1,811)	—
Purchases of investments	(630)	(3,774)
Sales of investments	979	7,766
Credit support agreements activity, net	1,600	158
Other (including capitalized licenses and milestones)	(5)	(12)
Net cash (used by)/ from investing activities	(464)	3,315
Cash flows from financing activities		
Dividends to shareholders	(2,869)	(2,942)
Repurchase of common stock	(1,475)	(3,537)
Proceeds from short-term debt	5,263	11,094
Repayment of short-term debt	(890)	(5,388)
Proceeds from long-term debt, net of issuance costs	2	7,674
Repayment of long-term debt	(1)	(500)

Proceeds from the exercise of stock options/employee withholding tax on stock awards, net	195	(11)
Credit support agreements activity, net	228	(13)
Other	93	(239)
Net cash flows from financing activities	**546**	**6,138**

	Total	Retained Earnings and Additional Paid-in Capital	Accumulated Other Comprehensive Income (AOCI)	Common Stock Issued Amount	Treasury Stock Amount
Balance, March 31, 2024	**$70,020**	**153,378**	**(10,768)**	**3,120**	**(75,710)**
Net earnings	4,686	4,686	—	—	—
Cash dividends paid ($1.24 per share)	(2,985)	(2,985)	—	—	—
Employee compensation and stock option plans	438	281	—	—	157
Repurchase of common stock	(136)		—	—	(136)
Other comprehensive income (loss), net of tax	(485)	—	(485)	—	—
Balance, June 30, 2024	**$71,538**	**155,360**	**(11,253)**	**3,120**	**(75,689)**

Fiscal Six Months Ended June 30, 2024

	Total	Retained Earnings and Additional Paid-in Capital	Accumulated Other Comprehensive Income (AOCI)	Common Stock Issued Amount	Treasury Stock Amount
Balance, December 31, 2023	**$68,774**	**153,843**	**(12,527)**	**3,120**	**(75,662)**
Net earnings	7,941	7,941	—	—	—
Cash dividends paid ($2.43 per share)	(5,854)	(5,854)	—	—	—
Employee compensation and stock option plans	1,015	(570)	—	—	1,585
Repurchase of common stock	(1,611)	—	—	—	(1,611)
Other	(1)	—	—	—	(1)
Other comprehensive income (loss), net of tax	1,274	—	1,274	—	—
Balance, June 30, 2024	**$71,538**	**155,360**	**(11,253)**	**3,120**	**(75,689)**

	Fiscal Three Months Ended	
	March 31, 2024	April 2, 2023
Effect of exchange rate changes on cash and cash equivalents	(125)	28
Increase in cash, cash equivalents and restricted cash	3,614	12,738
Cash and cash equivalents from continuing operations, beginning of period	21,859	12,889
Cash and cash equivalents from discontinued operations, beginning of period	—	1,238
Cash and Cash equivalents beginning of period	21,859	14,127

Cash and cash equivalents from continuing operations, end of period	25,473	25,188
Cash and cash equivalents from discontinued operations, end of period	—	1,677
Cash, cash equivalents and restricted cash, end of period	$25,473	26,865
Acquisitions		
Fair value of assets acquired	$1,899	—
Fair value of liabilities assumed	(88)	—
Net cash paid for acquisitions	$1,811	—

Fiscal Second Quarter Ended July 2, 2023

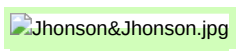
	Total	Retained Earnings and Additional Paid-in Capital	Accumulated Other Comprehensive Income	Common Stock Issued Amount	Treasury Stock Amount	Non-Controlling interest (NCI)	
Balance, April 2, 2023	**$70,869**	**124,558**	**(12,626)**	**3,120**	**(44,183)**	**—**	
Net earnings	5,144	5,144	—	—	—	—	
Cash dividends paid ($1.19 per share)	(3,092)	(3,092)	—	—	—	—	
Employee compensation and stock option plans	649	301	—	—	348	—	
Repurchase of common stock	(381)	—	—	—	(381)	—	
Other	(1)	—	—	—	(1)	—	
Kenvue IPO	4,278	2,470	548			1,260	*
Other comprehensive income (loss), net of tax	(1,057)	—	(1,057)	—	—	—	
Balance, July 2, 2023	**$76,409**	**129,381**	**(13,135)**	**3,120**	**(44,217)**	**1,260**	

Fiscal Six Months Ended July 2, 2023

	Total	Retained Earnings and Additional Paid-in Capital	Accumulated Other Comprehensive Income	Common Stock Issued Amount	Treasury Stock Amount	Non-Controlling interest (NCI)	
Balance, January 1, 2023	**$76,804**	**128,345**	**(12,967)**	**3,120**	**(41,694)**	**—**	
Net earnings	5,076	5,076	—	—	—	—	
Cash dividends paid ($2.32 per share)	(6,034)	(6,034)	—	—	—	—	
Employee compensation and stock option plans	944	(476)	—	—	1,420	—	
Repurchase of common stock	(3,918)	—	—	—	(3,918)	—	
Other	(25)	—	—	—	(25)	—	
Kenvue IPO	4,278	2,470	548			1,260	*
Other comprehensive income (loss), net of tax	(716)	—	(716)	—	—		
Balance, July 2, 2023	**$76,409**	**129,381**	**(13,135)**	**3,120**	**(44,217)**	**1,260**	

* Includes $37 million recorded in net earnings related to the 10.4% non-controlling interest in Kenvue.

See Notes to Consolidated Financial Statements



Johnson & Johnson and subsidiaries consolidated statements of cash flows

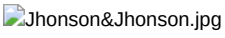
(Unaudited; Dollars in Millions)

	Fiscal Six Months Ended	
	June 30, 2024	July 2, 2023
Cash flows from operating activities		
Net earnings	$7,941	5,076
Adjustments to reconcile net earnings to cash flows from operating activities:		
Depreciation and amortization of property and intangibles	3,597	3,814
Stock based compensation	643	688
Asset write-downs	379	388
Net gain on sale of assets/businesses	(223)	(47)
Deferred tax provision	(2,257)	(2,342)
Credit losses and accounts receivable allowances	—	—
Changes in assets and liabilities, net of effects from acquisitions and divestitures:		
Increase in accounts receivable	(1,163)	(599)
Increase in inventories	(739)	(741)
Increase/(Decrease) in accounts payable and accrued liabilities	449	(1,061)
Decrease/(Increase) in other current and non-current assets	3,731	(1,144)
(Decrease)/Increase in other current and non-current liabilities	(3,068)	3,407
Net cash flows from operating activities	**9,290**	**7,439**
Cash flows from investing activities		
Additions to property, plant and equipment	(1,783)	(1,987)
Proceeds from the disposal of assets/businesses, net (Note 10)	573	116
Acquisitions, net of cash acquired (Note 10)	(14,807)	—
Purchases of investments	(1,184)	(9,688)
Sales of investments	1,706	11,877
Credit support agreements activity, net	1,430	(798)
Other (including capitalized licenses and milestones)	(86)	19
Net cash used by investing activities	**(14,151)**	**(461)**
Cash flows from financing activities		
Dividends to shareholders	(5,854)	(6,034)
Repurchase of common stock	(1,611)	(3,918)
Proceeds from short-term debt	13,976	12,221
Repayment of short-term debt	(3,915)	(13,611)
Proceeds from long-term debt, net of issuance costs	6,659	7,674
Repayment of long-term debt	(803)	(501)
Proceeds from the exercise of stock options/employee withholding tax on stock awards, net	290	254
Credit support agreements activity, net	281	(126)
Settlement of convertible debt acquired from Shockwave	(970)	—
Proceeds from Kenvue initial public offering	—	4,241
Other	37	(53)
Net cash flows from financing activities	**8,090**	**147**

	Fiscal Six Months Ended	
	June 30, 2024	July 2, 2023
Effect of exchange rate changes on cash and cash equivalents	(210)	(69)
Increase in cash and cash equivalents	3,019	7,056
Cash and cash equivalents from continuing operations, beginning of period	21,859	12,889
Cash and cash equivalents from discontinued operations, beginning of period	—	1,238
Cash and Cash equivalents beginning of period	21,859	14,127
Cash and cash equivalents from continuing operations, end of period	24,878	19,958
Cash and cash equivalents from discontinued operations, end of period	—	1,225
Cash and cash equivalents, end of period	$24,878	21,183
Acquisitions (Note 10)		
Fair value of assets acquired	$15,748	—
Fair value of liabilities assumed	(1,629)	—
Net cash paid for acquisitions	$14,119	—

See Notes to Consolidated Financial Statements

Amounts presented have not been recast to exclude discontinued operations.

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 31, 2023. The unaudited interim financial statements include all adjustments (consisting only of normal recurring adjustments) and accruals necessary in the judgment of management for a fair statement of the results for the periods presented.

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

New accounting standards

The Company assesses the adoption impacts of recently issued accounting standards by the Financial Accounting Standards Board on the Company's financial statements as well as material updates to previous assessments, if any, from the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2023.

Recently adopted accounting standards

There were no new material accounting standards adopted in the fiscal first quarter of six months in 2024.

Recently issued accounting standards

Not adopted as of March 31, 2024 June 30, 2024

ASU 2023-07: Segment Reporting (Topic 280) – Improvements to Reportable Segment Disclosures
This update requires expanded annual and interim disclosures for significant segment expenses that are regularly provided to the chief operating decision maker and included within each reported measure of segment profit or loss. This update will be effective for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024. This

standard is to be applied retrospectively to all periods presented in the financial statements. Early adoption is permitted. As While this accounting standard only impacts will increase disclosures, it will not have a material impact on the Company's Consolidated Financial Statements. Statement results.

ASU 2023-09: Income Taxes (Topic 740) - Improvements to Income Tax Disclosures
This update standardizes categories for the effective tax rate reconciliation, requires disaggregation of income taxes and additional income tax-related disclosures. This update is required to be effective for the Company for fiscal periods beginning after December 15, 2024. As While this accounting standard only impacts will increase disclosures, it will not have a material impact on the Company's Consolidated Financial Statements. Statement results.

There were no new material accounting standards issued in the fiscal first second quarter of 2024.

Supplier finance program obligations

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

As of March 31, 2024 June 30, 2024, and December 31, 2023, $0.6 billion and $0.7 billion, respectively, were valid obligations under the program. The obligations are presented as Accounts payable on the Consolidated Balance Sheets.

Note 2 — Inventories

(Dollars in Millions)	(Dollars in Millions)	March 31, 2024	December 31, 2023	(Dollars in Millions)	June 30, 2024	December 31, 2023
Raw materials and supplies	Raw materials and supplies	$2,331	2,355	Raw materials and supplies	$2,407	2,355
Goods in process	Goods in process	2,172	1,952	Goods in process	2,556	1,952
Finished goods	Finished goods	6,880	6,874	Finished goods	7,206	6,874
Total inventories	Total inventories	$11,383	11,181	Total inventories	$12,169	11,181

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 2023. 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)	(Dollars in Millions)	March 31, 2024	December 31, 2023	(Dollars in Millions)	June 30, 2024	December 31, 2023
Intangible assets with definite lives:	Intangible assets with definite lives:			Intangible assets with definite lives:		
Patents and trademarks — gross	Patents and trademarks — gross	$39,198	40,417	Patents and trademarks — gross	$43,438	40,417
Less accumulated amortization	Less accumulated amortization	(24,826)	(24,808)	Less accumulated amortization	(24,835)	(24,808)
Patents and trademarks — net	Patents and trademarks — net	14,372	15,609	Patents and trademarks — net	18,603	15,609
Customer relationships and other intangibles — gross	Customer relationships and other intangibles — gross	19,930	20,322	Customer relationships and other intangibles — gross	20,176	20,322
Less accumulated amortization	Less accumulated amortization	(12,742)	(12,685)	Less accumulated amortization	(13,018)	(12,685)
Customer relationships and other intangibles — net(1)	Customer relationships and other intangibles — net(1)	7,188	7,637	Customer relationships and other intangibles — net(1)	7,158	7,637
Intangible assets with indefinite lives:	Intangible assets with indefinite lives:			Intangible assets with indefinite lives:		
Trademarks	Trademarks	1,649	1,714	Trademarks	1,655	1,714
Purchased in-process research and development	Purchased in-process research and development	11,077	9,215	Purchased in-process research and development	12,309	9,215
Total intangible assets with indefinite lives	Total intangible assets with indefinite lives	12,726	10,929	Total intangible assets with indefinite lives	13,964	10,929
Total intangible assets — net	Total intangible assets — net	$34,286	34,175	Total intangible assets — net	$39,725	34,175

(1) The majority is comprised of customer relationships

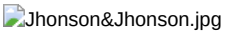
Goodwill as of March 31, 2024 June 30, 2024 was allocated by segment of business as follows:

(Dollars in Millions)

(Dollars in Millions)

(Dollars in Millions)		Innovative Medicine	MedTech	Total		Innovative Medicine	MedTech	Total
Goodwill at December 31, 2023	Goodwill at December 31, 2023	$10,407	26,151	36,558	Goodwill at December 31, 2023	$10,407	26,151	36,558
Goodwill, related to acquisitions	Goodwill, related to acquisitions	290	—	290	Goodwill, related to acquisitions	563	7,494	8,057
Goodwill, related to divestitures	Goodwill, related to divestitures	—		—	Goodwill, related to divestitures	—		(56)
Currency translation/Other	Currency translation/Other	(145)	(87)	(232)	Currency translation/Other	(202)	(107)	(309)
Goodwill at March 31, 2024		$10,552	26,064	36,616				
Goodwill at June 30, 2024		$10,768	33,482	44,250				

The weighted average amortization period for patents and trademarks is approximately 11 12 years. The weighted average amortization period for customer relationships and other intangible assets is approximately 18 years. The amortization expense of amortizable intangible assets included in the cost of products sold was $1.1 billion and $1.1 billion for the fiscal first second quarters ended March 31, 2024 June 30, 2024 and April 2, 2023 July 2, 2023, respectively. The amortization expense of amortizable intangible assets included in the cost of products sold was $2.2 billion and $2.2 billion for the fiscal six months ended June 30, 2024 and July 2, 2023, respectively. Intangible asset write-downs are included in Other (income) expense, net.



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

(Dollars in Millions)

2024								
2024								
2024	2025	2026	2027	2028	2025	2026	2027	2028
$4,300	3,500	2,900	2,300	1,600				
$4,500	3,900	3,300	2,700	2,000				

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 March 31, 2024 June 30, 2024, the cumulative amount of cash collateral paid by the Company under the CSA amounted to $2.2 billion $2.3 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 March 31, 2024 June 30, 2024, the Company had notional amounts outstanding for forward foreign exchange contracts, cross currency interest rate swaps and interest rate swaps of $43.2 $44.5 billion, $39.6 $41.0 billion and $10.0 billion, respectively. As of December 31, 2023, the Company had notional amounts outstanding for forward foreign exchange contracts, cross currency interest rate swaps and interest rate swaps of $42.9 billion, $39.7 billion and $10.0 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 2024 to 2035 2044 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 March 31, 2024 June 30, 2024, the balance of deferred net loss on derivatives included in accumulated other comprehensive income was $795 $899 million after-tax. For additional information, see the Consolidated Statements of Comprehensive Income and Note 7. The Company expects that substantially all of the amounts related to forward foreign exchange contracts will be reclassified into earnings over the next 12 months as a result of transactions that are expected to occur over that period. The maximum length of time over which the Company is hedging transaction exposure is 18 months, excluding interest rate contracts and net investment hedge contracts. The amount ultimately realized in earnings may differ as foreign exchange rates change. Realized gains and losses are ultimately determined by actual exchange rates at maturity of the derivative.

The following table is a summary of the activity related to derivatives and hedges for the fiscal first second quarters ended March 31, 2024 June 30, 2024 and April 2, 2023 July 2, 2023, net of tax:

	June 30, 2024					July 2, 2023				
(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	$—	—	—	(53)	—	—	—	—	(175)	—
Derivatives designated as hedging instruments	—	—	—	53	—	—	—	—	175	—
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	—	—	—	33	—	—	—	—	33	—
Amount of gain or (loss) recognized in AOCI	—	—	—	33	—	—	—	—	33	—
Gain (Loss) on cash flow hedging relationship:										
Forward foreign exchange contracts:										
Amount of gain or (loss) reclassified from AOCI into income	(1)	94	8	—	3	(15)	56	(12)	—	3
Amount of gain or (loss) recognized in AOCI	2	66	11	—	1	(14)	251	7	—	18
Cross currency interest rate swaps contracts:										
Amount of gain or (loss) reclassified from AOCI into income	—	—	—	42	—	—	—	—	74	—
Amount of gain or (loss) recognized in AOCI	$—	—	—	(38)	—	—	—	—	(432)	—

	March 31, 2024	April 2, 2023

(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	$—	—	—	8	—	—	—	—	169	—
Derivatives designated as hedging instruments	—	—	—	(8)	—	—	—	—	(169)	—
Gain (Loss) on net investment hedging relationship:										
Cross currency interest rate swaps contracts:										
Amount of gain or (loss) recognized in income on derivative amount excluded from effectiveness testing	—	—	—	34	—	—	—	—	34	—
Amount of gain or (loss) recognized in AOCI	—	—	—	34	—	—	—	—	34	—
Gain (Loss) on cash flow hedging relationship:										
Forward foreign exchange contracts:										
Amount of gain or (loss) reclassified from AOCI into income	1	165	4	—	(2)	12	(146)	(13)	—	2
Amount of gain or (loss) recognized in AOCI	(3)	(19)	22	—	4	24	145	(36)	—	(14)
Cross currency interest rate swaps contracts:										
Amount of gain or (loss) reclassified from AOCI into income	—	—	—	49	—	—	—	—	108	—
Amount of gain or (loss) recognized in AOCI	$—	—	—	(205)	—	—	—	—	417	—

The following table is a summary of the activity related to derivatives and hedges for the fiscal six months ended June 30, 2024 and July 2, 2023, net of tax:

	June 30, 2024					July 2, 2023				
(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	$—	—	—	(45)	—	—	—	—	(6)	—
Derivatives designated as hedging instruments	—	—	—	45	—	—	—	—	6	—
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	—	—	—	67	—	—	—	—	67	—
Amount of gain or (loss) recognized in AOCI	—	—	—	67	—	—	—	—	67	—
Gain (Loss) on cash flow hedging relationship:										
Forward foreign exchange contracts:										
Amount of gain or (loss) reclassified from AOCI into income	—	259	12	—	1	(3)	(90)	(25)	—	5
Amount of gain or (loss) recognized in AOCI	(1)	47	33	—	5	10	396	(29)	—	4
Cross currency interest rate swaps contracts:										
Amount of gain or (loss) reclassified from AOCI into income	—	—	—	91	—	—	—	—	182	—
Amount of gain or (loss) recognized in AOCI	$—	—	—	(243)	—	—	—	—	(15)	—

As of March 31, 2024 June 30, 2024, and December 31, 2023, the following amounts were recorded on the Consolidated Balance Sheet related to cumulative basis adjustment for fair value hedges:

Line item in the Consolidated Balance Sheet in which the hedged item is included	Carrying Amount of the Hedged Liability				
(Dollars in Millions)	**March 31, June 30, 2024**	**December 31, 2023**	**March 31, June 30, 2**		
Long-term Debt	$8,871 8,812	8,862	(1,205) (1,2		

The following table is the effect of derivatives not designated as hedging instruments for the fiscal first second quarters ended 2024 and 2023:

	Gain/(Loss) Recognized In Income on Derivative	Gain/(Loss) Recognized In Income on Derivative	Gain/(Loss) Recognized In Income on Derivative	Gain/ Recogn Incon Deriv

