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SC Court of Appeals

THE STATE OF SOUTH CAROLINA
In The Court of Appeals

APPEAL FROM RICHLAND COUNTY
Court of Common Pleas
Jean H. Toal, Circuit Court Judge

Appellate Case No. 2025-000065
Civil Action No. 2023-CP-40-04072

Michael L. Perry and Lonnie Long,..... Respondents,

v.

American International Industries et al.

Of whom Johnson & Johnson; LLT Management, LLC
f/k/a LTL Management, LLC; Kenvue, Inc.; and Johnson
& Johnson Holdco (NA), Inc. are the Appellants.

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I certify that this Designation does not contain any matters which are irrelevant to this appeal.

STATE OF SOUTH CAROLINA	)	IN THE COURT OF COMMON PLEAS
COUNTY OF RICHLAND	)	FOR THE FIFTH JUDICIAL CIRCUIT
	)	
MICHAEL L. PERRY and	)	
LONNIE L. LONG,	)	Case No.: 2023-CP-40-04072
	)	
Plaintiffs,	)	
	)	Motion to Dismiss Defendants Janssen
v.	)	Pharmaceuticals, Inc.; Johnson & Johnson
	)	Holdco, Inc. (NA); and Kenvue, Inc.
AMERICAN INTERNATIONAL	)	
INDUSTRIES; et al.,	)	
	)	
Defendants.	)	
	)	

Defendants Johnson & Johnson Holdco (NA) Inc. (“Holdco”); Janssen Pharmaceuticals, Inc. (“Janssen”); and Kenvue, Inc. (“Kenvue”) are not proper defendants in this case. This Court should dismiss the claims against them asserted in the Second Amended Complaint.¹ Rule 12(b)(6), SCRCP.

Plaintiffs claim that Mr. Michael Perry (“Mr. Perry”) used various talc powder products allegedly contaminated with trace amounts of asbestos, including Johnson’s Baby Powder, and that his use of these products contributed to the development of Mr. Perry’s mesothelioma. Assuming these facts are true, as the Court must when ruling on a motion to dismiss, Plaintiffs claims against Holdco, Janssen, and Kenvue fail as a matter of law.

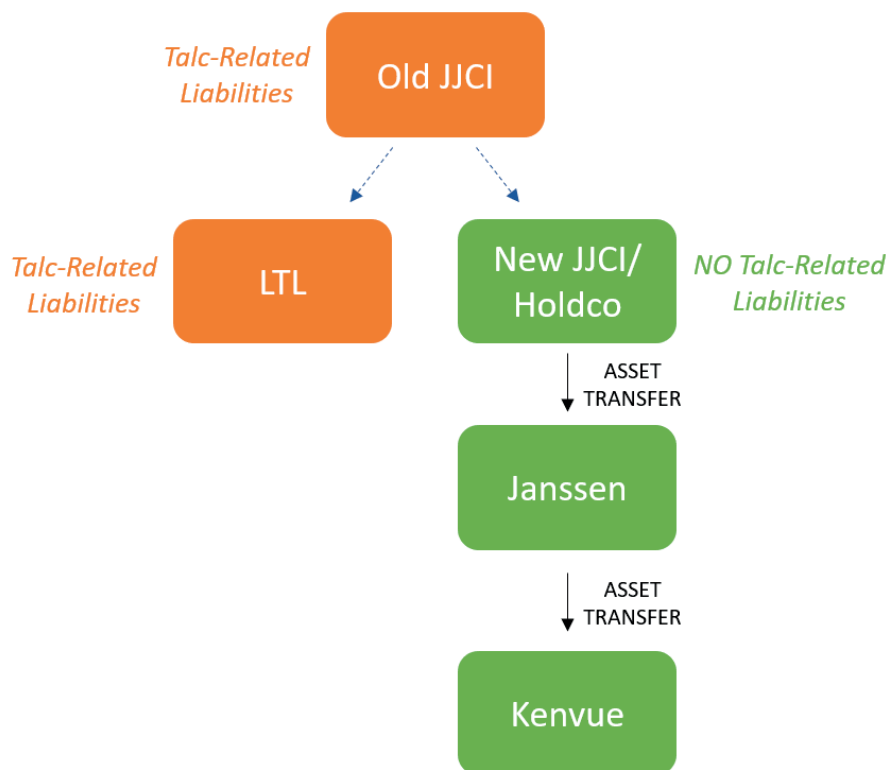
Plaintiffs’ claims are not based on allegations that these entities themselves ever manufactured or sold the talc-based Johnson’s Baby Powder used by Mr. Perry. Nor could they be. Sales of talc-based Johnson’s Baby Powder in the United States were discontinued in May

¹ Defendants Holdco, Janssen, and Kenvue also moved to dismiss Plaintiffs’ original complaint and first amended complaint, and are reasserting those arguments herein. Their motion to dismiss the first amended complaint was still pending and awaiting consideration by the Court at the time Plaintiffs were granted leave to amend their complaint a second time.

2020, long before Plaintiff asserts these entities had responsibility for the claims—and before Holdco and Kenvue even existed. Plaintiffs seek to name Holdco, Janssen, and Kenvue as defendants on a legally incorrect theory of successor liability. Because these entities bear no liability for any of Plaintiffs’ claims they should be dismissed.

There is no dispute that prior to a corporate restructuring in October 2021, Johnson & Johnson Consumer Inc. (“Old JJCI”) had responsibility for talc-powder claims. In October 2021, Old JJCI underwent a “divisional merger.” Old JJCI ceased to exist, and two new entities were created: First, LTL Management, LLC (now known as LLT Management, LLC), which became solely responsible for all of Old JJCI’s liabilities arising from talc-related claims against it.² And second, a new entity which changed its name to Johnson & Johnson Consumer Inc. (“New JJCI”) and then changed its name again to Johnson & Johnson Holdco (NA) Inc. (“Holdco”). New JJCI/Holdco therefore came into existence free and clear of any talc-related liabilities. The Third Circuit detailed the restructuring in its opinion *In re LTL Mgmt., LLC*, 64 F.4th 84, 93 (3d Cir. 2023). Moreover, the following illustration demonstrates the sequence of events:

² LTL came into existence as LTL Management, LLC. On December 29, 2023, LTL Management, LLC changed its name to LLT Management, LLC. When referring to actions occurring before the change, this brief refers to the entity as “LTL.” Otherwise, the entity is referred to as “LLT” or “LLT Management.”



Plaintiffs’ incorrect theory of successor liability is premised on the fact that Holdco transferred assets to Janssen, which in turn transferred assets to Kenvue. But this theory is meritless a matter of law. A defendants’ liability as a successor is governed by the law of the state in which the defendant is organized. The 2021 restructuring occurred under Texas law. Texas law expressly permitted Old JJCI to exclusively transfer its talc liabilities to LTL and transfer no talc liability to Holdco, which is exactly what Old JJCI did. Thus, it was impossible for Holdco to transfer talc liabilities to Janssen because it never received those liabilities from Old JJCI in the first place.

When LTL appealed the bankruptcy court’s dismissal of its bankruptcy petition, the Third Circuit weighed in on this precise issue. As the Third Circuit explained, the corporate restructuring under Texas law “allocated LTL responsibility for essentially all liabilities of Old Consumer tied to talc-related claims. This meant, among other things, it would take the place of Old Consumer in

current and future talc lawsuits and be responsible for their defense.” *In re LTL Mgmt., LLC*, 64 F.4th 84, 96 (3d Cir. 2023) (footnote omitted). Holdco, by contrast, inherited “none of [old JJCI’s] talc-related liabilities.” *Id.* at 97. Since Holdco had no talc-based liabilities to begin with, it could not pass talc-based liabilities to Janssen or Kenvue through *any* theory of “successor” liability—contrary to what Plaintiff is attempting to assert.

The proper defendant here is LLT Management, LLC (“LTL”)—which inherited all the relevant talc-powder liabilities. Kenvue, Janssen, and Holdco should be dismissed.

LEGAL STANDARD

Under Rule 12(b)(6), the court “may dismiss a claim when the defendant demonstrates the plaintiff’s failure to state facts sufficient to constitute a cause of action in the pleadings filed with the court.” *Hambrick v. GMAC Mortg. Corp.*, 370 S.C. 118, 121-22, 634 S.E.2d 5, 7 (Ct. App. 2006) (quoting Rule 12(b)(6), SCRCP)). In reviewing a motion to dismiss, only the “well pleaded facts are admitted, but inferences drawn by the plaintiff from such facts and conclusions of law are not admitted.” *Jensen v. S.C. Dep’t of Soc. Servs.*, 297 S.C. 323, 326, 377 S.E.2d 102, 104 (Ct. App. 1988). The motion to dismiss must be granted if, viewing the evidence in favor of the plaintiff, the “facts alleged in the complaint and inferences reasonably deducible therefrom do not entitle the plaintiff to relief on any theory of the case.” *Chewning v. Ford Motor Co.*, 346 S.C. 28, 32-33, 550 S.E.2d 584, 586 (Ct. App. 2001).

ARGUMENT

I. All Talc-Related Liabilities Are Held By LLT, Not Defendants.

Plaintiffs have not specifically pled that Mr. Perry used any products manufactured by Holdco, Kenvue, or Janssen. Nor could the Complaint plead in good faith that Mr. Perry used any talc-based powder manufactured by any of these entities. Sales of talc-based Johnson’s Baby

Powder were discontinued across the U.S., including in Plaintiffs' home state of Tennessee, in 2020. (**Exhibit A**, 4/24/23 Kenvue S-1 at 107 ("Talc-based Johnson's Baby Powder was ... discontinued during 2020 in certain markets including the United States and Canada.")).³

As noted above in October 2021, Old JJCI underwent a series of restructuring transactions. As a result of that restructuring, Old JJCI ceased to exist, and two new entities were created: LTL and New JJCI. *See In re LTL Mgmt., LLC*, 637 B.R. 396, 402 (Bankr. D.N.J. 2022) (detailing the restructuring in depth). The liabilities for talc-containing products were transferred to LTL. *See id.* New JJCI was allocated the productive assets of Old JJCI. *See id.* New JJCI changed its name to Johnson & Johnson Holdco (NA) Inc. ("Holdco"). *See id.* As the flow chart above details, Holdco transferred its productive assets to Janssen, which transferred those assets to Kenvue.

The divisional merger which created New JJCI/Holdco did not occur until October 2021, well after sales of talc-based powders were discontinued. Moreover, again, through the divisional merger, all talc liabilities were transferred to LTL (now LLT). Therefore, neither Holdco, Janssen, nor Kenvue has any possibility of liability for Plaintiffs' claims.

II. Holdco, Janssen, and Kenvue Bear No Successor Liabilities as a Matter of Law:

Holdco was created as a result of a divisional merger under the laws of Texas.⁴ Thus, Texas law governs the question of whether Holdco inherited any talc-related liability from Old

³ This court can take judicial notice of Securities and Exchange Commission filings for purposes of a motion to dismiss. *See Freeman v. McBee*, 280 S.C. 490, 494, 313 S.E.2d 325, 327 (1984) (finding that courts may take judicial notice of public records).

⁴ As the Third Circuit described, the divisional merger caused Old JJCI to cease to exist and created two new Texas limited liability companies, Chenango One LLC ("Chenango One") and Chenango Two LLC ("Chenango Two"). *In re LTL Mgmt., LLC*, 64 F.4th 84, 95-96 (3rd Cir. 2023). Old JJCI's assets and liabilities were divided between the two new entities, with Chenango One acquiring all of Old JJCI's talc liabilities as well as certain assets. Chenango Two received all other assets and liabilities. After the divisional merger, Chenango One converted into a North Carolina limited liability company and changed its name to "LTL Management LLC." Chenango Two

JJCI. As a matter of Texas law, Holdco did not inherit any talc liability from Old JJCI. As such, it had no talc liability to pass to Janssen or Kenvue.

“[L]iabilities and obligations” of a party undergoing a divisional merger can be “allocated to one or more of the surviving or new organizations in the manner provided by the plan of merger,” and “except as otherwise provided by the plan or merger or by law or contract, . . . no other new . . . entity . . . created under the plan of merger is liable for the debt.” Tex. Bus. Orgs. Code Ann. § 10.008(a)(3)-(4); *see, e.g., Alta Mesa Holdings, L.P. v. Ives*, 488 S.W.3d 438, 449-50 & n.13 (Tex. App. 2016) (applying this rule). Here, Old JJCI did exactly what Texas law permits. And the Third Circuit was clear about the effect of that transaction—both within and without the bankruptcy system: “the merger allocated LTL responsibility for essentially all liabilities of Old” JJCI. *LTL I*, 64 F.4th at 96; *see id.* at 97 (new JJCI, now Holdco, held “none of [the] talc-related liabilities”). Although the circuit court questioned the subsequent bankruptcy, “neither” that court nor the bankruptcy court for the District of New Jersey “has taken issue with the propriety of the [initial] corporate restructuring.” *LTL II*, 652 B.R. at 448 n.15 (citing *LTL I*, 64 F.4th at 106-07).) This Court should not either.

There is no conceivable principle of Texas law that would impose liability on Holdco, even in the absence of the protection provided by the merger statute. Texas courts allow successor liability only when “the successor expressly assume[s]” it or in the case of a fraudulent transfer. *See, e.g., United States v. Americus Mortg. Corp.*, No. 4:12-cv-02676, 2013 WL 4829284, at *4 (S.D. Tex. Sept. 10, 2013). The possibility of imposing liability on successors that form “mere continuation[s]” of their predecessors is not recognized. *C.M. Asfahl Agency v. Tensor, Inc.*, 135

merged into another entity, which then changed its name to “Johnson & Johnson Consumer Inc.” That entity later changed its name to Johnson & Johnson Holdco (NA) Inc. For simplicity, this brief uses the term “Holdco” to refer more broadly to Chenango Two and the entity it merged into.

S.W.3d 768, 791-92 (Tex. App. 2004). Clearly, Holdco never expressly assumed talc liability; the entire point of the transaction was to disclaim it. And to the extent Plaintiff contends that the divisional merger constituted a fraudulent transfer, that argument is foreclosed by the findings of both the bankruptcy court and the Third Circuit that LTL is amply funded, and unlikely to even need “to exhaust its funding rights to pay talc liabilities,” much less to fall short of those liabilities. *LTL II*, 652 B.R. at 448 (quoting *LTL I*, 64 F.4th at 108).

As a matter of Texas law, Holdco came into existence with no talc-related liabilities. Those liabilities now all remain with LLT Management. And Holdco never sold talc-based Johnson’s Baby Powder in the United States. Those sales stopped before Holdco even came into existence. Plaintiff claims that Holdco passed talc-related liabilities to Janssen, which in turn passed liabilities to Kenvue. But Holdco at no point had any talc-related liabilities to pass to anybody. It is LLT who is the only proper defendant as a matter of law.

Recognizing these facts, courts across the country have dismissed Holdco, Kenvue, and Janssen from cosmetic talc cases. Recently, a court in New Mexico held that “[a]pplying Texas law, all talc liabilities formerly belonging to Johnson & Johnson Consumer Inc. (Old JJCI) are now owned by LTL.” (**Exhibit B**, Order, *Ochoa v. 3M Co, et al.*, No. D-307-CV-2023-01125 (N.M. 3d Jud. D. Ct. Jan 3, 2024).) A Louisiana court similarly dismissed all claims against these entities on the basis of Texas law. (**Exhibit C**, Order, *Henderson v. Taylor-Seidenbach Inc., et al.*, No. 2022-10279 (La. Civ. D. Ct. (Orleans Parish) Dec. 22, 2023); (**Exhibit D**, Henderson Trans. 44:26-26 (Dec. 12, 2023) (“the argument I understand, Texas law should apply”). A court in Washington also state squarely rejected Plaintiffs’ theory, holding in dismissing Holdco and Kenvue from a similar lawsuit (Janssen was not named) that the plaintiffs had made no “showing on the undisputed facts that Holdco assumed any liabilities, impliedly or otherwise.” (See **Exhibit**

E, Order ¶ 17, *LaSalle v. Am. Int'l Indus.*, No. 23-2-08165-0 (SEA) (Wash. Super. Ct. Sept. 12, 2023).) The court found that it was “undisputed that the time of the divisional merger . . . LTL became the successor entity that carried the talc related tort liability.” (*Id.* at ¶ 8.) Thus, the court dismissed Holdco and Kenvue, explaining that the “divisional merger and related Funding Agreements . . . expressly disclaimed the successor liability Plaintiffs argue are at play.” (*Id.*)⁵ The Court should do the same here.

At bottom, Plaintiff filed these complaints not due to a sincere belief that these entities are actually liable for selling talc powders, but because the automatic bankruptcy stay previously prevented the filing of claims against LTL. See 11 U.S.C. § 362. But with the bankruptcy dismissed, that is no longer true. There is no reason for Plaintiff to maintain claims against other entities that have no liability as a matter of law. Holdco, Janssen, and Kenvue should therefore all be dismissed.

CONCLUSION

For the reasons stated above, the Court should grant this motion and dismiss Kenvue, Janssen, and Holdco.

Signature on Following Page

⁵ Moreover, several courts in the state of California have held that they do not even have personal jurisdiction over these entities because they never manufactured or sold cosmetic talc products. (See, e.g., **Exhibit F**, *Yandell vs. Johnson & Johnson et al.*, No. 23STCV11850 (Cal. Super. Ct. (L.A. County) August 15, 2023); **Exhibit G**, *Egli v. Johnson & Johnson, et al.*, No. RG20075272 (Cal. Super. Ct. (Alameda County) Nov. 6, 2023).)

Respectfully submitted,

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*Attorneys for Defendants Johnson & Johnson Holdco (NA)
Inc.; Janssen Pharmaceuticals, Inc.; and Kenvue, Inc.*

Columbia, South Carolina

February 16, 2024

FILED

2023 DEC 22 P 12:53

CIVIL

DISTRICT COURT

ELECTRONICALLY FILED - 2024 Feb 16 3:03 PM - RICHLAND - COMMON PLEAS - CASE#2023CP4004072

CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS

STATE OF LOUISIANA

NO. 2022-10279

SECTION: 6

DIVISION: L

JEANNINE HENDERSON

VERSUS

TAYLOR-SEIDENBACH INC., et al.

FILED: _____

DEPUTY CLERK

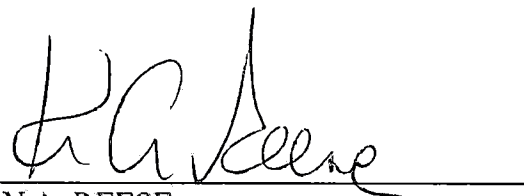
JUDGMENT

Considering the memoranda and arguments of counsel, and for the reasons orally assigned,

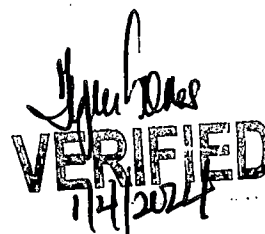
IT IS HEREBY ORDERED that Defendants Janssen Pharmaceuticals, Inc., Kenvue, Inc., and Johnson & Johnson Holdco (NA) Inc.'s Peremptory Exceptions of No Cause of Action and No Right of Action Pursuant to Louisiana Code of Civil Procedure article 927(A)(5) and (6) are **GRANTED** as matter of law, based on their not being proper parties to this action.

IT IS HEREBY FURTHER ORDERED that all of Plaintiff's allegations, claims, and causes of action against Defendants Janssen Pharmaceuticals, Inc., Kenvue, Inc., and Johnson & Johnson Holdco (NA) Inc. in the above entitled and captioned matter are hereby **DISMISSED WITH PREJUDICE**, with each party to bear their own costs.

NEW ORLEANS, LOUISIANA this 28th day of Dec, 2023.



HON. KERN A. REESE
DISTRICT COURT JUDGE



VERIFIED

Amber Sheeler

2023 DEC 22 P 02:25



ATTORNEY OR PARTY WITHOUT ATTORNEY (Name, State Bar number, and address): Julia E. Romano (SBN 260857) KING & SPALDING LLP 633 W. 5th Street, Suite 1600 Los Angeles, CA 90071	
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ATTORNEY FOR (Name): Specially Appearing Defendants Janssen, Holdco and Kenvue	
SUPERIOR COURT OF CALIFORNIA, COUNTY OF Los Angeles	
STREET ADDRESS: 312 N. Spring Street	
MAILING ADDRESS: 312 N. Spring Street	
CITY AND ZIP CODE: Los Angeles, CA 90012	
BRANCH NAME: Spring Street Courthouse	
PLAINTIFF/PETITIONER: Brad M. Yandell	
DEFENDANT/RESPONDENT: Johnson & Johnson, et al.	
NOTICE OF ENTRY OF JUDGMENT OR ORDER	
(Check one): ☒ UNLIMITED CASE (Amount demanded exceeded \$25,000)	
☐ LIMITED CASE (Amount demanded was \$25,000 or less)	

FOR COURT USE ONLY	
CASE NUMBER: 23STCV11850	

TO ALL PARTIES :

1. A judgment, decree, or order was entered in this action on (date): August 15, 2023
2. A copy of the judgment, decree, or order is attached to this notice.

Date: August 16, 2023

Julia E. Romano
(TYPE OR PRINT NAME OF ☒ ATTORNEY ☐ PARTY WITHOUT ATTORNEY)


(SIGNATURE)

ELECTRONICALLY FILED - 2024 Feb 16 3:03 PM - RICHLAND - COMMON PLEAS - CASE#2023CP4004072

PLAINTIFF/PETITIONER: Brad M. Yandell
 DEFENDANT/RESPONDENT: Johnson & Johnson, et al.

CASE NUMBER:
 23STCV11850

**PROOF OF SERVICE BY FIRST-CLASS MAIL
 NOTICE OF ENTRY OF JUDGMENT OR ORDER**

(NOTE: You cannot serve the Notice of Entry of Judgment or Order if you are a party in the action. The person who served the notice must complete this proof of service.)

1. I am at least 18 years old and **not a party to this action**. I am a resident of or employed in the county where the mailing took place, and my residence or business address is (*specify*):

2. I served a copy of the *Notice of Entry of Judgment or Order* by enclosing it in a sealed envelope with postage fully prepaid and (*check one*):

- a. ☐ deposited the sealed envelope with the United States Postal Service.
 b. ☐ placed the sealed envelope for collection and processing for mailing, following this business's usual practices, with which I am readily familiar. On the same day correspondence is placed for collection and mailing, it is deposited in the ordinary course of business with the United States Postal Service.

3. The *Notice of Entry of Judgment or Order* was mailed:

- a. on (*date*):
 b. from (*city and state*):

4. The envelope was addressed and mailed as follows:

a. Name of person served:

Street address:

City:

State and zip code:

c. Name of person served:

Street address:

City:

State and zip code:

b. Name of person served:

Street address:

City:

State and zip code:

d. Name of person served:

Street address:

City:

State and zip code:

☐ Names and addresses of additional persons served are attached. (*You may use form POS-030(P).*)

5. Number of pages attached _____.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Date: _____

 (TYPE OR PRINT NAME OF DECLARANT)

 (SIGNATURE OF DECLARANT)

SUPERIOR COURT OF CALIFORNIA, COUNTY OF LOS ANGELES

Civil Division

Central District, Spring Street Courthouse, Department 15

23STCV11850

BRAD M. YANDELL vs JOHNSON & JOHNSON, et al.

August 15, 2023

9:00 AM

Judge: Honorable Laura A. Seigle

Judicial Assistant: N. Quispe

Courtroom Assistant: M. Torres

CSR: Rhona S. Reddix, CSR # 10807

ERM: None

Deputy Sheriff: None

APPEARANCES:

For Plaintiff(s): No Appearances

For Defendant(s): No Appearances

Other Appearance Notes: Plaintiff's Counsel: Rebecca Cucu Defendant's Counsel: Mihran Yezbekyan, Paul Johnson via (LACourtConnect)

Pursuant to Government Code sections 68086, 70044, and California Rules of Court, rule 2.956, Rhona S. Reddix, CSR # 10807, certified shorthand reporter is appointed as an official Court reporter pro tempore in these proceedings, and is ordered to comply with the terms of the Court Reporter Agreement. The Order is signed and filed this date.

The Court's tentative ruling is posted online for the parties to review.

The matter is called for hearing.

After reading and considering all moving documents, and oral arguments, the Court adopts its tentative ruling as the final order of the Court, as follows:

ORDER RE MOTION TO QUASH

Defendants Janssen Pharmaceuticals, Inc., Johnson & Johnson Holdco (NA) Inc., and Kenvue Inc. filed a motion to quash for lack of personal jurisdiction. Plaintiff Brad Yandell alleges Lucia Yandell was injured by exposure to asbestos in talc in Defendants' products. Plaintiff alleges Lucia Yandell used talcum powder products from the mid-1950s to 2016. (Complaint, Ex. A.)

A defendant may move to quash service of summons on the ground of lack of jurisdiction. (Code Civ. Proc., § 418.10, subd. (a)(1).) The court may dismiss without prejudice the complaint in whole, or as to that defendant, when dismissal is made pursuant to Section 418.10. (Code Civ. Proc., § 581, subd. (h).)

“A court of this state may exercise jurisdiction on any basis not inconsistent with the Constitution of this state or of the United States.” (Code Civ. Proc., § 410.10.) “The Due Process Clause protects an individual's liberty interest in not being subject to the binding judgments of a

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forum with which he has established no meaningful ‘contacts, ties, or relations.’” (Burger King Corp. v. Rudzewicz (1985) 471 U.S. 462, 471-472.) A state court may not exercise personal jurisdiction over a party under circumstances that would offend “traditional notions of fair play and substantial justice.” (Asahi Metal Industry Co., Ltd., v. Superior Court of California, Solano County (1987) 480 U.S. 102, 113.)

When a defendant moves to quash service of process on jurisdictional grounds, the plaintiff has the initial burden of demonstrating facts justifying the exercise of jurisdiction. (Jayone Foods, Inc. v. Aekyung Industrial Co. Ltd. (2019) 31 Cal.App.5th 543, 553.) Once facts showing minimum contacts with the forum state are established, the defendant has the burden to demonstrate that the exercise of jurisdiction would be unreasonable. (Ibid.) “The plaintiff must provide specific evidentiary facts, through affidavits and other authenticated documents, sufficient to allow the court to independently conclude whether jurisdiction is appropriate. [Citation.] The plaintiff cannot rely on allegations in an unverified complaint or vague and conclusory assertions of ultimate facts. [Citation.]” (Strasner v. Touchstone Wireless Repair & Logistics, LP (2016) 5 Cal.App.5th 215, 222.)

A defendant is subject to a state’s general jurisdiction if its contacts “are so continuance and systematic as to render [it] essentially at home in the forum State.” (Saimler AG v. Bauman (2014) 571 U.S. 117, 127.) A nonresident defendant may be subject to the specific jurisdiction of the forum “if the defendant has purposefully availed himself or herself of forum benefits [citation], and the ‘controversy is related to or ‘arises out of’ a defendant’s contacts with the forum.’ [Citations.]” (Vons Companies, Inc. v. Seabest Foods, Inc. (1996) 14 Cal.4th 434, 446.) This test does not require a “causal relationship between the defendant’s in-state activity and the litigation.” (Ford Motor Co. v. Montana Eighth Judicial District Court (2021) 141 S.Ct. 1017, 1026.) The “arise out” of standard “asks about causation,” but “relate to” does not. (Ibid.) “[W]hen a corporation has ‘continuously and deliberately exploited [a State’s] market, it must reasonably anticipate being haled into [that State’s] court[s]’ to defend actions ‘based on’ products causing injury there.” (Id. at p. 1027.)

Plaintiff does not dispute that there is no general jurisdiction over Defendants.

Defendants contend Plaintiff cannot show California has specific jurisdiction over Defendants because they never sold talc-based powder in California or the U.S. (Motion at p. 2.) In other words, Defendants argue Plaintiff’s claims do not arise out of or relate to Defendants’ contacts with California. According to Defendants, Johnson & Johnson Holdco (NA) Inc. and Kenvue Inc. came into existence after 2020 and never sold talc-based powder in California at any time. (Motion at p. 2.) LTL Management, LLC holds the liability for talc-related claims against

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Johnson & Johnson Consumer Inc. (Motion at p. 3.) And Defendants state Janssen is a pharmaceutical company that never sold talcum powder products. (Motion at p. 4.)

Plaintiff starts by arguing Defendants have consented to California jurisdiction by registering to do business in California. (Opposition at p. 9.) This argument is meritless. First, California courts have repeatedly held that “designation of an agent for service or process and qualification to do business in California alone are insufficient to permit general jurisdiction. (Thomson v. Anderson (2003) 113 Cal.App.4th 258, 268.) Plaintiff ignores this well-established California law. Second, Plaintiff’s reliance on the recent case Supreme Court case Mallory v. Norfolk Southern Railway Co. skips over the key distinguishing fact – that case analyzed a Pennsylvania statute “requir[ing] out-of-state companies that register to do business in the Commonwealth to agree to appear in its courts on ‘any cause of action’ against them. 42 Pa. Cons. Stat. § 5301 (a)(2)(i), (b) (2019).” (Mallory v. Norfolk Southern Railway Co. (2023) 143 S.Ct. 2028, 2033.) No such statute exists in California. Plaintiff’s argument based on Mallory has absolutely no merit.

Next, Plaintiff argues that this court should deny this motion for the same reasons that a New Jersey court denied a motion to quash brought by Defendants. (Opposition at pp. 10-11.) But Plaintiff does not disclose the fact that the New Jersey court found all three Defendants are New Jersey corporations. (Ex. 17 at p. 3.) All three have their principal place of business in New Jersey, so of course New Jersey has jurisdiction over them. (Motion at pp. 2-3.) If they all had their principal place of business in California, then California would have jurisdiction. But that is not the case.

Then, Plaintiff argues that the original Johnson & Johnson Consumer, Inc. merged into all three Defendants, making Defendants responsible for its talc-based liabilities. (Opposition at pp. 11-12.) The Third Circuit in LTL Management, LLC, 64 F.4th 84 (3rd. Cir. 2023) has already done most of the work in analyzing the structure of the J&J companies and the liability for talc-based claims. It explained that the original Johnson & Johnson Consumer Inc. (“Old Consumer”) was a wholly owned subsidiary of Johnson & Johnson and sold baby powder. (Id. at p. 92.) “[S]ince 1979 only Old Consumer and its predecessors . . . have directly sold Johnson’s Baby Powder.” (Id. at p. 93.) In October 2021, Old Consumer was restructured into LTL Management and Johnson & Johnson Consumer, Inc. (“New Consumer”), and Old Consumer ceased to exist. (Id. at pp. 95-96.) In the restructuring, LTL Management took on all of the liabilities of Old Consumer for talc-related claims. (Id. at p. 96.) And New Consumer received all of the assets and other liabilities. (Id. at p. 97.) The Third Circuit determined that LTL Management “was highly solvent with access to cash to meet comfortably its liabilities as they came due for the foreseeable future,” and “has a funding backstop, not unlike an ATM disguised as a contract, that

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it can draw on to pay liabilities without any disruption to its business or threat to its financial viability.” (Id. at pp. 108, 109.) Because of that solvency, the Third Circuit dismissed the bankruptcy action.

Plaintiffs do not explain where the Third Circuit went wrong in determining that LTL Management holds all of the talc-based liabilities. If in fact, New Consumer actually held those liabilities and then merged with Janssen Pharmaceuticals, Inc., Johnson & Johnson Holdco (NA) Inc., and Kenvue Inc., making those three Defendants now liable, one would expect the Third Circuit to have mentioned that. This argument has no merit.

Plaintiff goes on to argue that Defendants are all product line successors under Ray v. Alad (1977) 19 Cal.3d 22 because they continue to manufacture and sell baby powder. (Opposition at p. 13.) The court in Ray analyzed the successor liability of a purchaser of the assets of a corporation. (Ray, supra, 19 Cal.3d at p. 28.) Generally, “the purchaser does not assume the seller’s liabilities unless: (1) there is an express or implied agreement of assumption, (2) the transaction amounts to a consolidation or merger of the two corporations, (3) the purchasing corporation is a mere continuation of the seller, or (4) the transfer of assets to the purchaser is for the fraudulent purpose of escaping liability for the seller’s debts.” (Ibid.) The case also recognized strict tort liability for defective products when a party acquires a manufacturing business and continues the output of its line of products “holding itself out to potential customers as the same enterprise,” thereby exploiting the prior business’ “established reputation as a going concern manufacturing a specific product line.” (Id. at p. 34.) The justification for imposing strict liability on the successor rests on “(1) the virtual destruction of the plaintiff’s remedies against the original manufacturer caused by the successor’s acquisition of the business, (2) the successor’s ability to assume the original manufacturer’s risk-spreading role, and (3) the fairness of requiring the successor to assume a responsibility for defective products that was a burden necessarily attached to the original manufacturer’s goodwill being enjoyed by the successor in the continued operation of the business.” (Id. at p. 31.)

Plaintiff cited no evidence that Janssen is holding itself out to consumers as the same enterprise as Old Consumer. It is a pharmaceutical company. In any event, Plaintiff did not establish he has no remedies “against the original manufacturer caused by the successor’s acquisition of the business.” To the contrary, the Third Circuit concluded that LTL Management has more than enough resources to cover any liability in the foreseeable future. (LTL Management, supra, 64 F.4th at pp. 108, 109.) Thus, Plaintiff did not come close to showing a potential for product line liability.

Finally, Plaintiff contends the three Defendants engaged in a fraudulent transfer to avoid

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liability. Plaintiff cites no law supporting this argument, which hinges on the assertion that Plaintiff has “been left with no remedy for [Lucia Yandell’s] injury.” (Opposition at p. 14.) That is not correct. As the Third Circuit determined, LTL Management has assets to cover talc-based liabilities. If the bankruptcy is not dismissed, Plaintiff can pursue his claims in the bankruptcy court. If it is dismissed, Plaintiff can sue LTL Management in this or another action.

Plaintiff asks for jurisdictional discovery. A plaintiff must show a basis in fact for jurisdictional discovery, some reason to conclude discovery is likely to produce evidence of California contacts sufficient for personal jurisdiction. (In re Automobile Antitrust Cases (2005) 136 Cal.App.4th 100, 127 [“In order to prevail on a motion for a continuance for jurisdictional discovery, the plaintiff should demonstrate that discovery is likely to lead to the production of evidence of facts establishing jurisdiction”].) When a plaintiff is not able to make an offer of proof of the existence of “additional relevant jurisdictional evidence,” a court does not abuse its discretion in denying jurisdictional discovery. (Ibid.)

Plaintiff did not demonstrate that discovery is likely to lead to the production of evidence of facts establishing jurisdiction over Defendants. Plaintiff wants broad discovery into all of Defendants’ contacts with California, all talcum power sales, and the manufacturing of talcum powder. This is extremely extensive discovery without the required explanation about how it is likely to lead to evidence showing jurisdiction. Lucia Yandell stopped using talcum powder in 2016, long before Johnson & Johnson Holdco (NA) Inc. and Kenvue Inc. even existed. Likewise, Old Consumer stopped selling talc-based powder in 2020 in the U.S, before Johnson & Johnson Holdco (NA) Inc. and Kenvue Inc. were formed. (Ex. C; Ex. D at pp. 128.) Therefore, her claims cannot arise out of Johnson & Johnson Holdco (NA) Inc.’s and Kenvue Inc.’s contacts with California.

And Plaintiff presented no evidence that Janssen was involved in talcum powder during the period she was using the product. Given that J&J is a public company, if Janssen was involved with manufacturing, marketing, distributing or selling talcum powder in the years before 2016, one would expect some mention of that in the public record, bankruptcy court filings, or Third Circuit decision. To the contrary, the Third Circuit stated that only Old Consumer sold baby powder. (LTL Management, *supra*, 64 F.4th at p. 93.)

Plaintiff states he want discovery into the three Defendants’ corporate formation and restructures. A significant amount of that information is in the public record – both SEC filings and bankruptcy court filings. Plaintiff did not identify what additional information about the Defendants he expects to find that would establish jurisdiction in California.

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Deputy Sheriff: None

In sum, the proper defendant holding liability for Plaintiff's claims is LTL Management. Either LTL Management's bankruptcy case will be dismissed, in which case Plaintiffs can litigate its claims against LTL Management in this case or another state court action. Or the bankruptcy will proceed, and Plaintiff can pursue claims in the bankruptcy court. In both scenarios, Plaintiff have remedies against LTL Management.

The motion is GRANTED as follows:

The Hearing on Motion to Quash Service of Summons for Lack of Personal Jurisdiction for Specially Appearing Defendants Janssen Pharmaceuticals, Inc., Johnson & Johnson Holdco (NA) Inc. and Kenvue Inc. (Yandell-23STCV11850) scheduled for 08/15/2023 is 'Held - Motion Granted' for case 23STCV11850.

The motion is GRANTED and the complaint against Defendants Janssen Pharmaceuticals, Inc., Johnson & Johnson Holdco (NA) Inc., and Kenvue Inc. is DISMISSED as follows:

[23STCV11850] The Court orders Johnson & Johnson Holdco (NA) Inc., Janssen Pharmaceuticals, Inc. and Kenvue Inc. in Complaint filed by Brad M. Yandell on 05/25/2023 dismissed without prejudice.

This dismissal is pursuant to Code of Civil Procedure section 581, subdivision (h).

Moving parties are to give notice.

A copy of this minute order will append to the following coordinated case under JCCP4674: 23STCV11850.

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PROOF OF SERVICE

Brad M. Yandell, et al. v. Johnson & Johnson, et al.
Los Angeles County Superior Case No. 23STCV11850

I, the undersigned, declare: I am a citizen of the United States, over 18 years of age and not a party to the within action. I am employed in the County of Los Angeles, State of California; my business address is 633 W. 5th Street, Suite 1600, Los Angeles, CA 90071.

On the date specified below, I served a copy of the foregoing document described as:

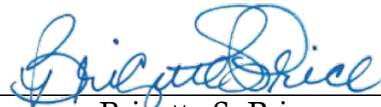
NOTICE OF ENTRY OF JUDGMENT OR ORDER

on the interested parties in this action by placing a true copy thereof to be distributed as follows:

[X] BY ELECTRONIC SERVICE VIA FILE & SERVEXPRESS: File & ServeXpress for service on all counsel of record by electronic service pursuant to the Order Authorizing Electronic Service and pursuant to California Code of Civil Procedure § 1010.6 and California Rules of Court 2.251. The transmission was reported as complete without error.

I declare under penalty of perjury under the laws of the State of California that the above is true and correct.

Executed on August 16, 2023 in Los Angeles, California.



Brigitte S. Price

Several of our brands hold leadership positions in their respective categories across our key markets in the North America region:

- *Tylenol*. #1 Pain Care brand in the United States and Canada
- *Zyrtec*. #1 Allergy brand in the United States
- *Reactine*. #1 Allergy brand in Canada
- *Neutrogena*. #1 Acne brand in the United States and Canada, #1 Facial Care (non-acne) brand in the United States and #1 Sun Care brand in the United States
- *Listerine*. #1 Mouthwash brand in the United States and Canada
- *Johnson's Baby*. #1 Baby Toiletries brand in the United States and Canada
- *Band-Aid*. #1 Wound Care brand in the United States and #1 Adhesive Bandage brand in Canada

Our overall market position and portfolio leadership is elevated by our marketing effectiveness and our overall brand awareness. Several of our brands lead their respective categories in Kantar's 2021 annual brand power index rankings (an industry metric used to predict the long-term sales of a product), including Neutrogena (#1 in three categories), Listerine, Tylenol and Johnson's.

We are consistently evaluating ways to optimize and improve the consumer experience and have built significant omnichannel capabilities in North America. In the United States, we developed broad omnichannel distribution capabilities and we continue to take an end-to-end approach to accelerate our digital-first ambition which is reflected in our marketing and communication strategy. We have made significant shifts in our marketing investments to be more digitally driven, leveraging insights and data to deliver continuous optimization. As a result, our digital marketing spend in North America increased as a component of overall marketing spend from 59% in 2020 to 73% in 2022, delivering a 29% increase in media ROI as of October 2022.

In North America, we have a particularly strong presence in the mass and pharmacy channels. In addition, e-commerce, including online sales in our omnichannel platforms, has consistently been our fastest growing channel in the United States, and we are also growing our e-commerce platform in Canada.

Our customer and channel dedicated cross-functional teams incorporate the following divisions in the region: sales, category insights and development, data and analytics, shopper and retail media activation, supply chain and finance. This dedicated multifunctional team has enabled us to develop deep strategic partnerships and leverage integrated capabilities to support multi-year joint business plans with our largest customers. We have built a strong and integrated partnership with many of our customers to unlock our organizational capabilities and unleash our iconic brands in unique and differentiated ways to serve our consumers. Our approach has been recognized by our retail partners with several awards from our top customers including "Supplier of the Year" and "Vendor of the Year".

Our top five customers in North America include mass retail customers such as Walmart, pharmacy channel customers such as Walgreens, and wholesale/club customers such as Costco.

Asia Pacific

Our Asia Pacific ("APAC") region is a large, diverse and high-growth region, covering a total of 26 markets that together delivered net sales of \$3.1 billion in 2022, representing 21% of our total net sales.

We currently operate through regional clusters: China, Japan, Southern Asia (including India, Indonesia and the Philippines), Metropolitan Asia (including South Korea, Malaysia, Singapore, Thailand, Vietnam, Hong Kong and Taiwan) and Pacific (including Australia and New Zealand). We currently serve 14 markets with direct distribution, with the remaining markets accessed through third-party distribution. The APAC region is supported by approximately 6,500 employees.

The APAC region is home to approximately 54% of the world's population and approximately 36% of global gross domestic product as of 2021, according to the World Bank. It includes both well-established markets such as Japan, South Korea and Australia, as well as fast-growing markets such as China, India and Southeast Asia. The region is characterized by a rapidly emerging middle class which is fueling the demand for self care products and product premiumization, combined with increasing levels of e-commerce penetration in key markets, most notably China. We see significant potential to further develop our market penetration across the APAC region, particularly in China as part of its "Healthy China 2030" blueprint and as more consumers continue investing in their consumer health needs.

Several of our brands hold leadership positions in their respective categories across our key markets in the APAC region:

- *Nicorette*. #1 Smoking Cessation brand in Australia, New Zealand and South Korea
- *Motrin*. #1 Pediatric Pain Care brand in China
- *Tylenol*. #1 Pain Care brand in South Korea
- *Codral*. #1 Cold and Flu Care brand in Australia and New Zealand
- *Rhinocort*. #1 Allergy brand in China
- *Daktarin*. #1 Antifungal cream brand in China
- *Dr. Ci:Labo*. #2 Dermocosmetic brand in Japan
- *Aveeno*. #2 Baby Toiletries Brand in China, Hong Kong and New Zealand
- *Listerine*. #1 Mouthwash brand in China, Japan, Australia, New Zealand, South Korea, the Philippines, Indonesia, Malaysia and Thailand
- *Johnson's Baby*. #1 Baby Toiletries brand in India, Australia, the Philippines, New Zealand, Japan and Thailand and #3 in China
- *Band-Aid*. #1 Adhesive Bandage brand in Japan and New Zealand and #2 in Australia
- *Carefree*. #1 Liners brand in Australia and New Zealand and #2 in India

We take a varied approach to our distribution strategy throughout the various markets within the region. Our strategy consists of direct sales to retailers, indirect sales through distributors or a combination of both methods depending on the channel dynamic of the given market and the scale of our operations. Relationships with healthcare professionals are an important component of our business model in the APAC region, where healthcare professional support, advice and consultation to patients is key across our categories. We have a direct hospital detailing team in China focused on delivering best-in-class pharmacist support through category and product education to optimize patient outcomes.

One area of particular focus with our retail customers is the online-to-offline services market. This enables a seamless digital purchase experience for consumers by combining physical pharmacy and mass retail locations for collection with a consolidated platform of courier teams for delivery. These services enable consumers to find product information and place orders online through online-to-offline platforms and collect or receive them at home or other desired locations, typically within 45 minutes. We established a dedicated online-to-offline team to develop strategic collaborations with leading online-to-offline platforms.

The APAC region leads the world in e-commerce penetration, comprising 63% of global retail e-commerce sales in 2020, according to eMarketer. As such, we have invested heavily behind digital capabilities in this region.

In China, we proactively leverage external partnerships and innovation, which enable access to increased data granularity to improve planning, supply chain efficiency and commercial execution capabilities. These partnerships

have enhanced consumer targeting capabilities for education and engagement. We are also actively expanding into social commerce through popular social engagement platforms. Further, we have successfully harnessed insights from innovation programs by key customer partners to develop new products and marketing campaigns. Beyond China, we are delivering strong e-commerce performance in South Korea and India, and continuing to increase our scale in Southeast Asia, where partnerships with leading e-commerce and quick commerce platforms have enabled strategic data collaboration with key customers.

Our top five customers in APAC include e-commerce companies such as the Alibaba Group and traditional mass retailers such as Woolworths.

Europe, Middle East and Africa

Our Europe, Middle East and Africa (“EMEA”) region is large and diverse, comprising over 120 markets that together delivered net sales of \$3.2 billion in 2022, representing 21% of our total net sales.

We operate through regional clusters: Northern Europe (including the United Kingdom), Central Europe (including Germany), Southern Europe (including Spain and France) and Russia, Africa, Middle East and Turkey (including South Africa and Saudi Arabia). We currently serve 25 markets with direct distribution, with the remaining markets accessed through third-party distribution. The EMEA region is supported by approximately 6,400 employees.

Given the significant diversity of these markets and its consumers, the EMEA region is a dynamic opportunity for product innovation and requires highly agile operations. Further, because of the heightened focus on environmental awareness across the region, we also can drive sustainability-focused innovations in the EMEA region.

Several of our brands hold leadership positions in their respective categories across our key markets in the EMEA region:

- *Nicorette*. #1 Smoking Cessation brand across EMEA, including the United Kingdom, Germany, Spain, Italy and South Africa
- *Calpol*. #1 Pediatric Analgesics brand in the United Kingdom
- *Imodium*. #1 Anti-diarrheal brand in the United Kingdom, Germany, Italy and South Africa and #2 in France
- *Benylin*. #1 Cough brand in the United Kingdom and #2 in South Africa and #2 Cold & Flu brand in South Africa
- *Frenadol*. #1 Cold & Flu brand in Spain
- *Actifed*. #2 Cold & Flu brand in France
- *Fortasec*. #1 Anti-diarrheal brand in Spain
- *Aveeno*. #1 Adult Body Moisturizers brand in the United Kingdom and #1 Medicated Shower brand in the United Kingdom
- *Neutrogena*. #1 Hand Moisturizers brand in the United Kingdom, Germany and Spain and #2 in France and Italy and #2 Adult Medicated Body Moisturizers brand in Spain
- *Le Petit Marseillais*. #1 Body Wash brand in France
- *Listerine*. #1 Mouthwash brand across EMEA, including the United Kingdom, Germany, France, Spain, Italy and South Africa

- *Johnson's Baby*. #1 Baby Toiletries brand in the United Kingdom, Spain, Saudi Arabia and South Africa and #2 in Italy
- *o.b.* #1 Tampons brand in Germany and #2 in Italy
- *Nett*. #2 Tampons brand in France
- *Penaten*. #1 Baby Toiletries brand in Germany
- *Carefree*. #2 Liners brand in Germany and Italy

In the EMEA region, we have built world-class omnichannel capabilities, powered by our digital investments in e-commerce and data science, that serve over 23,000 customers. Our omnichannel capabilities are supported by strong partnerships with key customers, particularly in the pharmacy channel. We see a significant opportunity to drive further demand through healthcare professional recommendation in the pharmacy channel.

In EMEA, excluding a few markets, the distribution of our Self Care products in 2022 was largely through the pharmacy channel. The pharmacy channel in EMEA is an approximately \$13 billion market as of 2022, with considerable growth opportunities across both online and offline channels. We expect this channel to continue to grow, driven by an aging population, the rise of preventative care and the expectation that pharmacies will play a bigger role in national health services. In addition, the reputation, credibility and trust that our brands have earned among healthcare professionals is a strong competitive advantage for us in this region. In our Skin Health and Beauty and Essential Health segments, the mass channel continues to play a critical role in driving market penetration and relevance for our iconic brands.

As a result, the retail pharmacy channel is our largest channel, followed by the mass channel. In the retail pharmacy channel, we hold the #1 brand position across all the categories in which we participate, and the approximately 15% growth in our net sales in the retail pharmacy channel in 2022 outperformed retail pharmacy channel growth. We also generate sales from the e-commerce channel, which is our fastest growing channel. As a result of our focus on the e-commerce channel, we own five of the top 10 SKUs sold on Amazon across our categories in the United Kingdom as of 2022.

Our top five customers in EMEA include Boots, A.S. Watson and dm Drogerie Markt. We maintain strong, long-standing relationships with key retail customers by continuously deepening and cultivating these partnerships through category and shopper insights to co-create breakthrough consumer experiences and offerings. Through our long-term partnerships, we have achieved preferred supplier status with many customers, including Boots in the United Kingdom. We are focused on continuing to foster and build similar retail relationships to drive penetration across additional markets within the region.

Latin America

Our Latin America ("LATAM") region covers a total of 18 markets that together delivered net sales of \$1.2 billion in 2022, representing 8% of our total net sales.

The LATAM region consists of a large geographic area that comprises many distinct markets with specific local dynamics. We currently serve 11 markets with direct distribution, with the remaining markets accessed through third-party distribution. The LATAM region is supported by approximately 3,900 employees.

The diversity of this region has created ideal conditions to incubate and scale new solutions across the region and globally. From a large market such as Brazil, which is one of our top five largest markets globally, to smaller countries in Central America, the LATAM region offers unique opportunities to rapidly launch and test new products, business models and capabilities.

Several of our brands hold leadership positions in their respective categories across our key markets in the LATAM region:

- *Motrin*. #1 Pediatric Pain Care brand in Mexico

- *Dramamine*. #1 Motion Sickness brand in Mexico
- *Lubriderm*. #1 Body Lotion brand in Colombia and #2 in Mexico
- *Listerine*. #1 Mouthwash brand in Mexico, Colombia and Chile and #2 in Brazil and Argentina
- *Johnson's Baby*. #1 Baby Toiletries brand in Brazil, Colombia and Argentina and #2 in Chile
- *Carefree*. #1 Liners brand in Brazil and Argentina and #2 in Chile
- *Stayfree*. #2 Sanitary Napkin brand ("Siempre Libre") in Argentina

The LATAM region is dynamic and each of our segments leverage different channels to go-to-market. In Self Care, we experience competition from global brands, and given the strong presence of generic OTC products in the market, the mass and pharmacy channels are highly prioritized. In Skin Health and Beauty and Essential Health, we compete with global and local brands often at more value price points. We therefore leverage our long-standing relationships with healthcare professionals to drive brand awareness and consumer trust, as well as maintain a continuous focus on developing strong online-to-offline capabilities. This has enabled our LATAM business to drive market penetration across key categories in the region.

The mass and club channels are our largest channels, followed by the pharmacy channel. In the LATAM region, we are also building our omnichannel capabilities and the e-commerce channel has grown significantly across the region. In 2022, our e-commerce channel within the region grew 39% versus 2021.

Our top five customers in LATAM include mass retailers such as Walmart with a strong presence in multiple markets, and regional pharmacy retailers such as Raia Drogasil in Brazil.

Brand Marketing

Our strategic and digital-first approach to marketing is centrally focused on the consumer. Consumer-centricity is the cornerstone of all we do and helps drive trust and connections with our powerful portfolio of iconic, beloved brands. Our marketing organization places the consumer at the center of all decisions related to our product delivery, services offering and the experiences we create. Our marketing footprint spans four regions, over 60 markets, and includes over 1,500 total employees that we believe help approximately 1.2 billion people live healthier lives every day. Our global presence allows us to tailor our marketing strategy and campaigns to the distinctive needs of our consumers throughout the world. It is our global scale and modern marketing capabilities that enable our deep human-level connections with consumers—how they want, where they want and when they want.

We understand, by leveraging insights across our product offerings, that consumer behavior and expectations are constantly changing. Based on these consumer insights, we are continuously evolving our brand messaging to ensure that we drive relevance with consumers and healthcare professionals, and ultimately stimulate demand to drive growth. Our marketing expertise is built on a combination of human empathy, science that improves health outcomes and a digital-first approach to our content and media ecosystem.

We define human empathy, at the core, as listening to and understanding human nature. Our approach to human empathy is fueled by AI-driven technology that generates billions of consumer touchpoints and hundreds of insights every day. This social listening approach allows us to uncover unmet needs and deliver human insights that can then be unlocked with data analytics, even before consumers are able to fully express their own unmet needs. In real time, these insights are then leveraged across our R&D and marketing teams to inspire compelling future innovation and experiences.

Our consumer-first approach and rigorous clinical testing allows us to articulate science in ways that meet the needs of our consumers and healthcare professionals as we win their trust, endorsement and loyalty. From our live-streamed events to our virtual demonstrations, we engage with healthcare professionals to deliver powerful storytelling that ensures consumers can visualize and understand the benefits our products bring to their everyday lives.

We are a digital-first modern marketing company. Since 2019, we have significantly increased our share of digital spend from 44% of total media spend in 2019 to 71% in 2022. This shift towards digital media has allowed us to efficiently leverage data from first party, second party and expanded access to new partner sources, along with contextual targeting, to efficiently reach high-value audiences that drive scaled demand. High-value audiences help identify in-category consumers and channels for potential sources of volume, which drives seamless purchasing actions and builds strong consumer connections. We further expand those high-value audiences using lookalike data, which helps identify additional audiences with purchasing habits that are similar to our target consumer. Our combined digital-first precision capabilities maximize reach, performance and returns while reducing costs.

In addition, through this shift to digital-first personalization, we can continually evaluate the impact of our media investments and consumer communications through data science and analytics, which has significantly improved our media ROI from 2018 through 2021. We use performance indicators to evaluate and test hypotheses within our brand communications and to understand how each channel within the media plan is contributing to the overall marketing funnel. We then leverage in-house production capabilities and analytics resources to respond with agility, putting additional resources behind messages that are working in the right placements. We ultimately use media ROI to evaluate and invest in these next-best growth channels and opportunities.

Several examples of recent consumer-centric marketing campaigns that have received considerable consumer acclaim and driven positive results include:

- *Tylenol Care Without Limits*. As the leader in the pain category, we want all consumers to feel represented and their experience with managing pain to be understood. In 2021, Tylenol launched Care Without Limits, a campaign that marks our ownership of a unique and modern perspective on pain in a category that historically speaks to the idea that you can simply eliminate pain—which insights show is not the reality among most consumers. Care Without Limits reinforces our ongoing commitment to providing care for all types of pain and all types of people because care should not have any limits. To ensure our message was relevant and inspiring, the campaign was intentionally inclusive and co-created with consumers representative of all the people we serve. The 360-support plan elevated our brand purpose, celebrated acts of care in our society and strengthened connections with our diverse consumers through a digital-first approach. The full campaign reached 373 million social media impressions and contributed to our #1 brand power, which was up 1.6% as compared to 2020, and a 26% improvement in media ROI in 2021 as compared to 2020.
- *Nicorette “Do Something Incredible” Campaign (United Kingdom)*. To give fresh hope to consumers looking to quit smoking who had become discouraged from multiple failed quit attempts, we launched hyper-targeted personalized messaging that reached consumers in critical life moments known to motivate the choice to quit. Our “Do Something Incredible” campaign included moments such as pregnancy or a new relationship, where our campaign specifically encouraged consumers to try again to quit for good. With Nicorette, these targeted consumers were 2.5 times more likely to quit for life, based on a 2012 randomized, double-blind study authored by five individuals, including two who were affiliated with us. The campaign was amplified through an Amazon co-created event called the “Nicorette Pledge” which gave consumers access to a personalized quit plan and contributed to a 20% growth in new-to-brand Amazon consumers in April 2021 as compared to November 2020. Overall, our “Do Something Incredible” campaign contributed to a 74% improvement in media ROI in 2020 as compared to 2019 and a 3% market share gain in Nicorette in 2020 as compared to 2019.
- *Neutrogena USA SkinU*. To meet young consumers’ emerging need for personalized skin care education, Neutrogena launched the SkinU campaign in 2021. SkinU marked the Neutrogena brand’s expansion into TikTok, a platform which has emerged as one of the most frequently used social platforms for skin care influencers and experts, and a critical destination to connect with Generation Z consumers. SkinU provided credible, science-backed and relatable skin care knowledge and tips, featuring our consumer health scientists as the stars of the content. The SkinU campaign resulted in more than 300 million social media impressions and contributed to a 660% increase in Neutrogena’s social media followers from August to December 2021.

- *Neutrogena China Retinol Advanced Repair*. As a thought leader in the pre-aging category, we believe that the COVID-19 pandemic fueled consumer demand for health and science-based solutions to address early aging—a key consumer concern in China. In 2021, as part of our campaign to launch the premium Neutrogena Retinol Advanced Repair line, we launched the Neutrogena Pre-Aging Institute. The institute was launched to promote scientific research into pre-aging, further credentialing our offerings with dermatologists, skin experts and consumers. Beyond the consumer-facing launch, research on the Neutrogena Advanced Repair regimen was presented to healthcare professionals and representatives from more than 60 beauty and cosmetics companies at the Personal Care and Homecare Ingredients (PCHi) Technology Summit in Shanghai.
- *Listerine Total Care Campaign (Japan)*. Consistent use of face masks throughout the COVID-19 pandemic drove heightened consumer awareness of one's own bad breath. Our social listening engine discovered a particularly high volume of related conversations on this insight among consumers in Japan. This insight led to a targeted campaign to educate consumers about the connection between bad breath and mouth germs, presenting the opportunity for us to position the Listerine brand as the solution. The campaign featured an animated face mask character revealing the hidden truth that “The bad breath behind your mask is caused by the germs multiplying in your mouth” and explained how Listerine could solve the problem. This distinct character and message were utilized across media and retail channels in Japan, contributing to an increase in Listerine sales in Japan in 2021, which contributed to 3% market share growth in the mouthwash category over that same time period.
- *Stayfree #ItsJustAPeriod Daughters Day 2021 Campaign (India)*. In an effort to continue to raise visibility and champion the normalizing of periods for millions of girls around the world, the Stayfree brand launched the “It’s Just a Period” campaign for Daughter’s Day 2021, to encourage fathers to actively discuss periods with their daughters. This campaign marked a bold and insightful departure from conventional communications around periods. For a country where even mothers are often not prepared to have an open conversation, encouraging fathers to initiate this conversation attracted significant attention. Supported by the campaign, our Stayfree brand in India increased net sales by 11% in 2021 and brand recommendations by 9%, as compared to 2020 and 2019, respectively. In addition, in 2021, greater than 25% of the participants in a workshop we hosted regarding menstrual health and hygiene awareness were male, which more than doubled as compared to the male audience for our 2020 workshop.

Product Development and Innovation

Our R&D organization, where we combine deep, multi-disciplinary scientific expertise and engagement with healthcare professionals, places human empathy at the heart of our product development process. We leverage our extensive capabilities and consumer insights to drive innovative new products and solutions that meet the specific needs of our consumers while enhancing their overall standard of care.

We have a passionate, global team of approximately 1,500 scientists, doctors, pharmacists and engineers with expertise across a range of core disciplines, including formulation science, regulatory affairs, quality, medical affairs, medical safety, clinical operations, microbiology and packaging. Our team has extensive scientific and technical expertise, with over 700 members who hold advanced degrees across more than 90 different disciplines.

Our R&D organization operates a global footprint of innovation hubs located close to consumers in key geographic markets.

Our Capabilities

Our global R&D teams coordinate across the product development lifecycle in partnership with consumers and our long-standing relationships with healthcare professionals and academic institutions to co-create a continuous pipeline of meaningful innovation. This effort is evidenced by the approximate 5,770 issued patents globally that we owned as of January 1, 2023, approximately 17,000 registrations, licenses or notifications to regulatory agencies for products as of January 1, 2023, over 900 industry awards since 2015 and over 700 manuscripts and other published scientific reports over the last decade.

We have built extensive capabilities, through our translational science and consumer insights teams, to understand our consumers' and healthcare professionals' key needs and current challenges, ensuring that our products are centered around human empathy. Across our end-to-end organization, we have continuous touchpoints with our consumers and healthcare professionals, conducting around 950 studies each year since 2018, and utilizing a suite of digital tools, including our social listening platform, to ensure we hear from our consumers regardless of where they are located. Our insights, design, marketing and research teams then leverage these consumer insights to identify key unmet needs and potential product opportunities.

Once we have identified a potential new product opportunity, we leverage our multi-disciplinary team to create meaningful, science-based solutions. Our biologists, chemists, medical and clinical experts work with our product design teams to identify the right technologies using the latest scientific understanding and to transform our insights into safe, reliable and efficacious products. We also engage our external partners, including healthcare professionals, academic institutions and vendors, to inform our product design.

Our formulation scientists, raw material experts and engineers then design and prototype our new product ideas. Flavor and fragrance expertise, as well as consumer research, also provide input into our product development process, ensuring that our products delight and meet the needs of our consumers. Our regulatory specialists then identify the appropriate go-to-market strategy given current regulatory requirements. Our quality, microbiology, analytical, medical safety and clinical experts seek to ensure that our products are high quality, safe and effective through rigorous evaluation and testing. We also use data and digital tools to supplement our product design, from formulation creation and research to harnessing the data we create, allowing for better insights in the future.

Once products are launched, our raw materials experts, sourcing teams and chemists work to support our products in market by providing continuous care and lifecycle management. Our safety and consumer insight teams continuously monitor consumer feedback to identify opportunities for product improvements to optimize the consumer experience, which creates a feedback loop within our R&D cycle.

The end-to-end product development process is co-owned by our commercial, marketing, R&D and supply chain teams, which allows us to develop and tailor new products for our key markets with local adaptations as required. This cross-functional approach allows us to maximize our speed of implementation from product concept to launch.

Select Innovations

Designing products that are accessible to all consumers

- *Launched Neutrogena Invisible Daily Defense for more inclusive skin care.* We believe that it is important that our products reflect the diversity of the communities we serve. Daily Defense is a sunscreen that supports protection from skin cancer for people of all skin tones. According to a third-party study that we commissioned of a select group of product users, most respondents reported seeing no white residue from the product, an area of concern when using sun protection for those with darker complexions. This product offering was launched in 2021.
- *Launched consumer-appropriate OTC formats to enable easier medication intake and dosing.* Taking medication in a traditional pill format is not easy for everyone. We leveraged our drug chemistry knowledge and product development expertise to create Tylenol Dissolve Packs, a unique pill-alternative format that does not require water to ingest. This product dissolves in seconds and is available in a unique unit dose package so that consumers are confident they are getting the right dose. Also, in 2022, we launched Zyrtec Chewables for both children and adults, which is another example of our increasing the comfort and convenience of taking medication for all our consumers.

Increasing the usage occasions of our products through scientific claims

- *Elevated the role of mouthwash in the standard of oral care.* The standard of care today for preventing cavities and gum disease is flossing plus brushing. However, not all consumers floss regularly or can floss due to dexterity challenges. Although rinse is not intended to replace brushing and flossing, a study

sponsored by Johnson & Johnson Consumer Inc. on the comparative effects of various oral hygiene routines on the prevention and reduction of plaque, gingivitis and gingival bleeding demonstrated that oral hygiene regimens that include the use of Listerine result in greater reduction of plaque above the gumline relative to flossing, as measured by sustained plaque reduction after a dental cleaning, and also reduce gingivitis and gingival bleeding. These findings further highlighted the importance of mouthwash to improving oral health.

Achieving novel scientific breakthroughs

- *Invented the anti-aging ingredient Acetyl Dipeptide, a novel peptide designed to be suitable for sensitive skin while addressing multiple anti-aging markers.* Consumers are looking for clinically proven solutions for anti-aging; however, many of the existing topical anti-aging treatments, while effective, can be irritating on sensitive skin types. Using our molecular chemistry and biology expertise, we discovered a novel Acetyl Dipeptide, which has been shown in studies sponsored by Johnson & Johnson Consumer Inc. to have anti-aging properties for consumers of all skin types, including those with sensitive skin. Acetyl Dipeptide was initially launched in 2021 under the Exuviance and Neutrogena brands with plans for further launches in additional products.
- *Developed Aveeno Restorative Skin Therapy to help improve dry skin and itching for adult cancer patients experiencing skin-related side effects of cancer treatments.* Skin care is a major concern for cancer patients, many of whom suffer from skin-related side effects from their cancer treatments. Our scientists partnered with oncology and other experts to conduct pioneering research to determine how certain oncology therapies negatively affect the skin barrier, identify suitable chemical formulas for a regimen of products and clinically evaluate this regimen to reduce dry skin and itch in adults undergoing systemic oncology treatments. The Aveeno Restorative Skin Therapy line includes the following products: Restorative Skin Therapy Cream, Repairing Cream, Restorative Skin Therapy Itch Relief Balm and Restorative Skin Therapy Sulfate-Free Body Wash. These products were originally launched in the fourth quarter of 2020.

Supply Chain and Manufacturing

Our supply chain is a core element of our strategy that allows us to grow our business and expand margins. Reliability and resiliency remain our priorities throughout our fit-for-purpose supply chain, ensuring that we can deliver our products to our customers and consumers whenever and wherever they need them. We have established an end-to-end algorithm to drive gross profit which has delivered meaningful improvements to gross margins. The external forces of recent years have tested our operational model and have shown our supply chain strength and resilience as we continue to focus on delivering an optimized cost and margin structure.

We have a fit-for-purpose global network that shipped more than six billion units of products and served approximately 66,000 customers worldwide in 2022. Leveraging a team of more than 10,000 direct employees, we operate through 25 in-house manufacturing sites, seven manufacturing sites that will be under transition manufacturing arrangements with Johnson & Johnson following the Separation, over 230 external manufacturing facilities, 114 distribution centers and 38 customer service centers located around the world. In addition to our 25 in-house manufacturing sites, we are currently working to close down an additional manufacturing facility that we have historically operated, and we expect to complete this process in 2023.

Since 2019, we have taken significant steps to meet consumer demand and mitigate supply chain constraints. While tremendous progress has been made, we will continue to focus on resiliency and reliability. We have redesigned our manufacturing and distribution network, optimizing both in-house and external manufacturing and distribution footprints, to improve lead time and reliability across the globe. We selectively invested in specific technologies and expanded our capacity in different geographic markets with the intent to increase competitiveness by improving cost, speed, compliance and customer service. We have delivered significant savings through end-to-end optimization since our strategic transformation began in 2019, while building flexible capacity and modernizing our supply chain to enhance the way we serve our customers.

Manufacturing Footprint

Our global and balanced manufacturing footprint provides us with the flexibility and agility to benefit from economies of scale and global supply chain agreements, while also allowing us to meet specific regional consumer demands and cater to local preferences.

Our in-house manufacturing footprint delivered approximately 56% of our production volume in 2022. The remaining production volume was supplied by an extensive network of over 230 external manufacturing facilities operated by trusted third-party suppliers. We believe this combination provides us with significant operational flexibility while optimizing capital allocation, further contributing to our end-to-end optimization efforts and ability to respond to demand variability. We seek to optimize our global manufacturing footprint and technology platform through strategic capacity planning and, in some cases, we will optimize new products and technologies at external manufacturers until scale justifies internal manufacturing investments. We may also retain certain differentiating technologies internally for our competitive advantage.