(Dollars in Millions)	(Dollars in Millions)	Location of Gain /(Loss) Recognized in Income on Derivative	Fiscal Second Quarter Ended	
(Dollars in Millions)				
(Dollars in Millions)				
Derivatives Not Designated as Hedging Instruments				
Derivatives Not Designated as Hedging Instruments				
Derivatives Not Designated as Hedging Instruments	**Derivatives Not Designated as Hedging Instruments**		June 30, 2024	July 2,
Foreign Exchange Contracts	**Foreign Exchange Contracts**	Other (income) expense	$20	33
Foreign Exchange Contracts				
Foreign Exchange Contracts				

The following table is the effect of net investment hedges for the fiscal first second quarters ended in 2024 and 2023:

Gain/(Loss) Recognized In Accumulated OCI	Gain/(Loss) Recognized In Accumulated OCI	Gain/(Loss) Recognized In Accumulated OCI	Gain/(Loss) Recognized In Accumulated OCI	Gain/(Loss) Recognized In Accumulated OCI	Gain/(Loss) Recognized In Accumulated OCI	Gain/(Loss) Recognized In Accumulated OCI

Gain/(Loss) Recognized In Accumulated OCI

Gain/(Loss) Recognized In Accumulated OCI

Gain/(Loss) Recognized In Accumulated OCI

Gain/(Loss) Recognized In Accumulated OCI

Gain/(Loss) Recognized In Accumulated OCI

Gain/(Loss) Recognized In Accumulated OCI

Gain/(Loss) Recognized In Accumulated OCI

Gain/(Loss) Recognized In Accumulated OCI

Gain/(Loss) Recognized In Accumulated OCI

Gain/(Loss) Recognized In Accumulated OCI

Gain/(Loss) Recognized In Accumulated OCI

Gain/(Loss) Recognized In Accumulated OCI

Gain/(Loss) Recognized In Accumulated OCI

Gain/(Loss) Recognized In Accumulated OCI

Gain/(Loss) Recognized In Accumulated OCI

Gain/(Loss) Recognized In Accumulated OCI

Gain/(Loss) Recognized In Accumulated OCI

Gain/(Loss) Recognized In Accumulated OCI

Gain/(Loss) Recognized In Accumulated OCI

Gain/(Loss) Recognized In Accumulated OCI

Gain/(Loss) Recognized In Accumulated OCI

Gain/(Loss) Recognized In Accumulated OCI

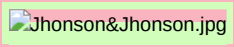
Gain/(Loss) Recognized In Accumulated OCI

Gain/(Loss) Recognized In Accumulated OCI

(Dollars in Millions)	(Dollars in Millions)	Gain/(Loss) Recognized In Accumulated OCI March 31, 2024	Gain/(Loss) Recognized In Accumulated OCI April 2, 2023	Location of Gain or (Loss) Reclassified from Accumulated Other Comprehensive Income Into Income	Gain/(Loss) Reclassified From Accumulated OCI Into Income March 31, 2024	Location of Gain or (Loss) Reclassified from Accumulated Other Comprehensive Income Into Income	Gain/(Loss) Reclassified From Accumulated Into Inco April 2, 2023 (Dollars in Millions)	June 3 202
Debt	Debt	$84	(77)	Interest (income) expense	—	Debt	$46	
Cross Currency interest rate swaps	Cross Currency interest rate swaps	$728	690	Interest (income) expense	—	Cross Currency interest rate swaps	$92	

The following table is the effect of net investment hedges for the fiscal six months ended in 2024 and 2023:

(Dollars in Millions)	Gain/(Loss) Recognized In Accumulated OCI June 30, 2024	July 2, 2023	Location of Gain or (Loss) Reclassified from Accumulated Other Comprehensive Income Into Income	June 3
Debt	$130	(66)	Interest (income) expense	
Cross Currency interest rate swaps	$820	666	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 meas 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 sim

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

(Dollars in Millions)	(Dollars in Millions)	December 31, 2023 Carrying Value	December 31, 2023 Changes in Fair Value Reflected in Net Income (1)	Sales/ Purchases/Other (2)	Carrying Value	Non Current Other Assets	(Dollars in Millions)	March 31, 2024 Carrying Value		December 31, 2023 Changes in Fair Value Reflected in Net Income (1)		Pur
Equity Investments with readily determinable value*	Equity Investments with readily determinable value*	$4,473	30	(17)	4,486	Equity Investments with readily determinable value*	$4,473		(4)		(3,999)	
Equity Investments without readily determinable value												
Equity Investments without readily determinable value												
Equity Investments without readily determinable value		$696	23	(12)	707		$696		(15)		(8)	

(1) Recorded in Other (income)/expense, net

(2) Other includes impact of currency

* Includes The December 31, 2023 balance includes the 9.5% remaining stake in Kenvue. A debt to equity exchange was completed in the fiscal second quarter of 2024.

On May 15, 2024, the Company issued $3.6 billion aggregate principal amount of commercial paper and received $3.6 billion of net cash proceeds to be used for general corpo Company completed a Debt-for-Equity Exchange of its remaining 182,329,550 shares of Kenvue Common Stock for the outstanding Commercial Paper. Upon completion of the Commercial Paper was satisfied and discharged and the unfavorable change Company no longer owns any shares of Kenvue Common Stock. This exchange resulted in the fai investment. approximately $0.4 billion recorded in Other (income) expense.

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 ma 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 des 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 discoun 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 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 fina 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 c 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 s

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 March 31, 2024 June 30, 2024 and December 31, 2023 were as follows:

(Dollars in Millions)	(Dollars in Millions)	March 31, 2024 Level 1	Level 2	Level 3	Total	December 31, 2023 Total(1)	(Dollars in Millions)	June 30, 2024 Level 1	Level 2

Derivatives designated as hedging instruments:	**Derivatives designated as hedging instruments:**					**Derivatives designated as hedging instruments:**					
Assets:	**Assets:**					**Assets:**					
Forward foreign exchange contracts	Forward foreign exchange contracts	$—	499	—	499	539	Forward foreign exchange contracts	$—	523		
Interest rate contracts(2)	Interest rate contracts(2)	—	1,202	—	1,202	988	Interest rate contracts(2)	—	1,392		
Total											
Total											
Total		—	1,701	—	1,701	1,527		—	1,915		
Liabilities:	**Liabilities:**					**Liabilities:**					
Forward foreign exchange contracts	Forward foreign exchange contracts	—	401	—	401	624	Forward foreign exchange contracts	—	512		
Interest rate contracts(2)	Interest rate contracts(2)	—	3,543	—	3,543	5,338	Interest rate contracts(2)	—	3,874		
Total											
Total											
Total		—	3,944	—	3,944	5,962		—	4,386		
Derivatives not designated as hedging instruments:	**Derivatives not designated as hedging instruments:**					**Derivatives not designated as hedging instruments:**					
Assets:	**Assets:**					**Assets:**					
Forward foreign exchange contracts	Forward foreign exchange contracts	—	21	—	21	64	Forward foreign exchange contracts	—	27		
Liabilities:	**Liabilities:**					**Liabilities:**					
Forward foreign exchange contracts	Forward foreign exchange contracts	—	36	—	36	75	Forward foreign exchange contracts	—	19		
Other Investments:											
Equity investments(3)											
Equity investments(3)											
Equity investments(3)		4,486	—	4,486		4,473		470			
Debt securities(4)	Debt securities(4)	—	9,346	—	9,346	8,874	Debt securities(4)	—	6,840		
Other Liabilities											
Contingent consideration(5)											
Contingent consideration(5)											
Contingent consideration(5)		$—	—	1,114		1,092		$—	—		

Gross to Net Derivative Reconciliation	**Gross to Net Derivative Reconciliation**	**March 31, 2024**	**December 31, 2023**	**Gross to Net Derivative Reconciliation**
(Dollars in Millions)				
Total Gross Assets				
Total Gross Assets				
Total Gross Assets		$1,722	1,591	
Credit Support Agreement (CSA)	Credit Support Agreement (CSA)	(1,681)	(1,575)	Credit Support Agreement (CSA)
Total Net Asset	Total Net Asset	41	16	Total Net Asset
Total Gross Liabilities				
Total Gross Liabilities				
Total Gross Liabilities		3,980	6,037	
Credit Support Agreement (CSA)	Credit Support Agreement (CSA)	(3,882)	(5,604)	Credit Support Agreement (CSA)

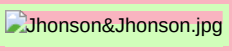
Total Net Liabilities	Total Net Liabilities	$98	433	Total Net Liabilities

Summarized information about changes in liabilities for contingent consideration for the fiscal first second quarters ended March 31, 2024 June 30, 2024 and April 2, 2023 July 2

		March 31, 2024		
		March 31, 2024		
		March 31, 2024	April 2, 2023	
		June 30, 2024		
		June 30, 2024		
		June 30, 2024	July 2, 2023	
(Dollars in Millions)				
Beginning Balance				
Beginning Balance				
Beginning Balance		$1,092	1,120	
Changes in estimated fair value(6)	Changes in estimated fair value(6)	22	23	Changes in estimated fair value(6)
Additions	Additions		—	Additions
Payments	Payments	—	(1)	Payments
Ending Balance	Ending Balance	$1,114	1,142	Ending Balance

(1) 2023 assets and liabilities are all classified as Level 2 with the exception of equity investments of $4,473 million, which are classified as Level 1 and contingent consideration of $1,092 million, cla

(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 as of March 31, 2024 June 30, 2024 and December 31, 2023, respectively.

(6) Ongoing fair value adjustment amounts are primarily recorded in Research and Development expense.

The Company's cash, cash equivalents and current marketable securities as of March 31, 2024 June 30, 2024 comprised:

(Dollars in Millions)

(Dollars in Millions)

(Dollars in Millions)		**Carrying Amount**	**Unrealized Gain**	**Estimated Fair Value**	**Cash & Cash Equivalents**	**Current Marketable Securities**		**Carrying Amount**	**Unrealized Gain**	**Es Fa**
Cash	Cash	$3,410	—	3,410	3,410	—	Cash	$4,247	—	
U.S. Gov't securities	U.S. Gov't securities	96	—	96	96	—	U.S. Gov't securities	—	—	
Non-U.S. sovereign securities	Non-U.S. sovereign securities	324	—	324	324	—	Non-U.S. sovereign securities	150	—	
U.S. reverse repurchase agreements	U.S. reverse repurchase agreements	7,892	—	7,892	7,892	—	U.S. reverse repurchase agreements	8,496	—	
Corporate debt securities(1)										
Corporate debt securities(1)										
Corporate debt securities(1)		702	—	702	588	114		—	—	
Money market funds	Money market funds	3,822	—	3,822	3,822	—	Money market funds	4,883	—	
Time deposits(1)	Time deposits(1)	626	—	626	626	—	Time deposits(1)	859	—	

Subtotal	Subtotal	16,872	—	16,872	16,758	114	Subtotal	18,635	—
U.S. Gov't securities									
U.S. Gov't securities									
U.S. Gov't securities		9,064	—	9,064	8,665	399		6,585	—
U.S. Gov't Agencies	U.S. Gov't Agencies	41	2	43	—	43	U.S. Gov't Agencies	11	—
Other sovereign securities	Other sovereign securities	2	—	2	—	2	Other sovereign securities	2	—
Corporate debt securities	Corporate debt securities	237	—	237	50	187	Corporate debt securities	242	—
Subtotal available for sale debt(2)	Subtotal available for sale debt(2)	$9,344	2	9,346	8,715	631	Subtotal available for sale debt(2)	$6,840	—
Total cash, cash equivalents and current marketable securities	Total cash, cash equivalents and current marketable securities	$26,216	2	26,218	25,473	745	Total cash, cash equivalents and current marketable securities	$25,475	—

(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 31, 2023, the carrying amount was approximately the same as the estimated fair value.

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

The Company classifies all highly liquid investments with stated maturities of three months or less from date of purchase as cash equivalents and all highly liquid investments wi
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 ava
classified as either cash equivalents or current marketable securities.

The contractual maturities of the available for sale securities as of March 31, 2024 June 30, 2024 are as follows:

(Dollars in Millions)	(Dollars in Millions)	Cost Basis	Fair Value	(Dollars in Mil
Due within one year	Due within one year	$9,331	9,333	Due within or
Due after one year through five years	Due after one year through five years	13	Due after one year through five years	
Due after five years through ten years	Due after five years through ten years	—	Due after five years through ten years	
Total debt securities	Total debt securities	$9,344	9,346	Total debt sec

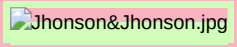
Financial instruments not measured at fair value

The following financial liabilities are held at carrying amount on the consolidated balance sheet as of March 31, 2024 June 30, 2024:

(Dollars in Millions)	(Dollars in Millions)	Carrying Amount	Estimated Fair Value	(Dollars in Millions)
Financial Liabilities				
Financial Liabilities				
Financial Liabilities				
Current Debt				
Current Debt				
Current Debt		$8,550	8,533	
Non-Current Debt				
Non-Current Debt				
Non-Current Debt				
0.55% Notes due 2025				
0.55% Notes due 2025				

0.55% Notes due 2025		974	940	
2.46% Notes due 2026				
2.46% Notes due 2026				
2.46% Notes due 2026		1,998	1,917	
2.95% Notes due 2027	2.95% Notes due 2027	907	958	2.95% Notes due 2027
0.95% Notes due 2027				
0.95% Notes due 2027				
0.95% Notes due 2027		1,434	1,337	
2.90% Notes due 2028	2.90% Notes due 2028	1,497	1,422	2.90% Notes due 2028
1.150% Notes due 2028 (750MM Euro 1.0809)		807	751	
1.150% Notes due 2028 (750MM Euro 1.0721)		801	744	
4.80% Notes due 2029 (1)		1,145	1,161	
6.95% Notes due 2029	6.95% Notes due 2029	298	339	6.95% Notes due 2029
1.30% Notes due 2030	1.30% Notes due 2030	1,633	1,466	1.30% Notes due 2030
4.95% Debentures due 2033		499	523	
4.90% Notes due 2031(1)		1,145	1,161	
3.20% Notes due 2032 (700MM Euro 1.0721)(1)		747	750	
4.95% Notes due 2033		499	513	
4.375% Notes due 2033	4.375% Notes due 2033	854	848	4.375% Notes due 2033
1.650% Notes due 2035 (1.5B Euro 1.0809)		1,610	1,430	
4.95% Notes due 2034(1)		846	860	
1.650% Notes due 2035 (1.5B Euro 1.0721)		1,597	1,384	
3.35% Notes due 2036 (800MM Euro 1.0721)(1)		852	853	
3.587% Notes due 2036	3.587% Notes due 2036	862	893	3.587% Notes due 2036
5.95% Notes due 2037	5.95% Notes due 2037	994	1,110	5.95% Notes due 2037
3.625% Notes due 2037	3.625% Notes due 2037	1,354	1,333	3.625% Notes due 2037
3.40% Notes due 2038	3.40% Notes due 2038	993	858	3.40% Notes due 2038
5.85% Debentures due 2038		697	772	
4.50% Debentures due 2040		541	530	
5.85% Notes due 2038		697	756	
4.50% Notes due 2040		541	521	
2.10% Notes due 2040	2.10% Notes due 2040	844	688	2.10% Notes due 2040
4.85% Notes due 2041	4.85% Notes due 2041	297	301	4.85% Notes due 2041
4.50% Notes due 2043	4.50% Notes due 2043	496	481	4.50% Notes due 2043
3.55% Notes due 2044 (1.0B Euro 1.0721)(1)			1,062	
3.73% Notes due 2046	3.73% Notes due 2046	1,978	1,675	3.73% Notes due 2046
3.75% Notes due 2047	3.75% Notes due 2047	825	829	3.75% Notes due 2047
3.50% Notes due 2048	3.50% Notes due 2048	743	598	3.50% Notes due 2048
2.25% Notes due 2050	2.25% Notes due 2050	816	629	2.25% Notes due 2050
5.25% Notes due 2054(1)		843	854	
2.45% Notes due 2060	2.45% Notes due 2060	1,064	743	2.45% Notes due 2060
Other	Other		67	Other
Total Non-Current Debt	Total Non-Current Debt	$25,082	23,438	Total Non-Current Debt

(1) In the fiscal second quarter of 2024, the Company issued senior unsecured notes for a total of $6.7 billion. The net proceeds from this offering were used to fund the Shockwa
2024, and for general corporate purposes.



The weighted average effective interest rate on non-current debt is 2.99% 3.28%.

The excess of the carrying value over the estimated fair value of debt was $1.0 billion at December 31, 2023.

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 March 31, 2024 June 30, 2024 includes $6.3 $8.5 billion of commercial paper which has a weighted average interest rate of 5.25% 5.28% and a w three months. one month.

Note 5 — Income taxes

The worldwide effective income tax rates for the fiscal first quarters six months of 2024 and 2023 were 12.4% 16.1% and 61.8% 2.7%, respectively. The change in the consolidat fiscal first quarter is primarily due to a charge of $6.9 $7.0 billion in the fiscal first quarter six months of 2023 and a charge of $2.7 $3.0 billion in the fiscal first quarter six months settlement proposal. matters. Both charges were recorded at an effective U.S. federal and state tax rate of approximately 23% (for further information see Note 11 to the Consol

Additionally in the fiscal first quarter six months of 2024, the effective tax rate was unfavorably impacted by legislative changes that went into effect for Pillar Two in some of the Company also had tax benefits received from stock-based compensation that were either exercised or vested during each of the fiscal first quarters, jurisdictions as well as a ca incurred in the fiscal first second quarter of 2024. 2024 related to multi-year transfer pricing agreements with the IRS and certain other foreign jurisdictions.

As of March 31, 2024 June 30, 2024, the Company had approximately $2.5 billion of liabilities from unrecognized tax benefits. The Company conducts business and files tax retu has tax audits in progress in a number of jurisdictions. With respect to the United States, the Internal Revenue Service (IRS) has completed its audit for the tax years through 20 has commenced the audit for tax years 2017 through 2020.

The Company currently expects completion of multi-year transfer pricing agreements with the IRS and certain other foreign jurisdictions in the next 12 months. As a result, the C $0.4 billion of unrecognized tax benefits and associated interest as a current liability on the “Accrued taxes on Income” line of the Consolidated Balance Sheet as of the end of th anticipation of final settlement.

In other major jurisdictions where the Company conducts business, the years that remain open to tax audit go back to the year 2013. The Company believes it is possible that ta twelve months by taxing authorities in some jurisdictions outside of the United States. However, the Company is not able to provide a reasonably reliable estimate of the timing o uncertain tax positions.