In-House Manufacturing Footprint



Some of our key manufacturing sites include:

- *Lititz, Pennsylvania – United States.* The strategic focus of our Lititz facility is to produce Skin Health and Beauty and Essential Health products, including Listerine, Lubriderm, Aveeno, Neosporin, Desitin and Johnson’s Baby products.
- *Shanghai – China.* The strategic focus of our Shanghai facility is to produce Self Care products, including Tylenol products, and Essential Health products, including Listerine and Band-Aid products.
- *Bangkok – Thailand.* The strategic focus of our Bangkok facility is to produce Skin Health and Beauty and Essential Health products, including Carefree, Neutrogena, Johnson’s and Listerine products. We received the World Economic Forum (“WEF”) Lighthouse designation in 2022 for the significant sustainability work completed in this facility.
- *Helsingborg – Sweden.* The strategic focus of our Helsingborg facility is to produce Self Care products, including Nicorette and Rhinocort products. This facility has been recognized and certified as being carbon neutral by Climate Impact Partners. We received the WEF Lighthouse designation in 2021 for the significant sustainability work completed in this facility.

- *Pomezia – Italy.* The strategic focus of our Pomezia facility is to produce Essential Health products, including Listerine, Johnson’s Baby, Carefree and Johnson’s cotton buds products.
- *Val-de-Reuil – France.* The strategic focus of our Val-de-Reuil facility is to produce Self Care and Skin Health and Beauty products, including Johnson’s, Penaten and Neutrogena products.
- *São José dos Campos – Brazil.* The strategic focus of our São José dos Campos facility is to produce Skin Health and Beauty and Essential Health products, including Neutrogena, Listerine, Johnson’s, o.b., Stayfree and Band-Aid products.
- *Cali – Colombia.* The strategic focus of our Cali facility is to produce Skin Health and Beauty and Essential Health products, including Lubriderm, Listerine, Johnson’s, Neutrogena, Carefree and Stayfree products.
- *Fort Washington, Pennsylvania – United States.* The strategic focus of our Fort Washington facility is to produce Self Care products, including Tylenol, Motrin, Zyrtec and Benadryl.

Warehousing and Distribution Capabilities

Since 2019, we have initiated a distribution network redesign to respond to increasingly complex consumer and customer demand. Specifically, we have adapted our capabilities to manage the surge of e-commerce volume and mitigate constraints faced by our distribution network. Our current network includes 114 distribution centers and 38 customer service centers across all of our regions. The majority of our distribution centers are operated in partnership with expert third-party operators in order to leverage their scale, expertise and technology platforms. For example, we currently operate our U.S. distribution centers using the information technology systems of a well-established distribution partner, which is expected to increase our flexibility to further evolve and optimize our network footprint. In all cases, whether in-house or external, our distribution centers must comply with our rigorous quality compliance standards and are subject to our audit process.

Quality Control and Compliance

With a rigorous approach to product safety and quality control, we have developed a strong culture of quality across our end-to-end organization enhanced by rigorous compliance procedures. We have invested in our quality systems and data analytics platform to further drive proactive quality management and improve the effectiveness of our quality control system.

Suppliers are key partners in our commitment to quality and therefore are expected to provide services and goods that consistently meet our quality standards. In order to ensure compliance with our high quality standards, we conduct regular quality audits of our supplier base and their facilities.

Our supply chain is also subject to external audits by national regulatory bodies, including the U.S. Food and Drug Administration, which conduct multiple regulatory inspections every year. Since 2020, over 99% of our inspections across our supply chain network have resulted in no critical observations for remediation.

Agile and Resilient Operations

Since launching our product offering optimization strategy, we have eliminated approximately 60% of all small external manufacturers and discontinued unprofitable SKUs. This resulted in a streamlined operation and efficient supply chain. We also maintain the following product formulation, raw material sourcing and packaging strategies as well:

- *Product formulation.* We partnered with our R&D team to improve our product value and cost through ingredient simplification and have identified a number of preferred ingredients that we are scaling up to harmonize specifications.
- *Raw material sourcing.* We continue to diversify our raw material sourcing to ensure all critical materials are multi-sourced where possible and practicable.

- *Packaging.* Our procurement team is partnering with the marketing team to deliver commonality on components with minimal virgin plastic. We are also focused on driving global retail harmonization by considering regional shelf height constraints, shelf impression and shelf change minimization.

As part of our strategic plan, we are identifying and implementing additional opportunities to responsibly source within a region or country. Risk considerations and business continuity planning feed into our award and allocation decisions. The objective is to have two or more active sources of supply for all critical materials or to build appropriate safety stock. We are also actively working on harmonizing specifications to build more scale, which enables robust multi-sourcing. As part of a comprehensive resiliency effort, we have also identified packaging items and materials that have the highest risk of supply disruption, including exposure to constrained feedstocks. Mitigation plans for the identified risks include product redesign (to eliminate high-risk components), qualification of alternative sources and strategic inventory build.

Investments in Technology and Digital Capabilities

We have accelerated our digital transformation and are focused on modernizing our supply chain operations while better connecting with and serving customers. In 2022, approximately 63% of our available capital spend for supply chain investments was allocated to digitizing our supply chain. Digitalization plays a key role in enabling our networks and is at the core of our analytics engine and digital ecosystem to deliver key insights. We also created innovative demand-sensing capabilities that unlocked a deep understanding of the variables that influence our demand. This allowed us to better match inventory deployment and production plans to fluctuating market demands. Some of our key initiatives included:

- *Inventory optimization.* Leveraged data science and an advanced inventory management tool to optimize inventory while improving profitability and free cash flow.
- *Container loading optimization.* Launched an intelligent container-loading algorithm that generated improvements in shipping container utilization and a reduction in carbon dioxide emissions in pilot markets.
- *Quality control improvements.* Matured our proactive quality management capabilities.

Competition

The consumer health and personal care sectors are large and dynamic, with a significant number of competitors that vary from well-established consumer packaged goods (“CPG”) companies with well-known legacy businesses globally to emerging niche-oriented brands.

Given the breadth of our portfolio and global footprint, we compete with a broad set of competitors that include: (1) consumer healthcare businesses that are either independent or part of larger pharmaceutical groups; (2) global CPG companies that operate in similar or adjacent categories; (3) regional companies that operate in our categories within the markets in which we compete; (4) generic OTC manufacturers and private-label brands together with their customers in both traditional retail and online; and (5) emerging niche-oriented brands in our categories with distribution either through traditional retail or online and DTC channels. Across our three core segments, we experience significant degrees of competition. Our key competitors for each segment globally include:

- *Self Care.* Bayer’s Consumer Health division, Haleon, Procter & Gamble, Reckitt Benckiser Group, Sanofi’s Consumer Healthcare division and private-label brands
- *Skin Health and Beauty.* Beiersdorf, L’Oréal, Procter & Gamble, Unilever and private-label brands
- *Essential Health.* Colgate-Palmolive, Kimberly Clark, Procter & Gamble, Unilever and private-label brands

See “Risk Factors” for additional information on our competitive risks.

Environmental, Social and Governance

Our ESG management approach is designed to effectively govern and manage risks while also enabling us to identify opportunities that accelerate our business strategy and drive business value for all our stakeholders. In 2020, we formalized our ESG strategy into a holistic set of priorities—our Healthy Lives Mission. Through this mission, we declared a public commitment to invest \$800 million by 2030 intended to position our brands as healthy choices for both people and the planet. Our Healthy Lives Mission directs organizational energy and strategic investments into several critical ESG priority areas:

1. Sustainable packaging and end-to-end product transparency, beginning with ingredients;
2. Carbon footprint reduction across our operations and value chain;
3. Social impact programs which support communities and improve health equity and public health outcomes; and
4. Diversity, equity and inclusion.

Our Healthy Lives Mission is core to our business strategy and woven into the goals and objectives of each of our teams, across regions, categories and functions. In 2020, we prioritized our Healthy Lives Mission across eight leadership brands where we identified potentially large opportunities: Aveeno, Neutrogena, Le Petit Marseillais, Nicorette, Johnson's, Listerine, OGX and our Women's Health portfolio including Stayfree, Carefree and o.b. The scale and global nature of these brands allow us to drive the largest impact while applying the learnings across all our brands and regions over time.

Environmental

Our commitment to a healthy planet is rooted in Johnson & Johnson's 20-plus year commitment to setting and achieving public-facing environmental and carbon-reduction goals. For example, since launching our Healthy Lives Mission in 2020, we have made significant progress toward our sustainable packaging and ingredient transparency commitments and have contributed to the Johnson & Johnson Health for Humanity 2025 climate and carbon goals:

- *Improve sustainability of product packaging.* Since 2021, several of our brands pioneered the use of packaging materials and formats to advance our sustainability impact and emphasize circularity, including:
 - *Listerine.* Launched new recyclable mouthwash bottles made with up to 50% recycled plastic, with an aspiration to reach 100% by 2030;
 - *Johnson's Baby.* Removed more than 10 million impossible-to-recycle pumps from selected lotion and wash products in the United States and LATAM; and
 - *Le Petit Marseillais.* Launched waterless, biodegradable solid cleaners for hair, body and face that are free of plastic packaging.
- *Reduce health impact of climate change.* With evidence emerging about the increasing effects of climate change on allergies, the Zyrtec brand is acting and driving climate-based social impact. The Zyrtec brand partnered with the nonprofit American Forests to create the Zyrtec Releaf Project, a tree-planting initiative. This initiative is expected to add trees across communities in Phoenix, Arizona, Detroit, Michigan and Washington, D.C. to help more neighborhoods gain access to the health and environmental benefits provided by trees. Zyrtec also engaged consumers through a social call to action, increasing the amount of our donation to American Forests based on consumer engagement levels on Instagram. The Zyrtec Releaf Project was integrated into the Good Morning America show on the first day of spring in the United States to further drive awareness, and this initiative has been amplified with celebrity, healthcare professional and influencer voices, resulting in more than 890 million media impressions to date.
- *Reduce carbon footprint and impact of climate change across our operations and value chain.* We are committed to climate action to protect the health of our planet and support the resilience of our business.

We received the WEF Lighthouse designation in 2022 and 2021 for our manufacturing sites in Bangkok, Thailand and Helsingborg, Sweden, respectively. These sites were recognized for advancing efficiency, sustainability and workforce engagement through innovation. As a standalone company, we are currently in the process of establishing our own targets to reduce our carbon footprint across our operations and value chain, building on our track record of contributing towards the Johnson & Johnson Health for Humanity 2025 goals.

We are working in partnership with industry peers, non-governmental organizations and suppliers to exchange expertise and co-create sustainable innovation across our products and operations. For example, we are active members of the EcoBeautyScore Consortium, an industry-led collaboration developing a global environmental impact scoring system for cosmetic and personal care products. We are also a signatory to the Ellen MacArthur Foundation's New Plastics Economy Global Commitment, where we have declared a commitment to reduce our plastics packaging footprint across a variety of measurable factors. In addition, we are members of multiple coalitions with the Consumer Goods Forum, including the Plastic Waste Coalition of Action (PWCoA), Collaboration for Healthier Lives and Product Data Coalition.

Social

We are making significant progress across our social impact programs to further advance our Healthy Lives Mission:

- *Reduce the incidence of preventable skin cancers.* We produced an award-winning documentary in 2021 to elevate awareness and understanding of skin cancer for all skin types and colors. Our Neutrogena brand created a "Neutrogena Studios" division and partnered with Executive Producer Kerry Washington to produce an inspiring, unbranded documentary that shares the skin health journeys of seven families facing extraordinary circumstances as they uncover the long-term effects of living in the sun. As of January 2023, the documentary has been viewed more than 14 million times. Selected viewer feedback collected by a third-party study that we commissioned reported that 85% of those viewers surveyed were more likely to conduct a skin self-exam after watching the film, and approximately 89% of those viewers surveyed were more likely to wear sunscreen consistently and encourage others to do the same. Neutrogena is also engaging in a first-of-its-kind retailer collaboration to leverage the documentary and featured dermatologist, Dr. Shirley Chi. The collaboration trains Walgreens beauty advisors in the United States on skin cancer prevention and how to counsel consumers on appropriate sun protection factor ("SPF") protection.
- *Eradicate smoking.* We established a public-private partnership through our Nicorette brand with the World Health Organization's Access Initiative for Quitting Tobacco to help approximately 10,000 smokers in Jordan and the Philippines quit smoking through front-line education and support. This partnership was established during the peak of the COVID-19 pandemic, recognizing the increased risk to smokers and lack of access to nicotine replacement therapies in some countries with higher smoking rates. This partnership also included a donation in 2020 of more than \$1.5 million worth of Nicorette patches.
- *Enhance inclusivity.* In 2021, we launched Ourtone Band-Aid, which we offer in three brown shades to provide more inclusive bandage options for communities of color. In the process of launching Ourtone, we partnered with leading social organizations including the National Black Nurses Association and the Foundation of the National Student Nurses' Association. Together with these partners, we are providing African American nursing student candidates with financial support and scholarships as they pursue a future in healthcare. We are committed to supporting external and internal initiatives that eradicate racial and social injustice as a public health threat by helping to eliminate health inequities for people of color.
- *Educate new parents on superior baby care.* Through our Johnson's Baby brand, we have partnered with nurses, midwives' associations and local hospitals to deliver the best for baby care in the Philippines, Indonesia, Brazil and Colombia. Our Baby's First Bath Program aims to educate parents on proper care for their newborn's skin. In 2022, the program collectively reached approximately 1.3 million births across these four markets, which was approximately 12% of the estimated 10.4 million total births. This partnership also supports our leadership with hospitals and healthcare professionals.

- *Enhance product transparency.* Today, consumers increasingly desire to better understand product ingredients and materials, the research behind formulations and claims, manufacturing processes and the related potential overall impact to our planet. That is why we are leading with transparency—creating proactive digital communications to share product information, spanning ingredients, science, sustainability and social impact, with our consumers in real time. We piloted these efforts to enhance product transparency with the Johnson’s brand in 2021 and combined it with social media content, which led to meaningful improvements in brand sentiment across behavioral metrics and attributes. We have since added the Aveeno, Aveeno Baby, Le Petit Marseillais, Neutrogena, Listerine, Zarbee’s and OGX brands to this initiative, with more brands anticipated to be added in 2023.

We are dedicated to empowering our employees through our Healthy Lives Mission and we are highly committed to diversity, equity and inclusion. Our senior leadership team is global, diverse and multi-generational, represented by 9 different nationalities and over 58% women. We believe that a culture of diversity, equity and inclusion fosters an environment in which we fully leverage the strengths of our people to exceed consumer and customer expectations, create long-term value and meet our growth objectives. By investing in diversity, equity and inclusion, we believe we can better understand the needs of our diverse consumer and customer base and innovate in more creative ways. We have expanded diversity in support of the Johnson & Johnson Health for Humanity 2025 Diversity, Equity & Inclusion Goals, which aim to achieve 50% of women in management positions globally, 35% ethnic/racial diversity in management positions in the United States and 50% growth of our Black and African American employees in management positions in the United States over a five-year period. As a standalone company, we intend to set ambitious goals to continue building a diverse and engaged workforce and management team.

Governance

We believe robust corporate governance is essential to long-term value creation for all stakeholders. Our governance structure, policies and processes are designed to serve the needs of our business, our shareholders and other stakeholders, and to promote a culture of accountability across our company.

We believe that fostering a compliant, ethical, accountable and transparent culture and practice requires the full engagement of the Board and management. We expect that ESG matters will be regular topics on the agenda of the Board. In addition, the Nominating, Governance & Sustainability Committee will help to oversee matters of corporate governance, including by reviewing our overall governance practices on an annual basis to ensure that our corporate governance practices continue to meet our high standards.

The Board has adopted Principles of Corporate Governance to assist it in guiding our governance practices. In addition, among other policies, the Board has adopted a Kenvue Code of Conduct designed to provide employees with guidance on our compliance policies and a Code of Business Conduct & Ethics that sets forth additional guidelines applicable to the Board members and our executive officers. For additional information, see “Management.”

Intellectual Property

We rely on a combination of intellectual property rights, including our trademarks, trade secrets, patents and copyrights, as well as rights to third-party intellectual property pursuant to licenses and other contracts, to establish, maintain, protect and enforce the intellectual property and other proprietary information used in our business. Establishing, maintaining, protecting and enforcing our intellectual property and other proprietary rights in the United States and around the world is important to our success, and we consider these rights, in the aggregate, to be material to our business.

To facilitate the Separation and enable our operations to continue with minimal interruption following the Separation, Johnson & Johnson will grant to Kenvue licenses to use certain intellectual property rights retained by Johnson & Johnson that we used in the conduct of our business prior to the Separation, including the “Johnson & Johnson” name and signature and other legacy Johnson & Johnson branding, for a limited duration following the Separation, even if Johnson & Johnson ceases to own a controlling equity interest in our company. These licenses provide for terms of varying duration, which vary based on our particular use of a licensed intellectual property

right. For example, the license to use legacy Johnson & Johnson branding on internal or external product packaging and labels will terminate within five years from the completion of this offering, subject to extension for an additional three years if, at such termination date, we continue to make use of such legacy Johnson & Johnson branding despite commercially reasonable efforts to terminate use. In addition, we will grant to Johnson & Johnson licenses to use certain intellectual property rights owned by us following the Separation. For additional information about these licenses, see “Certain Relationships and Related Person Transactions—Agreements to be Entered into in Connection with the Separation.”

We seek to establish, maintain, protect and enforce our intellectual property and other proprietary rights by all appropriate means, but the steps we have taken, and will take in the future, may prove inadequate. Third parties could infringe, misappropriate or otherwise violate our intellectual property and other proprietary rights. In addition, despite our internal processes for intellectual property clearance, we could be found to have infringed, misappropriated or otherwise violated the intellectual property or other proprietary rights of third parties. Under either circumstance, our business, results of operations or financial condition could be adversely affected. For additional information about these and other risks associated with our use of intellectual property and proprietary information in our business, see “Risk Factors.”

Trademarks

Our brands are critical to our success, and trademark protection is an important part of establishing and maintaining brand recognition for our products in the United States and around the world. The vast majority of our net sales are derived from products bearing proprietary trademarks and trade names. These trademarks and trade names convey that the products we sell are “brand name” products. We seek to obtain protection for these trademarks and trade names by all appropriate means, and we consider them, in the aggregate, to be material to our business.

As of January 1, 2023, in the United States, we owned approximately 975 registered trademarks and approximately 230 pending trademark applications. As of January 1, 2023, in other countries, including in EMEA, APAC, Latin America and other areas of North America, we owned approximately 43,000 registered trademarks and approximately 4,400 pending trademark applications. Trademarks registered in the United States remain in force for 10 years and may be renewed every 10 years after issuance so long as the mark is still being used in commerce. Trademarks registered in other countries generally have varying terms and renewal policies. Filing a trademark application does not guarantee that the trademark application will proceed to registration. Our trademarks could be challenged, invalidated, declared generic, infringed or otherwise violated. Opposition or cancellation proceedings may in the future be filed against our trademark applications and registrations, and our trademarks may not survive these proceedings.

Patents

We actively file and maintain a portfolio of patents in the United States and around the world and seek to obtain and enforce patent protection by all appropriate means. Many of our products use well-known, established APIs whose original patents have expired, and our owned and in-licensed patents rarely, if ever, solely cover a new API by itself. Instead, our patent portfolio focuses on certain features of our products, including methods of use, formulations, manufacturing processes, delivery devices, dosage forms, packaging and designs. As a result, our products are often protected by multiple patents covering a variety of distinct features of the product. This diminishes our reliance on any individual patent for a product’s commercial success because the inability to obtain patent protection for one feature of the product can often be offset by patent protection of a different feature or by other types of intellectual property protection. Consequently, while we consider these patents, and the protection thereof, to be important, we do not consider any single patent to be material to any material product or product family, and we do not expect the expiration of any single patent to have a material impact on any material product or product family.

As of January 1, 2023, in the United States, we owned approximately 640 issued patents and approximately 200 pending non-provisional patent applications. As of January 1, 2023, in other countries, including in EMEA, APAC,

Latin America and other areas of North America, we owned approximately 5,130 issued patents and approximately 1,960 pending patent applications.

The term of individual patents depends upon the country in which the patent is obtained. In the United States, the patent term is generally 20 years from the date the earliest non-provisional patent application to which the patent claims priority is filed, and, in many other countries, the patent term is also generally 20 years from the filing date of the patent application. Our issued patents have various expiration dates ranging from 2023 to 2047, exclusive of any potential patent term adjustments or patent term extensions.

We cannot predict whether the patent applications we pursue or in-license will issue as patents in any particular jurisdiction or whether the claims of any owned or in-licensed issued patents will provide any protection from competitors. Even if our owned or in-licensed pending patent applications are granted as issued patents, those patents, as well as any other issued patents we may own or license from third parties now or in the future, may be challenged, circumvented or invalidated by third parties. Consequently, we may not successfully obtain or maintain adequate patent protection for our products, product uses, product formulations, manufacturing processes, delivery devices, dosage forms, packaging or designs. Particularly because many of our products use well-known, established APIs whose original patents have expired, even with respect to aspects of our products (or ingredients in our products) that may be covered by patents, there may be numerous similar yet non-infringing products or ingredients in the marketplace.

Other Proprietary Rights

For certain of our products, product uses, product formulations, manufacturing processes, delivery devices, dosage forms, packaging and designs, we rely on trade secrets, know-how and other proprietary information, which we seek to protect, in part, through IT Systems and by confidentiality and nondisclosure agreements with our employees, vendors, consultants and other commercial partners. We also seek to enter into agreements whereby our employees, vendors, consultants and other commercial partners assign to us the rights in any intellectual property they develop in the course of their engagement with us. However, these agreements may not effectively prevent disclosure or misappropriation of our trade secrets, know-how or other proprietary information, and disputes may still arise with respect to the ownership of the intellectual property and proprietary information used in our business. In addition, third parties may independently develop substantially equivalent proprietary information or improperly gain access to or disclose our trade secrets.

Government Regulations

We are subject to extensive government regulations in the United States and around the world. U.S. federal authorities, including the Food and Drug Administration (“FDA”), the Federal Trade Commission (“FTC”), the Consumer Product Safety Commission (“CPSC”), the Occupational Safety and Health Administration (“OSHA”), the Environmental Protection Agency (“EPA”) and the Drug Enforcement Administration (“DEA”), regulate various aspects of our business, along with parallel authorities at the state and local levels and comparable authorities in other jurisdictions. Government regulations in the United States and around the world apply to many areas of our business, including most aspects of our products. It is our policy and practice to comply with all government regulations applicable to our business. The process of obtaining regulatory approvals and complying with applicable federal, state and local regulations in the United States and around the world is complex, time-consuming and costly and may impact our business strategies. In addition, the global regulatory landscape is subject to rapid and unexpected changes, including as a result of the Russia-Ukraine War, the COVID-19 pandemic and Brexit, and there has been a general trend toward increasingly stringent regulation and enforcement around the world in recent years. For additional information about risks associated with government regulations, see “Risk Factors—Risks Related to Government Regulation and Legal Proceedings.”

New or more stringent laws or regulations, more restrictive interpretations of existing laws or regulations or increased enforcement actions by governmental and regulatory agencies around the world could increase our ongoing costs of compliance, alter the environment in which we do business or otherwise adversely affect our business, results of operations or financial condition. If we fail to comply with any new or existing laws or regulations, we may be required to pay damages, cease advertising or promotional activities, alter our products or

marketing materials, cease selling certain products and possibly face fines or sanctions. Furthermore, as we continue to expand our global operations, we may be required to comply with market-specific laws and regulations, including by obtaining approvals, licenses or certifications from a particular country's regulators. Failure to obtain these approvals, licenses or certifications or comply with these laws or regulations could impede our growth prospects and otherwise adversely affect our business, results of operations or financial condition.

We have products in a number of different regulatory classifications, and these classifications and their application to our products may vary from market to market. Accordingly, certain of our products are subject to varying levels of regulation in different geographic markets. The following description discusses the material effects of the regulatory landscape applicable to our business, with particular focus on the United States, the European Union and China, which are the key geographic markets for our business from a regulatory perspective and markets that we believe are representative of the material differences in the regulation of our business across the various geographic markets in which we operate.

Quality and Safety

The FDA and comparable authorities in other jurisdictions regulate the facilities and operational procedures that we use to manufacture our products. We are required to register our facilities with these authorities. Products are required to be manufactured in our facilities in accordance with current Good Manufacturing Practices ("cGMP") or similar manufacturing standards in each country in which we manufacture products. Compliance with these regulations and with our own quality standards, which may exceed applicable government regulations, requires substantial expenditures of time, money and effort across many areas of our business, including with respect to training of personnel, recordkeeping, production, quality control and quality assurance. The FDA and comparable authorities in other jurisdictions periodically inspect our manufacturing facilities for compliance with cGMP or similar manufacturing standards in the applicable country. Regulatory approval to manufacture many of our products is granted on a site-specific basis. Failure to comply with cGMP or similar manufacturing standards at one of our or our third-party partners' facilities could result in adverse regulatory action, which could disrupt the manufacture or supply of some of our products. Disruptions to our manufacturing or supplier operations could adversely affect our business, results of operations or financial condition. See "Risk Factors—Risks Related to Our Operations—Disruptions to our manufacturing or supplier operations could adversely affect our business, results of operations or financial condition."

In addition, many of our products are subject to regulation by the CPSC under the Poison Prevention Packaging Act ("PPPA"), the Consumer Product Safety Act, the Federal Hazardous Substances Act and other laws enforced by the CPSC. These statutes and related regulations establish safety standards and bans for consumer products. For example, some of our products are subject to regulation under the PPPA, which aims to protect children from serious personal injury or serious illness that may result from handling, using or ingesting certain household items. Such items can only be legally marketed if they are dispensed in child-resistant packaging or labeled for use in households where there are no children. The CPSC monitors compliance of consumer products under its jurisdiction through market surveillance and has the authority to conduct product safety inspections of establishments where consumer products are manufactured, held or transported. The CPSC can require the recall of noncompliant products or products containing a defect that creates a substantial risk of injury to the public, and the CPSC may seek penalties for regulatory noncompliance under certain circumstances. CPSC regulations also require manufacturers of consumer products to report to the CPSC certain types of information regarding products that fail to comply with applicable regulations, contain a defect that could create a substantial product hazard or create an unreasonable risk of serious injury or death. Certain state laws also address the safety of consumer products and may mandate reporting or labeling requirements. Noncompliance with these laws may result in penalties or other regulatory action and related reputational harm.

Drug Products

In order to market and sell a new drug product in the United States, a manufacturer must (1) file a New Drug Application ("NDA") that shows the quality, safety and effectiveness of the new drug, (2) file an Abbreviated New Drug Application that demonstrates the equivalence of a generic product to another company's branded drug product or (3) comply with the FDA's monograph system. Most of our OTC products marketed in the United States,

including Aveeno Restorative Skin Therapy Itch Relief Balm, Neutrogena Invisible Daily Defense, Tylenol Dissolve Packs, certain of our Listerine mouthwash products and certain products intended to treat acne or be used as sunscreen, including skin care products with SPF, are regulated pursuant to the FDA's monograph system. The monographs establish the conditions, such as active ingredients, uses (indications), doses, labeling and testing, under which an OTC drug is generally recognized as safe and effective and can be marketed without an NDA and FDA premarket approval. Products marketed under the OTC monograph system are required to conform to specific quality, formula and labeling requirements. OTC monograph products that do not comply with these standards can be deemed unapproved new drugs and can be required to be withdrawn from the market. The Over-the-Counter Monograph Safety, Innovation and Reform Act, enacted in March 2020, is expected to introduce significant reform to the OTC monograph system, including by replacing the FDA's existing rulemaking process with an administrative order process for issuing, revising and amending OTC monographs. In addition, certain of our OTC products, including Zyrtec Chewables, Zyrtec-D and certain Imodium and Motrin products, are approved by the FDA through the NDA process rather than through the monograph system.

In addition, the DEA regulates certain of our OTC products containing pseudoephedrine, such as Sudafed and Zyrtec-D, pursuant to the Combat Methamphetamine Epidemic Act ("CMEA"). Among other requirements, the CMEA sets daily and 30-day sales limits for pseudoephedrine products purchased by consumers. We are also subject to similar regulations at the state level. For example, California requires any manufacturer, wholesaler, retailer or other entity in California that sells, transfers or otherwise furnishes certain "precursor substances," including pseudoephedrine, to have a permit issued by the California Department of Justice, Bureau of Narcotic Enforcement. This permit may be denied, revoked or suspended for a variety of reasons. Our OTC products containing pseudoephedrine are also subject to heightened regulatory regimes in other jurisdictions around the world.

In the European Union, our OTC products, including certain Nicorette products that are not marketed by us in the United States, are subject to extensive pre- and post-marketing regulation by regulatory authorities at both the European Union and E.U. Member State level. There are several administrative mechanisms to request regulatory approval of OTC products, including (1) the standalone national procedure for authorization in a single E.U. Member State, (2) the mutual recognition procedure, which is used when a product is already authorized in at least one E.U. Member State and approval is sought in at least one other E.U. Member State, and (3) the decentralized procedure, which is used when a product has not yet been authorized in the European Union and authorization is sought simultaneously in several E.U. Member States.

In China, our OTC products, including certain Rhinocort products that are not marketed by us in the United States, are regulated by the National Medical Products Administration ("NMPA"), which is the primary authority for the safety and registration of medicines, medical devices and cosmetics. The key elements of any regulatory application in China are quality, safety and efficacy and, until recently, there had been one process for the registration of all medicines in China, irrespective of prescription or OTC status. However, the Drug Registration Regulation, implemented in China in 2020, now provides an alternate process for OTC products, which maintains the principles of quality, safety and efficacy.

Cosmetics

A number of our products marketed in the United States, including many of our products in our Skin Health and Beauty segment, are considered cosmetics regulated by the FDA through the Federal Food, Drug, and Cosmetic Act and the Fair Packaging and Labeling Act. Our cosmetic products include Aveeno Restorative Skin Therapy Oat Repairing Cream, Aveeno Restorative Skin Therapy Sulfate-Free Body Wash, Johnson's Baby Powder and certain of our Listerine mouthwash products.

Cosmetics are not subject to premarket approval by the FDA, but certain ingredients, such as color additives, are required to be preauthorized, and the FDA seeks to ensure cosmetic products are not adulterated or misbranded. If the safety of a product or its ingredients has not been adequately substantiated, an appropriate warning label is required to be included on the product. Other warnings may also be mandated pursuant to FDA regulations. The FDA monitors compliance of cosmetic products with applicable regulations through market surveillance and inspection of cosmetic manufacturers and distributors to ensure that products do not contain false or misleading

labeling, are not adulterated and are not manufactured under unsanitary conditions. Inspections also may arise from consumer or competitor complaints filed with the FDA. In the event that the FDA determines that one of our products fails to comply with FDA regulations, we may be required, or we may independently decide, to conduct a recall or market withdrawal of that product or to correct the failure by making changes to that product, including its manufacturing, formulation or label. In addition, the Modernization of Cosmetics Regulation Act, enacted in December 2022, is expected to expand the FDA's regulatory authority over cosmetic products, including by providing the FDA with new mandatory recall authority over cosmetics and by requiring the registration of cosmetic manufacturing facilities, the reporting of certain adverse events, the issuance of cGMP requirements and the establishment of safety substantiation requirements.

In addition, certain of our cosmetic products, including those containing low-viscosity hydrocarbons such as baby oil, are regulated by the CPSC under the PPPA. See “—Quality and Safety.”

Medical Devices

Medical devices are subject to regulation in the various jurisdictions in which we operate. Although there is variation among jurisdictions in how our products are classified, medical devices are broadly defined as products which a manufacturer intends to be used to treat, cure, prevent, mitigate or diagnose disease. Medical devices generally achieve their purpose by physical modes of action; the principal intended action may not be pharmacological, immunological or metabolic.

Certain of our products marketed in the United States, such as our Band-Aid Brand Adhesive Bandages (including Ourtone Adhesive Bandages), Listerine Sensitivity Defense Mouthrinse and Tylenol SmartCheck Digital Ear Scope, are medical devices regulated by the FDA through a system that, unless exempt, requires us to receive premarket clearance for commercial distribution known as a 510(k) clearance. To obtain 510(k) clearance, a device is required to be determined to be substantially equivalent in intended use and in safety and efficacy to a benchmark device, or “predicate,” that is already legally in commercial distribution. Any modification to a 510(k) cleared device that could significantly affect its safety or efficacy or that would constitute a change in its intended use generally requires a new 510(k) clearance. If we determine that a new 510(k) clearance is not required but the FDA subsequently disagrees, the FDA may retroactively require us to obtain a new 510(k) clearance and may require us to cease marketing, or conduct a recall, of the modified device until the new 510(k) clearance is obtained. In recent years, we have also introduced certain connected health offerings as non-medical device apps, including the Zyrtec AllergyCast app and the Neutrogena Skin360 app. These products are neither intended to treat, cure, prevent, mitigate or diagnose disease nor intended to affect the structure of a person's body. We have accordingly determined that these products are not medical devices, but if the FDA subsequently disagrees, per its issued guidance, the FDA would not impose regulatory oversight because a failure of the device to function as intended would not pose a risk to patient safety.

In the European Union, manufacturers may self-certify compliance of certain medical devices by submitting notifications to the competent authority, with files open to inspection by a competent authority. In May 2021, the Medical Device Regulation (Regulation (EU) 2017/745) (“MDR”) came into effect in the European Union. The MDR is more comprehensive than the prior regime as it greatly increases the rigor and robustness of the regulations governing medical device products. All medical devices are expected to meet the MDR requirements, and there is no “grandfathering” of products. In addition, all approved products and their manufacturers are subject to re-review on periodic cycles of up to every four years. In recent years, we have also introduced certain connected health offerings as non-medical device apps, including certain products that are not offered by us in the United States. These products include the Nicorette QuickMist SmartTrack, which is deemed a wellness app and, as such, is not regulated as a medical device by the health authorities in the countries in which it is offered. Any determination that medical device clearance is required for a product that we currently offer as a non-medical device may cause us to cease marketing, or conduct a recall, of the modified product until such clearance is obtained.