Note 6 — Pensions and other benefit plans

Components of net periodic benefit cost

Net periodic benefit costs for the Company’s defined benefit retirement plans and other benefit plans include the following components:

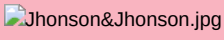
		Fiscal First Quarter Ended				Fiscal First Quarter Ended				Fiscal First Quarter Ended			
		Fiscal Second Quarter Ended						Fiscal Six Months Ended					
		Retirement Plans		Other Benefit Plans				Retirement Plans		Other B			
(Dollars in Millions)	(Dollars in Millions)	June 30, 2024	July 2, 2023	June 30, 2024	July 2, 2023			June 30, 2024	July 2,				
(Dollars in Millions)													
(Dollars in Millions)													
Service cost													
Service cost													
Service cost	Service cost	$222	215	69	446	425							
Interest cost	Interest cost	351	371	52	55	703							
Interest cost													
Interest cost													

Expected return on plan assets	Expected return on plan assets	(639)		(694)		(1)		(2)		(1,281)		(1,
Expected return on plan assets															
Expected return on plan assets															
Amortization of prior service cost/(credit)															
Amortization of prior service cost/(credit)															
Amortization of prior service cost/(credit)															
Amortization of prior service cost/(credit)			(46)				(1)				(92)				
Recognized actuarial (gains)/losses															
Recognized actuarial (gains)/losses															
Recognized actuarial (gains)/losses		44		(50)		13		7		87		(100)	
Curtailments and settlements	Curtailments and settlements	(8)				—		(8)					
Curtailments and settlements															
Curtailments and settlements															
Net periodic benefit cost/(credit)	Net periodic benefit cost/(credit)	$(76)		(204)		132		128		(145)		(
Net periodic benefit cost/(credit)															
Net periodic benefit cost/(credit)															

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 cos sold, Research and development expense, Selling, marketing and administrative expenses, and in the fiscal first second quarter and fiscal six months of 2023, Net earnings fron related to the separation of Kenvue. All other components of net periodic benefit cost are presented as part of Other (income) expense, net on the Consolidated Statement of Ea

Company contributions

For the fiscal three six months ended March 31, 2024 June 30, 2024, the Company contributed $29 million $61 million and $3 million $7 million to its U.S. and international retirer 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)	(Dollars in Millions)	Foreign Currency Translation	Gain/ (Loss) On Securities	Employee Benefit Plans	Gain/ (Loss) On Derivatives & Hedges	Total Accumulated Other Comprehensive Income/(Loss)	(Dollars in Millions)	Foreign Currency Translation	Gain/ (Loss) On Securities	Employ Bene Pla
December 31, 2023										
December 31, 2023										
December 31, 2023	$(10,149)	(1)	(2,000)	(377)	(12,527)		$(10,149)		(1)	(2,000)	

Net change										
Net change										
Net change	2,123	2	52	(418)	1,759		1,734	1	61	
March 31, 2024	(8,026)	1	(1,948)	(795)	(10,768)					
June 30, 2024	(8,415)	0	(1,939)	(899)	(11,253)					

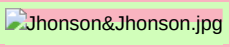
Amounts in accumulated other comprehensive income are presented net of the related tax impact. Foreign currency translation is not adjusted for income taxes where it relates subsidiaries. For additional details on comprehensive income see the Consolidated Statements of Comprehensive Income.

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:

(Shares in Millions)
Basic net earnings (loss) per share from continuing operations
Basic net earnings per share from discontinued operations
Total net earnings (loss) per share - basic
Average shares outstanding — basic
Potential shares exercisable under stock option plans
Less: shares which could be repurchased under treasury stock method
Average shares outstanding — diluted/basic*
Diluted net earnings (loss) per share from continuing operations
Diluted net earnings per share from discontinuing operations
Total net earnings (loss) per share - diluted

	Fiscal Second Quarter Ended	
(Shares in Millions)	**June 30, 2024**	**July 2, 2023**
Basic net earnings per share from continuing operations	$1.95	2.07
Basic net earnings (loss) per share from discontinued operations	—	(0.09)
Total net earnings per share - basic	1.95	1.98
Average shares outstanding — basic	2,406.8	2,598.4
Potential shares exercisable under stock option plans	62.6	95.2
Less: shares which could be repurchased under treasury stock method	(47.4)	(67.9)
Average shares outstanding — diluted	2,422.0	2,625.7
Diluted net earnings per share from continuing operations	1.93	2.05

Diluted net earnings (loss) per share from discontinuing operations	—	(0.09)
Total net earnings per share - diluted	$1.93	1.96

(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.	72.2	50.8

The diluted net earnings per share calculation for the fiscal first quarter ended March 31, 2024 excluded 44.2 million shares related to stock options, as the exercise price of thes
market value of the Company's stock.

* Basic shares are used to calculate loss per share as use of diluted shares when in a loss position would be anti-dilutive.

.Note Note 9 — Segments of business and geographic areas

Following the separation of the Consumer Health business in the fiscal third quarter of 2023, the Company is now organized into two business segments: Innovative Medicine a
been recast for all periods to reflect the continuing operations of the Company.

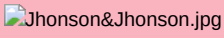
Sales by segment of business

	Fiscal First Qua
(Dollars in Millions)	March 31, 2024
INNOVATIVE MEDICINE	
Immunology	
U.S.	$2,453
International	1,794
Worldwide	4,247
REMICADE	
U.S.	266
U.S. Exports	27
International	141
Worldwide	434
SIMPONI / SIMPONI ARIA	
U.S.	254
International	299
Worldwide	554
STELARA	
U.S.	1,396
International	1,055
Worldwide	2,451
TREMFYA	
U.S.	509
International	299
Worldwide	808
OTHER IMMUNOLOGY	

U.S.	0
International	0
Worldwide	0
Infectious Diseases	
U.S.	324
International	497
Worldwide	821
COVID-19 VACCINE	
U.S.	0
International	25
Worldwide	25
EDURANT / rilpivirine	
U.S.	8

	Fiscal First Qua
(Dollars in Millions)	**March 31, 2024**
International	315
Worldwide	323
PREZISTA / PREZCOBIX / REZOLSTA / SYMTUZA	
U.S.	314
International	104
Worldwide	418
OTHER INFECTIOUS DISEASES	
U.S.	2
International	52
Worldwide	53
Neuroscience	
U.S.	1,054
International	749
Worldwide	1,803
CONCERTA / methylphenidate	
U.S.	41
International	136
Worldwide	177
INVEGA SUSTENNA / XEPLION / INVEGA TRINZA / TREVICTA	
U.S.	765
International	292
Worldwide	1,056
SPRAVATO	
U.S.	191
International	34
Worldwide	225
OTHER NEUROSCIENCE	
U.S.	58

International	287
Worldwide	345
Oncology	
U.S.	2,383
International	2,430
Worldwide	4,814
CARVYKTI	
U.S.	140
International	16
Worldwide	157
DARZALEX	
U.S.	1,464



Fiscal First Qua

(Dollars in Millions)	March 31, 2024
International	1,228
Worldwide	2,692
ERLEADA	
U.S.	285
International	404
Worldwide	689
IMBRUVICA	
U.S.	265
International	518
Worldwide	784
TECVAYLI(1)	
U.S.	101
International	33
Worldwide	133
ZYTIGA / abiraterone acetate	
U.S.	9
International	172
Worldwide	181
OTHER ONCOLOGY	
U.S.	119
International	60
Worldwide	178
Pulmonary Hypertension	
U.S.	766
International	283
Worldwide	1,049
OPSUMIT	

U.S.	356
International	169
Worldwide	524
UPTRAVI	
U.S.	392
International	76
Worldwide	468
OTHER PULMONARY HYPERTENSION	
U.S.	18
International	39
Worldwide	56
Cardiovascular / Metabolism / Other	
U.S.	631
International	197
Worldwide	829

(Dollars in Millions)
(Dollars in Millions)
(Dollars in Millions)
XARELTO
XARELTO
XARELTO
INNOVATIVE MEDICINE
INNOVATIVE MEDICINE
INNOVATIVE MEDICINE
Immunology
Immunology
Immunology
U.S.
U.S.
U.S.
International
International
International
Worldwide
Worldwide
Worldwide
REMICADE
REMICADE
REMICADE
U.S.
U.S.
U.S.
U.S. Exports
U.S. Exports
U.S. Exports
International

	International
	International
	Worldwide
	Worldwide
	Worldwide
	SIMPONI / SIMPONI ARIA
	SIMPONI / SIMPONI ARIA
	SIMPONI / SIMPONI ARIA
	U.S.
	U.S.
	U.S.
	International
	International
	International
	Worldwide
	Worldwide
	Worldwide
	STELARA
	STELARA
	STELARA
	U.S.
	U.S.
	U.S.
	International
	International
	International
	Worldwide
	Worldwide
	Worldwide
	TREMFYA
	TREMFYA
	TREMFYA
	U.S.
	U.S.
	U.S.
	International
	International
	International
	Worldwide
	Worldwide
	Worldwide
	OTHER IMMUNOLOGY
	OTHER IMMUNOLOGY
	OTHER IMMUNOLOGY
	U.S.
	U.S.
	U.S.
	International
	International
	International
	Worldwide
	Worldwide
	Worldwide
Infectious Diseases	
Infectious Diseases	
	OTHER
	OTHER
	OTHER
Infectious Diseases	

U.S.
U.S.
U.S.
International
International
International
Worldwide
Worldwide
Worldwide
COVID-19 VACCINE
COVID-19 VACCINE
COVID-19 VACCINE
U.S.
U.S.
U.S.
International
International
International
Worldwide
Worldwide
Worldwide
TOTAL INNOVATIVE MEDICINE
TOTAL INNOVATIVE MEDICINE
TOTAL INNOVATIVE MEDICINE
U.S.
U.S.
U.S.
International
International
International
Worldwide
Worldwide
Worldwide
MEDTECH
MEDTECH
MEDTECH
Cardiovascular(2)
Cardiovascular(2)
Cardiovascular(2)
U.S.
U.S.
U.S.
International
International
International
Worldwide
Worldwide
Worldwide
ELECTROPHYSIOLOGY
ELECTROPHYSIOLOGY
ELECTROPHYSIOLOGY
U.S.
U.S.
U.S.

International
International
International
Worldwide
Worldwide
Worldwide
ABIOMED
ABIOMED
ABIOMED
U.S.
U.S.
U.S.
International
International
International
Worldwide
Worldwide
Worldwide
OTHER CARDIOVASCULAR(2)
OTHER CARDIOVASCULAR(2)
OTHER CARDIOVASCULAR(2)
U.S.
U.S.
U.S.
International
International
International
Worldwide
Worldwide
Worldwide
Orthopaedics
Orthopaedics
Orthopaedics
U.S.
U.S.
U.S.
International
International
International
Worldwide
Worldwide
Worldwide
HIPS
HIPS
HIPS
U.S.
U.S.
U.S.
International
International
International
Worldwide

Worldwide

Worldwide

KNEES

KNEES

KNEES

U.S.

U.S.

U.S.

International

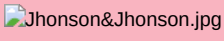
International

International

Worldwide

Worldwide

Worldwide

22 

Fiscal First Qua

(Dollars in Millions)	March 31, 2024
TRAUMA	
U.S.	504
International	261
Worldwide	765
SPINE, SPORTS & OTHER	
U.S.	432
International	320
Worldwide	752
Surgery	
U.S.	987
International	1,429
Worldwide	2,416
ADVANCED	
U.S.	446
International	641
Worldwide	1,087
GENERAL	
U.S.	542
International	788
Worldwide	1,330
Vision	
U.S.	547
International	710
Worldwide	1,258
CONTACT LENSES / OTHER	
U.S.	438

International	472
Worldwide	910
SURGICAL	
U.S.	110
International	238
Worldwide	348
TOTAL MEDTECH	
U.S.	4,008
International	3,813
Worldwide	7,821
WORLDWIDE	
U.S.	11,620
International	9,763
Worldwide	$21,383

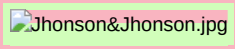
* Percentage greater than 100% or not meaningful

(1) Previously included in Other Oncology (2) Previously referred to as Interventional Solutions

	Fiscal Second Quarter Ended			Fiscal Six Months Ended		
(Dollars in Millions)	June 30, 2024	July 2, 2023	Percent Change	June 30, 2024	July 2, 2023	Percent Change
EDURANT / rilpivirine						
U.S.	8	8	(2.8)	16	17	(7.0)
International	288	258	11.5	603	529	14.1
Worldwide	297	266	11.0	620	546	13.4
PREZISTA / PREZCOBIX / REZOLSTA / SYMTUZA						
U.S.	321	382	(16.0)	635	760	(16.5)
International	117	109	6.5	221	208	6.0
Worldwide	438	491	(11.0)	856	968	(11.6)
OTHER INFECTIOUS DISEASES						
U.S.	5	5	18.5	7	10	(29.4)
International	55	74	(25.6)	107	151	(29.3)
Worldwide	61	79	(23.1)	114	161	(29.3)
Neuroscience						
U.S.	1,102	1,029	7.1	2,156	2,007	7.4
International	679	764	(11.1)	1,428	1,590	(10.2)
Worldwide	1,782	1,793	(0.6)	3,585	3,597	(0.3)
CONCERTA / methylphenidate						
U.S.	34	64	(47.7)	75	134	(44.3)
International	129	143	(9.8)	265	279	(5.1)
Worldwide	163	208	(21.5)	340	414	(17.8)
INVEGA SUSTENNA / XEPLION / INVEGA TRINZA / TREVICTA						
U.S.	784	721	8.8	1,549	1,434	8.0
International	269	310	(13.1)	561	641	(12.4)
Worldwide	1,054	1,031	2.2	2,110	2,075	1.7
SPRAVATO						
U.S.	226	144	57.9	417	255	63.9
International	44	25	73.5	78	45	74.6
Worldwide	271	169	60.2	496	300	65.5
OTHER NEUROSCIENCE						
U.S.	57	100	(42.5)	115	184	(37.3)
International	237	286	(17.0)	524	625	(16.2)

(Dollars in Millions)	Fiscal Second Quarter Ended June 30, 2024	July 2, 2023	Percent Change	Fiscal Six Months Ended June 30, 2024	July 2, 2023	Percent Change
Worldwide	294	386	(23.7)	639	809	(21.0)
Oncology						
U.S.	2,636	2,069	27.4	5,019	3,958	26.8
International	2,455	2,329	5.4	4,885	4,552	7.3
Worldwide	5,090	4,398	15.7	9,904	8,510	16.4
CARVYKTI						
U.S.	167	114	46.5	307	184	66.8
International	20	3	*	36	5	*
Worldwide	186	117	59.8	343	189	81.5
DARZALEX						
U.S.	1,641	1,322	24.2	3,105	2,513	23.6
International	1,237	1,110	11.5	2,465	2,182	12.9
Worldwide	2,878	2,431	18.4	5,570	4,695	18.6
ERLEADA						
U.S.	318	241	32.2	603	490	23.0
International	418	326	28.0	822	619	32.8
Worldwide	736	567	29.8	1,425	1,109	28.4
IMBRUVICA						
U.S.	246	262	(6.4)	511	532	(3.9)
International	525	579	(9.4)	1,043	1,136	(8.3)
Worldwide	770	841	(8.5)	1,554	1,668	(6.9)
TECVAYLI						
U.S.	104	82	27.5	205	139	47.7
International	30	12	*	63	18	*
Worldwide	135	94	42.9	268	157	70.2
ZYTIGA / abiraterone acetate						
U.S.	11	9	21.6	20	25	(19.7)
International	154	218	(29.6)	326	447	(27.2)
Worldwide	165	227	(27.7)	346	472	(26.8)
OTHER ONCOLOGY						
U.S.	148	40	*	267	75	*
International	71	80	(10.4)	131	144	(8.5)
Worldwide	221	120	84.2	399	219	82.4
Pulmonary Hypertension						
U.S.	743	684	8.7	1,509	1,284	17.5
International	296	289	2.6	579	561	3.4
Worldwide	1,039	972	6.9	2,088	1,844	13.2
OPSUMIT						
U.S.	373	328	13.7	729	601	21.3
International	170	179	(5.0)	339	346	(2.2)
Worldwide	544	507	7.1	1,068	947	12.7

UPTRAVI

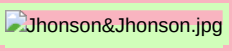
24 

(Dollars in Millions)	Fiscal Second Quarter Ended June 30, 2024	July 2, 2023	Percent Change	Fiscal Six Months Ended June 30, 2024	July 2, 2023	Percent Change
U.S.	349	338	3.3	741	642	15.5
International	76	61	24.6	152	119	27.6
Worldwide	426	399	6.6	894	761	17.4
OTHER PULMONARY HYPERTENSION						
U.S.	20	18	18.8	38	41	(6.1)
International	50	48	3.1	89	95	(6.7)
Worldwide	71	66	7.2	127	136	(6.5)
Cardiovascular / Metabolism / Other						
U.S.	717	776	(7.7)	1,348	1,491	(9.6)
International	176	174	0.6	373	386	(3.6)
Worldwide	892	950	(6.2)	1,721	1,877	(8.3)
XARELTO						
U.S.	587	637	(7.9)	1,105	1,215	(9.1)
International	—	—	—	—	—	—
Worldwide	587	637	(7.9)	1,105	1,215	(9.1)
OTHER						
U.S.	129	138	(6.4)	243	275	(11.8)
International	176	174	0.6	373	386	(3.6)
Worldwide	305	313	(2.5)	616	662	(7.0)
TOTAL INNOVATIVE MEDICINE						
U.S.	8,510	7,818	8.9	16,122	14,841	8.6
International	5,980	5,913	1.1	11,930	12,303	(3.0)
Worldwide	14,490	13,731	5.5	28,052	27,144	3.3
MEDTECH						
Cardiovascular(1)						
U.S.	1,119	908	23.3	2,144	1,771	21.1
International	753	712	5.7	1,534	1,352	13.4
Worldwide	1,873	1,620	15.6	3,679	3,123	17.8
ELECTROPHYSIOLOGY						
U.S.	705	609	15.7	1,397	1,180	18.4
International	618	587	5.4	1,270	1,109	14.6
Worldwide	1,323	1,196	10.6	2,667	2,288	16.5
ABIOMED						
U.S.	309	272	13.2	612	536	14.1
International	72	59	20.7	139	119	16.5
Worldwide	379	331	14.5	750	655	14.5
SHOCKWAVE(2)						
U.S.	77	—	*	77	—	*

International	0	—	—	0	—	—
Worldwide	77	—	*	77	—	*
OTHER CARDIOVASCULAR[1]						
U.S.	29	27	12.5	59	55	7.7

	Fiscal Second Quarter Ended			Fiscal Six Months Ended		
(Dollars in Millions)	June 30, 2024	July 2, 2023	Percent Change	June 30, 2024	July 2, 2023	Percent Change
International	64	67	(4.5)	126	125	0.8
Worldwide	93	93	0.3	185	180	2.9
Orthopaedics						
U.S.	1,422	1,388	2.5	2,870	2,751	4.3
International	890	878	1.4	1,782	1,759	1.3
Worldwide	2,312	2,265	2.1	4,652	4,510	3.2
HIPS						
U.S.	265	250	5.8	535	491	8.9
International	152	147	3.4	304	296	2.6
Worldwide	417	397	4.9	839	787	6.5
KNEES						
U.S.	230	221	4.2	472	447	5.5
International	163	142	14.9	323	284	13.6
Worldwide	394	363	8.4	795	731	8.7
TRAUMA						
U.S.	498	483	3.0	1,002	974	2.9
International	260	255	2.4	521	522	0.0
Worldwide	759	739	2.8	1,524	1,496	1.9
SPINE, SPORTS & OTHER						
U.S.	430	433	(0.8)	862	839	2.7
International	314	334	(6.1)	634	657	(3.5)
Worldwide	743	766	(3.1)	1,495	1,495	0.0
Surgery						
U.S.	995	1,015	(2.0)	1,982	1,990	(0.4)
International	1,493	1,580	(5.5)	2,922	3,039	(3.8)
Worldwide	2,488	2,594	(4.1)	4,904	5,028	(2.5)
ADVANCED						
U.S.	466	466	0.1	912	910	0.2
International	675	757	(10.8)	1,316	1,430	(8.0)
Worldwide	1,141	1,222	(6.7)	2,228	2,340	(4.8)
GENERAL						
U.S.	528	548	(3.7)	1,070	1,079	(0.9)
International	818	823	(0.7)	1,606	1,608	(0.2)
Worldwide	1,346	1,372	(1.9)	2,676	2,688	(0.5)
Vision						
U.S.	523	529	(1.2)	1,070	1,087	(1.5)
International	763	778	(2.0)	1,473	1,521	(3.2)

Worldwide	1,285	1,308	(1.7)	2,543	2,608	(2.5)
CONTACT LENSES / OTHER						
U.S.	409	409	0.2	847	853	(0.6)