In China, locally manufactured medical devices gain market authorization through municipal authorities, while medical devices that are not manufactured in China are reviewed by the NMPA and must be accompanied by appropriate documentation showing that the device has been approved in its country of origin.

Dietary Supplements

Some of our products under the Zarbee's brand and the Lactaid brand that are marketed in the United States are considered dietary supplement products and are governed by the Dietary Supplement Health and Education Act of 1994, which defines and regulates dietary supplements. Dietary ingredients that were not marketed in the United States before October 15, 1994 are required to be the subject of a new dietary ingredient notification submitted to the FDA at least 75 days before the initial marketing, unless the ingredient has been present in the food supply as an article used for food without being chemically altered. The FDA may determine that the notification does not provide an adequate basis to conclude that a new ingredient is reasonably expected to be safe, which could effectively prevent the marketing of the ingredient. Furthermore, a company that uses a statement of nutritional support in the labeling for a product is required to possess information substantiating that the statement is truthful and not misleading. If the FDA determines that a particular statement of nutritional support is an unacceptable drug claim or an unauthorized version of a health claim, or if the FDA determines that a particular claim is not adequately supported by existing scientific evidence or is otherwise false or misleading, the claim cannot be used and any product bearing the claim on its labeling could be subject to regulatory action.

A comparable regulatory regime operates in the European Union, where dietary supplements are regulated as food products pursuant to the Food Supplements Directive 2002/46/EC. In addition, many E.U. Member States have implemented notification procedures that require reporting prior to or immediately after the commencement of sales of a dietary supplement.

Labeling and Product Claims

We are subject to various laws on labeling and product claims, including with respect to the characteristics, quality, safety, performance and benefits of our products. We typically are required to have a reasonable basis to support any factual marketing claims, and what constitutes a reasonable basis for substantiation can vary widely from market to market and from product to product. For example, while cosmetic labeling does not require FDA premarket approval, the FDA regulates cosmetic labeling claims and monitors, and takes action against, claims that are not truthful, are misleading or make medicinal claims. The FDA is also responsible for taking action against any misbranded dietary supplement product after it reaches the market. In addition, while our labeling and advertising claims for our monograph products, such as certain Benadryl, Tylenol and Neutrogena products, and advertising claims for NDA products are not subject to approval by the FDA, labeling claims for our NDA products, such as certain Zyrtec, Imodium and Motrin products, are approved by the FDA. In certain circumstances, we may also be subject to additional regulations depending on the nature of the labeling and product claims. For example, the U.S. Department of Agriculture enforces federal standards for organic production and use of the term "organic" on product labeling.

The FTC regulates the use of endorsements and testimonials in advertising as well as relationships between us, on the one hand, and advertisers and influencers, on the other hand, pursuant to principles described in the FTC's Guides Concerning the Use of Endorsements and Testimonials in Advertising (the "Endorsement Guides"). The Endorsement Guides provide that an endorsement should reflect the honest opinion of the endorser and cannot be used to make a claim about a product that the product's marketer could not itself legally make. The Endorsement Guides also stipulate that, if there is a connection between an endorser and the marketer that consumers would not expect and this connection would affect how consumers evaluate the endorsement, then that connection should be disclosed. Another principle in the Endorsement Guides applies to advertisements that feature endorsements from people who have achieved exceptional, or even above average, results from using a product. If the advertiser does not have proof that the endorser's experience represents what people will generally achieve using the product as described in the advertisement, then an advertisement featuring that endorser should make clear to the audience what results they can generally expect to achieve and the advertiser should have a reasonable basis for its representations regarding those generally expected results. Although the Endorsement Guides are advisory in nature and do not operate directly with the force of law, they provide guidance about what the FTC staff generally believes the Federal Trade Commission Act ("FTC Act") requires in the context of using endorsements and testimonials in advertising. Any practices inconsistent with the Endorsement Guides can result in violations of the FTC Act's proscription against unfair and deceptive practices. If our advertising claims or claims made by our social media influencers or by other endorsers with whom we have a material connection do not comply with the Endorsement Guides or any

requirements of the FTC Act or similar state requirements, then the FTC and state authorities could subject us to investigations and enforcement actions, impose penalties, require us to pay monetary consumer redress, require us to revise our marketing materials or require us to accept burdensome injunctions, any of which could adversely affect our business, results of operations or financial condition.

Furthermore, the National Advertising Division (“NAD”) of the Better Business Bureau administers a self-regulatory program of the advertising industry to ensure truth and accuracy in national advertising. NAD monitors national advertising and entertains inquiries and challenges from competitors and consumers. We may also be subject to various state consumer protection laws, including California’s Proposition 65, which requires a specific warning on any product that contains a substance listed by California as having been found to cause cancer or birth defects, unless the level of such substance in the product is below a safe harbor level.

In the European Union, advertising of products is subject both to general consumer advertising requirements pursuant to the Unfair Commercial Practices Directive (Directive 2005/29/EC), which imposes a general prohibition on misleading and aggressive advertising, as well as more specific regulations in respect of various product classifications. For example, pursuant to Directive 2001/83/EC, advertisements of our OTC products must, among other requirements, (1) be set out in such a way that it is clear that the message is an advertisement and that the product is clearly identified as a medicinal product, (2) not refer to claims of recovery in improper, alarming or misleading terms and (3) not suggest that the effects of taking the medicine are guaranteed, are unaccompanied by adverse reactions or are better than, or equivalent to, those of another treatment or medicinal product. The European Union has also established a legal framework for cosmetic labeling claims based on the Cosmetics Products Regulation (Regulation (EC) No 1223/2009). So-called “responsible persons” must ensure that a cosmetic product made available on the market is safe for human health when used under normal or reasonably foreseeable conditions, taking into account presentation, labeling, instructions for use and disposal and any other indication or information provided by the responsible person.

In China, advertisements of OTC products must, among other requirements, include an “OTC” marking and must not contain difficult or confusing medical or pharmaceutical terms that could mislead the public about a product’s efficacy or safety.

Pricing

Our activities are subject to a variety of price control laws and regulations in some of the markets in which we operate. The range and extent of these price control mechanisms vary by market. In addition, price control laws or regulations may become more stringent during times of uncertain or unfavorable economic or market conditions, such as during times of economic slowdown, recession or inflation.

In certain markets the pricing for certain of our products may be subject to prior approval, including in jurisdictions where our products are subject to government reimbursement, whereas in other markets we may be able to fix our own prices for our products subject to certain degrees of monitoring and control by the applicable governmental authority. For example, in China, the government regulates the prices of our OTC products sold in the hospital channel through a combination of provincial bidding programs, a centralized tendering program, a national reimbursement program and strengthened regulation of medical and pricing practices, as applicable. In general, our OTC products are subject to provincial bidding programs that regulate the prices at which public hospitals can purchase our OTC products. In recent years, the Chinese government has also initiated various centralized volume-based tendering programs at both the national and provincial levels. These programs require companies to submit bids for in-scope medicines, with the winning bidders gaining a guaranteed sale volume of the total market for those medicines for one to three years. Our OTC products are also regulated outside the hospital channel in certain cities and provinces in China, where our prices may be linked to the tendering process within the hospital channel. These price control mechanisms, and mechanisms in other markets, may restrict the amount we are able to charge for our products, which may reduce our profits and otherwise adversely affect our business, results of operations or financial condition.

Environment, Health and Safety

The EPA and parallel state and local authorities in the United States, as well as comparable authorities around the world, enforce a broad range of environmental laws and regulations in the jurisdictions in which we manufacture and sell our products or otherwise operate our business. These include requirements governing product content and labeling, the handling, manufacture, transportation, storage, use and disposal of chemicals and other hazardous materials and wastes, the discharge and emission of pollutants and the cleanup of contamination in the environment. We could incur substantial costs, including civil or criminal fines or penalties, enforcement actions and other third-party claims and cleanup costs as a result of our failure to comply with, or liabilities under, environmental, health and safety laws and regulations or permits required thereunder. Under certain environmental laws and regulations, we may be subject to liability for environmental investigations and cleanups, including at properties that we currently or previously owned or operated, or at sites at which waste we generated was disposed, even if the contamination was not caused by us or the relevant conduct was legal at the time it occurred. We are addressing contamination from historical operations that has been identified at certain of our current or former properties and are involved in a number of proceedings brought under the Comprehensive Environmental Response, Compensation, and Liability Act, commonly known as Superfund, and other comparable state, local or foreign laws in which the primary relief sought is the cost of past and/or future remediation. The ultimate cost at such sites is difficult to accurately predict and we may incur significant additional costs as a result of the discovery of contamination or the imposition of additional obligations at these or other sites in the future. See “Risk Factors—Risks Related to Government Regulation and Legal Proceedings—We are subject to a broad range of environmental health and safety laws and regulations, and the impact of any obligations under these laws and regulations could adversely affect our business, results of operations or financial condition” and Note 13, “Commitments and Contingencies,” to our audited combined financial statements included elsewhere in this prospectus.

We also are subject to extensive and evolving regulations regarding the manufacturing, processing, distribution, importing, exporting and labeling of our products and their raw materials. In the European Union, the Registration, Evaluation, Authorisation and Restriction of Chemicals (“REACH”) regulations came into effect in 2007, with implementation rolling out over time. Registered chemicals then can be subject to further evaluation and potential restrictions. Since the promulgation of REACH, other countries have enacted or are in the process of implementing similar comprehensive chemical regulations.

Our operations are also subject to regulation under the federal Occupational Safety and Health Act and parallel state and local occupational health and safety standards, as well as occupational health and safety standards applicable to our operations in other jurisdictions. These standards establish certain employer responsibilities, including requirements to maintain a workplace free of recognized hazards likely to cause serious injury or death, certain medical and hygiene standards, licensing and permitting obligations and various recordkeeping, disclosure and procedural requirements. Our facilities and operations may be subject to periodic inspections by OSHA representatives and comparable authorities in other jurisdictions. Failure to comply with applicable occupational health and safety standards, even if no work-related serious injury or death occurs, could result in civil or criminal enforcement and substantial penalties, significant capital expenditures or suspension or limitation of our operations.

Privacy and Data Protection

We are subject to increasingly complex and changing privacy and data protection laws and regulations in the United States and around the world that impose broad compliance obligations on the collection, transmission, dissemination, use, privacy, confidentiality, security, retention, availability, integrity and other processing of health-related and other sensitive and personal information. Failure to comply with these laws and regulations, which may conflict with one another and evolve in the future, could result in substantial fines, penalties, private rights of action, claims and damage to our reputation.

In the United States, we are subject to a range of privacy and data protection laws and regulations, the specific requirements of which vary from state to state. For example, the California Consumer Privacy Act (“CCPA”) imposes stringent data privacy requirements and obligations with respect to the personal information of California residents, such as required disclosures to California consumers, and provides California consumers with data protection and privacy rights, such as the ability to opt out of certain sales of personal information. The CCPA

provides for civil penalties for violations of the statute and a private right of action for certain data breaches that result in the loss of personal data. Companies subject to the CCPA must create and publish a privacy policy that discloses, among other things, the categories of personal information the business collects, the sources from which the personal information is collected and the purpose for which the personal information is collected or sold. The CCPA has been amended by the California Privacy Rights Act (“CPRA”), which is expected to come into effect, in most material respects, on January 1, 2023. The CPRA significantly modifies the CCPA, including by expanding consumers’ rights with respect to certain sensitive personal information. The CPRA also creates a new state agency that will be vested with authority to implement and enforce the CCPA and the CPRA. It remains unclear how various provisions of the CCPA and CPRA will be interpreted and enforced. Other states have enacted, are in the process of enacting or may in the future enact similar privacy and data protection laws and regulations, which creates the potential for a patchwork of overlapping but different state laws. Furthermore, there is discussion in Congress of a new comprehensive federal data privacy law to which we may become subject if it is enacted, which would add additional complexity, restrictions and potential legal risks and may require additional investment of resources in compliance programs and other operational costs.

We are also subject to federal health information privacy laws, such as HIPAA, and consumer protection laws, such as the CAN-SPAM Act, which further impose requirements for the collection, use, storage, access, transfer and protection of health-related and other sensitive and personal information. In addition, we are subject to state laws and regulations governing the collection and use of biometric information, such as fingerprints and facial biometric templates. For example, the Illinois Biometric Information Privacy Act regulates the collection, use, safeguarding and storage of “biometric identifiers” and “biometric information” by private entities and provides a private right of action for persons who are aggrieved by violations of the statute. Other states have enacted, are in the process of enacting or may in the future enact similar laws addressing biometric information. We are also subject to laws in all 50 states that require businesses, under certain circumstances, to provide notice to consumers whose personal information has been accessed or acquired as a result of a data breach and, in some cases, to regulators.

Outside the United States, the European Union’s General Data Protection Regulation (“E.U. GDPR”) and the United Kingdom’s General Data Protection Regulation (“U.K. GDPR”), together with national legislation, regulations and guidelines of the E.U. Member States and the United Kingdom governing the processing of personal data, impose strict obligations and restrictions on the ability to collect, analyze, store, transfer and otherwise process personal data, including health data and adverse event reporting. The E.U. GDPR contemplates fines for certain violations of up to four percent of global annual revenue or €20 million (or GBP 17.5 million under the U.K. GDPR), whichever is greater. Furthermore, the relationship between the United Kingdom, the European Union and the United States in relation to certain aspects of data protection law remains unclear, particularly regarding how data can lawfully be transferred between each jurisdiction. For example, in July 2020, the Court of Justice of the European Union issued a judgment invalidating the E.U.-U.S. Privacy Shield framework, which had provided companies with a mechanism to comply with data protection requirements when transferring personal data from the European Union to the United States.

In China, we are subject to the Personal Information Protection Law (“PIPL”), which applies to the processing of personal information of natural persons within China, the processing of personal information outside China where the purpose is to provide products and services within China and the analysis or assessment of the activities of individuals within China. While similar to the GDPR, the PIPL contains unique requirements not found in the GDPR. Consequences of non-compliance may include monetary fines of up to five percent of the previous year’s revenue, termination of data transfers and personal liability imposed on those directly responsible. We are also subject to similar privacy and data protection frameworks in other developed and emerging markets, including Canada’s Personal Information Protection and Electronic Documents Act, Brazil’s Lei Geral de Proteção de Dados Pessoais, Japan’s Act on the Protection of Personal Information, South Africa’s Protection of Personal Information Act and South Korea’s Personal Information Protection Act.

Additional privacy and data protection laws and regulations are being developed around the world, including in other jurisdictions in which we operate and privacy enforcement by governmental authorities globally, particularly on data localization requirements and international data flows, has increased in recent years. Compliance with these new and changing laws has impacted, and may in the future impact, our business strategies, and unforeseen changes to privacy laws may affect our ability to tailor and personalize our products and services to meet our strategic goals.

or consumer expectations, which could adversely affect our business, results of operations or financial condition. In addition, certain privacy and data protection laws may apply to us indirectly through our customers, manufacturers, suppliers or other third-party partners. For example, non-compliance with applicable laws or regulations by a third-party partner that is processing personal data on our behalf may be deemed non-compliance by us or a failure by us to conduct proper due diligence on the third party. We also could be subject to additional expenses and liabilities in the event of an information security incident, including a cybersecurity breach, or the failure of an information technology system owned or operated by us or a third party with which we partner or its vendor. For additional information about our use of IT Systems and other risks to our business associated with privacy and data protection matters, which we expect will increase in variety and magnitude as we continue to pursue a digital-first strategy, see “Risk Factors—Risks Related to Our Operations” and “Risk Factors—Risks Related to Government Regulation and Legal Proceedings.”

Anti-Corruption

We are subject to various anti-corruption laws and regulations, such as the FCPA, that generally prohibit companies from promising, offering or giving anything of value to foreign officials with the corrupt intent of influencing the foreign official for the purpose of obtaining or retaining business or gaining any improper advantage. Similar to the U.S. application and enforcement of the FCPA, various jurisdictions in which we operate have laws and regulations, including the U.K. Bribery Act 2010 and Chinese anti-corruption laws, aimed at preventing and penalizing corrupt behavior. In addition, our interactions and financial relationships with healthcare professionals and government officials (including individuals acting on behalf of hospitals or other institutions owned or controlled by a government body) are subject to varying degrees of regulation and restriction in the jurisdictions in which we operate. These regulations and restrictions are generally intended to protect against corruption and conflicts of interest in connection with the expenditure of government funds and to ensure fairness and transparency in their legislative, regulatory and procurement processes.

Other Regulations

We are also subject to a variety of other laws and regulations in the United States and around the world. For example, we must comply with an increasing number of laws designed to combat abuses of human rights in supply chain operations. In addition, our selling practices are regulated by competition law authorities in the United States and around the world. We are also subject to laws and sanctions imposed by the United States (including those imposed by OFAC) and other authorities that may prohibit us or our affiliates from doing business in certain countries or restrict the type of business that may be conducted by us or our affiliates. For example, actions taken in response to the Russia-Ukraine War have included the imposition of export controls and broad financial and economic sanctions against Russia, Belarus and specific areas of Ukraine. Enforcement activities under these laws and regulations could subject us to additional administrative and legal proceedings and actions, which could include claims for civil penalties, criminal sanctions and administrative remedies.

Seasonality

Our business is generally not seasonal. However, certain products within our Self Care and Skin Health and Beauty segments are subject to moderate degrees of seasonal sales fluctuations. For example, in our Self Care segment, certain of our OTC products, such as Tylenol and Motrin, are typically purchased more frequently during the cold and flu season in the winter or, in the case of Zyrtec and Benadryl, during high allergy seasons in the spring and the fall. In addition, in our Skin Health and Beauty segment, sales of our products that contain SPF, such as certain Neutrogena products, are typically higher in the summer and sales of our products that contain moisturizers, such as certain Aveeno products, are typically higher in the fall and the winter. The net effect of these seasonal sales fluctuations on our worldwide sales has historically been minimal within each of our business segments and across our business as a whole.

Properties

We own, lease or otherwise have rights to use a number of facilities, including administration, research and development, manufacturing, warehousing, distribution and other facilities. Following the Separation, we expect that we will own, lease or otherwise have rights to use approximately 180 facilities, consisting of approximately 46

facilities that we will own and approximately 134 facilities that we will lease or otherwise have rights to use. These facilities cover approximately 15.4 million square feet, consisting of approximately 10.8 million square feet in facilities that we will own and approximately 4.6 million square feet in facilities that we will lease or otherwise have rights to use. These facilities are located throughout the United States and in many other countries around the world, including EMEA, APAC, Latin America and other areas of North America. Many of these facilities will serve more than one of our business segments and multiple functions across our business.

The table below sets forth our principal properties following the Separation, each of which will be owned by us.

Location	Principal Segment(s)	Use	Approximate Square Footage
Skillman, New Jersey	Skin Health and Beauty (R&D), Essential Health (R&D)	Corporate Headquarters, R&D	740,000
São José dos Campos, Brazil	Skin Health and Beauty, Essential Health	Manufacturing	1,400,000
Fort Washington, Pennsylvania	Self Care	Manufacturing	800,000
Val-de-Reuil, France	Self Care, Skin Health and Beauty	Manufacturing	790,000
Las Piedras, Puerto Rico	Self Care	Manufacturing	740,000
Lititz, Pennsylvania	Skin Health and Beauty, Essential Health	Manufacturing	550,000
Cali, Colombia	Skin Health and Beauty, Essential Health	Manufacturing	430,000
Pomezia, Italy	Essential Health	Manufacturing	350,000
Bangkok, Thailand	Skin Health and Beauty, Essential Health	Manufacturing	340,000
Shanghai, China	Self Care, Essential Health	Manufacturing	300,000
Helsingborg, Sweden	Self Care	Manufacturing	300,000

We are also party to, and intend to enter into in connection with the Separation, various agreements with Johnson & Johnson relating to real estate matters, which include leasing, subleasing and licensing arrangements between us and Johnson & Johnson with respect to our facilities and Johnson & Johnson's facilities. For additional information about these arrangements, see "Certain Relationships and Related Person Transactions—Other Agreements with Johnson & Johnson—Real Estate Agreements."

On April 20, 2023, we entered into a long-term lease for a newly renovated office building and a newly constructed R&D building in Summit, New Jersey that, when completed, will encompass a total of approximately 290,000 square feet and serve as the Company's new global corporate headquarters. The expected lease expense is approximately \$10 million per year with an initial term of 15 years. In addition to corporate office space, this campus will house laboratory space to principally support R&D. The relocation to this campus is expected to commence in 2025 for the office building and continue through 2026 for occupancy into the new R&D building. We will continue to operate from our interim corporate headquarters in Skillman, New Jersey until that time.

We consider the facilities that we use in our business to be suitable and adequate for the purposes for which they are used and do not anticipate difficulty in renewing existing leases as they expire or in finding alternative facilities. We are committed to maintaining all of these properties in good operating condition.

Our People

Company Culture

We are a global leader at the intersection of healthcare and consumer goods with a powerful portfolio of iconic, beloved brands that we believe help approximately 1.2 billion people worldwide live healthier lives every day. This is our mission, passion and greatest responsibility. Our success is possible through cultivating a strong sense of

purpose and a culture of inclusion led by a diverse, agile and energized team that is driven to improve the health of people around the world every day. Our employees embrace collaboration and creativity, and we encourage the iteration of innovative ideas to address the intersection of personal health and wellness, on the one hand, and societal and global impact, on the other hand. United by a common purpose, anchored in and leading with our core values at every level of the organization, we are committed to supporting the development of all of our team members. Through an agile structure focused on the ability to respond quickly to changes in market and consumer dynamics, we operate our organization based on three main agility principles: (1) consumer and customer obsession, (2) small, cross-functional empowered and accountable teams and (3) servant and inclusive leadership.

As of January 1, 2023, we had approximately 22,200 employees, with approximately 5,400 located in North America, 6,400 in EMEA, 6,500 in APAC and 3,900 in Latin America. Recognizing that our industry is rapidly evolving with constant innovation ranging from scientific to digital, we remain focused on creating a culture of inclusion and on attracting, developing and retaining a diverse workforce, reflective of those we serve.

Diversity, Equity and Inclusion

We intend to build upon our strong commitment to diversity, equity and inclusion by fostering an environment where people can operate at their best, do meaningful work capitalizing on their unique value, learn, grow and get rewarded and recognized for their impact on our business. Our goal is to ensure the diversity of our workforce gets translated into meaningful innovation in the way we partner with our customers and put our products in the hands of our consumers.

Our talent practices aim to encourage well-being, fairness and respect, and to provide equal opportunities for development and growth. For example, we have initiatives in place to advance diverse representation by creating diverse interview teams and candidate slates and by expanding diversity outreach efforts through organizations that serve and engage talent from underrepresented communities. We offer team members access to ongoing inclusion and diversity education and support throughout their career journey through employee resource groups, mentorship and sponsorship. In addition, we offer flexible work arrangements that enable agile ways of working, promote empowerment and facilitate accountability.

Learning and Development

We invest heavily in ongoing development to ensure our teams' capabilities remain relevant and keep pace with the rapid evolution in the marketplace. Our focus is centered on three areas: (1) on-the-job training (such as assignments that cross functions or regions), (2) how we lead (such as the tools and resources to develop leadership) and (3) how we work (such as the tools and resources to build functional skills and deliver on our quality and compliance commitments). Ultimately, our goal is to ensure this ongoing commitment to development and growth yields superior performance and differentiates us from our competitors.

Employee Engagement

We believe that everyone is a leader and that open and honest communication among all team members sets the tone for a collaborative and inclusive work environment where everyone's voice is heard and everyone can participate, develop and thrive, all working toward a common purpose. Team members are encouraged to own their development and their careers. They are encouraged to contribute with new ideas and voice their opinions, feedback or concerns, and we regularly conduct surveys that gauge employee sentiment in areas like inclusion, quality of our people leaders, career development, strategic alignment and execution. According to an internal survey conducted in 2022 with a response rate from full-time employees of approximately 89%, approximately 88% of our colleagues feel that our senior leadership team respects the dignity and diversity of all employees and approximately 81% feel a strong sense of belonging, demonstrating a collective commitment among employees that the Company is a great place to work. We value feedback from our team members, looking to understand their concerns and expectations and, where possible, acting on them. Results are shared with all employees and used to inform certain decisions.

We are also committed to actively supporting the communities we serve worldwide as well as those in which our employees live and work through strategic investments. Our global community engagement program is just one way in which we connect our passionate purpose-driven workforce to fulfill its potential and create possibilities. We

make financial contributions, provide in-kind charitable product donations and volunteer the time of team members to help non-profit organizations achieve their goals and generate societal impact.

Compensation and Benefits

In connection with this offering, we will implement compensation and benefits programs designed to reward and recognize superior performance and attract, develop and retain top talent in a highly competitive environment. Our expectation is that our Compensation & Human Capital Committee will link our compensation, including annual changes in compensation, to our overall performance as well as to each individual's contribution to the results achieved, with an emphasis on our overall performance to align an employee's financial interests with the interests of our shareholders. We expect that periodic benchmarking analyses will be conducted to help ensure our compensation programs remain competitive and that we will regularly assess internal pay equity.

Health, Safety and Well-being

As a global leader in personal health and wellness, we are committed to investing in employee health, safety and well-being as foundational to our purpose and values. We have robust processes to identify potential risks associated with workplace activities, develop measures and implement controls to mitigate possible hazards. We support employees with general safety training and put specific programs in place for those working in potentially high-hazard environments, including chemical management, equipment and machinery safety and hazardous materials management.

We work hard to create an environment where employees feel a strong sense of belonging, feel empowered to care for their health and well-being and that of their families, feel like they can grow and have fulfilling careers and feel recognized and valued for their contributions.

Legal Proceedings

We are involved in various lawsuits and claims relating to intellectual property, commercial contracts, product liability, labeling, marketing, advertising, pricing, foreign exchange controls, antitrust and trade regulation, labor and employment, pension, indemnification, data privacy and security, environmental, health and safety and tax matters; governmental investigations; and other legal proceedings that arise from time to time in the ordinary course of our business. We are not currently party to any legal proceedings the resolution of which we believe would have a material adverse effect on our business, results of operations or financial condition. However, it often is not possible to predict the ultimate outcome of a legal proceeding, and our assessment of the materiality of a legal proceeding, including any accruals taken in connection therewith, may not be consistent with the ultimate outcome of the legal proceeding. In addition, our current estimates of the potential impact of legal proceedings on our business, results of operations or financial condition could change from time to time in the future. For additional information about our current legal proceedings, see Note 13, "Commitments and Contingencies," to our audited combined financial statements included elsewhere in this prospectus.

MANAGEMENT

Executive Officers

The following table sets forth the name, age and position of the individuals who are expected to serve as our executive officers upon completion of this offering, followed by a biography of each executive officer.

Name	Age	Position
Thibaut Mongon	53	Chief Executive Officer and Director
Paul Ruh	56	Chief Financial Officer
Luani Alvarado	57	Chief People Officer
Carlton Lawson	54	Group President, Europe, Middle East and Africa
Donna Lorenson	50	Chief Corporate Affairs Officer
Jan Meurer	51	Chief Growth Officer
Matthew Orlando	47	General Counsel
Meredith (Meri) Stevens	61	Chief Operations Officer
Bernardo Tavares	55	Chief Technology & Data Officer
Caroline Tillett	51	Chief Scientific Officer
Kathleen Widmer	61	Group President, North America and Latin America
Ellie Bing Xie	54	Group President, Asia Pacific

Thibaut Mongon will serve as Chief Executive Officer and Director of the Company, effective prior to the completion of this offering. Mr. Mongon currently serves as Executive Vice President and Worldwide Chairman, Consumer Health at Johnson & Johnson, where he is a member of the Executive Committee and chairs the Consumer Health Leadership Team. Mr. Mongon joined Johnson & Johnson in 2000 as Director of Marketing for the Vision Care group in France and subsequently held positions of increasing responsibility until he transitioned to the Pharmaceutical sector in 2012, as the Global Commercial Strategy Leader for the Neuroscience therapeutic area. Mr. Mongon joined the Consumer Health sector of Johnson & Johnson in 2014 as Company Group Chairman Asia-Pacific and was promoted to his current position in 2019. Prior to joining Johnson & Johnson, Mr. Mongon worked for Bormioli in Italy and Danone in France. Mr. Mongon currently serves on the board of directors of The Consumer Goods Forum. Mr. Mongon holds a degree in Marketing from KEDGE Business School and an MBA degree from INSEAD. Mr. Mongon brings to our Board of Directors a deep understanding of the Consumer Health Business and commitment to innovation, complemented by extensive international experience, a consumer-centric mindset and considerable expertise in business strategy.

Paul Ruh will serve as Chief Financial Officer of the Company, effective prior to the completion of this offering. Mr. Ruh currently serves as Chief Financial Officer, Consumer Health at Johnson & Johnson, where he is a member of the Consumer Health Leadership Team. Mr. Ruh has more than 30 years of experience building global consumer brands. Prior to joining Johnson & Johnson in 2017, Mr. Ruh worked at PepsiCo, where he started as Director of Strategy and Planning and proceeded to hold several financial leadership positions, including CFO of Latin America, CFO of PBA and CFO of PepsiCo Foodservice. Prior to joining PepsiCo, Mr. Ruh worked at McKinsey & Company as a member of the Corporate Finance Practice in Mexico City and Santiago de Chile and as a manager at Procter & Gamble in Financial Analysis, Product Supply Finance and Treasury in Mexico City. Mr. Ruh holds an MBA degree from the MIT Sloan School of Management and a B.S. degree in Engineering from Ibero-American University in Mexico City.

Luani Alvarado will serve as Chief People Officer of the Company, effective prior to the completion of this offering. Ms. Alvarado currently serves as Global Leader, Human Resources, Consumer Health at Johnson & Johnson, where she is a member of the Consumer Health Leadership Team and the Human Resources Executive Committee. Ms. Alvarado joined Johnson & Johnson in 2005 and has held various human resources leadership positions during her tenure at Johnson & Johnson. Prior to joining the Consumer Health sector, she served as Global Head of HR for Johnson & Johnson External Innovation, Global Head of HR for Medical Devices, Global Head of HR for Orthopaedics, Johnson & Johnson Chief Talent Officer and Global Head of HR for Ethicon. Prior to joining

Johnson & Johnson, Ms. Alvarado worked in human resources at Bristol-Myers Squibb and Dow Chemical. Ms. Alvarado holds a Graduate degree in Human Resources & Strategic Management focused on Organizational Development and Change Management and a B.S. degree in Business Administration, each from Catholic University of Santos, São Paulo in Brazil.

Carlton Lawson will serve as Group President, Europe, Middle East and Africa of the Company, effective prior to the completion of this offering. Mr. Lawson currently serves as Company Group Chairman, Europe, Middle East and Africa, Consumer Health at Johnson & Johnson, where he is a member of the Consumer Health Leadership Team. Mr. Lawson rejoined Johnson & Johnson in 2019 as the Area Managing Director, Northern Europe, Consumer Health, after having worked in the Consumer Health sector at Johnson & Johnson earlier in his career. Mr. Lawson has more than 30 years of experience working at leading healthcare organizations. Prior to rejoining Johnson & Johnson, Mr. Lawson served as Head of Global Categories and, before, Area Managing Director, Northern Europe, both at GSK Consumer Health, and as Marketing Director for Pfizer's Consumer Healthcare business in the United Kingdom and Ireland. Mr. Lawson started his career in Warner Lambert's Consumer Healthcare division. Mr. Lawson holds a B.Sc. degree in Geography from The University of Manchester in the United Kingdom.

Donna Lorenson will serve as Chief Corporate Affairs Officer of the Company, effective prior to the completion of this offering. Ms. Lorenson currently serves as Global Leader, Communications & Public Affairs, Consumer Health at Johnson & Johnson, where she is a member of the Consumer Health Leadership Team and the Global Corporate Affairs Leadership Team. Ms. Lorenson previously served as Communications Leader for Johnson & Johnson and has more than 20 years of strategic communications experience. Prior to joining Johnson & Johnson in 2015, Ms. Lorenson served as Leader for Alcon's U.S. Communications and held various leadership positions at Edelman. Prior to entering the field of public relations, Ms. Lorenson served in the U.S. Army as a Military Police Officer and was stationed in Ansbach, Germany. Ms. Lorenson holds a Bachelor's degree in Education from the University of Idaho.

Jan Meurer will serve as Chief Growth Officer of the Company, effective prior to the completion of this offering. Mr. Meurer currently serves as Global Head of Strategy, Consumer Health at Johnson & Johnson, where he is a member of the Consumer Health Leadership Team. Mr. Meurer previously served as President, Johnson & Johnson Southeast Asia and as Area Managing Director Central Europe, Consumer Health at Johnson & Johnson, and has over 25 years of experience building global consumer brands. Prior to joining Johnson & Johnson in 2015, Mr. Meurer held senior positions at Procter & Gamble, PGT Healthcare and Siemens Technologies. Mr. Meurer served on the board of directors of the US-ASEAN Business Council; the Global Self-Care Federation; the Association of the European Self-Care Industry; the German Cosmetic, Toiletry, Perfumery and Detergent Association; and the German Brands Association. Mr. Meurer holds a degree in Business Administration from the University of Passau in Germany and studied in the United States as a Rotary Scholar.

Matthew Orlando will serve as General Counsel of the Company, effective prior to the completion of this offering. Mr. Orlando currently serves as General Counsel, Consumer Health at Johnson & Johnson, where he is a member of the Consumer Health Leadership Team, the Law Department Executive Committee and the General Counsel Global Functions Leadership Team. Mr. Orlando previously served as Corporate Secretary and Worldwide Vice President, Corporate Governance at Johnson & Johnson and has held a variety of legal leadership positions at Johnson & Johnson, including serving as General Counsel, Global Consumer Medical Devices and as a member of the Law Department Management Committee. Prior to joining Johnson & Johnson in 2007, Mr. Orlando worked for UCB in Brussels as well as law firms in Australia. Mr. Orlando holds a law degree and a finance degree from Murdoch University in Australia and is admitted to practice law in both Australia and the United States.