	Fiscal Second Quarter Ended			Fiscal Six Months Ended		
(Dollars in Millions)	June 30, 2024	July 2, 2023	Percent Change	June 30, 2024	July 2, 2023	Percent Change
International	509	530	(4.0)	981	1,039	(5.6)
Worldwide	918	939	(2.2)	1,828	1,892	(3.4)
SURGICAL						
U.S.	113	120	(5.8)	223	234	(4.8)
International	254	249	2.1	492	482	2.1
Worldwide	367	369	(0.5)	715	716	(0.1)
TOTAL MEDTECH						
U.S.	4,059	3,839	5.7	8,067	7,598	6.2
International	3,898	3,949	(1.3)	7,711	7,671	0.5
Worldwide	7,957	7,788	2.2	15,778	15,269	3.3
WORLDWIDE						
U.S.	12,569	11,657	7.8	24,189	22,439	7.8
International	9,878	9,862	0.2	19,641	19,974	(1.7)
Worldwide	$22,447	21,519	4.3 %	$43,830	42,413	3.3 %

* Percentage greater than 100% or not meaningful

(1) Previously referred to as Interventional

(2) Acquired on May 31, 2024

Earnings before provision for taxes by segment

(Dollars in Millions)
(Dollars in Millions)
(Dollars in Millions)
Innovative Medicine(1)
Innovative Medicine(1)
Innovative Medicine(1)
MedTech(2)
MedTech(2)
MedTech(2)
Segment earnings before provision for taxes
Segment earnings before provision for taxes
Segment earnings before provision for taxes
Less: Expense not allocated to segments (3)
Less: Expense not allocated to segments (3)
Less: Expense not allocated to segments (3)
Worldwide income (loss) before tax

Worldwide income (loss) before tax

Worldwide income (loss) before tax

(1) Innovative Medicine includes:

- Intangible amortization expense of $0.7 billion in both the fiscal first second quarter of 2024 and 2023. Intangible amortization expense of $1.4 billion and $1.5 billion in the fiscal six months of 2
- One-time COVID-19 Vaccine related exit costs of $0.4 $0.1 billion in both the fiscal second quarter and fiscal six months of 2024. One-time COVID-19 Vaccine related exit costs of $0.2 billion a and fiscal six months of 2023. 2023, respectively.
- Restructuring income of $0.1 billion in the fiscal second quarter of 2024 and a restructuring related charge of $0.1 billion in the fiscal six months of 2024. A restructuring related charge of $0.1 b first second quarter and fiscal six months of 2023, respectively. Refer to Note 12 for additional details.
- An In-process research and development impairment of $0.2 billion in the fiscal second quarter and fiscal six months of 2024 and 2023. associated with the M710 (biosimilar) asset acquired fro

(2) MedTech includes:

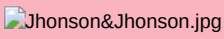
- Intangible amortization expense of $0.4 billion in both the fiscal first second quarter of 2024 and 2023. Intangible amortization expense of $0.8 billion in both the fiscal six months of 2024 and 20
- Favorable intellectual property litigation settlements of $0.3 billion in both the fiscal second quarter and fiscal six months of 2023
- Acquisition and integration related expense of $0.6 billion and $0.6 billion, primarily driven by the Shockwave acquisition, in the fiscal second quarter and fiscal six months of 2024, respectively. $0.1 billion in the fiscal six months of 2023.

- A gain of $0.2 billion related to the Acclarent divestiture recorded in Other (income) expense in the fiscal second quarter and fiscal six months of 2024
- Restructuring related charge of $0.1 billion in the fiscal second quarter and fiscal six months of 2024

(3) Amounts not allocated to segments include interest (income)/expense and general corporate (income)/expense. The fiscal first second quarters of 2024 and 2023 include charges for talc matters respectively. The fiscal six months of 2024 and 2023 include charges for talc matters of $3.0 billion and $7.1 billion, respectively (See Note 11, Legal Proceedings, for additional details). The fiscal a loss of approximately $0.4 billion related to the debt to equity exchange of the Company's remaining shares of Kenvue Common Stock

Sales by geographic area

		Fiscal Second Quarter Ended			Fiscal Six Months Ended
(Dollars in Millions)	(Dollars in Millions)	June 30, 2024	July 2, 2023	Percent Change	June 30, 2024
(Dollars in Millions)					
(Dollars in Millions)					
United States					
United States					
United States	United States	$12,569	11,657	7.8 %	$24,189
Europe					
Europe					
Europe					
Western Hemisphere, excluding U.S.					
Western Hemisphere, excluding U.S.					
Western Hemisphere, excluding U.S.					
Asia-Pacific, Africa					
Asia-Pacific, Africa					
Asia-Pacific, Africa					
Total	Total	$22,447	21,519	4.3 %	$43,830
Total					
Total					

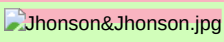
24 

Note 10 — Acquisitions and divestitures

Subsequent to the quarter, on July 11, 2024, the Company completed the acquisition of Yellow Jersey Therapeutics (Yellow Jersey), a demerged subsidiary of Numab Therapeu novel, investigational first-in-class bispecific antibody targeting two clinically proven pathways in atopic dermatitis (AD), in an all-cash transaction for approximately $1.25 billion. an asset acquisition, resulting in an in-process research and development (IPR&D) charge of approximately $1.25 billion recorded as part of research and development expense included in the Innovative Medicine segment as of the acquisition date. The acquisition is not expected to be deductible for tax purposes.

On June 20, 2024, the Company completed the acquisition of Proteologix, Inc., a privately held biotechnology company focused on bispecific antibodies for immune-mediated d of cash acquired, with potential for an additional milestone payment. The transaction was accounted for as a business combination and the results of operations were included i the acquisition date. The fair value of the acquisition was allocated to assets acquired of $1.2 billion, primarily non-amortizable intangible assets, inclusive of purchased IPR&D, and $0.3 billion of liabilities acquired which included $0.1 billion related to a contingent consideration. The preliminary purchase price allocation is subject to any subsequent valu period. A probability of success factor ranging from 30% to 45% was used in the fair value calculation to reflect inherent regulatory and commercial risk of the IPR&D. The disco The goodwill is primarily attributable to synergies expected to arise from the business acquisition and is not expected to be deductible for tax purposes. Acquisition related costs of 2024 were not material.

On May 31, 2024, the Company announced that it has entered into a definitive agreement to acquire all outstanding shares completed the acquisition of Shockwave Medical Inc leading, first-to-market provider of innovative intravascular lithotripsy (IVL) technology for the treatment of calcified coronary artery disease (CAD) and peripheral artery disease The Company acquired all the outstanding shares of Shockwave's common stock for $335.00 per share in cash, corresponding to an enterprise value through a merger of appro acquired. Shockwave with a subsidiary of the Company. The transaction was accounted for as a business combination and the results of operations will be were included in the date. The closing

28 

Details of the transaction fair value amounts recognized for assets acquired and liabilities assumed as of the acquisition date:

(Dollars in Billions)	
Assets acquired:	
Cash	
Goodwill	
Amortizable intangibles	
IPR&D	
Inventory	
Other assets	
Total assets acquired	
Liabilities assumed:	
Deferred taxes	
Notes payable*	
Accrued liabilities**	
Total liabilities assumed	
Net assets acquired	
Net assets acquired as of May 31, 2024	
Less: Cash acquired	
Equity awards settled	
Settlement of Note payable*	
Total enterprise value as of June 30, 2024	

- Represents the convertible debt which was subsequently paid in the fiscal second quarter of 2024.

** Includes $0.2 billion of equity awards

The preliminary purchase price allocation is subject to any subsequent valuation adjustments within the measurement period. The goodwill is primarily attributable to synergies e from the business acquisition and is not expected to be deductible for tax purposes. Acquisition related costs before tax for the fiscal second quarter were $0.5 billion of which $ recorded in Other (income) expense. The amortizable intangible assets were primarily comprised of already in-market CAD and PAD IVL products with the average weighted liv valued for technology programs for unapproved products. The value of the IPR&D was calculated using a probability-adjusted cash flow projection discounted for the risk inhere average probability of success factors of approximately 50%. The discount rate applied was 9.0%.

On March 7, 2024, During the fiscal first quarter of 2024, the Company completed the acquisition of Ambrx Biopharma, Inc., (Ambrx), a clinical-stage biopharmaceutical compan technology platform to design and develop next-generation antibody drug conjugates (ADCs), in an all-cash merger transaction for a total equity value of approximately $2.0 billi The Company acquired all of the outstanding shares of Ambrx's common stock for $28.00 per share through a merger of Ambrx with a subsidiary of the Company. The transacti combination and the results of operations were included in the Innovative Medicine segment as of the acquisition date. The fair value of the acquisition was allocated to assets a amortizable intangible assets, inclusive of purchased IPR&D, for $1.9 billion, goodwill for $0.3 billion and liabilities assumed of $0.5 billion, which includes deferred taxes of $0.4 allocation is subject to any subsequent valuation adjustments within the measurement period. A probability of success factor ranging from 40% to 70% was used in the fair value and commercial risk of the IPR&D. The discount rate applied was approximately 17%. The goodwill is primarily attributable to synergies expected to arise from the business acq deductible for tax purposes. Acquisition related costs before tax for the fiscal first quarter six months of 2024 were not material.

Divestitures

In the fiscal second quarter of 2024, the Company completed the divestiture of Acclarent resulting in approximately $0.3 billion in proceeds. In the fiscal first quarter of 2024, the Ponvory outside of the U.S. resulting in approximately $0.2 billion in proceeds.

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

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 ot 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 re 2024 June 30, 2024, the Company has determined that the liabilities associated with certain litigation matters are probable and can be reasonably estimated. The Company has 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. 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 amoun 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 p estimates and judgments can be affected by various factors including, among other things, whether damages sought in the proceedings are unsubstantiated or indeterminate; s 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 number of potential claims; ability to achieve comprehensive multi-party settlements; complexity of related cross-claims and counterclaims; and/or there are numerous parties in 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 estin

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 liabi 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 material adverse effect on the Company's results of operations and cash flows for that period.

Matters concerning talc

A significant number of personal injury claims alleging that talc causes cancer have been asserted against Johnson & Johnson Consumer Inc., its successor LTL LLT Manageme Management LLC) and the Company arising out of 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 beer Missouri Court of Appeals reversed in part and affirmed in part a July 2018 verdict of $4.7 billion in Ingham v. Johnson & Johnson, et al., No. ED 207476 (Mo. App.), reducing th application for transfer of the case to the Missouri Supreme Court was subsequently denied, and in June 2021, a petition for certiorari, seeking a review of the Ingham decision b

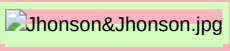
denied. In June 2021, the Company paid the award, which, including interest, totaled approximately $2.5 billion. The facts and circumstances, including the terms of the award, v not representative of other claims brought against the Company. The Company continues to believe that it has strong legal grounds to contest the other talc verdicts that it has a confidence in the safety of its talc products, in certain circumstances the Company has settled cases.

In June 2014, the Mississippi Attorney General filed a complaint against the Company alleging violation of the Mississippi Consumer Protection Act by failing to disclose alleged consumers' use of talc contained in JOHNSON'S Baby Powder and JOHNSON'S Shower to Shower (a product divested in 2012). The Company has reached an agreement to r

In January 2020, the State of New Mexico filed a consumer protection case alleging that the Company deceptively marketed and sold its talcum powder products by making mis products and the presence of carcinogens, including asbestos. The Company has reached an agreement to resolve this matter.

Forty-two states and the District of Columbia commenced a joint investigation into the Company's marketing of its talcum powder products. In January 2024, the Company reach multi-state group of state Attorneys General, subject to ongoing negotiation of non-monetary terms. In June 2024, the settlements were finalized.

In October 2021, Johnson & Johnson Consumer Inc. (Old JJCI) implemented a corporate restructuring (the 2021 Corporate Restructuring). As a result of that restructuring, Old J were created: (a) LTL Management LLC, a North Carolina limited liability company (LTL or Debtor); (b) Royalty A&M LLC, a North Carolina limited liability company and



a direct subsidiary of LTL (RAM); and (c) the Debtor's direct parent, Johnson & Johnson Consumer Inc., a New Jersey company (New JJCI). The Debtor received certain of Old responsible for the talc-related liabilities of Old JJCI, including all liabilities related in any way to injury or damage, or alleged injury or damage, sustained or incurred in the purch 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 unde (the Talc-Related Liabilities).

In October 2021, notwithstanding the Company's confidence in the safety of its talc products, the Debtor filed a voluntary petition with the United States Bankruptcy Court for the Charlotte Division, seeking relief under chapter 11 of the Bankruptcy Code (the LTL Bankruptcy Case). All litigation against LTL, Old JJCI, New JJCI, the Company, other of thei insurance companies, and certain other parties (the Protected Parties) was stayed. The LTL Bankruptcy Case was transferred to the United States Bankruptcy Court for the Dist to dismiss the LTL Bankruptcy Case and, following a multiple day hearing, the New Jersey Bankruptcy Court denied those motions in March 2022.

The claimants subsequently filed notices of appeal as to the denial of the motions to dismiss the LTL Bankruptcy Case and the extension of the stay to the Protected Parties. Or reversed the Bankruptcy Court's ruling and remanded to the Bankruptcy Court to dismiss the LTL bankruptcy.

In April 2023, the New Jersey Bankruptcy Court dismissed the LTL Bankruptcy Case, effectively lifting the stay as to all parties and returning the talc litigation to the tort system. Bankruptcy Court for the District of New Jersey seeking relief under chapter 11 of the Bankruptcy Code (the LTL 2 Bankruptcy Case). As a result of the new filing, all talc claims stayed pursuant to section 362 of the Bankruptcy Code. Additionally, the New Jersey Bankruptcy Court issued a temporary restraining order staying all litigation as to LTL, Old J retailers, and certain other parties (the New Protected Parties).

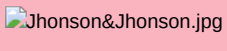
Also in April 2023, the New Jersey Bankruptcy Court issued a decision that granted limited injunctive relief to the Company and the New Protected Parties (the LTL 2 Preliminary Injunction remained in force until late August 2023, following the Bankruptcy Court's extension of the initial LTL 2 Preliminary Injunction in June 2023. Under the LTL 2 Prelimina in the federal court ovarian cancer multi-district litigation, discovery in all personal injury and wrongful death matters was permitted to proceed.

Furthermore, in April 2023, the Talc Claimants' Committee filed a motion to dismiss the LTL 2 Bankruptcy followed by similar motions from other claimants. Hearings on the moti July 2023, the court dismissed the LTL 2 Bankruptcy case and, the same day, the Company stated its intent to appeal the decision and to continue its efforts to obtain a resolutio the Bankruptcy Court entered an order granting LTL leave to seek a direct appeal to the Third Circuit Court of Appeals. In October 2023, the Third Circuit granted LTL's petition f

In October 2023, the Company stated that it was pursuing the following four parallel and alternative pathways to achieve a comprehensive and final resolution of the talc claims: decision; (ii) pursuing a consensual "prepackaged" bankruptcy case, as "strongly encouraged" by the Bankruptcy Court in its dismissal decision; (iii) aggressively litigating the ta pursuing affirmative claims against experts for false and defamatory narratives regarding the Company's talc powder products.

Following the dismissal of LTL 2, new lawsuits were filed, cases across the country that had been stayed were reactivated, and trials have commenced. The majority of the case a multi-district litigation (MDL) in the United States District Court for the District of New Jersey. In the MDL, case-specific discovery is proceeding with an expectation that and a t 2025. December 2024. In March 2024, the court granted the Company's motion for a renewed *Daubert* hearing and set a briefing schedule. prior to the trial.

On May 1, 2024, the Company commenced a three-month solicitation period of its proposed consensual "prepackaged" chapter 11 bankruptcy plan (the "Proposed Plan") for the current and future claims related to



cosmetic talc in the United States, excluding claims related to mesothelioma or State consumer protection claims, in exchange for the payment by the Company of present value over 25 years (nominal value of approximately $8.4 $8.0 billion, discounted at a rate of 4.4%). The claims encompassed by the Proposed Plan constitute 99.75% of pending law talc powder products. Mesothelioma and State consumer protection claims are being addressed outside the Proposed Plan. The Company separately has resolved 95% of the r agreements in principle to resolve resolved the State claims.

To account for these settlements and the contemplated comprehensive resolution through the Proposed Plan, the Company recorded an incremental charge of approximately $ of through the first second fiscal quarter 2024 at a 2024. As of June 30, 2024, the total present value of the reserve is approximately $11 $10.6 billion (or nominal value of approx payments made in fiscal 2024. Approximately one-third of the reserve is recorded as a current liability. The recorded amount remains the Company's best estimate of probable l

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During the pendency of the solicitation period, the Company will continue to pursue in parallel the other three previously-announced pathways to resolve the talc claims, includin the MDL.

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) file chapter 11 of the United States Code (the Bankruptcy Code) in the United States Bankruptcy Court for the District of Delaware (Imerys Bankruptcy). The Imerys Bankruptcy rela personal injury from exposure to talcum powder sold by Imerys. In its bankruptcy, Imerys alleges it has claims against the Company for indemnification and rights to joint insurar proposed a chapter 11 plan (the Imerys Plan) that contemplated all talc-related claims against it being channeled to a trust along with its alleged indemnification rights against th consummation of the plan, the trust would pay talc claims pursuant to proposed trust distribution procedures (the TDP) and then seek indemnification from the Company.

In February 2021, Cyprus Mines Corporation (Cyprus), which had owned certain Imerys talc mines, filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code a (the Cyprus Plan). The Cyprus Plan contemplates a settlement with Imerys and talc claimants where Cyprus would make a monetary contribution to a trust established under th against talc claims asserted against it and certain affiliated parties.

The Imerys Plan proceeded to solicitation in early 2021. However, the Imerys Plan did not receive the requisite number of votes to be confirmed after the Bankruptcy Court ruled Plan should be disregarded. Imerys subsequently canceled its confirmation hearing.

After the confirmation hearing was canceled, Imerys, the Imerys Tort Claimants' Committee, and the Imerys Future Claimants' Representative, along with Cyprus, the Cyprus To Future Claimants' Representative engaged in mediation. The Bankruptcy Court also authorized Imerys and Cyprus to proceed with mediation with certain of their insurers.

In September 2023, Imerys and Cyprus filed amended plans of reorganization. The amended plans contemplate a similar construct as the prior Imerys and Cyprus Plans, includ Cyprus (and certain other protected parties) being channeled to a trust along with Imerys's and Cyprus's alleged indemnification rights against the Company. In January 2024, Ir statement for its respective Chapter 11 plans. On April 29, 2024, the Company, Imerys and Cyprus reached an agreement in principle on monetary and non-monetary terms to r disputes raised in the Imerys and Cyprus bankruptcies. The parties have finalized the agreement, which will be submitted to the Bankruptcy Court for approval on August 15, 20 hearing on their respective disclosure statements pending submission of the agreement to the court.

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, all 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 Co result. In April 2019, the Company moved to dismiss the complaint. In December 2019, the Court denied, in part, the motion to dismiss. In April 2021, briefing on Plaintiff's motio case was stayed in May 2022 pursuant to the LTL Bankruptcy Case and was reopened in May 2023. In December 2023, the Court granted Plaintiff's motion for class certificatio petition with the Third Circuit under Federal Rule of Civil Procedure 23(f) for permission to appeal the Court's order granting class certification, and in February 2024, the Third C February 2024, fact discovery closed, in February 2024 and the Court ordered the parties to mediate. The Court mediate, and stayed the case pending mediation. In May 2024, participated in an unsuccessful mediation. In June 2024, the parties requested that the case remain stayed, except for May 2024. certain limited discovery, pending a decision fr

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

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plaintiffs' Fifth Amended Complaint with prejudice. In February 2021, Plaintiffs filed a Notice of Appeal with the Ninth Circuit. Plaintiffs filed their opening brief in July 2021. The c 2021. After the Notice of Suggestion of Bankruptcy was filed with the Ninth Circuit, a stay was imposed, and the Court held the reply deadline in abeyance. In September 2023, Circuit affirmed the District Court's order dismissing the case with prejudice.