Meredith (Meri) Stevens will serve as Chief Operations Officer of the Company, effective prior to the completion of this offering. Ms. Stevens currently serves as Worldwide Vice President, Consumer Health Supply Chain and Deliver at Johnson & Johnson, where she is a member of the Consumer Health Leadership Team. Ms. Stevens previously led Supply Chain Strategy and Deployment at Johnson & Johnson and has more than 30 years of operations experience gained through a series of senior leadership positions with global corporations. Prior to joining Johnson & Johnson in 2015, Ms. Stevens served as Chief Supply Chain Officer at Newell Rubbermaid and held operations and procurement leadership positions at Tyco, Bertelsmann, Knoll and General Electric. Ms. Stevens

is currently an executive sponsor of Johnson & Johnson's Youth Pillar of the Women in Science, Technology, Engineering, Mathematics, Manufacturing and Design program and currently serves on the Advisory Board of the Smithsonian Science Education Center. Ms. Stevens holds a B.S. degree in Mechanical and Electrical Engineering and an M.S. degree in Industrial Management, both from Rensselaer Polytechnic Institute.

Bernardo Tavares will serve as Chief Technology & Data Officer of the Company, effective prior to the completion of this offering. Mr. Tavares currently serves as Chief Information Officer, Consumer Health at Johnson & Johnson, where he is a member of the Consumer Health Leadership Team and the Technology Leadership Team. Mr. Tavares previously led the Consumer Health IT organization in Latin America and the Consumer Health and Consumer Medical Devices IT Portfolio and Project Office worldwide at Johnson & Johnson. Prior to joining Johnson & Johnson in 2012, Mr. Tavares held several IT leadership positions at Unilever and IBM. Mr. Tavares is currently a Data Research Advisory Board member for MIT Center for Information Systems Research and a member of the Hispanic Information Technology Executive Council. Mr. Tavares holds an Electrical Engineering degree from University of São Paulo in Brazil with a specialization in Management from Fundação Getulio Vargas in Brazil.

Caroline Tillett will serve as Chief Scientific Officer of the Company, effective prior to the completion of this offering. Dr. Tillett currently serves as Global Head, R&D, Consumer Health at Johnson & Johnson. Dr. Tillett has more than 20 years of experience in the consumer health industry. Prior to joining Johnson & Johnson in 2019, Dr. Tillett served as Vice President of Consumer R&D at GSK and held leading roles in the formation of consumer health joint ventures between GSK and Novartis and GSK and Pfizer. Dr. Tillett holds a B.Sc. degree in Applied Chemistry and a Ph.D. degree in Organic Chemistry from Kingston University in the United Kingdom.

Kathleen Widmer will serve as Group President, North America and Latin America of the Company, effective prior to the completion of this offering. Ms. Widmer currently serves as Company Group Chairman, North America and Latin America, Consumer Health at Johnson & Johnson, where she is a member of the Consumer Health Leadership Team. Ms. Widmer spent the first 21 years of her career at Johnson & Johnson, working in the Consumer Health sector and overseeing marketing for the U.S. Self Care division before joining Elizabeth Arden, where she served as Executive Vice President and Chief Marketing Officer. Ms. Widmer returned to Johnson & Johnson in 2015 as President of the U.S. Self Care division. Ms. Widmer currently serves as Chairman of the board of directors for Wounded Warrior Project and on the Executive Steering Committee for Johnson & Johnson's Veterans Leadership Council. Ms. Widmer is also a member of the board of directors for Texas Roadhouse, Inc., where she serves on the Audit Committee, the Compensation Committee and the Nominating & Corporate Governance Committee. Ms. Widmer graduated from the United States Military Academy at West Point with a B.S. degree in Mechanical Engineering and subsequently served for five years as a U.S. Army officer. She holds an MBA degree from Oklahoma City University.

Ellie Bing Xie will serve as Group President, Asia Pacific of the Company, effective prior to the completion of this offering. Ms. Xie currently serves as Company Group Chairman, Asia Pacific, Consumer Health at Johnson & Johnson, where she is a member of the Consumer Health Leadership Team. Ms. Xie joined Johnson & Johnson in 2015 as President, Consumer Health China and has more than 20 years of experience in areas such as brand management, market operation development, talent development, profit and loss responsibilities and general management. Prior to joining Johnson & Johnson, Ms. Xie worked at Kellogg Company, Eastman Kodak, Gillette and Procter & Gamble. Ms. Xie was named to Fortune China's Most Powerful Women list in 2021 and Forbes China's Top 100 Businesswomen list from 2016 through 2019. Ms. Xie holds a Bachelor of International Economics degree from Fudan University in China and a Master of Economics degree from the University of Illinois.

Directors

The following table will set forth the name, age and position of the individuals who are expected to serve as our directors upon completion of this offering, followed by a biography of each director.

Name	Age	Position
Larry Merlo	67	Chair and Director Nominee
Thibaut Mongon	53	Chief Executive Officer and Director
Richard E. Allison, Jr.	56	Director Nominee
Peter M. Fasolo	60	Director Nominee
Tamara S. Franklin	56	Director Nominee
Seemantini Godbole	53	Director Nominee
Melanie L. Healey	62	Director Nominee
Betsy D. Holden	67	Director Nominee
Vasant Prabhu	63	Director Nominee
Michael E. Sneed	63	Director Nominee
Joseph J. Wolk	56	Director Nominee

Larry Merlo will serve as Chair of the Company, effective prior to the completion of this offering. Mr. Merlo served as President and CEO of CVS Health from 2011 to 2021. Mr. Merlo previously held positions of increasing responsibility over his more than 40 years at CVS Health and its subsidiaries, including Chief Operating Officer of CVS Health, President of CVS Pharmacy and Executive Vice President–Stores. Mr. Merlo previously served as a board member for CVS Health, America’s Health Insurance Plans (AHIP), National Association of Chain Drug Stores (NACDS), the Partnership for Rhode Island and Business Roundtable. He currently serves on the University of Pittsburgh Board of Trustees, where he is Chair of the Budget Committee, a member of the Compensation Committee and formerly chaired the Research & Innovation Committee. He also serves as an advisor to Korn Ferry and Charlesbank Capital Partners. Mr. Merlo holds a B.S. degree from the University of Pittsburgh School of Pharmacy. Mr. Merlo brings to our Board of Directors significant experience as a chief executive officer, director and advisor, with an in-depth knowledge of health and consumer trends, including in the areas of digital development, marketing, sales, science and technology.

The biography of Thibaut Mongon is set forth under the section entitled “—Executive Officers.”

Richard E. Allison, Jr. will serve as a Director of the Company, effective prior to the completion of this offering. Mr. Allison served as Chief Executive Officer and as a board member of Domino’s Pizza, Inc. from 2018 to 2022. He previously served as President of Domino’s International and as Executive Vice President of Domino’s International. Prior to joining Domino’s, Mr. Allison worked at Bain & Company, Inc. for over 13 years, serving as a Partner from 2004 to 2010, and as co-leader of Bain’s restaurant practice. He currently serves as a board member for Starbucks Corporation. Mr. Allison holds a B.S. degree in Business Administration from the University of North Carolina at Chapel Hill and an MBA degree from the University of North Carolina’s Kenan-Flagler Business School, where he serves on the Board of Advisors. Mr. Allison brings to our Board of Directors significant experience in executive leadership and deep understanding of business strategy, operational management and market development that are crucial in steering global brands.

Peter M. Fasolo will serve as a Director of the Company, effective prior to the completion of this offering. Dr. Fasolo has served as Executive Vice President, Chief Human Resources Officer of Johnson & Johnson since 2016. He is also a member of Johnson & Johnson’s Executive Committee, Management Compensation Committee and Chairman of Johnson & Johnson’s Pension and Benefits Committee. Dr. Fasolo first joined Johnson & Johnson in 2004 as Worldwide Vice President, Human Resources for Cordis Corporation and was subsequently named Vice President, Global Talent Management of Johnson & Johnson. He left Johnson & Johnson in 2007 to join Kohlberg Kravis Roberts & Co. (KKR) as Chief Talent Officer for the North America portfolio companies owned by the firm. He returned to Johnson & Johnson in September 2010 as Vice President, Global Human Resources. Prior to his career at Johnson & Johnson, Dr. Fasolo spent 13 years with Bristol-Myers Squibb in executive-level human

resource roles in the pharmaceutical, medical devices and consumer segments. Dr. Fasolo currently serves on the boards of the Human Resources Policy Association, Tufts University and Save the Children and is a Fellow of the National Academy of Human Resources. He has served as a board member for HireRight Holdings Corporation since 2018. Dr. Fasolo holds a B.A. degree in Psychology from Providence College, an M.A. degree in Industrial Psychology from Fairleigh Dickinson University and a Ph.D. degree in Organizational Behavior from the University of Delaware. Dr. Fasolo brings to our Board of Directors a deep understanding of the Consumer Health Business through his senior leadership positions at Johnson & Johnson as well as extensive experience in business transformation and human capital management, including global talent, recruiting, diversity and inclusion, compensation, benefits and employee relations.

Tamara S. Franklin will serve as a Director of the Company, effective prior to the completion of this offering. Ms. Franklin served as Chief Digital, Data and Analytics Officer of Marsh LLC from 2020 to 2023. She previously served as Chief Digital Officer and Vice President, Media and Entertainment, North America for International Business Machines Corporation and Executive Vice President, Digital for Scripps Networks Interactive, Inc. Ms. Franklin has significant experience leading digital businesses, including previous leadership roles at Motorola, Inc. and Turner Broadcasting System, Inc. She currently serves as a board member for Genpact Limited, a global professional services firm that specializes in digital-led business transformations. She also serves on the boards of Dream Academy and the Arts Council of Princeton. Ms. Franklin holds a B.A. degree in English from Yale University and an MBA degree from Harvard University. Ms. Franklin brings to our Board of Directors proven expertise in leading digital transformation initiatives across technology, data and analytics workstreams in large multinational organizations, complemented by her deep understanding of executive leadership and business strategy.

Seemantini Godbole will serve as a Director of the Company, effective prior to the completion of this offering. Ms. Godbole serves as Executive Vice President, Chief Digital and Information Officer of Lowe's Companies, Inc. Prior to joining Lowe's in 2018, she served as Senior Vice President, Digital and Marketing Technology of Target Corporation. Ms. Godbole has more than 25 years of global technology experience that includes previous senior technology leadership roles at Sabre and Travelocity. Ms. Godbole serves on the IBM Advisory Board, Apparo's CXO Tech Council and the Foundation for the Carolinas as a member of the Board of Advisors for the Charlotte Mecklenburg Community Foundation. Ms. Godbole holds a Bachelor of Engineering degree in Electrical and Electronics Engineering from the National Institute of Technology in Nagpur, India and an M.S. degree in Computer Science from Texas Tech University. Ms. Godbole brings to our Board of Directors significant insights into global e-commerce, digital transformation, cybersecurity and technology strategies and has proven expertise in growing digital businesses through technology-enabled innovations.

Melanie L. Healey will serve as a Director of the Company, effective prior to the completion of this offering. Ms. Healey served as a Group President of The Procter & Gamble Company from 2007 to 2015. In her 25 years at Procter & Gamble, she held several senior leadership positions, including Group President and Advisor to the Chairman and Chief Executive Officer, Group President of the North America Region, and Group President of the Global Health Care, Feminine Care and Adult Care Sector. Ms. Healey has more than 30 years of experience at multinational consumer goods companies, including Procter & Gamble, Johnson & Johnson and S.C. Johnson & Sons, and nearly two decades of experience outside the United States. She currently serves as a board member for Hilton Worldwide Holdings Inc., PPG Industries, Inc., Target Corporation and Verizon Communications Inc. Ms. Healey holds a B.S. degree in Business Administration from the University of Richmond. Ms. Healey brings to our Board of Directors extensive experience in the consumer goods industry, valuable strategic insights, including with respect to trends in brand building, marketing, distribution and international operations, and significant corporate governance expertise, including through her service as a director for several large public companies.

Betsy D. Holden will serve as a Director of the Company, effective prior to the completion of this offering. Ms. Holden served as a Senior Advisor to McKinsey & Company from 2007 to 2020. She previously held several leadership roles at Kraft Foods, including Co-Chief Executive Officer of Kraft Foods Inc., President, Global Marketing and Category Development of Kraft Foods Inc. and President and Chief Executive Officer of Kraft Foods North America. Ms. Holden has served on nine public boards over the last 20 years, including Diageo Plc (2009 to 2018) and Time, Inc. (2014 to 2018). She currently serves as a board member for Dentsply Sirona Inc., National Retail Properties, Inc., Western Union Company and several private portfolio companies of Paine Schwab Partners, a private equity firm focused on sustainable agriculture and food products for which she sits on the Food Chain

Advisory Board. She also serves on the Executive Committee of Duke University's Board of Trustees and the Global Advisory Board of Northwestern University's Kellogg School of Management. Ms. Holden holds a B.A. degree in Education from Duke University as well as an M.A. degree in Teaching and an MBA degree, each from Northwestern University. Ms. Holden brings to our Board of Directors a deep understanding of executive leadership, human capital management and corporate governance, including through her experiences as a chief executive officer, director and advisor for large public companies, complemented by an extensive knowledge of international business and strategy, including with respect to marketing, sales and digital development.

Vasant Prabhu will serve as a Director of the Company, effective prior to the completion of this offering. Mr. Prabhu has served as Chief Financial Officer and Vice Chairman of Visa Inc. since 2015 and 2019, respectively. He previously served as Chief Financial Officer for NBCUniversal Media, LLC, Chief Financial Officer and Vice Chairman of Starwood Hotels and Resorts Worldwide, Inc. and Executive Vice President and Chief Financial Officer of Safeway Inc. He has also held senior leadership roles at The McGraw-Hill Companies, Inc., PepsiCo, Inc. and Booz Allen Hamilton. From 2007 to 2020, Mr. Prabhu also served as a board member for Mattel, Inc., where he was Chair of the Audit Committee. Mr. Prabhu holds a Bachelor of Technology degree in Mechanical Engineering from the Indian Institute of Technology and an MBA degree from the University of Chicago. Mr. Prabhu brings to our Board of Directors vast experience as a chief financial officer of a number of large public companies and a sophisticated understanding of complex accounting principles and judgments, financial results, internal controls and financial reporting rules, regulations, processes and investor relations.

Michael E. Sneed will serve as a Director of the Company, effective prior to the completion of this offering. Mr. Sneed served as Executive Vice President, Global Corporate Affairs and Chief Communication Officer of Johnson & Johnson from 2018 to 2022. He also served as a member of Johnson & Johnson's Executive Committee during that time. Mr. Sneed originally joined Johnson & Johnson in 1983 and previously held a variety of senior leadership roles, including Vice President, Global Corporate Affairs and Chief Communications Officer, Company Group Chairman, Vision Care Franchise and Company Group Chairman, Consumer North America. He currently serves as a board member for Wayfair Inc. He also serves on the boards of Thomas Jefferson University, the Robert Wood Johnson Foundation and WHYY, a public media organization serving Philadelphia, Pennsylvania and the surrounding region. Mr. Sneed holds a B.A. degree in Economics and Psychology from Macalester College and an MBA degree from the Tuck School of Business at Dartmouth College. Mr. Sneed brings to our Board of Directors a deep understanding of the Consumer Health Business through his senior leadership positions at Johnson & Johnson as well as extensive strategic and operational expertise leading global marketing, communication, design and philanthropy functions.

Joseph J. Wolk will serve as a Director of the Company, effective prior to the completion of this offering. Mr. Wolk has served as Executive Vice President, Chief Financial Officer of Johnson & Johnson since 2018. He also serves as a member of Johnson & Johnson's Executive Committee. Mr. Wolk previously held a variety of senior leadership roles in several sectors and functions during his 24 years at Johnson & Johnson, including Vice President of Investor Relations, Vice President of Finance for the Pharmaceuticals Group, Vice President of Finance for the Medical Devices Global Supply Chain and Chief Financial Officer of the North America Pharmaceuticals Group. He is also the executive sponsor of Johnson & Johnson's Impact Venture Fund and Veterans Leadership Council and champions Johnson & Johnson's Finance Leadership Development Program. He serves on the St. Joseph's University Board of Trustees and is a member of the Stanford Medicine Board of Fellows, the CNBC Global CFO Council and the Wall Street Journal CFO Network. Mr. Wolk holds a B.S. degree in Finance from St. Joseph's University and a J.D. degree from Temple University School of Law. Mr. Wolk brings to our Board of Directors a deep understanding of the Consumer Health Business through his senior leadership positions at Johnson & Johnson, broad expertise in management, strategy, finance and operations, substantial experience in the healthcare industry and a strong commitment to business innovation, talent development and purpose-based leadership.

Composition of the Board of Directors

Our business and affairs are managed under the direction of our Board of Directors (the "Board"). Our amended and restated certificate of incorporation will provide that the Board will consist of not fewer than 5 directors nor more than 18 directors, the actual number to be determined by the Board from time to time. Effective prior to the completion of this offering, the Board will consist of 11 directors.

Director Independence

The Board has undertaken a review of the independence of each of our directors. Based on information provided by our directors concerning their background, employment and affiliations, the Board has determined that Messrs. Allison, Merlo and Prabhu and Ms. Franklin, Godbole, Healey and Holden qualify as “independent” under the rules of the NYSE. In assessing the independence of each of our directors, the Board considered the relationships that each director has with us and with Johnson & Johnson as well as all other facts and circumstances that the Board deemed relevant to assess the independence of each of our directors.

The Board will assess, at least annually, the independence of each of our directors and make a determination as to which of our directors are independent. To assist the Board in making this determination, we have adopted Standards of Independence as part of our Principles of Corporate Governance. The Standards of Independence conform to, or are stricter than, the independence standards of the NYSE and identify, among other things, material business, charitable and other relationships that could interfere with a director’s ability to exercise independent judgment.

Controlled Company Exemption

Upon completion of this offering, Johnson & Johnson will own 91.9% of the voting power of our shares of common stock eligible to vote in the election of our directors (or 90.8% if the underwriters exercise in full their option to purchase additional shares of our common stock from us to cover over-allotments). As a result, we will be a “controlled company” as defined under the corporate governance rules of the NYSE and, therefore, will qualify for exemptions from certain corporate governance requirements of the NYSE. Accordingly, we will not be required to have a majority of “independent directors” on the Board as defined under the rules of the NYSE and we will not be required to have a compensation committee or a nominating and corporate governance committee, each case composed entirely of independent directors.

We do not currently intend to rely on any of these exemptions following the completion of this offering. However, we may elect to take advantage of one or more of these exemptions from time to time in the future. As a result, you may not have the same protections afforded to shareholders of companies that are subject to all of the corporate governance requirements of the NYSE.

The “controlled company” exemption does not modify the independence requirements for the Audit Committee, and we intend to comply with the applicable requirements of the Exchange Act and the NYSE, which require that the Audit Committee be composed of (1) at least one independent director upon the listing of our common stock, (2) a majority of independent directors within 90 days of listing and (3) exclusively independent directors within one year of listing. Upon the completion of this offering, we expect the Audit Committee will be composed exclusively of independent directors. See “—Committees of the Board of Directors—Audit Committee.”

Upon completion of the Distribution, if pursued, we will no longer qualify as a “controlled company” as defined under the corporate governance rules of the NYSE. In the event that we cease to be a “controlled company,” to the extent we have not done so already, we will be required to fully implement the corporate governance requirements of the NYSE within the applicable transition periods specified in the rules of the NYSE.

Board of Directors Leadership Structure

Our Principles of Corporate Governance provide that, on an annual basis, and at such other times as the Nominating, Governance & Sustainability Committee deems appropriate (including in connection with a Chief Executive Officer transition), the Nominating, Governance & Sustainability Committee will review the Board’s leadership structure. In conducting its review, the Nominating, Governance & Sustainability Committee will consider such facts and circumstances as it deems appropriate from time to time.

Meetings of the Board of Directors

Our Principles of Corporate Governance provide that our directors are expected to attend Board meetings and meetings of the Board committees on which they serve, to spend the time needed and to meet as frequently as

necessary to properly discharge their responsibilities. Our Principles of Corporate Governance also provide that our independent directors will meet in regular executive sessions without any non-independent directors or members of management present.

Committees of the Board of Directors

Effective prior to the completion of this offering, the Board will have the following standing committees: (1) the Audit Committee, (2) the Compensation & Human Capital Committee, (3) the Nominating, Governance & Sustainability Committee and (4) the Executive Committee. The Board has adopted a written charter for each committee and these charters will be available on our website at www.kenvue.com. The information contained on, or that can be accessed through, our website is not part of, and is not incorporated into, this prospectus, and you should not rely on any such information in making an investment decision to purchase shares of our common stock.

Audit Committee

The initial members of the Audit Committee will be Messrs. Allison and Prabhu and Ms. Franklin and Godbole, and Mr. Prabhu will serve as Chair of the Audit Committee. The Board has determined that Mr. Prabhu is an “audit committee financial expert” as defined under the rules of the SEC. In addition, the Board has determined that each of the members of the Audit Committee is independent under the rules of the NYSE and under Rule 10A-3 under the Exchange Act. The responsibilities of the Audit Committee will include:

- Overseeing our financial management, accounting and reporting processes and practices;
- Appointing, retaining, compensating and evaluating our independent auditor;
- Overseeing our internal audit organization, reviewing its annual plan and reviewing results of its audits;
- Overseeing the quality and adequacy of our internal accounting controls and procedures;
- Reviewing and monitoring our financial reporting compliance and practices and our disclosure controls and procedures; and
- Discussing with management the processes used to assess and manage our exposure to financial risk and monitoring risks related to tax and treasury.

Compensation & Human Capital Committee

The initial members of the Compensation & Human Capital Committee will be Messrs. Allison and Merlo and Ms. Holden, and Ms. Holden will serve as Chair of the Compensation & Human Capital Committee. The Board has determined that each of the members of the Compensation & Human Capital Committee is independent under the rules of the NYSE and under Rule 10C-1 under the Exchange Act. In addition, we expect that each of the members of the Compensation & Human Capital Committee will qualify as “non-employee directors” under Rule 16b-3 under the Exchange Act. The responsibilities of the Compensation & Human Capital Committee will include:

- Establishing our executive compensation philosophy and principles;
- Reviewing and approving the compensation for our Chief Executive Officer and our other executive officers;
- Setting the composition of the group of peer companies used for comparison of executive compensation;
- Overseeing the design and management of the various pension, long-term incentive, savings, health and benefit plans that cover our employees;
- Reviewing key talent metrics for our overall workforce, including metrics related to diversity, equity and inclusion; and

- Reviewing the compensation for our non-employee directors and recommending compensation for approval by the full Board.

Nominating, Governance & Sustainability Committee

The initial members of the Nominating, Governance & Sustainability Committee will be Mses. Franklin, Godbole and Healey and Mr. Merlo, and Ms. Healey will serve as Chair of the Nominating, Governance & Sustainability Committee. The Board has determined that each of the members of the Nominating, Governance & Sustainability Committee is independent under the rules of the NYSE. The responsibilities of the Nominating, Governance & Sustainability Committee will include:

- Overseeing matters of corporate governance, including the evaluation of the policies and practices of the Board;
- Overseeing the process for performance evaluations of the Board and its committees;
- Evaluating any questions of possible conflicts of interest for the Board members;
- Reviewing potential candidates for the Board and recommending director nominees to the Board for approval;
- Reviewing and recommending director orientation and continuing education programs for the Board members;
- Overseeing compliance with our Code of Business Conduct & Ethics for the Board members and our executive officers;
- Evaluating the Board leadership structure on an annual basis;
- Overseeing compliance with applicable laws, regulations and our policies and risk management programs related to product safety, product quality, environmental regulations, privacy and cybersecurity; and
- Supporting and assisting the Board in overseeing our sustainability strategy, policies, programs and commitments and receiving regular updates from management regarding such activities.

Executive Committee

The initial members of the Executive Committee will be Messrs. Merlo and Mongon, and Mr. Merlo will serve as Chair of the Executive Committee. The Executive Committee will be empowered to exercise the authority of the Board between meetings in accordance with and subject to the limitations set forth in its written charter.

Compensation Committee Interlocks and Insider Participation

During 2022, we were not a standalone company and we did not have a compensation committee or any other committee serving a similar function. Decisions with respect to the compensation for that fiscal year of the individuals who will serve as our executive officers upon completion of this offering were made by Johnson & Johnson, as described in the section of this prospectus entitled “Executive and Director Compensation.”

Principles of Corporate Governance

The Board has adopted Principles of Corporate Governance to assist it in guiding our governance practices. Our Principles of Corporate Governance will be reviewed annually by the Nominating, Governance & Sustainability Committee and may be amended by the Board from time to time. Our Principles of Corporate Governance address a number of topics, including responsibilities of the Board, director qualifications, rights of the Board, rights of our shareholders, election of directors, Board committees, Board and Board committee performance evaluations, director orientation, executive performance evaluations, succession planning and stock ownership guidelines. Our Principles of Corporate Governance will be available on our website at www.kenvue.com. The information contained on, or that can be accessed through, our website is not part of, and is not incorporated into, this

prospectus, and you should not rely on any such information in making an investment decision to purchase shares of our common stock.

Board of Directors Oversight of Risk Management

The Board will be responsible for overseeing senior management's execution of its risk management duties and for assessing its approach to risk management. The Board's oversight of risk is an integral element of its oversight responsibilities and seeks to ensure that senior management has processes in place to appropriately identify and manage risk. We expect that the Board will actively engage with senior management to understand and oversee our most significant risks, including in the following ways:

- The Board will review and discuss strategic, operational, financial and reporting risks as well as non-financial risks including strategic, operational, compliance, environmental, social, human capital management and cybersecurity risks;
- The Board and its applicable committees will receive regular updates from management regarding various enterprise risk-management issues and risks related to our business segments, including risks related to litigation, product quality and safety, cybersecurity, reputation, human capital, diversity, equity and inclusion and environmental sustainability;
- Independent directors will hold regular executive sessions without any non-independent directors or members of management present to discuss risks facing us and our risk-management practices and, with respect to certain Board committees, independent directors will also meet in private session with management and compliance leaders;
- The Board will consult with external advisors, including outside counsel, consultants, auditors and industry experts, to ensure that it is well informed about the risks and opportunities facing us; and
- The Board will review feedback provided by shareholders to ensure that it understands shareholder perspectives and concerns.

Code of Conduct

The Board has adopted a Kenvue Code of Conduct designed to provide employees with guidance on our compliance policies. Our Kenvue Code of Conduct sets basic requirements for business conduct and serves as a foundation for our policies, procedures and guidelines, all of which will provide additional guidance on expected employee behaviors in every market where we operate. Our Kenvue Code of Conduct also provides guidance on where to turn for help on issues of business conduct and how to escalate risks and concerns.

The Board has also adopted a Code of Business Conduct & Ethics applicable to the Board members and our executive officers. Our Code of Business Conduct & Ethics addresses a number of topics, including conflicts of interest, conduct of business and fair dealing, gifts, compliance with laws and regulations, use of non-public information and disclosure and use of Company funds, assets and information.

Our Kenvue Code of Conduct and our Code of Business Conduct & Ethics will be available on our website at www.kenvue.com. The information contained on, or that can be accessed through, our website is not part of, and is not incorporated into, this prospectus, and you should not rely on any such information in making an investment decision to purchase shares of our common stock.

EXECUTIVE AND DIRECTOR COMPENSATION

Director Compensation Matters

Director Compensation

The Compensation & Benefits Committee of Johnson & Johnson's board of directors (the "J&J Compensation & Benefits Committee") has approved an initial compensation program for our non-employee directors, consisting of:

- an annual cash retainer for each non-employee director of \$100,000;
- an annual grant of deferred stock units ("DSUs") for each non-employee director with a grant value of \$180,000;
- an additional annual cash retainer for the chairs of the Audit, Compensation & Human Capital and Nominating, Governance & Sustainability Committees of \$30,000, \$25,000 and \$25,000, respectively; and
- an additional annual retainer for the non-executive chair of the Board of \$200,000, paid 50% in cash and 50% in additional DSUs.

Cash retainers will be paid in equal quarterly installments and DSUs will generally be granted on the date that we hold our annual shareholder meeting. Non-employee directors will also be permitted to elect to convert their cash retainers into additional DSUs.

DSUs will be immediately vested upon grant and will be payable, in cash, at the time the non-employee director leaves the Board. Non-employee directors who join the Board between annual meetings will have their annual retainers for the term prorated.

Directors who are also employees of the Company or any of our affiliates will not receive any additional compensation for their service as directors.

DSUs will be administered under the Kenvue Inc. Deferred Fee Plan for Directors, a form of which has been filed as an exhibit to the registration statement of which this prospectus is a part. The preceding summary is qualified in its entirety by reference to the full text of such plan.

Consulting Agreement

On October 1, 2022, Johnson & Johnson entered into a consulting agreement with Larry Merlo in anticipation of him serving as Chair of the Board following the completion of this offering. Under the consulting agreement, Mr. Merlo is entitled to a monthly fee of \$8,500 in exchange for his performance of certain consulting services to Johnson & Johnson relating to this offering. Payments under the consulting agreement will terminate upon Mr. Merlo's appointment to the Board becoming effective.

Stock Ownership Guidelines

The J&J Compensation & Benefits Committee has also approved initial stock ownership guidelines pursuant to which each non-employee member of the Board must, no later than the fifth anniversary of his or her election or appointment to the Board, hold shares of our common stock or its economic equivalent (including DSUs) with a market value of at least five times the annual cash retainer (or \$500,000).

Following the completion of this offering, we expect that the Board will review our non-employee director compensation program and stock ownership guidelines on a periodic basis.

Compensation Discussion and Analysis

Introduction

As discussed above, we are currently part of Johnson & Johnson and our Compensation & Human Capital Committee has not yet been formed. Decisions about our executive compensation and benefits to date have been made by the J&J Compensation & Benefits Committee and Johnson & Johnson's senior management. Accordingly, this discussion focuses on Johnson & Johnson's compensation and benefit programs and decisions for 2022. Following the completion of this offering, we expect that our Compensation & Human Capital Committee will review our executive compensation and benefit programs on a periodic basis and determine the appropriate compensation and benefits for our executives, and accordingly our executive compensation and benefits programs following the completion of this offering may not be the same as those discussed below.

For purposes of this discussion, the following individuals are our "Named Executive Officers" or "NEOs":

- Thibaut Mongon, who currently serves as Executive Vice President and Worldwide Chairman, Consumer Health and who is expected to serve as our Chief Executive Officer effective prior to the completion of this offering;
- Paul Ruh, who currently serves as Chief Financial Officer, Consumer Health and who is expected to serve as our Chief Financial Officer effective prior to the completion of this offering;
- Kathleen Widmer, who currently serves as Company Group Chairman, North America and Latin America, Consumer Health, and who is expected to serve as our Group President, North America and Latin America effective prior to the completion of this offering;
- Ellie Bing Xie, who currently serves as Company Group Chairman, Asia Pacific, Consumer Health and who is expected to serve as our Group President, Asia Pacific effective prior to the completion of this offering; and
- Carlton Lawson, who currently serves as Company Group Chairman EMEA and who is expected to serve as our Group President, Europe, Middle East and Africa effective prior to the completion of this offering.

Johnson & Johnson's Executive Compensation Philosophy

Key Features of Executive Compensation Program

Johnson & Johnson's executive compensation program includes key features that align the interests of its executives and our Named Executive Officers with shareholders and does not include features that could misalign their interests. We expect our executive compensation program to include many, if not all, of the same best practices.

What Johnson & Johnson Does	What Johnson & Johnson Doesn't Do
✓ Align executive pay with company performance	✗ No automatic or guaranteed annual salary increases
✓ Align the majority of executive officer pay with shareholders through long-term incentives	✗ No guaranteed annual or long-term incentive awards
✓ Balance short-term and long-term incentives	✗ No above-median targeting of executive compensation
✓ Cap incentive awards	✗ No automatic single-trigger equity acceleration
✓ Require executive officers to own significant amounts of company stock	✗ No tax gross-ups (unless they are provided pursuant to standard relocation practices or international assignment)
✓ Employ a compensation recoupment policy applicable to executive officers	✗ No option repricing without shareholder approval
✓ Actively engage with shareholders	✗ No hedging, pledging or short selling

✓ Engage an independent compensation consultant reporting directly to the J&J Compensation & Benefits Committee	✗ No long-term incentive backdating
	✗ No dividend equivalents on unvested long-term incentives

Johnson & Johnson does not have any change-in-control agreements in place for any of our Named Executive Officers. Johnson & Johnson's 2022 Long-Term Incentive Plan (the "2022 Plan") only provides for a change-in-control benefit in the event that outstanding awards granted under the 2022 Plan are not assumed or substituted by the acquirer in connection with a change-in-control, in which case, the awards will vest and any performance conditions will be deemed to be achieved at the greater of target or actual performance levels as of the date of the change-in-control. If outstanding awards under the 2022 Plan are assumed or substituted, the awards will remain outstanding and will continue to vest following the change-in-control.

Guiding Principles

Johnson & Johnson designs its executive compensation programs to achieve its goals of attracting, developing and retaining global business leaders who can drive financial and strategic growth objectives and build long-term shareholder value. Johnson & Johnson uses the following guiding principles to design its compensation programs:

- **Pay for Performance:** Johnson & Johnson ties annual incentive payouts and long-term incentive grants to the performance of Johnson & Johnson, the individual's business unit or function and the individual.
- **Accountability for Short-Term and Long-Term Performance:** Johnson & Johnson structures performance-based compensation to reward an appropriate balance of short-term and long-term financial and strategic business results, with an emphasis on managing the business for long-term results.

Johnson & Johnson's board of directors is responsible for oversight of risk management (including product development, supply chain and quality risks). Johnson & Johnson's compensation programs' emphasis on long-term value helps to reduce the possibility that its executives make excessively risky business decisions that could maximize short-term results at the expense of long-term value.

- **Alignment to Shareholders' Interests:** Johnson & Johnson structures performance-based compensation to align the interests of its named executive officers with the long-term interests of its shareholders.
- **Competitiveness:** Johnson & Johnson compares its practices against appropriate peer companies that are of similar size and complexity, so it can continue to attract, retain and motivate high-performing executives.

Components of Executive Compensation

Base Salary, Annual Incentives and Long-Term Incentive Awards

Below we describe the components of Johnson & Johnson's total direct compensation, how Johnson & Johnson determines their size and why Johnson & Johnson pays them. While we expect our initial executive compensation programs will contain similar components, following the completion of this offering our Compensation & Human Capital Committee will review our compensation programs on a periodic basis to ensure they align with our compensation philosophy and our business needs and strategic priorities along with the interests of our shareholders.

Component	Form	Vesting / Performance Period	How Size Is Determined	Why Johnson & Johnson Pays Each Component
Base Salary	Cash	Ongoing	• Johnson & Johnson bases salary rates on: ◦ Competitive data ◦ Scope of responsibilities ◦ Work experience ◦ Time in position ◦ Internal equity ◦ Individual performance	• Recognizes job responsibilities

Component	Form	Vesting / Performance Period	How Size Is Determined	Why Johnson & Johnson Pays Each Component
Annual Incentive	Cash	1 year	- Johnson & Johnson sets target awards as a percentage of salary based on competitive data - Johnson & Johnson determines award payouts based on business and individual performance	Motivates attainment of Johnson & Johnson's near-term priorities, consistent with Johnson & Johnson's long-term strategic plan
Long-Term Incentive Awards	Equity	3 years (options: 10-year term)	- Johnson & Johnson sets target awards as a percentage of salary based on competitive data - Johnson & Johnson grants long-term incentives based on business and individual contribution and long-term potential - Johnson & Johnson determines payouts based on achievement of long-term operational goals, total shareholder return ("TSR") and share price appreciation	- Motivates attainment of Johnson & Johnson's long-term goals, TSR and share price growth - Retains executives

Long-Term Incentive Awards—Equity

Below we describe the forms of long-term incentive awards Johnson & Johnson uses for our Named Executive Officers, their weightings, performance periods, how payouts are determined and why Johnson & Johnson uses them.

Long-Term Incentive Form ⁽¹⁾	Mix	Vesting / Performance Period	How Payouts Are Determined	Why Johnson & Johnson Uses Them
Performance Share Units ("PSUs")	60% (Mongon) 50% (Other NEOs)	0% to 200% cliff-vested 3 years after grant	1/2 Earnings Per Share ("EPS"): 3-year Cumulative Adjusted Operational EPS 1/2 Relative TSR: 3-year Compound Annual Growth Rate versus Johnson & Johnson's Competitor Composite Peer Group - Share price	- Aligns with Johnson & Johnson's long-term objective of growing quality earnings - Reflects overall TSR outcomes relative to our competitors - PSU value directly tied to the share price
Options	30% (All NEOs)	100% cliff-vested 3 years after grant⁽²⁾ 10-year term	Share price appreciation	- Motivates share price appreciation over the long term - Reinforces emphasis on long-term growth aligned with Johnson & Johnson's objectives
Restricted Share Units ("RSUs")	10% (Mongon) 20% (Other NEOs)	100% cliff-vested 3 years after grant⁽²⁾	Share price	RSU value directly tied to the share price

(1) No dividend equivalents are paid on Johnson & Johnson's PSUs, options or RSUs.

(2) Beginning with Johnson & Johnson's February 13, 2023 grant, options and RSUs will vest one-third per year on each of the first, second and third anniversaries of the grant date.

Long-Term Incentive Vesting and Treatment upon Termination

Johnson & Johnson's long-term incentive awards vest 100% on the third anniversary of the grant date. Beginning with Johnson & Johnson's February 2023 grant, options and RSUs will vest one-third per year on each of the first, second and third anniversaries of the grant date. Johnson & Johnson's PSUs will continue to vest 100% on the third anniversary of the grant date. In addition, Johnson & Johnson does not pay out PSUs until it determines the percentage of target PSUs earned based on performance.

The treatment of Johnson & Johnson's long-term incentive awards upon termination varies depending on the termination circumstances, as follows:

Termination	Eligibility	Eligible Named Executive Officers ⁽¹⁾	Voluntary Termination/Involuntary Termination Without Cause	Involuntary Termination with Cause	Death/Disability
Qualifying Separation	- Termination of employment at age 62 or later, or - Termination of employment after attainment of age 55 and at least 10 years of service with at least 5 years of consecutive service immediately before termination of employment	Widmer	- Grants within 6 months prior to termination would be forfeited - Other equity awards would become vested on their normal vesting dates - Options would remain exercisable for their remaining terms	All vested and unvested equity awards would be forfeited	- All equity awards would become vested on the termination date - Options would remain exercisable for their remaining terms - Accelerated PSUs would be paid out at 100% of target with a "top up" the end of the performance period if the payout exceeds target
Non-Qualifying Separation (age 55-61)	Termination of employment after attainment of age 55 but before age 62 and without meeting the service requirements for Qualifying Separation	Ruh	- All unvested equity awards would be forfeited - Vested options would remain exercisable for up to three years	Same as Qualifying Separation	Same as Qualifying Separation
Non-Qualifying Separation (under age 55)	Termination of employment before attainment of age 55	- Mongon - Xie - Lawson	- All unvested equity awards would be forfeited - Vested options would remain exercisable for up to three months	Same as Qualifying Separation	Same as Qualifying Separation

(1) Determined as of January 1, 2023.

Non-Competition and Non-Solicitation

Long-term incentive awards granted by Johnson & Johnson are subject to forfeiture and repayment provisions if an employee violates non-competition or non-solicitation agreements, as follows:

Employee Violation	Impact on Long-Term Incentive Awards
Violating the non-competition provisions of the award agreement during employment or within 18 months of termination	Forfeit vested and unvested PSUs, options and RSUs
Violating any other non-competition or non-solicitation agreement an employee has with Johnson & Johnson	Repay any PSUs or RSUs vested and options exercised within the 12 months prior to the violation

Involuntary Termination Due to Specified Divestiture or Reduction in Force

- Specified Divestiture:** A divestiture where the acquirer does not replace the awards that would be forfeited as a result of such divestiture.
- Reduction in Force ("RIF"):** A termination of employment due to position elimination or plant closing.

Beginning with Johnson & Johnson's February 13, 2023 long-term incentive grant, RSUs and options will no longer be prorated in the event of a Specified Divestiture or RIF. RSUs and options granted prior to that date, and PSUs granted at any time, will be treated in the event of a Specified Divestiture or RIF as follows:

- Proration:** Awards would be prorated in proportion to the time worked during the vesting period.
- Vesting:** PSU and RSU awards would become vested on their normal vesting dates. Option vesting would be accelerated as of the date of termination and the options would remain exercisable for up to three months.
- Coordination with Qualifying Separations:** If an employee's termination is also a Qualifying Separation, any of the employee's awards that would have been forfeited because they were granted within six months prior to termination would receive the proration and vesting treatment described above.

Executive Perquisites & Other Benefits

Our Named Executive Officers participate in the same employee benefits plans provided to all other non-union employees of Johnson & Johnson located in the same country. In addition, they receive the following benefits and perquisites:

- Personal Use of Johnson & Johnson Aircraft and Cars:** Mr. Mongon may use Johnson & Johnson's aircraft for limited personal travel and Johnson & Johnson cars and drivers for commuting and other personal transportation. These perquisites are intended to enhance productivity, minimize distractions and ensure the safety of Johnson & Johnson's executives.
- Home Security:** Johnson & Johnson reimburses Mr. Mongon for limited home security system-related costs.
- International Assignment:** Johnson & Johnson reimbursed Ms. Xie for costs incurred as a result of her international assignment to Singapore at Johnson & Johnson's request, including moving and relocation expenses, and provided her with a stipend to help defray additional costs such as transportation and utilities. Johnson & Johnson also reimbursed Ms. Xie for additional taxes she incurred as a result of such assignment, including taxes incurred on the foregoing benefits.
- Housing Allowance and Company Car:** In connection with Mr. Lawson's relocation to Switzerland at Johnson & Johnson's request, Johnson & Johnson agreed to provide him with an annual housing allowance of CHF 8,600 per month and reimbursement of other expenses incurred by Mr. Lawson in connection with

such relocation. Mr. Lawson is also entitled to a company car in accordance with Johnson & Johnson's policies for employees located in Switzerland.

For details on the incremental cost to Johnson & Johnson to provide Messrs. Mongon and Lawson and Ms. Xie with the benefits described above, see footnote to the "All Other Compensation" column of the 2022 Summary Compensation Table under "—Executive Compensation Tables." These values are not paid to the NEOs. Our Named Executive Officers pay the income taxes due on the value of these benefits and perquisites (other than reimbursements and tax equalization benefits related to an international assignment).

Compensation Target-Setting Process and Pay Position

Before each year begins, Johnson & Johnson sets compensation targets to ensure that it can compete for talent and to maintain internal equity among positions with similar responsibilities. Johnson & Johnson conducts an annual review of publicly available information and executive compensation survey to determine current pay levels among its executive peer group. Market data is reviewed to understand how target pay levels compare to benchmark positions, but total compensation is not targeted to a specific percentile of the executive peer group.

2022 Pay Mix at Target

Johnson & Johnson's pay mix at target for our Named Executive Officers is a result of compensation targets that emphasize long-term versus short-term compensation.



⁽¹⁾ Long-term incentive award value for purposes of this chart is based on the applicable executive's target long-term incentive award value for 2022 that was considered when determining grants made in 2023. Actual 2023 grant values shown elsewhere in this prospectus are based on the actual grant values approved.

2022 Annual Incentive Awards

For 2022, each of our Named Executive Officers was eligible to earn an annual incentive award with a target value set as a percentage of base salary and with a payout of between 0 – 200% of target based on achievement

against the performance criteria. The table below sets forth the target and maximum 2022 annual incentive award opportunities for each of our Named Executive Officers.

Name	2022 Base Salary Rate	2022 Target Annual Incentive (% of Base Salary)	2022 Target Annual Incentive	2022 Maximum Annual Incentive
T. Mongon	\$ 925,000	100%	\$ 925,000	\$ 1,850,000
P. Ruh	522,000	60%	313,200	626,400
K. Widmer	545,500	75%	409,125	818,250
E. Xie	535,100	75%	401,325	802,650
C. Lawson ⁽¹⁾	537,668	75%	403,251	806,502

(1) Amounts for Mr. Lawson have been converted from CHF to U.S. dollars based on the fiscal year-end exchange rate of 1 CHF to 1.081 U.S. dollars.

2022 annual incentive awards were determined based on a combination of strategic measures (30% weighting) and financial measures (70% weighting) and, in the case of Named Executive Officers other than Mr. Mongon, subject to a modifier based on individual performance. For each Named Executive Officer, 100% of the strategic measures and 75% of the financial measures were determined with respect to our business, with the remaining 25% of the financial measures determined with respect to Johnson & Johnson on an enterprise-wide basis. Outcomes against each of the strategic and financial measures were determined by the J&J Compensation & Benefits Committee with respect to Mr. Mongon, which also approved Mr. Mongon's final annual incentive payment. In the case of our Named Executive Officers other than Mr. Mongon, final outcomes and annual incentive payments were determined by the Johnson & Johnson Management Compensation Committee, comprised of Johnson & Johnson's Chief Executive Officer, Chief Financial Officer and Chief Human Resources Officer. In the case of 2022 annual incentive payments, the Johnson & Johnson Management Compensation Committee determined to adopt the financial and strategic outcomes determined by the J&J Compensation & Benefits Committee, without modification, and determined individual performance modifiers based on input provided by Mr. Mongon.

Financial measures consisted of operational sales and free cash flow, each measured with respect to our business and on an enterprise-wide basis, adjusted operating net income, measured with respect to our business, and adjusted operating EPS, measured on an enterprise-wide basis. Financial targets align with the guidance provided to the investment community, which links compensation to how effectively Johnson & Johnson delivers on its public commitments to its shareholders. Goals are set based on the objective of creating long-term sustainable value, Johnson & Johnson's product portfolio and pipeline and competitive benchmarking.

Maximum and threshold payout levels were also established for each financial target based on a review of historical performance for each metric. If performance falls between threshold and target or between target and maximum, the payout factor is determined using interpolation. If performance falls below threshold for a goal, the percentage earned for that goal is 0%.

The table below shows the financial goals used to determine the Named Executive Officers' 2022 annual incentive award payouts, their threshold, target and maximum values, their weightings and actual achievement against each goal.

2022 Annual Incentive Award Financial Measures and Results							
2022 Financial Measures	Weight	Threshold (50% Payout)	Target (100% Payout)	Maximum (200% Payout)	Results ⁽¹⁾	Calculated Payout	Weighted Payout
Consumer Operational Sales (\$ millions)	25.0%	\$ 14,853	\$ 15,635	\$ 16,417	\$ 15,655	102.6%	25.7%
Consumer Adjusted Operating Net Income (\$ millions)	25.0%	\$ 3,145	\$ 3,310	\$ 3,475	\$ 3,267	87.0%	21.8%
Consumer Free Cash Flow (\$ millions)	25.0%	\$ 3,054	\$ 3,393	\$ 3,732	\$ 2,459	0.0%	0.0%

Johnson & Johnson Operational Sales (\$ millions)	8.3%	\$ 92,910	\$ 97,800	\$ 102,690	\$ 97,028	92.1%	7.6%
Johnson & Johnson Adjusted Operating EPS	8.3%	\$ 10.17	\$ 10.70	\$ 11.23	\$ 10.70	100.0%	8.3%
Johnson & Johnson Free Cash Flow (\$ millions)	8.3%	\$ 14,130	\$ 15,700	\$ 17,270	\$ 14,132	50.1%	4.2%
Total:						67.6%	

- (1) With respect to each of the metrics measured with respect to our business, the targets were set, and results determined, by Johnson & Johnson, based on Johnson & Johnson's calculation of the relevant metrics for our business as a reporting segment of Johnson & Johnson.

2022 Annual Incentive Awards—Payouts

The table below shows, for each of our Named Executive Officers, the calculation of his or her final 2022 annual incentive award payout.

Name	2022 Target Annual Incentive	Combined Financial / Strategic Multiplier ⁽¹⁾	Individual Performance Multiplier ⁽²⁾	Payout Percentage ⁽²⁾	2022 Annual Incentive Payout
T. Mongon	\$ 925,000	86.3%	N/A	86.3%	\$ 798,000
P. Ruh	\$ 313,200	86.0%	100.0%	86.0%	\$ 269,352
K. Widmer	\$ 409,125	86.0%	70.7%	60.8%	\$ 248,640
E. Xie	\$ 401,325	86.0%	100.0%	86.0%	\$ 345,140
C. Lawson ⁽⁴⁾	\$ 403,251	86.0%	125.3%	107.8%	\$ 434,654

- (1) The Johnson & Johnson Management Compensation Committee determined that the combined financial / strategic multiplier would be rounded to the nearest whole percentage for Kenvue employees that were not executive officers of Johnson & Johnson.
- (2) Percentages have been rounded to the nearest tenth for presentation purposes only and the totals in the "2022 Annual Incentive Payout" column are calculated based on the applicable percentages prior to such rounding.
- (3) In determining Mr. Mongon's final payout, the J&J Compensation & Benefits Committee rounded his amount to the nearest thousand.
- (4) Amounts for Mr. Lawson have been converted from CHF to U.S. dollars based on the fiscal year-end exchange rate of 1 CHF to 1.081 U.S. dollars.

2020-2022 PSU Payout

Johnson & Johnson's PSU Goal-Setting Process

Johnson & Johnson's PSU goals are based on its long-term strategic plan, promote long-term, sustainable value creation and take into account its product portfolio and pipeline, anticipated healthcare market growth and other external factors, including the competitive landscape.

Cumulative Adjusted Operational EPS: Johnson & Johnson sets the EPS goal based on:

- Johnson & Johnson's operational EPS guidance for the first year of the performance period, which is provided to the investment community.
- Sales and EPS targets included in Johnson & Johnson's strategic plan for the second and third years of the performance period.
- Analysts' expectations for Johnson & Johnson as well as Johnson & Johnson's Competitor Composite Peer Group.
- Johnson & Johnson's EPS growth to sales growth multiple aligned with a long-term goal of growing net income faster than sales.

Relative TSR: Johnson & Johnson sets the three-year relative TSR goal to meet the performance of its Competitor Composite Peer Group, which undergoes annual review. See “—Johnson & Johnson Peer Groups for Pay and Performance—Johnson & Johnson Competitor Composite Peer Group” for more information on Johnson & Johnson’s Competitor Composite Peer Group.

PSU Performance Versus Goals for Performance Periods Completed in 2022

Due to the impact of COVID-19, Johnson & Johnson’s 2020-2022 adjusted operational EPS performance fell below target. However, Johnson & Johnson’s 2020-2022 TSR compound annual growth rate performed above target. The 2020-2022 PSUs therefore paid out at 100% of target as shown in the table below.

PSU Measure	Threshold (50% Payout)	Target (100% Payout)	Maximum (200% Payout)	Actual	Calculated Payout
2020-2022 Cumulative Adjusted Operational EPS	\$ 26.23	\$ 29.14	\$ 32.05	\$ 28.15	83.0 %
2020-2022 Relative TSR (CAGR)	10% pts. below Competitive Composite Peer Group	Equal to Competitive Composite Peer Group	10% pts. above Competitive Composite Peer Group	1.7 pts.	117.0 %

If performance falls between threshold and target or between target and maximum, Johnson & Johnson determines the percentage of target earned using interpolation. If performance is below threshold for a goal, the percentage of target earned for that goal is 0%. If TSR is negative, the percentage of target earned based on TSR performance would be capped at 100%.

2020-2022 PSU Payout as a Percentage of Target

Johnson & Johnson’s 2020-2022 PSUs paid out at 100.0% of target as shown in the table below.

PSU Measure	Weight	Calculated Payout	Weighted Payout
2020-2022 Cumulative Adjusted Operational EPS	1/2	83.0 %	41.5 %
2020-2022 Relative TSR	1/2	117.0 %	58.5 %
PSU Payout Factor			100.0 %

Compensation Decisions for 2022 Performance

Compensation Decision Process

In January and February of each year, the J&J Compensation & Benefits Committee (in the case of Mr. Mongon) and the Johnson & Johnson Management Compensation Committee (in the case of our other NEOs) assess and approve the performance of our NEOs and determine the:

- **Annual incentive award** payout for the prior year’s performance (with outcomes on financial and strategic metrics determined by the J&J Compensation & Benefits Committee for Mr. Mongon and by the Johnson & Johnson Management Compensation Committee for our other Named Executive Officers);
- **Long-term incentive awards** granted in the first quarter of the year based on the prior year’s performance (determined by the Johnson & Johnson Compensation & Benefits Committee); and
- **Salary rate** for the upcoming year.

In the tables below, we summarize Johnson & Johnson’s decisions regarding the annual incentive awards, long-term incentive awards and salary rates based on 2022 performance. We also show Johnson & Johnson’s 2022 total direct compensation to our NEOs, which includes long-term incentive awards granted in 2023. We believe that these tables best summarize the actions taken on the Named Executive Officers’ compensation for the performance year.

Following the completion of this offering, we expect that our Compensation & Human Capital Committee will review the compensation and benefit programs on a periodic basis for our Named Executive Officers and determine appropriate compensation and benefits for them.

2022 Total Direct Compensation

In the table below, we show the salary paid during 2022, the annual incentive award paid in respect of 2022 and long-term incentive grants approved on February 13, 2023 for performance in 2022 for each Named Executive Officer.

Name	Cash		Equity		Total Direct Compensation
	Salary Earned ⁽¹⁾	Annual Incentive ⁽²⁾	Long-Term Incentive ⁽³⁾		
T. Mongon	\$ 917,308	\$ 798,000	\$ 5,250,000	\$	6,965,308
P. Ruh	509,670	269,352	809,100		1,648,122
K. Widmer	542,346	248,640	878,255		1,669,241
E. Xie	532,008	345,140	1,284,240		2,161,388
C. Lawson ⁽⁴⁾	535,500	434,654	1,405,894		2,376,048

(1) Represents base salaries paid during 2022.

(2) See “—2022 Annual Incentive Awards” for additional information regarding determinations with respect to 2022 annual incentive award payouts.

(3) Long-term incentive awards were approved on February 13, 2023 for the Named Executive Officers based on their 2022 performance, impact on Johnson & Johnson’s long-term results, competitive market data and long-term potential within Kenvue. In the table below, we show the total long-term incentive awards granted and the individual award values (at target values for PSUs).

(4) Salary amount for Mr. Lawson includes “13th month” salary payment in Switzerland. Cash amounts for Mr. Lawson in the table above and the tables below have been converted from CHF to U.S. dollars based on the fiscal year-end exchange rate of 1 CHF to 1.081 U.S. dollars.

Name	PSUs	Options	RSUs	Total Long-Term Incentives
T. Mongon	\$ 3,150,000	\$ 1,575,000	\$ 525,000	\$ 5,250,000
P. Ruh	404,550	242,730	161,820	809,100
K. Widmer	439,128	263,477	175,651	878,255
E. Xie	642,120	385,272	256,848	1,284,240
C. Lawson	702,947	421,768	281,179	1,405,894

In the table below, we show the number of PSUs (at target), options and RSUs granted by Johnson & Johnson, which determined the number of units or options for each type of long-term incentive award by dividing the dollar amount by the value per unit (or option) and rounding to the nearest whole unit or option.

Name	PSUs \$149.189	Options \$27.849	RSUs \$153.622
T. Mongon	21,114	56,555	3,417
P. Ruh	2,712	8,716	1,053
K. Widmer	2,943	9,461	1,143
E. Xie	4,304	13,834	1,672
C. Lawson	4,712	15,145	1,830

2023 Salary Rates and Compensation Levels

Johnson & Johnson does not guarantee annual salary increases and they are not automatic. In determining base salary rates, Johnson & Johnson reviews the individual’s performance, responsibilities and experience and market data.

In determining base salaries and total target direct compensation for Messrs. Mongon and Ruh for 2023, Johnson & Johnson also took into account the increased leadership roles and responsibilities that Messrs. Mongon and Ruh would assume in connection with running a public company following the completion of this offering. Johnson & Johnson also took into account the applicable executive’s then-current and proposed target total direct compensation and the compensation of similarly situated executives at what Johnson & Johnson considers to be our peer companies following the completion of this offering.

The table below sets forth the compensation levels for Messrs. Mongon and Ruh, effective as of January 1, 2023.

Name	Cash		Equity	Target Total Direct Compensation (\$)
	Salary (\$)	Target Annual Incentive (\$)	Target Long-Term Incentive (\$) ⁽¹⁾	
T. Mongon	\$ 1,250,000	\$ 2,125,000	\$ 9,062,500	\$ 12,437,500
P. Ruh	680,000	680,000	2,040,000	3,400,000

(1) The long-term incentive award target value will apply to the first annual long-term incentive grants following the completion of this offering.

As with other components of our compensation program, our Compensation & Human Capital Committee will also review the compensation levels of our executives, and may adjust them as it deems appropriate.

Johnson & Johnson Peer Groups for Pay and Performance

Johnson & Johnson uses two peer groups for executive compensation:

- **Executive Peer Group:** Johnson & Johnson uses its Executive Peer Group to assess the competitiveness of the compensation of its executive officers, including Mr. Mongon.
- **Competitor Composite Peer Group:** Johnson & Johnson uses its Competitor Composite Peer Group to evaluate its relative corporate performance.

As described below, the two peer groups vary because executive compensation levels and practices are influenced by business complexity and company size. Most of Johnson & Johnson's business competitors are smaller than Johnson & Johnson or even each of its individual businesses.

Johnson & Johnson Executive Peer Group

The J&J Compensation & Benefits Committee compares its executive compensation levels and practices to those of the Executive Peer Group companies. The Executive Peer Group consists of companies that are generally similar to Johnson & Johnson's size and scope, have executive positions similar to those of Johnson & Johnson and compete with Johnson & Johnson for executive talent. The J&J Compensation & Benefits Committee reviews the composition of the Executive Peer Group annually.

Johnson & Johnson compares its executive officers' (including Mr. Mongon's) salaries, annual incentives, long-term incentives, total direct compensation, benefits, perquisites and other compensation to those of the Executive Peer Group companies. As noted above, in determining Mr. Mongon's 2023 compensation, Johnson & Johnson also took into account that he would become the Chief Executive Officer of a public company following the completion of this offering.

Johnson & Johnson does not include non-U.S. companies in the Executive Peer Group because comparable compensation data for the executive officers is not available. Johnson & Johnson also does not include companies in industries whose compensation programs are not comparable to Johnson & Johnson's programs, such as the financial services or oil and gas industries.

The following table lists Johnson & Johnson's 2022 Executive Peer Group companies, their business characteristics and Johnson & Johnson's rankings among these companies. Each company's figures are for the four most recent fiscal quarters as of March 1, 2023. Market capitalization is as of December 31, 2022. Johnson & Johnson ranks in the top quartile of the peers for revenue, net income and market capitalization.

Company (Ticker Symbol)	Revenue (\$ millions)	Net Income (\$ millions) ⁽¹⁾	Market Cap (\$ billions) ⁽²⁾	Common Industry (Y/N) ⁽³⁾	Gross Margin (>40%)	EBIT Margin (>10%) ⁽⁴⁾	International Sales (> 33%)	Business Complexity ⁽⁵⁾	R&D % of Sales (> 5%) ⁽⁶⁾
3M Company (MMM) ⁽⁶⁾	\$ 34,229	\$ 5,777	\$ 66	✓	✓	✓	✓	✓	✓
Abbott Laboratories (ABT)	43,653	6,933	191	✓	✓	✓	✓	✓	✓
Abbvie (ABBV)	58,054	11,836	286	✓	✓	✓		✓	✓
AT&T (T)	120,741	(8,524)	131		✓			✓	
The Boeing Company (BA)	66,608	(4,935)	114				✓	✓	
Bristol Myers Squibb Company (BMY)	46,159	6,327	153	✓	✓	✓		✓	✓
Cisco Systems, Inc. (CSCO) ⁽⁶⁾⁽⁷⁾	53,161	11,302	196		✓	✓	✓	✓	✓
The Coca-Cola Company (KO) ⁽⁶⁾	43,004	9,542	275		✓	✓	✓		ND ⁽¹⁾
General Electric Company (GE)	76,555	225	92	✓			✓	✓	
Intel Corporation (INTC)	63,054	8,017	109		✓	✓	✓	✓	✓
Intl Business Machines Corporation (IBM) ⁽⁶⁾	60,530	1,639	127		✓		✓	✓	✓
Medtronic, plc. (MDT) ⁽⁷⁾	30,771	4,064	103	✓	✓	✓	✓	✓	✓
Merck & Co., Inc. (MRK)	59,283	14,519	281	✓	✓	✓	✓	✓	✓
Microsoft Corporation (MSFT) ⁽⁸⁾	204,094	67,449	1,788		✓	✓	✓	✓	✓
PepsiCo., Inc. (PEP)	86,392	8,910	249		✓	✓	✓	✓	
Pfizer Inc. (PFE)	100,330	31,372	288	✓	✓	✓	✓	✓	✓
The Procter & Gamble Company (PG) ⁽⁸⁾⁽⁹⁾	80,281	14,279	359	✓	✓	✓	✓	✓	
Raytheon Technologies Corporation (RTX)	67,074	5,197	148			✓		✓	
Johnson & Johnson (JNJ)	94,943	17,941	462	✓	✓	✓	✓	✓	✓
Johnson & Johnson's Ranking	4th	3rd	2nd						
Johnson & Johnson's Percentile Rank	83 %	89 %	94 %						

(1) Net Income reflects Net Income (Loss) attributable to company shareholders.

(2) Market Caps are derived from Bloomberg as of December 31, 2022.

(3) Common Industry means that the company is in an industry similar to one of Johnson & Johnson's business segments: Pharmaceuticals, MedTech or Consumer Health.

(4) Earnings Before Interest and Tax (EBIT) is calculated as Income Before Tax (IBT) minus Net Interest Expense.

(5) Business Complexity means the company is a complex organization with multiple product lines.

(6) International sales estimated for CSC, MMM and IBM since domestic sales are represented as "Americas", which may include South America, and for KO since domestic sales are represented as "North America", which may include Canada.

(7) Used last four calendar quarters ended January 27, 2023 for Medtronic plc and January 28, 2023 for Cisco Systems, Inc.

(8) Used last four calendar quarters ended December 31, 2022 for The Procter & Gamble Company and Microsoft Corporation.

- (9) The Procter & Gamble Company's R&D spend and International Sales based on fiscal year-end June 30, 2022 as a proxy due to lack of availability at the time of sourcing.
 (10) ND represents "Not Disclosed" as The Coca-Cola Company does not disclose R&D data.

Johnson & Johnson Competitor Composite Peer Group

The J&J Compensation & Benefits Committee compares overall Johnson & Johnson performance to the weighted performance of the Competitor Composite Peer Group companies. For example, when Johnson & Johnson sets the sales goals for its businesses, it compares the sales of its individual businesses to the total sales of its industry competitors. For the TSR component of PSUs, Johnson & Johnson weights the TSR within the three business groups by market capitalization and weights the three business groups using Johnson & Johnson's sales mix each year. Johnson & Johnson includes each of the peer companies in only one of the business groups in calculating the Competitor Composite TSR for the PSU program.

These companies compete with one or more of Johnson & Johnson's three business segments. Johnson & Johnson evaluates the peer group on an ongoing basis and updates it as necessary. Johnson & Johnson selects the companies based on the following criteria and financial metrics:

- Product Relevance
- Financial Comparison: Sales growth, net income growth and margin, EPS growth and TSR
- Global Presence
- Market Leadership
- Strength and Consistency in Financial Outlook

The following table lists the 2022 Competitor Composite Peer Group companies by business.

Pharmaceuticals	MedTech	Consumer Health
• AbbVie Inc • Amgen Inc. • AstraZeneca PLC • Bristol-Myers Squibb Company • Eli Lilly and Company • GlaxoSmithKline plc • Merck & Co., Inc. • Novartis AG • Pfizer Inc. • Roche Holding AG⁽¹⁾ • Sanofi	• Alcon, Inc • Boston Scientific Corporation • The Cooper Companies, Inc • Intuitive Surgical, Inc. • Medtronic, PLC • Smith & Nephew plc • Stryker Corporation • Zimmer Biomet Holdings, Inc.	• Beiersdorf AG • Bayer AG⁽²⁾ • Colgate-Palmolive Company • GlaxoSmithKline plc⁽²⁾ • L'Oréal Company • The Procter & Gamble Company • Reckitt Benckiser Group plc • Sanofi⁽²⁾ • Unilever plc

(1) Pharmaceuticals Sales, SG&A, R&D and Operating Profit only.

(2) OTC Sales only.

For 2023, the MedTech and Consumer Health Competitor Composite groups were updated to more accurately reflect changes in their business mix, the evolution of the competitive landscape and newly public companies. Bausch + Lomb Corp was added to the MedTech Competitor Composite group and Haleon plc was added to, and GlaxoSmithKline plc was removed from, the Consumer Health Competitor Composite group.

Post-Offering Peer Group

We expect that our Compensation & Human Capital Committee will establish an independent peer group following the completion of this offering.

Compensation Decision Process

Assessing Performance

Since 1943, Johnson & Johnson's Credo has guided it in fulfilling its responsibilities to its customers, employees, communities and shareholders. In assessing our Named Executive Officers' contributions to Johnson & Johnson's performance, Johnson & Johnson not only looks to results-oriented measures of performance, but also considers how those results were achieved. It considers whether the decisions and actions leading to the results were consistent with the values of Johnson & Johnson, as embodied in its Credo, and the long-term impact of their decisions. Credo-based behavior is not something that can be precisely measured, and there is no formula for how such behavior can, or will, impact an executive's compensation. Those who are responsible for evaluating an executive's performance must use their judgment and experience to evaluate whether an executive's actions were aligned with Johnson & Johnson's Credo values.

As described in more detail below, as an executive officer of Johnson & Johnson, Mr. Mongon's performance is assessed by both Johnson & Johnson's Chief Executive Officer and the J&J Compensation & Benefits Committee, with all compensation decisions ultimately made by such committee. In the case of our other Named Executive Officers, their performance is assessed by Mr. Mongon and Johnson & Johnson's Management Compensation Committee, comprised of Johnson & Johnson's Chief Executive Officer, Chief Financial Officer and Chief Human Resources Officer. Following the completion of this offering, compensation decisions regarding our executive officers, including any performance assessments, will ultimately be made by our Compensation & Human Capital Committee.

Aligning Compensation to the "What" and the "How"

An individual employee can generally earn from 0% to 200% of the applicable target for annual incentives and 0% to 170% for long-term incentive awards based on business performance and his or her individual performance on both "the what" and "the how". This broad range allows for meaningful differentiation based on performance.

Johnson & Johnson determines annual incentive awards, long-term incentive awards and salary rates on a component-by-component and total direct compensation basis. Johnson & Johnson also compares actual compensation for the prior year and target compensation for the current year to Executive Peer Group data.

The J&J Compensation & Benefits Committee (in the case of Mr. Mongon) and Johnson & Johnson's Management Compensation Committee (in the case of our other Named Executive Officers) use their judgment and experience to determine annual incentive awards, long-term incentive awards and salary rates. Performance against goals is the most significant input in determining compensation levels. However, total direct compensation is not determined in a formulaic manner. In addition, Johnson & Johnson does not consider an employee's previous long-term incentive awards and total equity ownership when making long-term incentive award determinations.