In June 2014, the Mississippi Attorney General filed a complaint in Chancery Court of The First Judicial District of Hinds County, Mississippi against the Company and Johnson (now known as Johnson & Johnson Consumer Inc.) (collectively, JJCI). The complaint alleges that JJCI violated the Mississippi Consumer Protection Act by failing to disclose al

consumers' use of talc contained in JOHNSON'S Baby Powder and JOHNSON'S Shower to Shower (a product divested in 2012) and seeks injunctive and monetary relief. In Fe
trial to begin in February 2023. However, in October 2022, the LTL bankruptcy court issued an order staying the case. In March 2023, the Third Circuit issued the mandate to dis
2023, the New Jersey Bankruptcy Court dismissed the LTL Bankruptcy Case, effectively lifting the stay as to this matter. The State requested a new trial setting. Later in April 20
April 2024. The Company filed summary judgment and *Daubert* motions. The State filed a limited *Daubert* motion. The parties agreed to the Court's request for mediation. The C
resolve this matter.

In January 2020, the State of New Mexico filed a consumer protection case alleging that the Company deceptively marketed and sold its talcum powder products by making mis
products and the presence of carcinogens, including asbestos. In March 2022, the New Mexico court denied the Company's motion to compel the State of New Mexico to engag
denied the Company's request for interlocutory appeal of that decision. The Company then filed a Petition for Writ of Superintending Control and a Request for a Stay to the New
the State of New Mexico's discovery obligations. In April 2022, in view of the efforts to resolve talc-related claims in the LTL Bankruptcy Case, the Company and the State agree
the pending writ before the New Mexico Supreme Court, which expired in June 2022. Thereafter, the Company moved to enjoin prosecution of the case in the LTL Bankruptcy C
issued an order staying the case. In December 2022, the State filed an appeal to the Third Circuit concerning the stay order. Separately, in September 2022, the New Mexico Su
request for a stay pending further briefing on the scope of the State of New Mexico's discovery obligations. In March 2023, the Third Circuit issued the mandate to dismiss the LT
New Jersey Bankruptcy Court dismissed the LTL Bankruptcy Case, effectively lifting the stay as to this matter. While the State notified the New Mexico Supreme Court of the lifte
has not taken any action since being notified of the lifting of the stay and it remains in effect. The Company has reached an agreement to resolve this matter.

Forty-two states and the District of Columbia (including Mississippi and New Mexico) have commenced a joint investigation into the Company's marketing of its talcum powder p
has not asserted any claims against the Company. Five states have issued Civil Investigative Demands seeking documents and other information. The Company has produced
Texas, and Washington and entered into confidentiality agreements. The Company has not received any follow up requests from those states. In March 2022, each of the forty-t
claims in the LTL Bankruptcy Case. In July 2022, New Mexico and Mississippi indicated they would no longer voluntarily submit to further mediation in the LTL Bankruptcy and w
state court. In March 2023, the mediation was terminated. In January 2024, the Company reached an agreement in principle with the multi-state group of state Attorneys Genera
monetary terms. The unique procedural history and status of the New Mexico and Mississippi matters specifically have been discussed above.

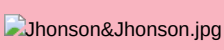
In addition, the Company has received inquiries, subpoenas, and requests to produce documents regarding talc matters and the LTL Bankruptcy Case from various government
documents and responded to inquiries, and will continue to cooperate with government inquiries.

Matters concerning opioids

Beginning in 2014 and continuing to the present, the Company and Janssen Pharmaceuticals, Inc. (JPI), along with other pharmaceutical companies, have been named in close
of opioids, including DURAGESIC, NUCYNTA and NUCYNTA ER. The majority of the cases were filed by state and local governments, which were subject to a final settlement
and JPI have settled or otherwise resolved the opioid claims advanced by all government entity claimants except the City of Baltimore, a number of school districts, and other cl
filed by private plaintiffs and organizations, including but not limited to the following: individual plaintiffs on behalf of children born with Neonatal Abstinence Syndrome (NAS); ho

To date, the Company and JPI have litigated two of the cases to judgment and have prevailed in both, either at trial or on appeal.

In July 2021, the Company announced finalization of an agreement to settle all remaining state and subdivision claims for up to $5.0 billion. Approximately 60% 70% of the all-in
first second quarter 2024, and will increase to approximately 75% by fiscal year end 2024.

28 32 

The Company and JPI continue to defend the cases brought by the remaining government entity litigants as well as the cases brought by private litigants, including NAS claimar
Counting the private litigant cases, there are approximately 35 20 remaining opioid cases against the Company and JPI in various state courts, 435 420 remaining cases in the C
federal courts. Some of these cases have been dismissed and are being appealed by the plaintiffs and certain others are scheduled for trial in 2024, 2025, or 2026.

In addition, the Province of British Columbia filed suit against the Company and its Canadian affiliate Janssen Inc., and many other industry members, in Canada, and is seeking
class action on behalf of other provincial/territorial and the federal governments in Canada. Additional proposed class actions have been filed in Canada against the Company a
members, by and on behalf of people who used opioids (for personal injuries), municipalities and First Nations bands. The proposed class action in Quebec on behalf of residen
authorized to proceed against Janssen Inc. and other industry members in April 2024; leave to appeal has been sought. These actions allege a variety of claims related to opioi
advertising, unfair competition, public nuisance, consumer fraud violations, deceptive acts and practices, false claims and unjust enrichment. An adverse judgment in any of thes
large monetary penalties and significant damages including, punitive damages, cost of abatement, substantial fines, equitable remedies and other sanctions.

In November 2019, a shareholder filed a derivative complaint against the Company as the nominal defendant and certain current and former directors and officers as defendants
complaint alleges breaches of fiduciary duties related to the marketing of opioids, and that the Company has suffered damages as a result of those alleged breaches. A series o
similar allegations against the same and similar defendants were filed in New Jersey state and federal courts in 2019 and 2020. By 2022, all but two state court cases had been
the state court granted the Company's motion to dismiss one of the two cases, and the shareholder that brought the second case filed a notice of dismissal. The shareholder wh
state court's dismissal order, and briefing on the appeal concluded in October 2022. In February 2024, the appellate court affirmed the dismissal of the shareholder's amended c
filed a notice of petition for certification with the Supreme Court of New Jersey seeking review of the appellate court's decision. In May 2024, briefing on the shareholder's petitio

Product liability

The Company and certain of its subsidiaries are involved in numerous product liability claims and lawsuits involving multiple products. Claimants in these cases seek substantia
punitive damages. While the Company believes it has substantial defenses, it is not feasible to predict the ultimate outcome of litigation. From time to time, even if it has substar
isolated settlements based on a variety of circumstances. The Company has accrued for these matters and will continue to monitor each related legal issue and adjust accruals
information and further developments in accordance with ASC 450-20-25, Contingencies. The Company accrues an estimate of the legal defense costs needed to defend each
can be reasonably estimated. For certain of these matters, the Company has accrued additional amounts such as estimated costs associated with settlements, damages and ot
represent projected product liability for thousands of claims around the world, each in different litigation environments and with different fact patterns. Changes to the accruals m
information becomes available.

The table below contains the most significant of these cases and provides the approximate number of plaintiffs in the United States with direct claims in pending lawsuits regard product or product category as of March 31, 2024 June 30, 2024:

Product or product category
Body powders containing talc, primarily JOHNSON'S Baby Powder
DePuy ASR XL Acetabular System and DePuy ASR Hip Resurfacing System
PINNACLE Acetabular Cup System
Pelvic meshes
ETHICON PHYSIOMESH Flexible Composite Mesh
RISPERDAL
ELMIRON

The number of pending lawsuits is expected to fluctuate as certain lawsuits are settled or dismissed and additional lawsuits are filed. There may be additional claims that have n

MedTech

DePuy ASR XL acetabular system and ASR Hip resurfacing system

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

DePuy PINNACLE Acetabular Cup System

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

Ethicon Pelvic Mesh

Claims for personal injury have been made against Ethicon, Inc. (Ethicon) and the Company arising out of Ethicon's pelvic mesh devices used to treat stress urinary incontinenc Company continues to receive information with respect to potential costs and additional cases. Cases filed in federal courts in the United States had been organized as a multi-d District Court for the Southern District of West Virginia. In March 2021, the MDL Court entered an order closing the MDL. The MDL Court has remanded cases for trial to the juris filed and additional pelvic mesh lawsuits have been filed, and remain, outside of the MDL. The Company has settled or otherwise resolved the majority of the United States case these settlements and the remaining cases are reflected in the Company's accruals. In addition, class actions and individual personal injury cases or claims seeking damages fo pelvic mesh devices have been commenced in various countries outside of the United States, including claims and cases in the United Kingdom, the Netherlands, Belgium, Fra and class actions in Israel, Australia, Canada and South Africa. The vast majority of these actions are now resolved. The Company has established accruals with respect to prod Ethicon's pelvic mesh products.

Ethicon Physiomesh

Following a June 2016 worldwide market withdrawal of Ethicon Physiomesh Flexible Composite Mesh (Physiomesh), claims for personal injury have been made against Ethicor personal injury arising out of the use of this hernia mesh device. Cases filed in federal courts in the United States have been organized as a multi-district litigation (MDL) in the U District of Georgia. A multi-county litigation (MCL) also has been formed in New Jersey state court and assigned to Atlantic County for cases pending in New Jersey. In addition are additional lawsuits pending in the United States District Court for the Southern District of Ohio, which are part of the MDL for polypropylene mesh devices manufactured by C New Jersey MCLs formed for Proceed/Proceed Ventral Patch and Prolene Hernia systems, and lawsuits pending outside the United States. In May 2021, Ethicon

30 Jhonson&Jhonson.jpg

and lead counsel for the plaintiffs entered into a term sheet to resolve approximately 3,600 Physiomesh cases (covering approximately 4,300 plaintiffs) pending in the MDL and agreement (MSA) was entered into

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in September 2021 and includes 3,729 cases in the MDL and MCL. Other than a small number of cases still pending in the MDL, all Physiomesh matters in the United States ha review for purposes of settlement.

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

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

In October 2022, an agreement in principle, subject to various conditions, was reached to settle the majority of the pending cases involving Proceed, Proceed Ventral Patch, Pro layered mesh products, as well as a number of unfiled claims. All litigation activities in the two New Jersey MCLs are stayed pending effectuation of the proposed settlement. Fu MCLs will be subject to docket control orders requiring early expert reports and discovery requirements.

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

Innovative Medicine

RISPERDAL

Claims for personal injury have been made against Janssen Pharmaceuticals, Inc. and the Company arising out of the use of RISPERDAL, and related compounds, indicated fo manic or mixed episodes associated with bipolar I disorder and irritability associated with autism. Lawsuits primarily have been filed in state courts in Pennsylvania, California, a various courts in the United States and Canada. The Company continues to defend RISPERDAL product liability lawsuits, and continues to evaluate potential costs related to th defended a number of these cases but there have been verdicts against the Company, including a verdict in October 2019 of $8.0 billion of punitive damages related to one plai $6.8 million in January 2020. In September 2021, the Company entered into a settlement in principle with the counsel representing plaintiffs in this matter and in substantially all States. The costs associated with this and other settlements are reflected in the Company's accruals.

ELMIRON

Claims for personal injury have been made against a number of Johnson & Johnson companies, including Janssen Pharmaceuticals, Inc. and the Company, arising out of the us indicated for the relief of bladder pain or discomfort associated with interstitial cystitis. These lawsuits, which allege that ELMIRON contributes to the development of permanent filed in both state and federal courts across the United States. In December 2020, lawsuits filed in federal courts in the United States, including putative class action cases seeki a multi-district litigation in the United States District Court for the District of New Jersey (MDL). In addition, cases have been filed in various state courts of New Jersey, which ha litigation in Bergen County, as well as the Court of Common Pleas in Philadelphia, which have been coordinated and granted mass tort designation. In addition, three class actio Company continues to defend ELMIRON product liability lawsuits and continues to evaluate potential costs related to those claims. Other than a small number of cases in the M ELMIRON matters have been resolved or are undergoing formal review for purposes of settlement. The Company has established accruals for defense and indemnity costs ass liability litigation.

Intellectual Property

Certain subsidiaries of the Company are subject, from time to time, to legal proceedings and claims related to patent, trademark and other intellectual property matters arising ou matters involve challenges to the scope and/or validity of patents that relate to various products and allegations that certain of the Company's products infringe the intellectual pr 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 out 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 - litigation against filers of abbreviated new drug applications (ANDAs)

The Company's subsidiaries have brought lawsuits against generic companies that have filed ANDAs with the U.S. FDA (or similar lawsuits outside of the United States) seeking sold by various subsidiaries of the Company prior to expiration of the applicable patents covering those products. These lawsuits typically include allegations of non-infringemen publication "Approved Drug Products with Therapeutic Equivalence Evaluations" (commonly known as the Orange Book). In each of these lawsuits, the Company's subsidiaries defendant from marketing a generic version of a product before the expiration of the relevant patents (Orange Book Listed Patents). In the event the Company's subsidiaries are automatic statutory stay expires before the court rulings are obtained, the generic companies involved would have the ability, upon regulatory approval, to introduce generic vers resulting in the potential for substantial market share and revenue losses for the applicable products, and which may result in a non-cash impairment charge in any associated ir time, the Company's subsidiaries may settle these types of actions and such settlements can involve the introduction of generic versions of the products at issue to the market p patents.

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

XARELTO

Beginning in March 2021, Janssen Pharmaceuticals, Inc.; Bayer Pharma AG; Bayer AG; and Bayer Intellectual Property GmbH filed patent infringement lawsuits in United State manufacturers who have filed ANDAs seeking approval to market generic versions of XARELTO before expiration of certain Orange Book Listed Patents. The following entities a Laboratories, Inc.; Dr. Reddy's Laboratories, Ltd.; Lupin Limited; Lupin Pharmaceuticals, Inc.; Taro Pharmaceutical Industries Ltd.; Taro Pharmaceuticals U.S.A., Inc.; Teva Phar Pharmaceuticals Inc.; Mylan Inc.; Mankind Pharma Limited; Apotex Inc.; Apotex Corp.; Auson Pharmaceuticals Inc.; Shanghai Auson Pharmaceuticals Co. Ltd.; Macleods Phar Inc.; Indoco Remedies Limited; FPP Holding Company LLC; Umedica Laboratories Pvt. Ltd.; Aurobindo Pharma Limited; Aurobindo Pharma USA, Inc.; Cipla Ltd.; Cipla USA Inc Prinston Pharmaceuticals, Inc. ; Ascent Pharmaceuticals, Inc.; and Hetero Labs Limited. The following U.S. patents are included in one or more cases: 9,539,218 and 10,828,31 entered into a confidential settlement agreement with Macleods Pharmaceuticals Ltd. Aurobindo Pharma Limited and Macleods Aurobindo Pharma USA, Inc. In February 2024, settlement agreements with Apotex Inc. and Apotex Corp. (as to U.S. Patent No. 9,539,218), as well as Indoco Remedies Limited and FPP Holding Company LLC. In March 202 settlement agreements with Umedica Laboratories Pvt. Ltd.

U.S. Patent No. 10,828,310 was also under consideration by the USPTO in an IPR proceeding. In July 2023, the USPTO issued a final written decision finding the claims of the Pharma AG filed an appeal to the U.S. Court of Appeals for the Federal Circuit.

OPSUMIT

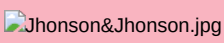
Beginning in January 2023 Actelion Pharmaceuticals Ltd and Actelion Pharmaceuticals US, Inc. filed patent infringement lawsuits in United States district courts against generic seeking approval to market generic versions of OPSUMIT before expiration of certain Orange Book Listed Patents. The following entities are named defendants: Mylan Pharma Ltd.; and Torrent Pharma Inc. The following U.S. patents are included in one or more cases: 7,094,781; and 10,946,015. In April 2024, the Company entered into a confidential s Pharmaceuticals Ltd. and Torrent Pharma Inc.

INVEGA SUSTENNA

Beginning in January 2018, Janssen Pharmaceutica NV and Janssen Pharmaceuticals, Inc. filed patent infringement lawsuits in United States district courts against generic mar approval to market generic versions of INVEGA SUSTENNA before expiration of the Orange Book Listed Patent. The following entities are named defendants: Teva Pharmaceu Limited; Pharmascience Inc.; Mallinckrodt PLC; Specgx LLC; Tolmar, Inc.; and Accord Healthcare, Inc.; Qilu Pharmaceutical Co. Ltd.; and Qilu Pharma Inc. The following U.S. p 9,439,906. In October 2020, the district court issued a decision in the case against Teva Pharmaceuticals USA, Inc., finding that United States Patent No. 9,439,906 is not invali infringement. Teva appealed the decision and, in April 2024, the United States Court of Appeals for the Federal Circuit vacated and remanded the case to the district court for fu district court issued a decision in the case against Tolmar Inc. finding that United States Patent No. 9,439,906 is not invalid. Tolmar previously stipulated to infringement. Tolmar

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) Reg who have filed ANDSs seeking approval to market generic versions of INVEGA SUSTENNA before expiration of the listed patent. The following entities are named defendants: following Canadian patent is included in one or more cases: 2,655,335.

INVEGA TRINZA



Beginning in September 2020, Janssen Pharmaceuticals, Inc., Janssen Pharmaceutica NV, and Janssen Research & Development, LLC filed patent infringement lawsuits in Un manufacturers who have filed ANDAs seeking approval to market generic versions of INVEGA TRINZA before expiration of the Orange Book Listed Patent. The following entitie Laboratories Limited; Mylan Pharmaceuticals Inc.; and Mylan Institutional LLC. The following U.S. patent is included in one or more cases: 10,143,693. In May 2023, the District Mylan's proposed generic product infringes the asserted patent and that the patent is not invalid. Mylan has appealed the verdict. decision.

SYMTUZA

Beginning in November 2021, Janssen Products, L.P., Janssen Sciences Ireland Unlimited Company, Gilead Sciences, Inc. and Gilead Sciences Ireland UC filed patent infringe courts against generic manufacturers who have filed ANDAs seeking approval to market generic versions of SYMTUZA before expiration of certain Orange Book Listed Patents defendants: Lupin Limited; Lupin Pharmaceuticals, Inc.; MSN Laboratories Private Ltd.; MSN Life Sciences Private Ltd.; MSN Pharmaceuticals Inc.; Apotex Inc.; and Apotex Co in one or more cases: 10,039,718 and 10,786,518.

ERLEADA

Beginning in May 2022, Aragon Pharmaceuticals, Inc., Janssen Biotech, Inc. (collectively, Janssen), Sloan Kettering Institute for Cancer Research (SKI) and The Regents of the infringement lawsuits in United States district courts against generic manufacturers who have filed ANDAs seeking approval to market generic versions of ERLEADA before exp Patents. The following entities are named defendants: Zydus Worldwide DMCC; Zydus Pharmaceuticals (USA), Inc.; Zydus Lifesciences Limited; Sandoz Inc.; Eugia Pharma Sp Inc.; Auromedics Pharma LLC; Hetero Labs Limited Unit V; and Hetero USA, Inc. The following U.S. patents are included in one or more cases: 9,481,663; 9,884,054; 10,052,3 10,702,508; 10,849,888; 8,445,507; 8,802,689; 9,388,159; 9,987,261; and RE49,353.