Governance of Executive Compensation

The J&J Compensation & Benefits Committee has retained Semler Brossy Consulting Group ("Semler Brossy") since May 2020 to advise it on executive compensation matters. The J&J Compensation & Benefits Committee has sole authority to negotiate the terms of service, including all fees paid to its external consultants.

The table below summarizes the roles of each of the key participants in Johnson & Johnson's executive compensation decision-making process applicable to our Named Executive Officers.

Participant	Role
J&J Compensation & Benefits Committee	- Acts on behalf of Johnson & Johnson's board of directors by setting the principles that guide the design of Johnson & Johnson's compensation and benefits programs - Sets Johnson & Johnson's executive compensation philosophy and composition of the Executive Peer Group - Approves compensation target levels for Johnson & Johnson's executive officers, including Mr. Mongon - Sets compensation programs and principles that are designed to link executive pay with Johnson & Johnson and individual performance - Reviews the eligibility criteria and award guidelines for the corporate-wide compensation and benefits programs, including those in which Mr. Mongon currently participates
Johnson & Johnson's Chief Executive Officer	Reviews and presents to the J&J Compensation & Benefits Committee the performance assessments and compensation recommendations for Mr. Mongon
Johnson & Johnson's Management Compensation Committee	Reviews and approves compensation decisions for each of our NEOs (other than Mr. Mongon)
Our Chief Executive Officer	Reviews and presents to Johnson & Johnson's Management Compensation Committee the performance assessments and compensation recommendations for our NEOs (other than Mr. Mongon)
Independent Compensation Consultant	- Attends all J&J Compensation & Benefits Committee meetings at the request of such committee - Advises the J&J Compensation & Benefits Committee on market trends, regulatory issues and developments and how they may impact Johnson & Johnson's executive compensation programs - Reviews Johnson & Johnson's compensation strategy and executive compensation programs for alignment with its strategic business objectives - Advises on the design of Johnson & Johnson executive compensation programs to ensure linkage between pay and performance - Provides market data analyses to the J&J Compensation & Benefits Committee

Independence of Compensation Consultant

The J&J Compensation & Benefits Committee determined that Semler Brossy's services as its independent compensation consultant for 2022 did not raise any conflict of interest concerns. The J&J Compensation & Benefits Committee considered the following factors, among others, when assessing the independence of its compensation consultant:

- Semler Brossy did not provide any other services to Johnson & Johnson and reported directly to the J&J Compensation & Benefits Committee.
- Semler Brossy has policies and procedures in place to prevent conflicts of interest.
- No member of the Semler Brossy consulting team serving the J&J Compensation & Benefits Committee has a business or personal relationship with any member of the J&J Compensation & Benefits Committee or any executive officer of Johnson & Johnson.
- Neither Semler Brossy nor any principal of Semler Brossy owns any shares of Johnson & Johnson common stock.
- The amount of fees paid to Semler Brossy is less than 1% of its total consulting income.

Additional Information Concerning Executive Compensation

Limited Employment Arrangements and Agreements

Johnson & Johnson's Severance Pay Plan provides severance benefits to certain full-time non-union U.S. employees who are involuntarily terminated. Johnson & Johnson provides two weeks' base salary for each year of service, with guaranteed minimums based on an employee's level. The minimum for each of our Named Executive Officers is 52 weeks of base salary. Johnson & Johnson pays severance according to its normal payroll cycle. It does not pay severance as a lump-sum payment.

As is customary for all employees in Switzerland, Johnson & Johnson is party to an employment agreement with Mr. Lawson that sets forth his position, working conditions, compensation and benefits and certain continued salary payments if Mr. Lawson is prevented from working through no fault of his own (e.g., accident or illness). Mr. Lawson's agreement does not provide for severance payments or benefits, but his non-competition covenant with Johnson & Johnson provides that, as consideration for such covenant, he will continue to receive 50% of his base salary during the 12-month period the covenant remains in effect after Mr. Lawson's termination of employment for any reason. Johnson & Johnson may choose to waive the covenant, and the obligation to make the foregoing payment, provided it does so within 15 days after Mr. Lawson's employment is terminated.

Johnson & Johnson does not have employment arrangements or agreements with any of our other Named Executive Officers.

Stock Ownership Guidelines for Named Executive Officers

Johnson & Johnson requires its executive officers, including Mr. Mongon, to own a certain amount of Johnson & Johnson stock to further align their interests with its shareholders' interests. The Nominating & Corporate Governance Committee of Johnson & Johnson's board of directors monitors compliance with these guidelines on an annual basis, and covered executives have five years after first becoming subject to the guidelines to achieve the required ownership threshold. Mr. Mongon is currently required to own Johnson & Johnson stock with a fair market value equal to six times Mr. Mongon's annual base salary. Mr. Mongon currently meets the required level of ownership.

Johnson & Johnson does not count shares underlying options or unearned PSUs as owned shares for these guidelines. A covered executive cannot sell the after-tax shares received from long-term incentive awards until his or her ownership threshold is met.

Johnson & Johnson's Policy Against Pledging, Hedging and Short Selling of Johnson & Johnson Stock prohibits directors and executive officers of Johnson & Johnson from pledging, entering into hedging arrangements, short selling or transacting in derivative instruments linked to the performance of Johnson & Johnson's stock.

The J&J Compensation & Benefits Committee has approved initial stock ownership guidelines pursuant to which each of our executive officers must, later than the fifth anniversary of such executive officer becoming subject to the stock ownership guidelines, hold shares of our common stock directly or, to the extent permitted under the policy, indirectly with a market value of at least three times (six times for our CEO) such employee's annual base salary.

Following the completion of this offering, we expect that the Board will review our executive officer stock ownership guidelines on a periodic basis.

Executive Compensation Recoupment Policy

Johnson & Johnson's board of directors can recoup all or part of any compensation paid to an executive officer, including Mr. Mongon, in the event of material restatement of Johnson & Johnson's financial results. In such a situation, Johnson & Johnson's board of directors will consider:

- whether any executive officer received compensation based on the original financial statements because it appeared he or she achieved financial performance targets that in fact were not achieved based on the restatement; and
- the accountability of any executive officer whose acts or omissions were responsible, in whole or in part, for the events that led to the restatement and whether such actions or omissions constituted misconduct.

Johnson & Johnson's board of directors can also recoup compensation from senior executives in the event of significant misconduct resulting in a violation of a significant Johnson & Johnson policy, law or regulation relating to manufacturing, sales or marketing of products that causes material harm to Johnson & Johnson.

Following the completion of this offering, we expect to implement an executive compensation recoupment policy that will apply to, among others, our Named Executive Officers.

Tax Impact on Compensation

Johnson & Johnson considers objectives such as attracting, retaining and motivating leaders when designing its executive compensation programs. Johnson & Johnson also considers the tax deductibility of compensation, but it is not its sole consideration.

For federal income tax purposes, compensation is an expense that is fully tax deductible for almost all of Johnson & Johnson's U.S. employees. Following the 2017 tax reform, annual compensation in excess of \$1 million paid to a company's named executive officers who are covered employees under Section 162(m) of the Code will generally not be tax deductible, even if such compensation is performance-based or paid following termination of employment.

Following the completion of this offering, our Compensation & Human Capital Committee will consider the implications of Section 162(m) of the Code when designing and implementing our compensation programs, but will maintain flexibility to design programs that it believes are in the best interests of us and our shareholders and consistent with the objectives of our executive compensation programs, including the flexibility to authorize payments that might not be deductible.

Executive Compensation Tables

2022 Summary Compensation Table

In the table below, we show the compensation paid by Johnson & Johnson for fiscal year 2022 to our Named Executive Officers. We also show the compensation paid by Johnson & Johnson to our Named Executive Officers in

2021 if they were also included in the Summary Compensation Table in this prospectus in 2022. For a complete understanding of the table, please read the descriptions of each column that follow the table.

Name and Principal Position ⁽¹⁾	Year	Salary ⁽²⁾ (\$)	Stock Awards ⁽³⁾ (\$)	Option Awards ⁽⁴⁾ (\$)	Non-Equity Incentive Compensation ⁽⁵⁾ (\$)	Change in Pension Value and Non-Qualified Deferred Compensation Earnings ⁽⁶⁾ (\$)	All Other Compensation ⁽⁷⁾ (\$)	Total (\$)
Thibaut Mongon	2022	917,308	3,681,233	1,436,969	798,000	62,000	196,900	7,092,410
EVP and Worldwide Chairman, Consumer Health	2021	871,154	3,962,962	1,449,005	1,185,129	230,000	206,210	7,904,460
Paul Ruh	2022	569,715	711,666	281,985	269,352	29,000	23,379	1,885,097
Chief Financial Officer, Consumer Health	2021	504,377	749,700	270,007	393,262	111,000	22,697	2,051,043
Kathleen Widmer	2022	542,346	1,027,548	407,121	248,640	—	24,406	2,250,061
Company Group Chairman, NA and LATAM	2021	496,415	1,017,596	371,982	530,901	138,000	22,339	2,577,233
Ellie Bing Xie	2022	532,008	900,634	356,890	345,140	12,000	1,024,212	3,170,884
Company Group Chairman, APAC	2021	473,631	763,229	278,705	477,391	111,000	745,957	2,849,913
Carlton Lawson ⁽⁸⁾	2022	535,500	926,115	366,973	434,654	—	185,802	2,449,044
Company Group Chairman EMEA								

- (1) Position reflects the NEO's title during 2022.
- (2) Reflects base salaries paid during the applicable year. In the case of Mr. Ruh, his transfer to Kenvue in 2022 triggered a payout of his accrued paid time-off in accordance with applicable law and Johnson & Johnson policies. This payout, which amounted to \$60,045, is included as part of Mr. Ruh's 2022 base salary. In the case of Mr. Lawson, salary amount includes "13th month" salary payment in Switzerland.
- (3) Reflects grant date fair value of PSU and RSU awards. See "—2022 Grants of Plan-Based Awards Table" for details on 2022 awards. The following table details the number and value of PSUs assuming achievement at (1) threshold, (2) target and (3) maximum performance (at 200%).

Name	Performance Share Units					
	Units (#)			Grant Date Fair Value (\$)		
	Threshold	Target	Maximum	Threshold	Target	Maximum
T. Mongon	—	18,786	37,572	—	\$ 3,202,243	\$ 6,404,486
P. Ruh	—	3,072	6,144	—	523,650	1,047,300
K. Widmer	—	4,436	8,872	—	756,156	1,512,312
E. Xie	—	3,888	7,776	—	662,745	1,325,489
C. Lawson	—	3,998	7,996	—	681,495	1,362,990

- (4) Reflects the grant date fair value of option awards. See "—2022 Grants of Plan-Based Awards Table" for details on 2022 awards.
- (5) Reflects annual incentive awards and, for 2021 only, dividend equivalents received on vested Certificates of Long-Term Performance ("CLPs").
- Annual Incentives:** The J&J Compensation & Benefits Committee (in the case of Mr. Mongon) and Johnson & Johnson's Management Compensation Committee (in the case of all other NEOs) approved the annual incentives after reviewing performance for the year. Annual incentives are paid in the first quarter of the year following the performance year.
 - CLPs:** Johnson & Johnson stopped granting CLPs in 2012. These variable, cash-based long-term incentives granted to Mr. Mongon, which were valued based on a formula tied to Johnson & Johnson's net earnings per share, granted to Mr. Mongon vested and paid out

in accordance with their original terms prior to the date of this prospectus. The values of CLPs are included in several tables in this prospectus, as follows:

- **Non-Equity Incentive Plan Compensation** column of the 2022 Summary Compensation Table includes the dividend equivalents paid on vested CLPs.
- **Change in Pension Value and Non-Qualified Deferred Compensation Earnings** column of the 2022 Summary Compensation Table includes the annual change in value of vested CLPs, but only to the extent that the unit values grow at a rate that exceeds a reference rate of return.
- **2022 Non-Qualified Deferred Compensation Table** set forth below includes the value of the CLPs that were paid out at the end of their 10-year term.

The following table details the amounts included in the Non-Equity Incentive Plan Compensation column.

Name	Year	Annual Incentive	Value of CLP Dividend Equivalents Earned During the Fiscal Year	Total
T. Mongon	2022	\$ 798,000	\$ —	\$ 798,000
	2021	1,180,000	5,129	1,185,129
P. Ruh	2022	269,352	—	269,352
	2021	393,262	—	393,262
K. Widmer	2022	248,640	—	248,640
	2021	530,901	—	530,901
E. Xie	2022	345,140	—	345,140
	2021	477,391	—	477,391
C. Lawson	2022	434,654	—	434,654

- (6) Reflects the increase in the present value of the accrued pension benefit and the above-reference-rate non-qualified deferred compensation earnings. The table below shows the change in pension values and above-reference-rate amounts for vested CLPs.

Name	Year	Change in Pension Present Value	Above Reference Rate Calculation for Vested CLPs	Total
T. Mongon	2022	\$ 62,000	\$ —	\$ 62,000
P. Ruh	2022	29,000	—	29,000
K. Widmer	2022	—	—	—
E. Xie	2022	12,000	—	12,000
C. Lawson	2022	—	—	—

The change in pension present value is not a current cash payment. The pensions are only paid after an employee is deemed to have “retired” (generally separation from Johnson & Johnson or if later, attainment of a specified age). See “—2022 Pension Benefits” below for details on the pension. The following factors affect the change in pension value reported above:

- **Service, Pay and Age:** The following factors increased the present values:
 - **Service:** An additional year of completed service was included in the calculation of benefits;
 - **Pay:** The NEOs’ pay, which determines the level of pension benefits, increased since the previous fiscal year-end; and
 - **Age:** Each executive is one year closer to the age when Johnson & Johnson assumes the pension payments will begin.
- **Impact of Changes in Assumptions:** The change in pension present value is highly sensitive to changes in mortality and interest rate assumptions, which can increase or decrease the value. The following tables detail the changes in actuarial assumptions and their net effect on the change in pension value.

U.S. Pension Plans

Year	Mortality Table	Discount Rate	Net Effect on Changes on Pension Present Value
2022	PRI-2012 Table, Generational Mortality Projection with Scale MMP-2021	5.41 %	Decrease
2021	PRI-2012 Table, Generational Mortality Projection with Scale MMP-2021	2.89 %	Increase

Non-U.S. Pension Plans

	U.K. Pension Benefits			Swiss Pension Benefits		
Year	Mortality Table	Discount Rate	Net Effect on Changes on Pension Present Value	Mortality Table	Discount Rate	Net Effect on Changes in Pension Present Value
2022	SAPS S3 with weighting adjustments using CMI2019 core projections with 1.25% p.a. long-term improvement	4.92 %	Decrease	BVG 2020 generational tables with CMI 2018, 1.25%	2.17 %	Decrease
2021	SAPS S3 with weighting adjustments using CMI2019 core projections with 1.25% p.a. long-term improvement	1.92 %	N/A	BVG 2020 generational tables with CMI 2018, 1.25%	0.23 %	N/A

(7) Reflects the 2022 value of perquisites and other personal benefits and Johnson & Johnson contributions to its 401(k) and Excess Savings Plans.

Name	Perquisites and Other Personal Benefits	Registrant Contributions to Defined Contribution Plans	Total
T. Mongon	\$ 155,621	\$ 41,279	\$ 196,900
P. Ruh	—*	23,379	23,379
K. Widmer	—*	24,406	24,406
E. Xie	1,000,272	23,940	1,024,212
C. Lawson	185,802	—	185,802

* Total perquisites and other personal benefits amounted to less than \$10,000.

Details for the amounts set forth in the Perquisites and Other Personal Benefits column above are as follows:

- T. Mongon: \$155,621, which includes \$151,396 for personal use of corporate aircraft, personal use of a company car and driver and home security-related costs.
- E. Xie: \$1,000,272, which includes expenses related to Ms. Xie's international assignment to Singapore at Johnson & Johnson's request, consisting of (1) \$895,991 related to moving and relocation, (2) \$68,064 related to utilities, transportation and cost of living adjustments and (3) \$36,217 related to tax equalization payments. The amounts described in (1) and (2) are inclusive of reimbursement of taxes incurred in connection with such benefits.
- C. Lawson: \$185,802, which includes \$111,559 for his contractual housing allowance, \$41,348 for a company car allowance, relocation expenses and tax preparation services. These amounts are inclusive of reimbursement of taxes in connection with certain of the benefits described above.

Johnson & Johnson values perquisites and other personal benefits based on the incremental cost to Johnson & Johnson.

Johnson & Johnson calculates the incremental cost for personal use of the Johnson & Johnson aircraft as the sum of the cost of trip-related crew hotels and meals, in-flight food and beverage, landing and ground handling fees, hangar or aircraft parking costs, fuel costs based on the average annual cost of fuel per mile flown and other smaller variable costs. Fixed costs such as aircraft purchase costs, maintenance not related to personal trips and flight crew salaries are not included.

Johnson & Johnson calculates the incremental cost for Johnson & Johnson cars and drivers for commuting and other personal transportation as the sum of the cost of fuel, driver overtime fees and other smaller variable costs. Fixed costs such as car purchase costs, maintenance not related to personal trips and driver salaries are not included.

Named Executive Officers are taxed on the imputed income attributable to their personal use of Johnson & Johnson aircraft and cars and do not receive tax assistance from Johnson & Johnson with respect to these amounts. These values are not paid to our Named Executive Officers and consist primarily of driver overtime, fuel costs, landing fees, handling charges, crew expenses and other incidentals.

(8) Cash amounts for Mr. Lawson have been converted from CHF to U.S. dollars based on the fiscal year-end exchange rate of 1 CHF to 1.081 U.S. dollars.

2022 Grants of Plan-Based Awards Table

In the table below, we show the potential ranges of the 2022 annual incentive and the PSUs considered granted by Johnson & Johnson in 2022. We also show RSUs and options granted by Johnson & Johnson in 2022. We include the grant date fair values of stock awards and option awards reflected in the 2022 Summary Compensation Table.

For a complete understanding of the table, please read the descriptions of each column that follow the table.

Name	Award	Grant Date	Estimated Future Payouts Under Non-Equity Incentive Plan Awards (Annual Incentive) ⁽¹⁾			Estimated Future Payouts Under Equity Incentive Plan Awards (Performance Share Units) ⁽²⁾			All Other Stock Awards: Number of Shares of Stock or Units ⁽³⁾	All Other Option Awards: Number of Securities Underlying Options ⁽⁴⁾	Exercise or Base Price of Option Awards (\$/Sh) ⁽⁵⁾	Closing Market Price on the Grant Date (\$) ⁽⁶⁾	Grant Date Fair Value of Stock and Option Awards (\$) ⁽⁷⁾
			Threshold (\$)	Target (\$)	Maximum (\$)	Threshold (#)	Target (#)	Maximum (#)					
T. Mongon	Annual Incentive	—	—	925,000	1,850,000	—	—	—	—	—	—	—	—
	2022-2024 PSUs	2/14/2022	—	—	—	—	18,786	37,572	—	—	—	165.60	3,202,438
	RSUs	2/14/2022	—	—	—	—	—	—	3,131	—	—	165.60	478,900
	Stock Options	2/14/2022	—	—	—	—	—	—	—	61,849	165.89	165.60	1,436,969
P. Ruh	Annual Incentive	—	—	313,200	626,400	—	—	—	—	—	—	—	—
	2022-2024 PSUs	2/14/2022	—	—	—	—	3,072	6,144	—	—	—	165.60	523,490
	RSUs	2/14/2022	—	—	—	—	—	—	1,229	—	—	165.60	188,016
	Stock Options	2/14/2022	—	—	—	—	—	—	—	12,137	165.89	165.60	281,365
K. Widmer	Annual Incentive	—	—	409,125	818,250	—	—	—	—	—	—	—	—
	2022-2024 PSUs	2/14/2022	—	—	—	—	4,436	8,872	—	—	—	165.60	756,466
	RSUs	2/14/2022	—	—	—	—	—	—	1,774	—	—	165.60	271,392
	Stock Options	2/14/2022	—	—	—	—	—	—	—	17,523	165.89	165.60	407,171
E. Xie	Annual Incentive	—	—	401,325	802,650	—	—	—	—	—	—	—	—
	2022-2024 PSUs	2/14/2022	—	—	—	—	3,888	7,776	—	—	—	165.60	662,465
	RSUs	2/14/2022	—	—	—	—	—	—	1,555	—	—	165.60	237,489
	Stock Options	2/14/2022	—	—	—	—	—	—	—	15,361	165.89	165.60	356,600
C. Lawson	Annual Incentive ⁽⁷⁾	—	—	403,251	806,502	—	—	—	—	—	—	—	—
	2022-2024 PSUs	2/14/2022	—	—	—	—	3,998	7,996	—	—	—	165.60	681,495
	RSUs	2/14/2022	—	—	—	—	—	—	1,599	—	—	165.60	244,350
	Stock Options	2/14/2022	—	—	—	—	—	—	—	15,795	165.89	165.60	366,403

- (1) Reflects the threshold, target and maximum annual incentive amounts for 2022 performance. The J&J Compensation & Benefits Committee in the case of Mr. Mongon and the Johnson & Johnson Management Compensation Committee in the case of the other NEOs considered the applicable potential range when determining the actual annual incentives (included in the column labeled "Non-Equity Incentive Compensation" of the 2022 Summary Compensation Table).
- (2) Reflects the threshold, target and maximum number of PSUs that were awarded in February 2022 based on 2021 performance.
- (3) Reflects the number of RSUs awarded in February 2022 based on 2021 performance.
- (4) Reflects the number of options awarded in February 2022 based on 2021 performance and their exercise price.
- (5) Reflects the closing price of Johnson & Johnson common stock on the date of grant.
- (6) Reflects the grant date fair values of PSUs, RSUs and options granted in 2022. We include the grant date fair values of stock awards and option awards in the columns labeled, respectively, "Stock Awards" and "Option Awards" in the 2022 Summary Compensation Table.
- (7) Annual incentive amounts for Mr. Lawson have been converted from CHF to U.S. dollars based on the fiscal year-end exchange rate of 1 CHF to 1.081 U.S. dollars.

Details on Johnson & Johnson's 2022 Long-Term Incentive Grant Date Fair Values

Assumptions used for PSUs, RSUs and options: Johnson & Johnson used the same grant date, common stock fair market value and dividend yield assumptions in calculating the fair values of the PSUs, RSUs and options.

Fair values of RSUs and PSUs tied to 2022-2024 EPS: Johnson & Johnson calculated the fair value of RSUs and PSUs tied to 2022-2024 EPS based on the common stock fair market value discounted by the expected dividend yield since dividends are not paid prior to vesting.

2022-2024 PSUs: Johnson & Johnson calculated the fair value of the 2022-2024 PSUs using the weighted average of the fair values of the EPS and relative TSR components. An independent third party calculated the fair value of the PSUs tied to relative TSR using a Monte Carlo simulation.

Options: Johnson & Johnson valued the options using the Black-Scholes model with the assumptions below.

Assumptions Used in PSU, RSU and Option Fair Value Calculations

Grant Date	2/14/2022
Johnson & Johnson Common Stock Fair Market Value (average of the high and low prices on the NYSE)	\$ 165.89
Dividend Yield	2.75 %

Fair Values of RSUs and PSUs Tied to 2022-2024 EPS Performance

RSUs	\$ 152.983
2022-2024 PSUs Tied to 2022-2024 EPS Performance	\$ 152.983

2022-2024 PSU Fair Value

Performance Measures	Weight	Fair Value
2022-2024 EPS	50 %	\$ 152.983
2022-2024 Relative TSR	50 %	\$ 187.934
Weighted Average		\$ 170.959

2022 Option Fair Value

Exercise Price	\$ 165.89
Risk Free Rate (determined based on U.S. treasury rate of seven years)	1.98 %
Expected Volatility (calculated using blended historical average volatility and implied volatility on at-the-money, 2-year, traded options)	18.00 %
Expected Life in Years (calculated based on historical data)	7.00
Fair Value	\$ 23.23

2022 Outstanding Equity Awards at Fiscal Year-End

In the table below, we show the outstanding options, RSUs and PSUs as of fiscal year-end 2022.

			Option Awards				Stock Awards				
			Number of Securities Underlying Unexercised Options (#)						Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights that Have Not Vested (#) ⁽⁴⁾	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights that Have Not Vested (\$) ⁽⁵⁾	
Name	Grant Date ⁽¹⁾	Vesting Date ⁽²⁾	Exercisable	Unexercisable	Option Exercise Price (\$)	Option Expiration Date	Number of Shares or Units of Stock that Have Not Vested (#) ⁽³⁾	Market Value of Shares or Units of Stock that Have Not Vested (\$)			
T. Mongon	Options	2/10/2020	2/10/2023	—	58,447	151.41	2/10/2030	—	—	—	
		2/8/2021	2/8/2024	—	69,470	164.62	2/8/2031	—	—	—	
		2/14/2022	2/14/2025	—	61,849	165.89	2/14/2032	—	—	—	
	RSUs	2/10/2020	2/10/2023	—	—	—	—	2,285	403,645	—	—
		2/8/2021	2/8/2024	—	—	—	—	3,163	558,744	—	—
		2/14/2022	2/14/2025	—	—	—	—	3,131	553,091	—	—

		Option Awards						Stock Awards				
		Number of Securities Underlying Unexercised Options (#)										
Name	Grant Date	Vesting Date	Exercisable	Unexercisable	Option Exercise Price (\$)	Option Expiration Date	Number of Shares or Units of Stock that Have Not Vested (#)	Market Value of Shares or Units of Stock that Have Not Vested (\$)	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights that Have Not Vested (#)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights that Have Not Vested (\$)		
P. Ruh	2020-2022	PSU Award 2/10/2020	2/10/2023	—	—	—	13,710	2,421,872	—	—		
	2021-2023	PSU Award 2/8/2021	2/8/2024	—	—	—	—	—	23,777	4,206,207		
	2022-2024	PSU Award 2/14/2022	2/14/2025	—	—	—	—	—	23,219	4,101,636		
	Options	2/10/2020	2/10/2023	—	18,721	151.41	2/10/2030	—	—	—	—	
		2/8/2021	2/8/2024	—	12,945	164.62	2/8/2031	—	—	—	—	
		2/14/2022	2/14/2025	—	12,137	165.89	2/14/2032	—	—	—	—	
	RSUs	2/10/2020	2/10/2023	—	—	—	1,464	258,616	—	—	—	
		2/8/2021	2/8/2024	—	—	—	1,179	208,270	—	—	—	
		2/14/2022	2/14/2025	—	—	—	1,229	217,103	—	—	—	
	2020-2022	PSU Award 2/10/2020	2/10/2023	—	—	—	3,660	646,539	—	—	—	
	2021-2023	PSU Award 2/8/2021	2/8/2024	—	—	—	—	—	3,693	652,368	—	
	2022-2024	PSU Award 2/14/2022	2/14/2025	—	—	—	—	—	3,797	670,740	—	
	K. Widmer	Options	2/13/2017	2/13/2020	5,571	—	115.67	2/13/2027	—	—	—	—
			2/12/2018	2/12/2021	7,988	—	129.51	2/12/2028	—	—	—	—
			2/11/2019	2/11/2022	9,885	—	131.94	2/11/2029	—	—	—	—
RSUs		2/10/2020	2/10/2023	—	20,543	151.41	2/10/2030	—	—	—	—	
		2/8/2021	2/8/2024	—	17,834	164.62	2/8/2031	—	—	—	—	
		2/14/2022	2/14/2025	—	17,523	165.89	2/14/2032	—	—	—	—	
RSUs		2/10/2020	2/10/2023	—	—	—	1,606	283,700	—	—	—	
		2/8/2021	2/8/2024	—	—	—	1,624	286,880	—	—	—	
		2/14/2022	2/14/2025	—	—	—	1,774	313,377	—	—	—	
2020-2022		PSU Award 2/10/2020	2/10/2023	—	—	—	4,016	709,426	—	—	—	
2021-2023		PSU Award 2/8/2021	2/8/2024	—	—	—	—	—	5,087	898,819	—	
2022-2024		PSU Award 2/14/2022	2/14/2025	—	—	—	—	—	5,483	968,772	—	
E. Xie		Options	2/8/2016	2/9/2019	6,472	—	101.87	2/8/2026	—	—	—	—
			2/13/2017	2/13/2020	5,744	—	115.67	2/13/2027	—	—	—	—

Option Awards							Stock Awards				
Number of Securities Underlying Unexercised Options (#)											
Name	Grant Date ⁽¹⁾	Vesting Date ⁽²⁾	Exercisable	Unexercisable	Option Exercise Price (\$)	Option Expiration Date	Number of Shares or Units of Stock that Have Not Vested ⁽³⁾	Market Value of Shares or Units of Stock that Have Not Vested (\$)	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights that Have Not Vested ⁽⁴⁾	Equity Incentive Plan Awards: Market Payout Value of Unearned Shares, Units or Other Rights that Have Not Vested ⁽⁵⁾	
C. Lawson		2/12/2018	5,705	—	129.51	2/12/2028	—	—	—	—	
		2/11/2019	7,582	—	131.94	2/11/2029	—	—	—	—	
		2/10/2020	—	11,689	151.41	2/10/2030	—	—	—	—	
		2/8/2021	—	13,362	164.62	2/8/2031	—	—	—	—	
		2/14/2022	—	15,361	165.89	2/14/2032	—	—	—	—	
	RSUs										
		2/10/2020	—	—	—	—	914	161,458	—	—	
		2/8/2021	—	—	—	—	1,217	214,983	—	—	
		2/14/2022	—	—	—	—	1,555	274,691	—	—	
	2020-2022	PSU Award									
		2/10/2020	—	—	—	—	2,285	403,645	—	—	
	2021-2023	PSU Award									
		2/8/2021	—	—	—	—	—	—	3,812	675,190	
	2022-2024	PSU Award									
		2/14/2022	—	—	—	—	—	—	4,806	845,980	
	Options										
	2/10/2020	2/10/2023	—	4,208	151.41	2/10/2030	—	—	—	—	
	2/8/2021	2/8/2024	—	4,620	164.62	2/8/2031	—	—	—	—	
	2/14/2022	2/14/2025	—	15,795	165.89	2/14/2032	—	—	—	—	
	RSUs										
	2/10/2020	2/10/2023	—	—	—	—	329	58,118	—	—	
	2/8/2021	2/8/2024	—	—	—	—	421	74,370	—	—	
	2/14/2022	2/14/2025	—	—	—	—	1,599	282,463	—	—	
2020-2022	PSU Award										
	2/10/2020	2/10/2023	—	—	—	—	822	145,206	—	—	
2021-2023	PSU Award										
	2/8/2021	2/8/2024	—	—	—	—	—	—	1,318	232,825	
2022-2024	PSU Award										
	2/14/2022	2/14/2025	—	—	—	—	—	—	4,941	872,828	

- (1) PSUs are considered granted when the performance goals are approved (according to U.S. accounting rules).
- (2) Options, RSUs and PSUs granted prior to 2023 vest 100% three years from the date of grant. PSUs are not distributed until the percent of target vested based on performance is certified by the J&J Compensation & Benefits Committee at the end of the three-year performance period.
- (3) PSUs that have been earned based on performance to date are reflected as awards that are no longer subject to performance criteria. See “—Compensation Discussion and Analysis—2020-2022 PSU Payout” for details.
- (4) Johnson & Johnson calculated the estimated number of PSUs to vest in the future assuming:
- 2021-2023 PSUs tied to (1) Relative TSR performance vest at 117.00% of target and (2) cumulative adjusted EPS performance vest at 133.60% of target.
 - 2022-2024 PSUs tied to (1) Relative TSR performance vest at 156.00% of target and (2) cumulative adjusted EPS performance vest at 91.20% of target.
- (5) Johnson & Johnson calculated the market values of unvested RSUs and PSUs included in the table above using the closing price of Johnson & Johnson’s common stock on the NYSE on December 30, 2022, which was the last business day of Johnson & Johnson’s fiscal year 2022, or \$176.65.

2022 Option Exercises and Stock Vested

The table below shows, for each of our NEOs, how many options, PSUs and RSUs were exercised or vested in 2022, as applicable, and their value when they were exercised or vested, as applicable.

Name	Option Awards		Stock Awards	
	Number of Shares Acquired on Exercise (#)	Value Realized on Exercise (\$)	Number of Shares Acquired on Vesting (#)	Value Realized on Vesting (\$)
T. Mongon	83,074	\$ 4,830,204	7,681	\$ 1,285,328
P. Ruh	9,829	413,408	4,127	690,607
K. Widmer	3,575	201,880	4,150	694,855
E. Xie	—	—	3,184	532,805
C. Lawson	—	—	—	—

2022 Pension Benefits

In the table below, we show the present value of pension benefits as of year-end 2022 and payments during 2022 to our NEOs. For a complete understanding of the table, please read the description of the pension benefits that follow the table.

Name	Plan Name	Number of Years Credited Service	Normal Retirement Age	Present Value of Accumulated Benefit (\$)	Payments During Last Fiscal Year (\$)
T. Mongon	Salaried Pension Plan	3.67	62	\$ 99,000	—
	Excess Pension Plan	3.67	62	514,000	—
P. Ruh	Salaried Pension Plan	5.92	62	183,000	—
	Excess Pension Plan	5.92	62	341,000	—
K. Widmer	Salaried Pension Plan	28.83	62	1,198,000	—
	Excess Pension Plan	28.83	62	700,000	—
E. Xie	Salaried Pension Plan	7.33	62	203,000	—
	Excess Pension Plan	7.33	62	281,000	—
C. Lawson	UK Pension Plan	1.92	65	94,000	—
	Swiss Pension Plan	1.42	65	167,000	—

Johnson & Johnson calculated the present values in the table assuming, for each Named Executive Officer other than Mr. Lawson: (1) for the Salaried Pension Plan, a 5.40% discount rate; (2) for the Excess Pension Plan, a 5.42% discount rate; and (3) for both plans, the mortality assumptions provided under the PRI-2012 Table, Generational Mortality Projection with Scale MMP-2021.