UPTRAVI

Beginning in November 2022, Actelion Pharmaceuticals US Inc., Actelion Pharmaceuticals Ltd and Nippon Shinyaku Co., Ltd. filed patent infringement lawsuits in United States manufacturers who have filed ANDAs seeking approval to market generic versions of UPTRAVI intravenous before expiration of certain Orange Book Listed Patents. The follow Ltd.; Lupin Pharmaceuticals, Inc.; Cipla Limited; Cipla USA Inc.; MSN Laboratories Private Ltd.; and MSN Pharmaceuticals Inc. The following U.S. patents are included in one o February 2024, the Company entered into a confidential settlement agreement with Lupin Ltd. and Lupin Pharmaceuticals, Inc.

SPRAVATO

Beginning in May 2023, Janssen Pharmaceuticals, Inc. and Janssen Pharmaceutica NV filed patent infringement lawsuits in United States district courts against generic manufa approval to market generic versions of SPRAVATO before expiration of certain Orange Book Listed Patents. The following entities are named defendants: Sandoz Inc.; Hikma P Pharmaceuticals PLC; 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.

STELARA

In November 2023, Biocon Biologics Inc. filed a Petition for Inter Partes Review (IPR) with the USPTO seeking review of U.S. Patent No. 10,961,307 related to methods of treati February 2024, the parties entered into a confidential settlement agreement, and the IPR was terminated.

INVOKANA

Beginning in January 2024, Janssen Inc. and Mitsubishi Tanabe Pharma Corporation initiated Statements of Claim under Section 6 of the Patented Medicines (Notice of Compli manufacturer manufacturers who filed an ANDS ANDSs seeking approval to market generic versions of INVOKANA before expiration of the listed patents. The following entity is defendant: defendants: Jamp Pharma Corporation. Corporation and Apotex Inc. The following Canadian patents are included in one ore or more cases: 2,534,024 and 2,671,357

MedTech

In March 2016, Abiomed, Inc. (Abiomed) filed a declaratory judgment action against Maquet Cardiovascular LLC (Maquet) in U.S. District Court for the District of Massachusetts does not infringe certain Maquet patents, currently U.S. Patent Nos. 7,022,100 ('100); 8,888,728; 9,327,068; 9,545,468; 9,561,314; and 9,597,437. Maquet counterclaimed for ir claim construction, Maquet alleged infringement of only the '100 patent. In

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September 2021, the court granted Abiomed's motion for summary judgment of non-infringement of the '100 patent, and in September 2023, the district court entered final judgr suit. Maquet appealed.

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, stat 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 b 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

MedTech

In July 2018, the Public Prosecution Service in Rio de Janeiro and representatives from the Brazilian antitrust authority CADE inspected the offices of more than 30 companies i Indústria e Comércio de Produtos para Saúde Ltda. The authorities appear to be investigating allegations of possible anti-competitive behavior and possible improper

payments in the medical device industry. The Company continues to respond to inquiries regarding the Foreign Corrupt Practices Act from the United States Department of Just Exchange Commission.

In July 2023, the U.S. Department of Justice (DOJ) issued Civil Investigative Demands to the Company, Johnson & Johnson Surgical Vision, Inc., and Johnson & Johnson Visio connection with a civil investigation under the False Claims Act relating to free or discounted intraocular lenses and equipment used in eye surgery, such as phacoemulsification producing documents and information responsive to the Civil Investigative Demands. J&J Vision is in ongoing discussions with the DOJ regarding its inquiry.

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 Dist 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 sea 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* mo part in January 2022, and the case is proceeding to trial. Trial is scheduled for trial commenced in May 2024. On June 13, 2024, a jury found no liability regarding the anti-kickba of the off-label promotion claims. The Company is pursuing post-trial briefing challenging the verdict on the off-label claims.

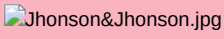
In March 2017, Janssen Biotech, Inc. (JBI) received a Civil Investigative Demand from the United States Department of Justice regarding a False Claims Act investigation conce provided to rheumatology and gastroenterology practices that purchased REMICADE or SIMPONI ARIA. In August 2019, the United States Department of Justice notified JBI th 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 Departr the qui tam lawsuit in August 2019. The Company filed a motion to dismiss, which was granted in part and denied in part. Discovery is underway.

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

General litigation

The Company or its subsidiaries are also parties to various proceedings brought under the Comprehensive Environmental Response, Compensation, and Liability Act, common state, local or foreign laws in which the primary relief sought is the Company's agreement to implement remediation activities at designated hazardous waste sites or to reimburs costs they have incurred in performing remediation as such sites.

In October 2017, certain United States service members and their families brought a complaint against a number of pharmaceutical and medical devices companies, including J subsidiaries in United States District Court for the District of Columbia, alleging that the defendants violated the United States Anti-Terrorism Act. The complaint alleges that the 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 th States Court of Appeals for the District of Columbia Circuit reversed the District Court's decision. In June 2023, defendants filed a petition for a writ of certiorari to the United Sta



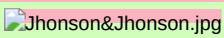
In June 2024, the Supreme Court vacated the D.C. Circuit's decision and remanded the case to the D.C. Circuit.

In February 2024, a putative class action was filed against the Company, the Pension & Benefits Committee of Johnson & Johnson (Committee), and certain named officers and for the District of New Jersey. In May 2024, the plaintiff filed an amended complaint against the Company and the Committee. The complaint alleges that defendants breached fi Retirement Income Security Act (ERISA) by allegedly mismanaging the Company's prescription-drug benefits program. The complaint seeks damages and other relief. In June 2 amended complaint.

MedTech

In October 2020, Fortis Advisors LLC (Fortis), in its capacity as representative of the former stockholders of Auris Health Inc. (Auris), filed a complaint against the Company, Eth employees (collectively, Ethicon) in the Court of Chancery of the State of Delaware. The complaint alleges breach of contract, fraud, and other causes of action against Ethicon Auris in 2019. The complaint seeks damages and other relief. In December 2021, the Court granted in part and denied in part defendants' motion to dismiss certain causes of ac defendants were dismissed. The trial was held in January 2024 and the decision is pending.

Innovative Medicine



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

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

In October 2018, two separate putative class actions were filed against Actelion Pharmaceutical Ltd., Actelion Pharmaceuticals U.S., Inc., and Actelion Clinical Research, Inc. (c District Court for the District of Maryland and United States District Court for the District of Columbia. The complaints allege that Actelion violated state and federal antitrust and 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. F imposes restrictions on distribution of the product. In January 2019, the plaintiffs dismissed the District of Columbia case and filed a consolidated complaint in the United States September 2019, the district court granted Actelion's motion to dismiss the complaint. In April 2024, the Fourth Circuit reversed the decision of the district court. Plaintiff's motion motion for summary judgment currently are pending before the district court.

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 East 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 rig seeks damages and other relief. In March February 2024, plaintiffs filed an amended complaint, which Janssen filed a motion moved to dismiss the complaint. in March 2024.

In June 2022, Janssen Pharmaceuticals, Inc. filed a Demand for Arbitration against Emergent Biosolutions Inc. et al (EBSI) with the American Arbitration Association, alleging th Manufacturing Services Agreement for the Company's COVID-19 vaccine. In July 2022, Emergent filed its answering statement and counterclaims. The hearing is scheduled fo Emergent reached an agreement to resolve this matter.

Note 12 — Restructuring

In fiscal 2023, the Company completed a prioritization of its research and development (R&D) investment within its Innovative Medicine segment to focus on the most promising patients. This resulted in the exit of certain programs within certain therapeutic areas. The R&D program exits are primarily in infectious diseases and vaccines including the disc (RSV) adult vaccine program, hepatitis and HIV development. Pre-tax Restructuring expenses income of $144 million $0.1 billion in the fiscal first second quarter of 2024 and $0 of 2024, included asset divestments, the termination of partnered and non-partnered development program costs and asset impairments. The pre-tax restructuring charge of ap the fiscal first second quarter and fiscal six months of 2023, respectively, included the termination of partnered and non-partnered program costs and asset impairments. Total pr have been recorded since the restructuring was announced. The majority of the this restructuring program is completed, with minor charges expected in the remainder of year.

In fiscal 2023, the Company initiated a restructuring program of its Orthopaedics franchise within its MedTech segment to streamline operations by exiting certain markets, produ arrangements. The pre-tax restructuring expense of $27 million $0.1 billion and $0.1 billion in the fiscal first second quarter and fiscal six months of 2024, respectively, primarily i product exits. Total project costs of approximately $0.3 $0.4 billion have been recorded since the restructuring was announced. The estimated costs of the total program are betw expected to be completed by the end of fiscal year 2025.

The following table summarizes the restructuring (income) expenses for 2024:

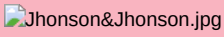
(Pre-tax Dollars in Millions)	Fiscal First Quarter Ended
Innovative Medicine Segment(1)	$144
MedTech Segment(2)	27
Total Programs	$171

(Pre-tax Dollars in Millions)	Fiscal Second Quarter Ended
Innovative Medicine Segment(1)	$(63)
MedTech Segment(2)	52
Total Programs	$(11)

(1) Included in Restructuring on the Consolidated Statement of Earnings

(2) Included $20 The fiscal second quarter of 2024 included $50 million in Restructuring and $7 $2 million in Cost of products sold on the Consolidated Statement of Earnings Earnings. The fiscal six Restructuring and $9 million in Cost of products sold on the Consolidated Statement of Earnings.

Restructuring reserves as of March 31, 2024 June 30, 2024 and December 31, 2023 were insignificant.



Note 13— Kenvue separation

The results of the Consumer Health business (previously reported as a separate business segment) have been reflected as discontinued operations in the Company's consolida earnings from discontinued operations, net of taxes through August 23, 2023, the date of the exchange offer. Prior periods have been recast to reflect this presentation.

Details of Net Earnings from Discontinued Operations, net of taxes are as follows:

	Fiscal First Quart
(Dollars in Millions)	**Apr**
Sales to customers	
Cost of products sold	
Gross profit	
Selling, marketing and administrative expenses	
Research and development expense	
Interest Income	
Interest expense, net of portion capitalized	
Other (income) expense, net	
Earnings from Discontinued Operations Before Provision for Taxes on Income	
Provision for taxes on income	
Net earnings from Discontinued Operations	

	Fiscal Second Qua
(Dollars in Millions)	**J**
Sales to customers	
Cost of products sold	
Gross profit	
Selling, marketing and administrative expenses	
Research and development expense	
Interest Income	
Interest expense, net of portion capitalized	
Other (income) expense, net	
Earnings from Discontinued Operations Before Provision for Taxes on Income	
Provision for taxes on income	
Net (loss)/earnings from Discontinued Operations	

The following table presents depreciation, amortization and capital expenditures of the discontinued operations related to Kenvue:

	Fiscal First Qua
(Dollars in Millions)	**A**
Depreciation and Amortization	
Capital expenditures	

	Fiscal Second Quarter Ended
(Dollars in Millions)	**July 2, 2023**
Depreciation and Amortization	$149
Capital expenditures	$92

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

Results of operations

Sales to customers

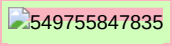
Analysis of consolidated sales

For the fiscal first six months of 2024, worldwide sales were $43.8 billion, a total increase of 3.3%, including an operational (which excludes translational currency) increase of 5. sales of $42.4 billion. Currency fluctuations had a negative impact of 1.9% for the fiscal six months of 2024. In the fiscal six months of 2024, acquisitions and divestitures had no sales growth. In the fiscal six months of 2024, the impact of the Covid-19 Vaccine sales decline on the worldwide operational sales was a negative 2.2%.

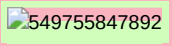
Sales by U.S. companies were $24.2 billion in the fiscal six months of 2024, which represented an increase of 7.8% as compared to the prior year. In the fiscal six months of 202 impact on the U.S. operational sales growth. Sales by international companies were $19.6 billion, a decrease of 1.7%, including an operational increase of 2.4%, offset by a neg compared to the fiscal six months sales of 2023. In the fiscal six months of 2024, the net impact of acquisitions and divestitures on the international operational sales growth was of 2024, the impact of the Covid-19 Vaccine sales decline on the international operational sales was a negative 4.5%.

In the fiscal six months of 2024, sales by companies in Europe experienced a decline of 3.2%, which included an operational decline of 2.4% and a negative currency impact of impact of the Covid-19 Vaccine sales decline on the European region operational sales was a negative 8.4%. Sales by companies in the Western Hemisphere, excluding the U. included an operational increase of 21.9%, and a negative currency impact of 13.1%. Sales by companies in the Asia-Pacific, Africa region experienced a decline of 2.6%, inclu by a negative currency impact of 6.0%.

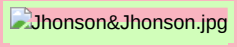
Fiscal six months 2024
sales by geographic region (in billions)



Fiscal six months 202
sales by segment (in bill



Note: values may have been rounded



For the fiscal second quarter of 2024, worldwide sales were $21.4 billion $22.4 billion, a total increase of 2.3% 4.3%, which included operational growth of 3.9% 6.6% and a nega compared to 2023 fiscal first second quarter sales of $20.9 billion $21.5 billion. In the fiscal first second quarter of 2024, the net impact of acquisitions and divestitures on worldw negative positive 0.1%. In the fiscal first second quarter of 2024, the impact of the Covid-19 Vaccine sales decline on the worldwide operational sales was a negative 3.7% 0.6%.

Sales by U.S. companies were $11.6 billion $12.6 billion in the fiscal first second quarter of 2024, which represented an increase of 7.8% as compared to the prior year. In the fis impact of acquisitions and divestitures on the U.S. operational sales growth was a negative 0.1% positive 0.2%. Sales by international companies were $9.8 billion $9.9 billion, a which included an operational decline growth of 0.3% 5.1% and a negative currency impact of 3.1% 4.9%. In the fiscal first second quarter of 2024, the net impact of acquisitions international operational sales. sales growth was a negative 0.2%. In the fiscal first second quarter of 2024, the impact of the Covid-19 Vaccine sales decline on the international 7.7% 1.3%.

In the fiscal first second quarter of 2024, sales by companies in Europe experienced a decline achieved growth of 7.6% 1.6%, which included an a operational decline growth of 7 impact of 0.1% 1.8%. In the fiscal first second quarter of 2024, the impact of the Covid-19 Vaccine sales decline on the European region operational sales was a negative 13.7% Hemisphere, excluding the U.S., achieved growth of 11.0% 6.7%, including operational growth of 21.3% 22.6% and a negative currency impact of 10.3% 15.9%. Sales by compa experienced a decline of 1.1% 4.0%, which included operational growth of 5.0% 1.9% offset by a negative currency impact of 6.1% 5.9%.

Q1 Q2 2024
Sales by Geographic Region (in billions)

Q1 Q2 2024
Sales by Segment (in bill

Note: values may have been rounded

Analysis of sales by business segments

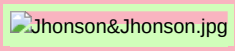
Innovative Medicine

Innovative Medicine segment sales in the fiscal first six months of 2024 were $28.1 billion, an increase of 3.3% as compared to the same period a year ago, with an operational impact of 1.9%. In the fiscal six months of 2024, the impact of the Covid-19 Vaccine sales decline on the Innovative Medicine segment operational sales was a negative 3.4%. U 8.6% as compared to the same period a year ago. International Innovative Medicine sales decreased by 3.0%, including operational growth of 1.0% offset by a negative currenc of 2024, the impact of the Covid-19 Vaccine sales decline on the international Innovative Medicine segment operational sales was a negative 7.5%. In the fiscal six months of 20 divestitures on the Innovative Medicine segment operational sales growth was a negative 0.1%.

Major Innovative Medicine therapeutic area sales — Fiscal Six Months Ended

(Dollars in Millions)	June 30, 2024	July 2, 2023	To Chan
Immunology	**$8,969**	**$8,608**	**4.2**
REMICADE	827	949	(12.9
SIMPONI/ SIMPONI ARIA	1,091	1,066	2.3
STELARA	5,336	5,241	1.8
TREMFYA	1,714	1,346	27.3
Other Immunology	2	7	(75.4
Infectious Diseases	**1,786**	**2,707**	**(34.0**
COVID-19 VACCINE	197	1,032	(80.9
EDURANT/rilpivirine	620	546	13.4
PREZISTA/ PREZCOBIX/ REZOLSTA/ SYMTUZA	856	968	(11.6
Other Infectious Diseases	114	161	(29.3
Neuroscience	**3,585**	**3,597**	**(0.3**
CONCERTA/methylphenidate	340	414	(17.8
INVEGA SUSTENNA/ XEPLION/ INVEGA TRINZA/ TREVICTA	2,110	2,075	1.7
SPRAVATO	496	300	65.5
Other Neuroscience	639	809	(21.0
Oncology	**9,904**	**8,510**	**16.4**
CARVYKTI	343	189	81.5
DARZALEX	5,570	4,695	18.6

ERLEADA	1,425	1,109	28.4
IMBRUVICA	1,554	1,668	(6.9
TECVAYLI	268	157	70.2
ZYTIGA/ abiraterone acetate	346	472	(26.8
Other Oncology	399	219	82.4
Pulmonary Hypertension	**2,088**	**1,844**	**13.2**
OPSUMIT	1,068	947	12.7
UPTRAVI	894	761	17.4
Other Pulmonary Hypertension	127	136	(6.5
Cardiovascular / Metabolism / Other	**1,721**	**1,877**	**(8.3**
XARELTO	1,105	1,215	(9.1
Other	616	662	(7.0
Total Innovative Medicine Sales	**$28,052**	**$27,144**	**3.3**



Innovative Medicine segment sales in the fiscal second quarter of 2024 were $13.6 billion $14.5 billion, an increase of 1.1% 5.5% as compared to the same period a year ago, in 2.5% 7.8% and a negative currency impact of 1.4% 2.3%. In the fiscal first second quarter of 2024, the impact of the Covid-19 Vaccine sales decline on the Innovative Medicine s 5.8% 1.0%. U.S. Innovative Medicine sales increased 8.4% 8.9% as compared to the same period a year ago. International Innovative Medicine sales decreased increased by 6 decline increase of 4.0% and 6.4% partially offset by a negative currency impact of 2.9% 5.3%. In the fiscal first second quarter of 2024, the impact of the Covid-19 Vaccine sales Medicine operational sales was a negative 12.3% 2.3%. In the fiscal first second quarter of 2024, the net impact of acquisitions and divestitures had no impact on the Innovative growth. growth was a negative 0.2%.

Major Innovative Medicine therapeutic area sales — Fiscal First Second Quarter Ended

(Dollars in Millions)	(Dollars in Millions)	March 31, 2024	April 2, 2023	Total Change	Operations Change	Currency Change		(Dollars in Millions)	Jun
Immunology	**Immunology**	**$4,247**	**$4,112**	**3.3 %**	**4.6 %**	**(1.3)**	**%**	**Immunology**	**$4**
REMICADE									
SIMPONI/ SIMPONI ARIA									
STELARA									
TREMFYA									
Other Immunology									
Infectious Diseases	**Infectious Diseases**	**821**	**1,586**	**(48.3)**	**(48.3)**	**(48.3)**	**0.0**	**0.0**	
COVID-19 VACCINE									
EDURANT/rilpivirine									
PREZISTA/ PREZCOBIX/ REZOLSTA/ SYMTUZA	PREZISTA/ PREZCOBIX/ REZOLSTA/ SYMTUZA	418	477	(12.3)	(12.3)	(12.3)	0.0	0.0	
Other Infectious Diseases									
Neuroscience									

CONCERTA/ methylphenidate							
INVEGA SUSTENNA/ XEPLION/ INVEGA TRINZA/ TREVICTA							
SPRAVATO							
Other Neuroscience							
Oncology							
CARVYKTI	CARVYKTI	157	72	*		*	
DARZALEX							
ERLEADA							
IMBRUVICA							
TECVAYLI (1)	TECVAYLI (1)	133	63	*		*	
ZYTIGA/ abiraterone acetate							
Other Oncology							
Pulmonary Hypertension							
OPSUMIT							
UPTRAVI							
Other Pulmonary Hypertension							
Cardiovascular / Metabolism / Other							
XARELTO							
Other							
Other							
Other							
Total Innovative Medicine Sales	**Total Innovative Medicine Sales**	**$13,562**	**$13,413**	**1.1 %**	**2.5 %**	**(1.4) %**	**Total Innovative Medicine Sales** **$14**

* Percentage greater than 100% or not meaningful

(1) Previously in Other Oncology

Immunology products achieved operational growth of 4.6% 7.3% as compared to the same period a year ago. Sales of STELARA (ustekinumab) were driven by market growth a Disease partially offset by net unfavorable patient mix. Growth of TREMFYA (guselkumab) was due to market growth, share gains and share gains. favorable patient mix. Additi was driven by growth outside the U.S. Lower sales of REMICADE (infliximab) were due to biosimilar competition.

Sales of STELARA in the United States were approximately $7.0 billion in fiscal 2023. Third parties have filed abbreviated Biologics License Applications with the FDA seeking a STELARA. The Company has settled certain litigation under the Biosimilar Price Competition and Innovation Act of 2009. As a result of these settlements and other agreements does not anticipate the launch of a biosimilar version of STELARA until January 1, 2025 in the United States. The latest expiring In July 2024, a biosimilar version of STELARA l of matter patent (Supplementary Protection Certificate) expires in 2024 in most European Union Member States and the United Kingdom. markets for certain indications.

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

Infectious disease products experienced an operational decline of 48.3% 12.9% as compared to the same period a year ago primarily driven by a decline in COVID-19 vaccine r insignificant amount of does not anticipate any COVID-19 vaccine revenue in the remainder of fiscal 2024.

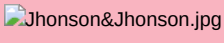
Neuroscience products achieved operational sales growth of 2.2% 1.5% as compared to the same period a year ago. The growth of SPRAVATO (esketamine) was driven by incr demand. demand and ongoing launches. Growth was partially offset by declines in RISPERDAL CONSTA. Other Neuroscience.

Oncology products achieved operational sales growth of 18.8% 18.6% as compared to the same period a year ago. Strong sales of DARZALEX (daratumumab) were driven by regions. regions and market growth. Growth of ERLEADA (apalutamide) was due to continued share gains and market growth. Increased sales of CARVYKTI (ciltacabtagene au gains, capacity expansion and manufacturing efficiencies. Additionally, sales from the ongoing launch of TECVAYLI (teclistamab-cqyv) and the launch of TALVEY (talquetamab) Oncology contributed to the growth. Growth was partially offset by ZYTIGA (abiraterone acetate) due to loss of exclusivity and IMBRUVICA (ibrutinib) declines due to global com

Pulmonary Hypertension achieved operational sales growth of 22.4% 9.4% as compared to the same period a year ago. Sales growth of OPSUMIT (macitentan) was due to fav market growth partially offset by unfavorable mix in the European Union. Sales growth of UPTRAVI (selexipag) was driven by market growth and share gains from UPTRAVI (se (macitentan). partially offset by inventory dynamics in the U.S.

Cardiovascular / Metabolism / Other products experienced an operational decline of 10.5% 5.5% as compared to the same period a year ago. The decline of XARELTO (rivarox unfavorable patient mix and share loss.

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



MedTech

The MedTech segment sales in the fiscal first six months of 2024 were $15.8 billion, an increase of 3.3% as compared to the same period a year ago, with an operational increas of 2.1%. U.S. MedTech sales increased 6.2%. International MedTech sales increased by 0.5%, including an operational increase of 4.6% and a negative currency impact of 4.1% impact of acquisitions and divestitures on the MedTech segment operational sales growth was a positive 0.2%.

Major MedTech franchise sales — Fiscal Six Months Ended

(Dollars in Millions)	June 30, 2024	July 2, 2023	To Chan
Surgery	**$4,904**	**$5,028**	**(2.5**
Advanced	2,228	2,340	(4.8)
General	2,676	2,688	(0.5)
Orthopaedics	**4,652**	**4,510**	**3.2**
Hips	839	787	6.5
Knees	795	731	8.7
Trauma	1,524	1,496	1.9
Spine, Sports & Other	1,495	1,495	0.0
Cardiovascular(1)	**3,679**	**3,123**	**17.8**
Electrophysiology	2,667	2,288	16.5
Abiomed	750	655	14.5
Shockwave (2)	77	—	*
Other Cardiovascular(1)	185	180	2.9
Vision	**2,543**	**2,608**	**(2.5)**
Contact Lenses/Other	1,828	1,892	(3.4)
Surgical	715	716	(0.1)

Total MedTech Sales	**$15,778**	**$15,269**	**3.3**

(1) Previously referred to as Interventional Solutions

(2) Acquired on May 31, 2024

*Percentage greater than 100% or not meaningful

The MedTech segment sales in the fiscal second quarter of 2024 were $7.8 billion $8.0 billion, an increase of 4.5% 2.2% as compared to the same period a year ago, which inclu a negative currency impact of 1.8% 2.2%. U.S. MedTech sales increased 6.6% 5.7%. International MedTech sales increased decreased by 2.4% 1.3%, including operational grow impact of 3.7% 4.5%. In the fiscal first second quarter of 2024, the net impact of acquisitions and divestitures on the MedTech segment operational sales growth was a negative

Major MedTech franchise sales — Fiscal First Second Quarter Ended

(Dollars in Millions)	March 31, 2024	April 2, 2023	T Cha
Surgery	**$2,416**	**$2,434**	**(0.7**
Advanced	1,087	1,118	(2.8
General	1,330	1,316	1.0
Orthopaedics	**2,340**	**2,245**	**4.3**
Hips	422	390	8.1
Knees	401	368	9.0
Trauma	765	757	1.0
Spine, Sports & Other	752	729	3.2
Cardiovascular(1)	**1,806**	**1,503**	**20.2**
Electrophysiology	1,344	1,092	23.0
Abiomed	371	324	14.5
Other Cardiovascular(1)	92	87	5.7
Vision	**1,258**	**1,300**	**(3.3**
Contact Lenses/Other	910	953	(4.6
Surgical	348	347	0.3
Total MedTech Sales	**$7,821**	**$7,481**	**4.5**

* Percentage greater than 100% or not meaningful

(Dollars in Millions)	June 30, 2024	July 2, 2023	To Cha
Surgery	**$2,488**	**$2,594**	**(4.1**
Advanced	1,141	1,222	(6.7
General	1,346	1,372	(1.9
Orthopaedics	**2,312**	**2,265**	**2.1**
Hips	417	397	4.9
Knees	394	363	8.4
Trauma	759	739	2.8

Spine, Sports & Other	743	766	(3.1
Cardiovascular(1)	**1,873**	**1,620**	**15.6**
Electrophysiology	1,323	1,196	10.6
Abiomed	379	331	14.5
Shockwave(2)	77	—	*
Other Cardiovascular(1)	93	93	0.3
Vision	**1,285**	**1,308**	**(1.7**
Contact Lenses/Other	918	939	(2.2
Surgical	367	369	(0.5
Total MedTech Sales	**$7,957**	**$7,788**	**2.2**

(1) Previously referred to as Interventional Solutions

(2) Acquired on May 31, 2024

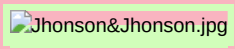
*Percentage greater than 100% or not meaningful

The Surgery franchise achieved experienced an operational sales growth decline of 1.9% 1.2% as compared to the prior year fiscal first second quarter. The decline in Advanced competitive pressures in Energy and Endocutters, China volume-based procurement impacts in Endocutters and Energy EMEA tender timing. All Advanced Surgery platforms w This was partially offset by Biosurgery global procedure growth, the strength of the portfolio and commercial execution in Biosurgery as well as uptake the strength of new produ The operational growth in General Surgery was primarily driven by increased procedures coupled with technology penetration and upgrades within the differentiated Wound Clo offset by fewer selling days. the impact of the Acclarent divestiture, prior year China recovery and supply constraints.

The Orthopaedics franchise achieved operational sales growth of 4.8% 3.3% as compared to the prior year fiscal first second quarter. The fiscal first quarter of 2024, includes a change related to certain products across all Orthopaedic platforms in the U.S. which positively impacted the worldwide Orthopaedics franchise growth by approximately 3.0%. global procedure growth and continued strength of the portfolio and the aforementioned revenue recognition timing change partially offset by Russia Sanctions and one less sel Knees was primarily driven by procedures, continued strength of the ATTUNE portfolio, pull through related to the VELYS Robotic assisted solution the aforementioned revenue timing of tenders outside the U.S. partially offset by one less selling day. The operational growth in Trauma was driven by the aforementioned revenue recognition timing change launched products. This was products partially offset by U.S. competitive challenges, one less selling day, weather-related softness in core trauma and volume-based procureme growth sales decline in Spine, Sports & Other was primarily driven by spine competitive pressures and China volume-based procurement impacts partially offset by growth in Dig Shoulders, and the aforementioned revenue recognition timing change partially offset by Spine competitive pressures and one less selling day. Shoulders.

The Cardiovascular franchise, (previously referred to as Interventional Solutions) which includes sales from Shockwave Medical (Shockwave) acquired on May 31, 2024, achiev 22.5% 18.0% as compared to the prior year fiscal first second quarter. Electrophysiology grew by double digits due to global procedure growth, new product uptake and commer inventory dynamics partially offset by the impacts impact of volume-

based volume-based procurement in China and fewer selling days. China. Abiomed sales reflect the strength of all major commercialized regions driven by continued strong ado



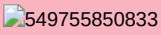
The Vision franchise experienced an achieved operational sales decline growth of 1.4% 0.8% as compared to the prior year fiscal first second quarter. The Contact Lenses/Other driven by U.S. stocking dynamics, the impact of the Blink divestiture in the fiscal third quarter of 2023 and economic pressures in Asia Pacific partially offset by the continued str 1-Day family of products (including recent launches) partially offset by the impact of the Blink divestiture, U.S. distributor stocking dynamics, competitive pressures and price act The Surgical operational growth was primarily driven by the continued strength of recent innovations and commercial execution partially offset by preparation for China volume-b China and refractive softness competitive pressures in the U.S.

Analysis of consolidated earnings before provision for taxes on income

Consolidated earnings before provision for taxes on income for the fiscal first second quarter of 2024 was $3.7 billion $5.7 billion representing 17.4% 25.6% of sales as compare fiscal first second quarter of 2023, representing (6.2)% 29.3% of sales.

Consolidated earnings before provision for taxes on income for the fiscal six months of 2024 was $9.5 billion representing 21.6% of sales as compared to $5.0 billion in the fisca of sales.

Cost of products sold



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

Q1

Fiscal six months Q2 2024 versus Q1 Fiscal six months Q2 2023

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

- Lower one-time COVID-19 vaccine supply network related exit costs in 2024 ($0 in 2024 versus $0.2 billion 2023) and favorable
- Favorable patient mix in the Innovative Medicine business

  partially offset by
- Macroeconomic factors in both the Innovative Medicine and unfavorable currency in the MedTech business businesses

The intangible asset amortization expense included in cost of products sold for the fiscal first six months of 2024 and 2023 was $2.2 billion in both periods.

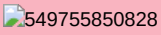
Q2 2024 versus Q2 2023

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

- Product mix in the Innovative Medicine business
- Macroeconomic factors in both the Innovative Medicine and MedTech businesses

The intangible asset amortization expense included in cost of products sold for the fiscal second quarters of 2024 and 2023 was $1.1 billion in both periods.

Selling, marketing and administrative expenses



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

Q1 Fiscal six months Q2 2024 versus Q1 Fiscal six months Q2 2023

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

- Timing of brand marketing investment in the Innovative Medicine business and timing of administrative costs due to technology investments

Q2 2024 versus Q2 2023

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

- Timing of brand marketing investment and administrative costs in the Innovative Medicine business due to technology investments

Research and development expense

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

		Fiscal Second Quarters Ended						Fiscal Six
		2024			2023			
(Dollars in Millions)	(Dollars in Millions)	Amount		% of Sales*	Amount		% of Sales*	Amount
(Dollars in Millions)								
(Dollars in Millions)								
Innovative Medicine								
Innovative Medicine								
Innovative Medicine	Innovative Medicine	$2,722	18.8	18.8 %	$3,048	22.2	22.2 %	$5,618
MedTech								
MedTech								
MedTech								
Total research and development expense	**Total research and development expense**	**$3,440**	**15.3**	**15.3 %**	**$3,703**	**17.2**	**17.2 %**	**$6,982**
Total research and development expense								
Total research and development expense								
Percent increase/(decrease) over the prior year								
Percent increase/(decrease) over the prior year								
Percent increase/(decrease) over the prior year								
*As a percent to segment sales								
*As a percent to segment sales								
*As a percent to segment sales								

Q1 Fiscal six months Q2 2024 versus Q1 Fiscal six months Q2 2023

Research and Development was flat decreased as a percent to sales driven by:

- Increased investments Lower milestone payments and portfolio prioritization in the Innovative Medicine business

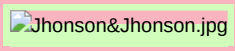
Q2 2024 versus Q2 2023

Research and Development decreased as a percent to sales driven by:

- Lower milestone payments and portfolio prioritization in the Innovative Medicine business

partially offset by

- Phasing of expenses in the MedTech business



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

In the fiscal first second quarter and fiscal six months of 2024, the Company recorded a charge of approximately $0.2 billion associated with the M710 (biosimilar) asset acquired partial impairment of this asset for $0.2 billion in the fiscal third quarter of 2023. This asset is now fully impaired. In the fiscal six months of 2023, the Company recorded a charg with the IPR&D acquired with Pulsar Vascular in 2016.

Interest (income) expense

Interest income in the fiscal first quarter six months of 2024 was $364 million $759 million as compared to $198 million $524 million in the fiscal first quarter six months of 2023 pr earned on cash balances. balances and a higher average cash balance. Interest income in the fiscal second quarter of 2024 was $395 million as compared to $326 million in the due to a higher average cash balance. Interest expense in the fiscal first six months of 2024 was $425 million and was relatively flat as compared to $429 million in the same pe

fiscal second quarter of 2024 was $155 million $270 million as compared to $212 million $217 million in the same period a year ago primarily due to a lower higher average debt equivalents and current marketable securities was $26.2 $25.5 billion at the end of the fiscal first second quarter of 2024 as compared to $32.3 billion $28.5 billion (including $7.7 related to Kenvue) at the end of the fiscal first second quarter of 2023. The Company's debt position was $33.6 billion $41.5 billion as of March 31, 2024 June 30, 2024, as comp period a year ago (including $7.7 billion $8.4 billion related to Kenvue debt).

Other (income) expense, net*

Fiscal six months Q2 2024 versus Fiscal six months Q2 2023

Other (income) expense, net for the fiscal six months of 2024 reflected less expense of $3.5 billion as compared to the prior year primarily due to the following:

Fiscal Six Months (Dollars in Billions)(Income)/Expense	June 30, 2024	Jul
Litigation related(1)	3.1	
Acquisition, Integration and Divestiture related	0.5	
Changes in the fair value of securities(2)	0.4	
COVID-19 Vaccine manufacturing related exit costs	0.1	
Employee benefit plan related	(0.5)	
Other	(0.5)	
Total Other (Income) Expense, Net	$ 3.1	

(1) The fiscal six months of 2024 and 2023 include charges for talc matters. The fiscal six months of 2023 includes favorable intellectual property related litigation settlements of approximately $0.3 b

(2) Includes the loss on the completion of the debt for equity exchange of the retained stake in Kenvue

Other (income) expense, net*

Q1 Q2 2024 versus Q1 Q2 2023

Other (income) expense, net for the fiscal first second quarter of 2024 reflected less an increase in expense as compared to income in the prior year primarily due to the followin

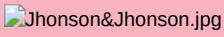
Fiscal First Quarter Fiscal Second Quarter (Dollars in Billions)(Income)/Expense	(Dollars in Billions)(Income)/Expense (Dollars in Billions)(Income)/Expense	March 31, 2024	April 2, 2023	Change	June 3
Acquisition, Integration and Divestiture related					
Acquisition, Integration and Divestiture related					
Acquisition, Integration and Divestiture related		$ 0.1	—	—	0.1
Litigation related(1)					
Changes in the fair value of securities(2)					
COVID-19 Vaccine manufacturing related exit costs		0.1	0.2	(0.1)	
Employee benefit plan related	Employee benefit plan related	(0.2)	(0.4)	0.2	
Litigation related(1)		2.7	6.9	(4.2)	
Changes in the fair value of securities		—	0.1	(0.1)	
COVID-19 Vaccine manufacturing related exit costs		—	0.2	(0.2)	
Other	Other	(0.2)	0.1	(0.3)	Other

Total Other (Income) Expense, Net					
Total Other (Income) Expense, Net					
Total Other (Income) Expense, Net	$ 2.4	6.9	6.9	(4.5)	

(1) The fiscal first second quarters of 2024 and 2023 include charges for talc matters matters. The fiscal second quarter of 2023 includes favorable intellectual property related litigation settlements o

(2) Includes the loss on the completion of the debt for equity exchange of the retained stake in Kenvue

*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 In value of securities, gains and losses on divestitures, gains and losses on sale of assets, certain transactional currency gains and losses, acquisition-related costs, litigation accruals and settlements, i benefit plans, as well as royalty income.



Earnings before provision for taxes by segment

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

		Income Before Tax		Income Before Tax		Segment Sales		Percent of Segment Sales			Income Before Tax	
(Dollars in Millions)	(Dollars in Millions)	March 31, 2024	April 2, 2023	March 31, 2024	April 2, 2023	March 31, 2024	April 2, 2023	(Dollars in Millions)	June 30, 2024		July 2, 2023	
Innovative Medicine	Innovative Medicine	$4,969	$4,402	$13,562	$13,413	36.6 %	32.8 %	Innovative Medicine	$10,428		$9,214	
MedTech												
Segment earnings before tax												
Less: Expenses not allocated to segments(1)	Less: Expenses not allocated to segments(1)	2,775	7,098					Less: Expenses not allocated to segments(1)	3,575	7		
Worldwide income (loss) before tax		$3,714	$(1,287)	$21,383	$20,894	17.4 %	(6.2)%					
Worldwide income before tax		$9,462	$5,019	$43,830	$42,413	21.6 %	11.8 %					

(1) Amounts not allocated to segments include interest (income) expense, certain litigation expenses and general corporate (income) expense. The fiscal first quarters six months of 2024 and 2023 i billion $3.0 billion and $6.9 $7.1 billion, respectively. The fiscal six months of 2024 includes a loss of approximately $0.4 billion related to the debt to equity exchange of the Company's remaining s

Innovative Medicine segment

The Innovative Medicine segment income before tax as a percent of sales in the fiscal first quarter six months of 2024 was 36.6% 37.2% versus 32.8% 33.9% for the same perio before tax as a percent of sales for the fiscal first quarter six months of 2024 as compared to the prior year was primarily driven by the following:

- One-time COVID-19 Vaccine related exit costs of $0.4 billion $0.1 billion in 2024 versus $0.6 billion in 2023
- Restructuring related charge of $0.1 billion in 2024 versus $0.3 billion in 2023
- Reduced milestone payments and portfolio prioritization in Research and development
- Favorable patient mix in Cost of products sold

partially offset by

- An increase in brand marketing investment
- Higher administrative costs
- Higher investments in In-process research and development impairment of $0.2 billion in 2024 related to the M710 (biosimilar) asset acquired with Momenta in 2020

MedTech segment

The MedTech segment income before tax as a percent of sales in the fiscal first quarter six months of 2024 was 19.4% 16.5% versus 18.8% 20.2% for the same period a year ag
before tax as a percent of sales for the fiscal first quarter six months of 2024 as compared to the prior year was primarily driven by the following:

- Acquisition and integration related costs of $0.6 billion in 2024 (primarily related to the Shockwave acquisition) versus $0.1 billion in 2023
- Favorable intellectual property litigation settlements of approximately $0.3 billion in 2023
- Restructuring related charge of $0.1 billion in 2024
- Macroeconomic factors in Cost of products sold

partially offset by

- A gain of $0.2 billion related to the Acclarent divestiture in 2024
- An IPR&D charge in 2023 of approximately $0.1 billion related to the Pulsar Vascular acquisition in the fiscal year 2016

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

	Income Before Tax		Segment Sales	
(Dollars in Millions)	**June 30, 2024**	**July 2, 2023**	**June 30, 2024**	**July 2, 2023**
Innovative Medicine	$5,459	$4,812	$14,490	$13,731
MedTech	1,089	1,671	7,957	7,788
Segment earnings before tax	6,548	6,483	22,447	21,519
Less: Expenses not allocated to segments(1)	800	177		
Worldwide income (loss) before tax	$5,748	$6,306	$22,447	$21,519

(1) Amounts not allocated to segments include interest (income) expense, certain litigation expenses and general corporate (income) expense. The fiscal second quarters of 2024 and 2023 include c
$0.2 billion, respectively. The fiscal second quarter of 2024 includes a loss of approximately $0.4 billion related to the debt to equity exchange of the Company's remaining shares of Kenvue Com

Innovative Medicine segment

The Innovative Medicine segment income before tax as a percent of sales in the fiscal second quarter of 2024 was 37.7% versus 35.0% for the same period a year ago. The inc
percent of sales for the fiscal second quarter of 2024 as compared to the prior year was primarily driven by the following:

- Lower one-time COVID-19 Vaccine related exit costs of $0.1 billion in 2024 versus $0.2 billion in 2023
- Restructuring related income from asset divestments of $0.1 billion in 2024 versus restructuring expense of $0.1 billion in 2023
- Lower milestone payments and portfolio prioritization in Research and Development

partially offset by

- An In-process research and development impairment of $0.2 billion in 2024 related to the M710 (biosimilar) asset acquired with Momenta in 2020
- Unfavorable product mix in Cost of products sold

MedTech segment

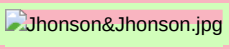
The MedTech segment income before tax as a percent of sales in the fiscal second quarter of 2024 was 13.7% versus 21.5% for the same period a year ago. The decrease in th
for the fiscal second quarter of 2024 as compared to the prior year was primarily driven by the following:

- Acquisition and integration related costs of $0.6 billion in 2024 (primarily related to the Shockwave acquisition)

- Favorable intellectual property litigation settlements of approximately $0.3 billion in 2023
- Restructuring related charge of $0.1 billion in 2024
- Research and development expense phasing
- Macroeconomic factors in Cost of products sold

partially offset by

- Macroeconomic factors and unfavorable currency A gain of $0.2 billion related to the Acclarent divestiture in Cost of products sold 2024



Restructuring

In the fiscal year 2023, the Company completed a prioritization of its research and development (R&D) investment within the Innovative Medicine segment to focus on the most benefit to patients. This resulted in the exit of certain programs within therapeutic areas. The R&D program exits are primarily in infectious diseases and vaccines including the c virus (RSV) adult vaccine program, hepatitis and HIV development. Pre-tax Restructuring income of $0.1 billion in the fiscal second quarter of 2024 and $0.1 billion of expense i asset divestments, the termination of partnered and non-partnered development program costs and asset impairments. The pre-tax restructuring charge of approximately $0.1 b fiscal first quarters second quarter and fiscal six months of 2024 and 2023, respectively, included the termination of partnered and non-partnered program costs and asset impai approximately $0.6 billion $0.6 billion have been recorded since the restructuring was announced.

In the fiscal year 2023, the Company initiated a restructuring program of its Orthopaedics franchise within its MedTech segment to streamline operations by exiting certain marke arrangements. The pre-tax restructuring expense of $27 million $0.1 billion and $0.1 billion in the fiscal first second quarter and fiscal six months of 2024, of which $20 million wa was recorded in Cost of products sold on the Consolidated Statement of Earnings, respectively, primarily included costs related to market and product exits. Total project costs o have been recorded since the restructuring was announced.

Provision for taxes on income

The worldwide effective income tax rate for the fiscal three six months was 12.4% 16.1% in 2024 and 61.8% 2.7% in 2023.

On December 15, 2022, the European Union (EU) Member States formally adopted the EU's Pillar Two Directive, which generally provides for a minimum effective tax rate of 15 Economic Co-operation and Development (OECD) Pillar Two Framework that was supported by over 130 countries worldwide. Several As of December 31, 2023, several EU ar Two legislation with an initial effective date of January 1, 2024, with other aspects of the law effective in 2025 or later. The Company is estimating that as a total result of this leg increase by approximately 1.0 to 1.5% (150 basis points) compared to fiscal 2023. Further legislation, guidance and regulations that may be issued in fiscal 2024, as well as oth estimate.

As discussed in Note 10 to the Consolidated Financial Statements, subsequent to the balance sheet date, the Company acquired Yellow Jersey, a demerged subsidiary of Numa to NM26, a bispecific antibody compound and will record a related $1.25 billion non-tax-deductible expense in the third fiscal quarter of 2024. Since this acquisition is not expect charge will be a factor for a higher effective tax rate for the remainder of fiscal 2024.

For further details related to the 2024 provision for taxes refer to Note 5 to the Consolidated Financial Statements.

Liquidity and capital resources

Acquisitions (net of cash acquired)

Proceeds from the disposal of assets/businesses, net

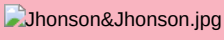
Divider

Cash flows

Cash and cash equivalents were $25.5 billion $24.9 billion at the end of the fiscal first second quarter of 2024 as compared with $21.9 billion at the end of fiscal year 2023. The p
contributed to the $3.6 $3.0 billion increase were:

(Dollars In Billions)	
21.9	Q4 2023 Cash and cash equivalents balance
3.7 9.3	net cash generated from operating activities
(0.5) (14.2)	net cash used by investing activities
0.5 8.1	net cash generated from financing activities
(0.1) (0.2)	effect of exchange rate changes on cash and cash equivalents
$ 25.5 24.9	Q1 Q2 2024 Cash and cash equivalents

In addition, the Company had $0.7 billion $0.6 billion in marketable securities at the end of the fiscal first second quarter of 2024 and $1.1 billion at the end of fiscal year 2023.



Cash flow from operations of $3.7 $9.3 billion was the result of:

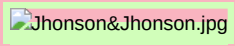
(Dollars In Billions)	
$ 3.3 7.9	Net earnings
0.7 2.1	non-cash expenses and other adjustments primarily for depreciation and amortization, stock-based compensation, and asset write-downs partially offset by the and the deferred tax provision
(0.6) (1.9)	an increase in accounts receivable and inventories
(2.9) 0.4	a decrease an increase in accounts payable and accrued liabilities and other current and non-current liabilities
3.2 3.7	a decrease in other current and non-current assets
(3.1)	a decrease in other current and non-current liabilities
0.2	Other and rounding
$ 3.7 9.3	Net cash flows from operations

Cash flow used by investing activities of $0.5 billion was primarily from:

(Dollars In Billions)	
(0.8)	additions to property, plant and equipment
0.2	proceeds from the disposal of assets/businesses, net
(1.8)	acquisitions, net of cash acquired
0.3	net sales of investments
1.6	credit support agreements activity, net
$ (0.5)	Net cash used by investing activities

Cash flow from financing activities of $0.5 billion $14.2 billion was primarily from:

(Dollars In Billions)		
$ (2.9)	(1.8)	additions to property, plant and equipment
0.6		proceeds from the disposal of assets/businesses, net
(14.8)		acquisitions, net of cash acquired
0.5		net sales of investments
1.4		credit support agreements activity, net
(0.1)		Other (primarily capitalized licenses and milestones)
$ (14.2)		Net cash used by investing activities



Cash flow from financing activities of $8.1 billion was primarily from:

(Dollars In Billions)		
$ (5.9)		dividends to shareholders
(1.5)	(1.6)	repurchase of common stock
4.4	15.9	net proceeds from short and long term debt
0.2	0.3	proceeds from stock options exercised/employee withholding tax on stock awards, net
0.2	0.3	credit support agreements activity, net
(1.0)		Settlement of convertible debt acquired from Shockwave
0.1		other Other and rounding
$ 0.5	8.1	Net cash from 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 Sept 364-day Credit Facility of $10 billion (expiration on September 5, 2024) which may be used for general corporate purposes including to support our commercial paper borrowing 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. Con material.

As of March 31, 2024 June 30, 2024, the Company's Company had cash, cash equivalents and marketable securities was of approximately $26.2 billion $25.5 billion and had ap notes payable and long-term debt for a net debt position of $7.4 billion $16.0 billion as compared to the prior year fiscal first second quarter net debt position of $20.6 billion $17. billion $1.2 billion and debt of $7.7 billion $8.4 billion related to Kenvue). In the fiscal second quarter of 2024, the Company issued senior unsecured notes for a total of $6.7 billio see Note 4 to the Consolidated Financial Statements. The net proceeds from this offering were used to fund the Shockwave acquisition which closed on May 31, 2024, and for g 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 p sufficient resources to fund operating needs, including the Company's remaining balance to be paid on the agreement to settle opioid litigation for approximately $2.1 billion $1.5 billion $10.6 billion ($13.7 12.8 billion nominal) reserve remaining for the talc settlement proposal (See Note 11 to the Consolidated Financial Statements for additional details). I global capital markets on an ongoing basis and from time to time may raise capital when market conditions are favorable.

Subsequent to March 31, 2024, In the fiscal second quarter of 2024, the Company paid approximately $2.6 billion $3.1 billion to the U.S. Treasury including $2.0 billion related to undistributed earnings as part of the TCJA charge (see Note 1 to the Consolidated Financial Statements in the Company's Annual Report on Form 10-K for the fiscal year ende

billion primarily related to the normal estimated payment for the first six months of fiscal 2024. Additionally, the Company paid $1.1 billion in income related taxes net of refunds f months of fiscal 2024.

Dividends

On January 2, 2024, the Board of Directors declared a regular cash dividend of $1.19 per share, payable on March 5, 2024, to shareholders of record as of February 20, 2024.

On April 16, 2024, the Board of Directors declared a regular cash dividend of $1.24 per share, payable on June 4, 2024, to shareholders of record as of May 21, 2024.

On July 17, 2024, the Board of Directors declared a regular cash dividend of $1.24 per share, payable on September 10, 2024, to shareholders of record as of August 27, 2024. practice of paying regular quarterly cash dividends.

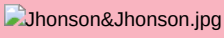
Other information

New accounting pronouncements

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

Economic and market factors

In July 2023, Janssen Pharmaceuticals, Inc. (Janssen) filed litigation against the U.S. Department of Health and Human Services as well as the Centers for Medicare and Medic constitutionality of the Inflation Reduction Act's (IRA) Medicare Drug Price Negotiation Program. The litigation requests a declaration that the IRA violates Janssen's rights under Amendment to the Constitution and therefore that Janssen is not subject to the IRA's mandatory pricing scheme. In April 2024, Janssen appealed the district court's denial of its Circuit.



Russia-Ukraine war

Although the long-term implications of Russia's invasion of Ukraine are difficult to predict at this time, the financial impact of the conflict in the fiscal first second quarter of 2024, reserves, was not material. As of the fiscal first quarter six months ending March 31, 2024 June 30, 2024, and the fiscal year ending December 31, 2023, the business of the Co less than 1% of both Company's consolidated assets and revenues. The Company does not maintain Ukraine subsidiaries subsequent to the Kenvue separation.

In March of 2022, the Company took steps to suspend all advertising, enrollment in clinical trials, and any additional investment in Russia. The Company continues to supply pro healthcare purposes.

Conflict in the Middle East

Although the long-term implications of the conflict in the Middle East are difficult to predict at this time, the financial impact of the conflict in the fiscal first second quarter of 2024, reserves, was not material. As of the fiscal three six months ending March 31, 2024 June 30, 2024, and the fiscal year ending December 31, 2023, the business of the Company approximately 1% of the Company's consolidated assets and represented less than 1% of revenues.

Other Macroeconomic Considerations

The Company operates in certain countries where the economic conditions continue to present significant challenges. The Company continues to monitor these situations and ta 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 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 co improvements and periodic price increases.

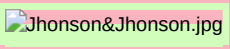
Governments around the world consider various proposals to make changes to tax laws, which may include increasing or decreasing existing statutory tax rates. In connection w companies are required to disclose more information to tax authorities on operations around the world, which may lead to greater audit scrutiny of profits earned in other countrie 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.

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. Chang any time, and any related expense or benefit recorded may be material to the fiscal quarter and year in which the law change is enacted.

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

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

The Company faces regular intellectual property challenges from third parties, including generic and biosimilar manufacturers, seeking to manufacture and market generic and b 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 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 intr 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 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

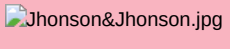
There has been no material change in the Company's assessment of its sensitivity to market risk since its presentation set forth in Item 7A, "Quantitative and Qualitative Disclos Report on Form 10-K for the fiscal year ended December 31, 2023.

Item 4 — Controls and procedures

Disclosure controls and procedures. At the end of the period covered by this report, the Company evaluated the effectiveness of the design and operation of its disclosure contr 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 E 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 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 managem principal financial officers, or persons performing similar functions, as appropriate, to allow timely decisions regarding required disclosure. Joaquin Duato, Chief Executive Office Joseph J. Wolk, Executive Vice President, Chief Financial Officer, reviewed and participated in this evaluation. Based on this evaluation, Messrs. Duato and Wolk concluded tha 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 re 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 p

The Company is implementing a multi-year, enterprise-wide initiative to integrate, simplify and standardize processes and systems for the human resources, information technol 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 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 Finan

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 first second quarter of 2024. Common stock purchases on t 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 f

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
January April 1, 2024 through January 28, 2024 April 28, 2024	— 281,530	— 145.46	—
January April 29, 2024 through February 25, 2024 May 26, 2024	5,531,362 350,000	156.78 148.98	—
February 26, May 27, 2024 through March 31, 2024 June 30, 2024	3,793,074 289,994	160.35 145.27	—
Total	**9,324,436 921,524**	**158.23 146.74**	**—**

(1) During the fiscal first second quarter of 2024, the Company repurchased an aggrega 9,324,436 921,524 shares of Johnson & Johnson Common Stock in open-market tra which were purchased as part of a systematic plan to meet the needs of the Compar programs.

Item 5 — Other information

Securities trading plans of Directors and Executive Officers. During the fiscal fi quarter of 2024, none of our directors or officers (as defined in Rule 16a-1(f) of Act) informed us of the adoption or termination of a "Rule 10b5-1 trading arran "non-Rule 10b5-1 trading arrangement," each as defined in Item 408 of Regula

Item 6 — Exhibits

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

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

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

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

Exhibit 101:

EX-101.INS	Instance Document - the instance document does not appe Interactive Data File because its XBRL tags are embedded 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 interacti not appear in the Interactive Data File because its XBRL tag embedded within the Inline XBRL document.

 Jhonson&Jhonson.jpg

Signatures

Pursuit to the requirements of the Securities Exchange Act of 1934, the regis caused this report to be signed on its behalf by the undersigned thereunto duly

Date: May 1, 2024 July 25, 2024

JOHNSON & JO

(Registran

By /s/ J. J. W

Date: May 1, 2024 July 25, 2024

J. J. Wolk, Executive V Chief Financial Offic Financial Off

By /s/ R. J. Deck

R. J. Decker Jr., Cont Accounting O

CERTIFICATION OF CHIEF EXECUTIVE OFFICER

PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY

I, Joaquin Duato, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the q ended March 31, 2024June 30, 2024 (the “report”) of Johnson & "Company");

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

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

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

(a) Designed such disclosure controls and procedures, o disclosure controls and procedures to be designe supervision, to ensure that material information relating to including its consolidated subsidiaries, is made known to within those entities, particularly during the period in whic being prepared;

(b) Designed such internal control over financial reporti such internal control over financial reporting to be desig supervision, to provide reasonable assurance regarding t financial reporting and the preparation of financial statemen purposes in accordance with generally accepted accountin

(c) Evaluated the effectiveness of the Company's disclosu procedures and presented in this report our conclusio effectiveness of the disclosure controls and procedures, a the period covered by this report based on such evaluation

(d) Disclosed in this report any change in the Company's over financial reporting that occurred during the Company fiscal quarter (the Company's fourth fiscal quarter in th annual report) that has materially affected, or is reaso materially affect, the Company's internal control over fina and

5. The Company's other certifying officer(s) and I have disclosed most recent evaluation of internal control over financial reporting, to t auditors and the audit committee of the Company's board of directo performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in operation of internal control over financial reporting which likely to adversely affect the Company's ability to re summarize and report financial information; and

(b) Any fraud, whether or not material, that involves m
other employees who have a significant role in the Com
control over financial reporting.

/s/ Joaquin

Joaquin

Chief Executi

Date: May 1, 2024 July 25, 2024

CERTIFICATION OF CHIEF FINANCIAL OFFICER

PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY

I, Joseph J. Wolk, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the q
ended March 31, 2024 June 30, 2024 (the “report”) of Johnson &
"Company");

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

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

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

(a) Designed such disclosure controls and procedures, o
disclosure controls and procedures to be designe
supervision, to ensure that material information relating to
including its consolidated subsidiaries, is made known to
within those entities, particularly during the period in whic
being prepared;

(b) Designed such internal control over financial reporti
such internal control over financial reporting to be desig
supervision, to provide reasonable assurance regarding t
financial reporting and the preparation of financial stateme
purposes in accordance with generally accepted accountin

(c) Evaluated the effectiveness of the Company's disclosu
procedures and presented in this report our conclusio
effectiveness of the disclosure controls and procedures, a
the period covered by this report based on such evaluation

(d) Disclosed in this report any change in the Company's
over financial reporting that occurred during the Company
fiscal quarter (the Company's fourth fiscal quarter in th
annual report) that has materially affected, or is reaso
materially affect, the Company's internal control
reporting; and

5. The Company's other certifying officer(s) and I have disclosed
most recent evaluation of internal control over financial reporting, to t

auditors and the audit committee of the Company's board of directo
performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in
operation of internal control over financial reporting which
likely to adversely affect the Company's ability to re
summarize and report financial information; and

(b) Any fraud, whether or not material, that involves m
other employees who have a significant role in the Com
control over financial reporting.

/s/ Joseph

Joseph J

Chief Financ

Date: May 1, 2024 July 25, 2024

CERTIFICATION OF CHIEF EXECUTIVE OFFICER

PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY

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

(1) the Company's Quarterly Report on Form 10-Q for the q
ended March 31, 2024 June 30, 2024 (the "Report") fully con
requirements of Section 13(a) of the Securities Exchange Act o

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

/s/ Joaquin

Joaquin

Chief Executi

Dated: May 1, 2024 July 25, 2024

This certification is being furnished to the SEC with this Repo
Section 906 of the Sarbanes-Oxley Act of 2002 and shall not, excep
required by such Act, be deemed filed by the Company for purposes o
the Securities Exchange Act of 1934, as amended, or otherwise subje
that section.

CERTIFICATION OF CHIEF FINANCIAL OFFICER

PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY

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

(1) the Company's Quarterly Report on Form 10-Q for the q ended March 31, 2024 June 30, 2024 (the "Report") fully con requirements of Section 13(a) of the Securities Exchange Act o

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

/s/ Joseph

Joseph J

Chief Financ

Dated: May 1, 2024 July 25, 2024

This certification is being furnished to the SEC with this Repo Section 906 of the Sarbanes-Oxley Act of 2002 and shall not, excep required by such Act, be deemed filed by the Company for purposes o the Securities Exchange Act of 1934, as amended, or otherwise subje that section.

DISCLAIMER

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