Johnson & Johnson calculated the present values in the table for Mr. Lawson assuming: (1) for the Johnson & Johnson UK Group Employer-Financed Retirement Benefits Scheme (the “UK Pension Plan”), a 4.92% discount rate and the mortality assumptions provided under the SAPS S3 with weighting adjustments using CMI2019 core projections with 1.25% p.a. long-term improvement; and (2) for the Johnson & Johnson Pension Fund Switzerland (the “Swiss Pension Plan”), a 2.17% discount rate and the mortality assumptions provided under the BVG 2020 generational tables with CMI 2018, 1.25%.

The Named Executive Officers (other than Mr. Lawson) participate in Johnson & Johnson's U.S. defined benefit pension plans on the same basis as other U.S. non-union employees. For all NEOs who participate in Johnson & Johnson's U.S. defined benefit pension plans, other than Ms. Widmer, their pension benefit is determined solely under the formula applicable to employees hired on or after January 1, 2015 (the Retirement Value Plan, or "RVP", formula). For Ms. Widmer, a portion of her pension benefit with a present value of \$1,033,000 is determined under the formula applicable to employees hired prior to January 1, 2015 (the Final Average Pay formula), with the remainder of her pension benefits, representing the portion of her pension benefits earned after she recommenced service with us in 2015, determined under the RVP formula. The RVP and Final Average Pay formulas are described below.

Johnson & Johnson provides pension benefits to its employees to provide retirement income, facilitate succession and motivate long-term service. Johnson & Johnson's pension benefits are paid as described below.

- **U.S. Final Average Pay Pension Formula:** This formula describes a monthly annuity amount payable for life once the employee is deemed to have "retired" from Johnson & Johnson (generally separation from Johnson & Johnson, or if later, attainment of a specified age).
 - **Retirement Age:** At age 62 employees can begin receiving unreduced pension payments. At age 55 they can begin receiving reduced pension benefits. If an employee begins receiving his or her pension before age 62, the pension is reduced by 4% per year for each year before age 62.
 - **Monthly Annuity Amount:** We calculate the monthly annuity amount as:
 - (1) Final average earnings multiplied by 1.667%, multiplied by years of service prior to 2005, plus
 - (2) Final average earnings multiplied by 1.55%, multiplied by years of service after 2004, minus
 - (3) Age 65 Social Security benefits multiplied by 1.429%, multiplied by total years of service.
 - **Final Average Earnings:** Final average earnings is the average of the highest consecutive 60 months out of the last 120 months of pay. Earnings include base salary and annual incentive payouts.
 - **Benefits Paid as an Annuity:** Pension benefits must be taken in the form of an annuity.
- **U.S. Retirement Value Plan Pension Formula:** This formula describes a lump sum payable at the time the employee is deemed to have "retired" from Johnson & Johnson (generally separation from Johnson & Johnson, or if later, attainment of a specified age).
 - **Retirement Age:** At age 62 employees can receive an unreduced pension payment. If an employee receives his or her pension before age 62, the pension is reduced for early commencement for each year before age 62.
 - **Lump Sum Amount:** Johnson & Johnson calculates the lump sum amount as an RVP credit of 15% of "plan earnings" (see below) for each year of service. The sum of each year's RVP credits equals the pension benefit payable as a lump sum at age 62.
 - **Plan Earnings:** Earnings include base salary and annual incentive payouts.
 - **Form of Benefit Payment:** The Excess Pension Plan benefit is only available as a lump sum. The RVP Salaried Plan benefit amount is expressed as a lump sum but can also be payable in one of the optional annuity forms available under the RVP Salaried Plan.

- **U.S. Pension Plans:** Johnson & Johnson pays its U.S. pensions from the Salaried and Excess Pension Plans as follows:
 - **Salaried Pension Plan:** The Salaried Pension Plan applies the Final Average Pay and RVP formulas, as applicable, to pay up to the IRS's covered compensation limit. The limit was \$305,000 in 2022.
 - **Excess Pension Plan:** The Excess Pension Plan uses the Final Average Pay and RVP formulas, as applicable, without applying the IRS pay limits. The Excess Pension Plan's payments are reduced by amounts paid from the Salaried Pension Plan. U.S. non-union employees participate in the Excess Pension Plan if their covered compensation exceeds the IRS limit.
- **UK Pension Formula:** This formula describes a monthly annuity amount payable for life once the employee is deemed to have "retired" from Johnson & Johnson (generally separation from Johnson & Johnson, or if later, attainment of a specified age).
 - **Retirement Age:** At age 65 employees can begin receiving unreduced pension payments. If an employee begins receiving his or her pension before age 65, the pension is reduced for early commencement.
 - **Monthly Annuity Amount:** We calculate the annualized annuity amount as 1/90th of plan earnings for each year of service. This annual amount is then paid in monthly installments.
 - **Plan Earnings:** Earnings include base salary only.
 - **Benefits Paid as an Annuity:** Pension benefits must be taken in the form of an annuity. Payments are indexed by the Retail Price Index, subject to a cap of 2.5% annually (assumed to result in an increase of 2% p.a. on average).
- **Swiss Pension Formula:** A lump sum payable at retirement is determined by a cash balance plan formula.
 - **Retirement Age:** The normal retirement age under the Swiss Pension Plan is age 65; however, employees can retire as early as age 58. If an employee begins receiving his or her pension before age 65, the pension is reduced for early commencement.
 - **Lump Sum Amount:** Each year the employee's account balance is increased with retirement credits that vary depending on the employee's age and elected contribution amount. The cash balance account is accumulated with interest at a rate equal to inflation plus 1.5%. The cash balance account at retirement is multiplied by a conversion rate to determine the annuity payable at retirement.
 - **Eligible Earnings:** Earnings include base salary only.
 - **Form of Benefit Payment:** The pension benefit can be payable as a lump sum or annuity under the Swiss Pension Plan.

2022 Non-Qualified Deferred Compensation

In the table below, we show our Named Executive Officers' year-end non-tax-qualified compensation deferral plan balances in Johnson & Johnson's Excess Savings Plan. We also show how much Johnson & Johnson contributed to the Excess Savings Plan, the earnings on the deferred compensation and withdrawals and distributions

during the year. For a complete understanding of the table, please read the descriptions of the columns that follow the table.

Name	Registrant Contributions in Last FY ⁽¹⁾ (\$)	Aggregate Earnings in Last FY ⁽²⁾ (\$)	Aggregate Withdrawals / Distributions ⁽³⁾ (\$)	Aggregate Balance at Last FYE ⁽⁴⁾ (\$)
T. Mongon	27,554	(13,553)	197,135	89,000
P. Ruh	9,654	(8,187)	—	48,018
K. Widmer	10,681	(10,286)	—	61,209
E. Xie	10,215	(5,922)	—	37,044
C. Lawson	—	—	—	—

- (1) Includes Johnson & Johnson contributions to the Named Executive Officers' Excess Savings Plan accounts. These amounts are included in the "All Other Compensation" column of the 2022 Summary Compensation Table.
- (2) Includes earnings on the Excess Savings Plan. The earnings or losses on the Excess Savings Plan balances are based on market rates of return as described in the footnote to the "Change in Pension and Non-Qualified Deferred Compensation Earnings" column of the 2022 Summary Compensation Table. Therefore, there are no above-market earnings from this plan and the amounts are not included in the "Change in Pension Value and Non-Qualified Deferred Compensation Earnings" column of the 2022 Summary Compensation Table.
- (3) Includes the payouts of vested CLPs awarded in 2012 at the end of their 10-year terms.
- (4) Includes the Excess Savings Plan balances. Johnson & Johnson's 401(k) Savings Plan provides a matching contribution of 4.5% of base salary to employees who contribute at least 6% of base salary. The base salary covered under this plan is limited by the IRS's covered compensation limit. The limit was \$305,000 in 2022. The Excess Savings Plan credits an unfunded account with 4.5% of the amount of the base salary over the IRS limit.
 - **Earnings:** The accounts were credited with earnings equal to the return on each Named Executive Officer's default Target Date Fund, as determined by birth year.
 - **Distribution:** Account balances will be paid out in a lump sum, six months after termination, unless the participant made an irrevocable deferral or installment election before December 15, 2008.

2022 Potential Payments upon Termination

Johnson & Johnson pays earned and unpaid compensation to its employees upon terminations as described below. In addition, depending upon the circumstances of the termination and the employee's age and years of service, Johnson & Johnson pays severance, provides continued health benefit coverage and provides continued vesting in long-term incentive awards as described below. Other than Mr. Lawson, none of our NEOs are party to an employment agreement with Johnson & Johnson, and Johnson & Johnson does not provide any change-in-control benefits. While we expect our initial executive compensation program will be similar following the completion of this offering, our Compensation & Human Capital Committee will review our compensation program on a periodic basis to ensure it aligns with our compensation philosophy and our business needs and strategic priorities along with the interests of our shareholders.

- **Earned but Unpaid Compensation:** Upon any termination of employment as of year-end 2022, employees would receive their 2022 annual incentive and vested non-qualified deferred compensation. They would also be entitled to their pension benefits upon retirement. If a Named Executive Officer had terminated as of year-end 2022, he or she would have received his or her:
 - **Earned but Unpaid Annual Incentives for 2022:** An employee must be employed through the end of the year to be eligible for a non-pro-rata annual incentive payout. However, in case of involuntary termination for cause, these amounts would be forfeited. See the table in the footnote to the "Non-Equity Incentive Compensation" column of the 2022 Summary Compensation Table for the annual incentive amounts.
 - **Vested Non-Qualified Deferred Compensation Balances:** See "—2022 Non-Qualified Deferred Compensation" for the year-end balances.
 - **Pension Benefits upon Retirement:** See "—2022 Pension Benefits" for details.

- **Severance, Healthcare Coverage and Long-Term Incentives:** In the table below, we show the value of cash severance, continued healthcare coverage and continued vesting in long-term incentive awards as if the Named Executive Officers had terminated as of year-end 2022 under the circumstances shown below. For a complete understanding of the table, please read the descriptions of the types of payments that follow the table.
- **No Automatic Change-in-Control Benefits:** Johnson & Johnson does not have any change-in-control agreements or arrangements in place for any of the Named Executive Officers. In addition, there are no change-in-control provisions in any of Johnson & Johnson's compensation plans, except for its 2022 Plan. The 2022 Plan only provides for a change-in-control benefit in the event that outstanding awards granted under the 2022 Plan are not assumed or substituted by the acquirer in connection with a change in control, in which case, the awards will vest and any performance conditions will be deemed to be achieved at the greater of target or actual performance levels as of the date of the change in control. If outstanding awards are assumed or substituted, the awards will remain outstanding and will continue to vest following the change in control.

Name	Type of Payment	Voluntary Termination (\$)	Involuntary Termination Without Cause (\$) ⁽²⁾	Involuntary Termination with Cause (\$)	Death (\$)	Disability (\$)
T. Mongon	Cash Severance	—	925,000	—	—	—
	Healthcare Coverage	—	101,000	—	10,000	345,000
	Long-Term Incentives	—	—	—	15,215,616	15,215,616
	Total	—	1,026,000	—	15,225,616	15,560,616
P. Ruh	Cash Severance	—	522,000	—	—	—
	Healthcare Coverage	—	19,000	—	10,000	325,000
	Long-Term Incentives	—	—	—	3,412,476	3,412,476
	Total	—	541,000	—	3,422,476	3,737,476
K. Widmer	Cash Severance	—	587,462	—	—	—
	Healthcare Coverage	120,000	125,000	120,000	64,000	213,000
	Long-Term Incentives	4,382,169	4,382,169	—	4,382,169	4,382,169
	Total	4,502,169	5,094,631	120,000	4,446,169	4,595,169
E. Xie	Cash Severance	—	535,100	—	—	—
	Healthcare Coverage	—	19,000	—	10,000	335,000
	Long-Term Incentives	—	—	—	3,198,206	3,198,206
	Total	—	554,100	—	3,208,206	3,533,206
C. Lawson	Cash Severance ⁽¹⁾	—	268,834	—	—	—
	Healthcare Coverage	—	—	—	—	—
	Long-Term Incentives	—	—	—	1,997,553	1,997,553
	Total	—	268,834	—	1,997,553	1,997,553

- (1) Severance amounts for Mr. Lawson do not include six months of additional base salary payments pursuant to Mr. Lawson's non-compete covenant, which would not be payable in the event Johnson & Johnson waives such covenant. Severance amounts for Mr. Lawson have been converted from CHF to U.S. dollars based on the fiscal year-end exchange rate of 1 CHF to 1.081 U.S. dollars.
- (2) For Named Executive Officers other than Ms. Widmer, if the termination qualified as a RIF or Specified Divestiture, a portion of his or her long-term incentive awards would have also vested as quantified below under "Terminations Due to Reduction in Force or Specified Divestiture." If a Named Executive Officer had terminated without cause as of fiscal year-end 2022, the payment of his or her engagement award that is contingent on the successful Distribution or other disposition of the shares of our common stock owned by Johnson & Johnson

following the completion of this offering would have been accelerated. The amounts of such engagement awards are: (1) for Mr. Mongon, \$3,000,000; (2) for Mr. Ruh, \$2,000,000; and (3) each of Mses. Widmer and Xie and Mr. Lawson, \$1,500,000.

Terminations Due to a Reduction in Force or Specified Divestiture

Johnson & Johnson's unvested outstanding long-term incentive awards are subject to special provisions in the event of a termination due to a RIF or Specified Divestiture (as detailed in "—Compensation Discussion and Analysis—Components of Executive Compensation"). As of December 30, 2022, only Ms. Widmer was eligible for Qualifying Separation treatment of her long-term incentive awards. For Ms. Widmer, termination:

- Due to a RIF would result in amounts equal to those in the "Involuntary Termination Without Cause" column of the 2022 Potential Payments upon Termination table; and
- Due to a Specified Divestiture would result in equity incentive amounts equal to those in the "Involuntary Termination Without Cause" column of the table set forth in "—2022 Potential Payments upon Termination."

For each of our NEOs other than Ms. Widmer, if such NEO had been terminated due to either a RIF or Specified Divestiture, he or she would have been eligible to receive a pro-rated portion of his or her unvested long-term incentive awards. As of December 30, 2022, the total value of such NEOs' pro-rated long-term incentive awards were: Mr. Mongon - \$9,237,639; Mr. Ruh - \$2,268,003; Ms. Xie - \$1,869,348; and Mr. Lawson - \$915,555.

Cash Severance

The Named Executive Officers (other than Mr. Lawson) participate in Johnson & Johnson's U.S. Severance Pay Plan, which provides benefits to certain full-time, non-union U.S. employees who are involuntarily terminated. The U.S. Severance Pay Plan provides two weeks' base salary for each year of service, with guaranteed minimums based on an employee's level. The minimum for our Named Executive Officers is 52 weeks of base salary. Severance is paid according to Johnson & Johnson's normal payroll cycle. Johnson & Johnson does not pay severance as a lump sum payment.

In order to receive the full number of weeks of base salary under Johnson & Johnson's U.S. Severance Pay Plan, U.S. employees must sign a release agreement and comply with the conditions set forth in the agreement, which may include: compliance with non-competition provisions; release of all claims and rights; and any other terms set forth in the agreement. If U.S. employees do not sign the release agreement, the severance amount is four weeks of base salary.

Mr. Lawson is eligible to receive severance pursuant to Johnson & Johnson's Swiss Severance Formula, which provides benefits to Swiss employees who are involuntarily terminated. The Swiss Severance Formula provides a benefit that varies by age and years of service. For Mr. Lawson, Johnson & Johnson provides one month per year of service, with a guaranteed minimum of six months. Severance is paid as a lump-sum payment. In addition, Mr. Lawson's non-competition covenant with Johnson & Johnson provides that, as consideration for such covenant, he will continue to receive 50% of his base salary during the 12-month period the covenant remains in effect after Mr. Lawson's termination of employment for any reason. Johnson & Johnson may choose to waive the covenant, and the obligation to make the foregoing payment, provided it does so within 15 days after Mr. Lawson's employment is terminated.

In the table below, we show how the "Cash Severance" amounts set forth in the table in "—2022 Potential Payments upon Termination" were calculated.

Name	Salary Rate as of Year-End (\$)	Years of Eligible Service (#)	Weeks of Base Salary Continuation			Total Amount of Cash Severance (\$)
			Accrued (#)	Minimum (#)	Final (#)	
T. Mongon	\$ 925,000	22	44	52	52	\$ 925,000
P. Ruh	522,000	5	10	52	52	522,000
K. Widmer	545,500	28	56	52	56	587,462

E. Xie	535,100	7	14	52	52	535,100
C. Lawson	537,668	3	13	26	26	268,834 ⁽¹⁾

(1) Does not include six months of additional base salary payments pursuant to Mr. Lawson's non-compete covenant.

Healthcare Coverage

Upon termination of employment, all Johnson & Johnson non-union U.S. employees receive continued healthcare coverage that varies based upon the termination circumstances. The "Healthcare Coverage" amounts set forth in the table in "—2022 Potential Payments upon Termination" are the present values of continued healthcare coverage. The values vary based upon the termination circumstances as follows:

Healthcare Coverage	Eligibility	Eligible Named Executive Officers	Voluntary Termination	Involuntary Termination Without Cause	Involuntary Termination with Cause	Death	Disability
Retiree	U.S. employees age 55 with ten years of service	Widmer	✓	✓ Begins at the end of the cash severance period	✓	✓ Coverage for Dependents	✓
Separation	Employees between ages 50 and 54 with ten years of service who are involuntarily terminated without cause	Mongon	Not applicable	✓ Begins at the earlier of the end of the cash severance period or 52 weeks and ends at age 65	Not applicable	Not applicable	Not applicable
Active-employee	All U.S. employees	Ruh Xie	No continued coverage	✓ While on severance - up to 52 weeks	No continued coverage	✓ Coverage for Dependents for 6 months	✓ While on long-term disability

Note: "✓" means eligible for coverage

Long-Term Incentives

The "Long-Term Incentives" amounts set forth in the table in "—2022 Potential Payments upon Termination" are the value of unvested long-term incentive awards as of year-end 2022. The values vary based upon the termination circumstances as described in "—Components of Executive Compensation—Long-Term Incentive Vesting and Treatment Upon Termination."

Post-Offering Compensation Programs

Overview

As described above, our Compensation & Human Capital Committee has not yet been established and therefore has not established a specific set of objectives or principles for our compensation programs following the completion of this offering. Following the completion of this offering, our Compensation & Human Capital Committee will review each of the elements of our compensation programs. We believe that this offering will enable us to offer our

key employees compensation directly linked to the performance of our business, which we expect will enhance our ability to attract, retain and motivate qualified personnel and serve the interests of our shareholders.

Kenvue Long-Term Incentive Plan

In connection with this offering, we expect to implement a long-term incentive plan, which we refer to as the Kenvue Long-Term Incentive Plan (the “Kenvue LTIP”). The Kenvue LTIP is expected to become effective immediately prior to the completion of this offering. The following summary describes the expected material terms of the Kenvue LTIP and is qualified in its entirety by reference to the Kenvue LTIP, the form of which has been filed as an exhibit to the registration statement of which this prospectus is a part. The Employee Matters Agreement will also provide that, prior to the Distribution Date (as defined in “Certain Relationships and Related Person Transactions—Agreements to be Entered into in Connection with the Separation—Employee Matters Agreement”), Johnson & Johnson’s written consent will be required before we can grant any awards under the Kenvue LTIP.

Administration

The Kenvue LTIP will be administered by our Compensation & Human Capital Committee or the Board (as applicable, the “Administrator”). Subject to the provisions of the Kenvue LTIP, the Administrator will be authorized and empowered to do all things that it determines to be necessary or appropriate in connection with the administration of the Kenvue LTIP. To the extent permitted by law, the Administrator will be able to delegate its authority to one or more of its members or other persons, except that no such delegation will be permitted with respect to awards granted to Participants (as defined below) who are subject to Section 16 of the Exchange Act.

Subject to the provisions of the Kenvue LTIP, the Administrator will have the authority, among others, to select eligible persons to receive awards, determine the terms and conditions of, and all other matters relating to, awards, approve award agreements and the rules and regulations for the administration of the Kenvue LTIP, construe and interpret the Kenvue LTIP and award agreements, amend the terms of any award and make all other determinations as the Administrator may deem necessary or advisable for the administration of the Kenvue LTIP.

Eligible Participants

Our employees and non-employee directors and consultants (and those of our subsidiaries and affiliates) will be eligible to participate in the Kenvue LTIP. An eligible employee or non-employee director or consultant will become a participant (“Participant”) if he or she receives an award under the Kenvue LTIP.

Aggregate Number of Shares

The maximum aggregate number of shares of our common stock that may be issued or acquired and delivered under the Kenvue LTIP will be 10% of the outstanding shares of our common stock following completion of this offering, including shares held by Johnson & Johnson, rounded down to the nearest one hundred thousand shares.

Shares subject to awards that are canceled, expired, forfeited or otherwise not issued under an award, and shares subject to awards settled in cash, will not count as shares issued under the Kenvue LTIP and will be available for issuance in connection with future awards under the Kenvue LTIP. Any shares that again become available for grant under the Kenvue LTIP will be added back as the number of shares that were counted with respect to such award against the number of shares available for issuance under the Kenvue LTIP. However, (1) shares subject to stock-settled stock appreciation rights awards (“SARs”) that were not issued upon the net settlement or net exercise of such SAR, (2) shares delivered to or withheld to pay the exercise price of an option (“Option”), (3) shares delivered to or withheld to pay the withholding taxes related to any equity-based award granted under the Kenvue LTIP and (4) shares repurchased on the open market with cash proceeds from the exercise of an option will not be added back to the shares available for issuance under the Kenvue LTIP. Any shares delivered under the Kenvue LTIP upon the exercise or satisfaction of a substitute award granted in connection with any acquisition, merger, consolidation or otherwise (“Substitute Award”), including Johnson & Johnson equity awards that are converted into Kenvue equity awards in accordance with the Employee Matters Agreement, will not reduce the shares available for issuance under the Kenvue LTIP.

Certain Award Limitations

Minimum Vesting Requirement

All equity-based awards granted under the Kenvue LTIP (other than awards representing a maximum of 5% of the shares reserved for issuance under the Kenvue LTIP) will be granted subject to a minimum vesting period of 12 months, such that no awards may vest prior to the first anniversary of the grant date. Notwithstanding the foregoing, the Administrator may accelerate the vesting of awards prior to the first anniversary of the grant date (1) due to the Participant's death, disability, retirement, leave of absence or termination of employment or service, or upon a divestiture, reduction in force or sale or disposition of a subsidiary or division or any other similar event, in each case as determined by the Administrator, (2) in connection with a Change of Control (as described below) or (3) in connection with the grant of a Substitute Award in replacement of an award scheduled to vest within 12 months following the date of grant of such Substitute Award.

Director Compensation Limit

No non-employee director will be paid or granted, in any single fiscal year, cash compensation and equity-based awards (including any awards issued under the Kenvue LTIP) with an aggregate grant date value greater than \$800,000. The Administrator may make exceptions to increase such limit to \$1,000,000 for an individual non-employee director in extraordinary circumstances, such as where a non-employee director serves as the non-executive chair of the Board or lead independent director or as a member of a special litigation or transactions committee of the Board, as the Administrator may determine in its sole discretion; provided that the non-employee director receiving such additional compensation may not participate in the decision to award such compensation.

Incentive Stock Option Limit

The aggregate number of shares of our common stock that may be issued pursuant to the exercise of incentive stock options ("ISOs") will not exceed 1% of the outstanding shares of our common stock following completion of this offering, including shares held by Johnson & Johnson, rounded down to the nearest one hundred thousand shares.

Adjustments Upon Changes in Capitalization

In the event of any merger, reorganization, consolidation, recapitalization, reclassification, stock split, reverse stock split, spin-off, combination or exchange of shares of our common stock, dividend or distribution of securities, property or cash (other than regular, quarterly cash dividends) or any other event or transaction that affects the number or kind of shares of our common stock outstanding (a "Change in Capitalization"), the number and kind of shares available for issuance under the Kenvue LTIP (including under any outstanding awards), the number and kind of shares subject to the limitations on awards set forth in the Kenvue LTIP, and the terms of any outstanding award (including the number and kind of shares of our common stock subject to such award, the price, vesting and other terms, including any performance goals and the identity of the "Corporation") will be equitably adjusted by the Administrator. Such other equitable substitutions or adjustments will be made as may be determined by the Administrator in its sole discretion. In addition, in connection with a Change in Capitalization, the Administrator may provide, in its sole discretion, for the cancellation of any outstanding award in exchange for payment in cash or other property having an aggregate fair market value equal to the fair market value of the shares of our common stock, cash or other property covered by such award, reduced by the aggregate exercise price thereof, if any, or, in the case of an outstanding Option or SAR, establishing a date upon which such award will expire unless exercised thereto; provided that if the exercise price of any outstanding award is equal to or greater than the fair market value of the shares of our common stock, cash or other property covered by such award, the Administrator may cancel such award without the payment of any consideration to the Participant.

Adjustments Upon Change of Control

In the event that a "Change of Control" (as defined in the Kenvue LTIP) occurs and an award is assumed or substituted, then such award will be continued in accordance with its applicable terms and vesting will not be accelerated unless the applicable Participant experiences an involuntary termination without "cause" or a voluntary termination for "good reason" (each as defined in the Kenvue LTIP) within two years following the Change of Control. In the case of such termination, the vesting of each award held by the terminated Participant will fully

accelerate as of the date of such termination, with any applicable performance goals deemed achieved at the greater of target levels of achievement and actual levels of achievement (based on performance as of the date of the Change of Control) and, if such award constitutes “deferred compensation” within the meaning of Section 409A of the Code, it will be settled on the earliest permissible payment event date following such termination. If an award is not assumed or substituted for, generally it will vest and all restrictions will lapse as of immediately prior to the Change of Control, and if the award is a performance award then all performance criteria will be deemed achieved at the greater of (1) target levels of achievement and (2) actual levels of achievement determined by the Administrator in its sole discretion as of the date of the Change of Control.

Awards

Stock Options

The Administrator will establish the exercise price per share under each Option, which unless such Option was granted as a Substitute Award, will not be less than the fair market value of a share on the date the Option is granted. The Administrator will establish the term of each Option, which in no case may exceed a period of 10 years from the date of grant. Options granted under the Kenvue LTIP may either be ISOs or nonqualified stock options. Except for adjustment in connection with a Change in Capitalization, at any time when the exercise price of an Option is above the fair market value of a share, we will not, without shareholder approval, reduce the exercise price of such Option and shall not exchange such Option for cash or a new award with a lower exercise price.

SAR Awards

A SAR provides the right to the monetary equivalent of the increase in value of a specified number of shares of our common stock over a specified period of time after the SAR is granted. SARs may be granted to Participants either in tandem with or as a component of other awards granted under the Kenvue LTIP (“tandem SARs”) or not in conjunction with other awards (“freestanding SARs”). All freestanding SARs will be granted subject to the same terms and conditions applicable to Options as set forth in the preceding section and in the Kenvue LTIP, and all tandem SARs will have the same exercise price, vesting, exercisability, forfeiture and termination provisions as the award to which they relate. Except for adjustment in connection with a Change in Capitalization, at any time when the exercise price of a SAR is above the fair market value of a share, we will not, without shareholder approval, reduce the exercise price of such SAR and shall not exchange such SAR for cash or a new award with a lower exercise price.

Restricted Shares and RSUs

An award of restricted shares is an award or issuance of shares, the grant, issuance, retention, vesting and transferability of which is subject during specified periods of time to conditions (including continued employment or performance conditions) and terms as the Administrator deems appropriate. RSUs are awards denominated in shares under which the issuance of shares, cash or a combination thereof is subject to conditions (including continued employment or performance conditions) and terms as the Administrator deems appropriate. Participants holding restricted shares granted under the Kenvue LTIP will be able to exercise full voting rights with respect to those shares during the period of restriction. Participants will have no voting rights with respect to shares underlying RSUs unless and until such shares are reflected as issued and outstanding shares on our stock ledger.

Performance Shares and PSUs

Performance shares and PSUs, which are similar to restricted shares and RSUs, respectively, provide the opportunity to receive shares upon the attainment of performance goals and satisfaction of other terms and conditions determined by the Administrator. Performance shares and PSUs will be earned based on the achievement or satisfaction of the corresponding performance goals and other terms and conditions. Participants receiving performance shares or PSUs will only have the rights of a shareholder with respect to shares actually received by the Participant upon satisfaction or achievement of the terms and conditions of such award and not with respect to shares subject to the award but not actually issued to the Participant. Participants holding performance shares granted under the Kenvue LTIP will be able to exercise full voting rights with respect to those shares during the period of restriction. Participants will have no voting rights with respect to shares underlying PSUs unless and until such shares are reflected as issued and outstanding shares on our stock ledger.

Dividends and Dividend Equivalent Rights

Any right to receive dividends or distributions with respect to RSUs, PSUs, performance shares or other stock-based awards will be treated as described in the applicable award agreement and the Administrator will determine whether any such dividends or distributions will be (1) automatically reinvested in additional awards of the same type that are subject to the same vesting conditions and restrictions on transferability as the awards with respect to which they were distributed or (2) accrued and paid in cash at the same time (and to the extent) that the awards with respect to which they were distributed are vested and/or settled, as applicable; provided that such dividends or distributions may not be paid currently on unvested awards of any type.

Other Stock-Based Awards

In addition to the awards described above, other forms of equity-based awards valued in whole or in part by reference to or otherwise based on shares, including fully vested shares, will be eligible to be granted to Participants, either alone or in addition to other awards under the Kenvue LTIP. The Administrator will determine the individuals to whom and the time or times at which such other stock-based awards may be granted, the number of shares to be granted pursuant to such other stock-based awards and the manner in which such other stock-based awards will be settled.

Cash Awards

Awards that are payable solely in cash will be eligible to be granted to Participants under the Kenvue LTIP. Cash awards may be granted with value and payment contingent upon the attainment of performance or the satisfaction of other terms and conditions, as determined by the Administrator.

Deferrals

Subject to the terms of the Kenvue LTIP, the Administrator will be permitted to provide for the deferred delivery of shares of our common stock or payment of cash, as applicable, upon settlement, vesting or other events with respect to awards granted under the Kenvue LTIP other than Options and SARs.

Termination and Amendments

The Administrator will be permitted at any time to terminate, or from time to time to amend, the Kenvue LTIP, or alter any award agreement or other document evidencing an award granted under the Kenvue LTIP; provided that no such amendment, alteration or termination of the Kenvue LTIP may be made which, without first obtaining shareholder approval, would: (1) increase the maximum number of shares of our common stock that may be issued under the Kenvue LTIP (except to the extent such amendment is made pursuant to a Change in Capitalization); (2) extend the maximum period during which awards may be granted under the Kenvue LTIP; (3) change the class of Participants eligible to receive awards under the Kenvue LTIP; (4) reduce the exercise price of outstanding Options and SARs; or (5) otherwise require shareholder approval in order to be effective. No termination or amendment to the Kenvue LTIP or an award may be made which would adversely affect any rights or obligations with respect to any awards granted prior to the date of such termination or amendment, except to the extent that the Administrator reasonably determines that such termination or amendment is necessary or appropriate to comply with applicable law, rules and regulations or to meet the requirements of, or avoid adverse financial accounting consequences under, any accounting standard.

Compensation Recoupment Policy

Subject to the terms and conditions of the Kenvue LTIP, the Administrator will be permitted to provide that any Participant and/or any award granted under the Kenvue LTIP will be subject to any recovery, recoupment, clawback and/or other forfeiture policy maintained by us from time to time or otherwise required by applicable law, regulation or stock exchange listing requirement.

Engagement Awards

In connection with this offering, Johnson & Johnson granted "Engagement Awards" to certain key employees who are expected to contribute significantly to the success of this offering and our business prior to and following the completion of this offering, including each of our NEOs. Each Engagement Award granted to our executive

officers will be paid, in cash, by us in two equal installments on each of the Distribution Date and the six-month anniversary of the Distribution Date.

Each installment of the Engagement Award granted to our executive officers located in the United States will be subject to the recipient's execution of a release of claims, satisfactory performance of his or her job responsibilities and continued employment through the date such installment becomes payable, except that any unearned Engagement Award installments will become immediately earned and payable upon the recipient's termination of employment without "cause". In addition, prior to payment of any portion of an Engagement Award, certain recipients must execute a restrictive covenant agreement relating to our business (e.g., those not currently subject to a non-compete or whose non-compete cannot legally be assigned to us).

The Engagement Awards granted to our NEOs have the following aggregate values: \$3,000,000 for Mr. Mongon; \$2,000,000 for Mr. Ruh; and \$1,500,000 for each of Mses. Widmer and Xie and Mr. Lawson. The foregoing amounts were awarded subject to a potential 20% reduction in the event that we did not meet our 2022 EBITDA objective. In early 2023, it was determined that we had met our 2022 EBITDA objective, so the reduction provisions in the engagement awards will not be triggered.

PRINCIPAL SHAREHOLDER

The following table sets forth the number and percentage of shares of our common stock beneficially owned (1) immediately prior to the completion of this offering and (2) upon completion of this offering, by:

- each person or group known by us to beneficially own more than 5% of the shares of our common stock;
- each person whom we anticipate will serve on the Board upon completion of this offering and each of our named executive officers; and
- all persons whom we anticipate will serve on the Board or as our executive officers upon completion of this offering, collectively as a group.

Percentage of beneficial ownership in the following table is based on 1,716,160,000 shares of our common stock outstanding immediately prior to the completion of this offering and 1,867,364,000 shares of our common stock outstanding upon completion of this offering, assuming no exercise of the underwriters' option to purchase additional shares of our common stock from us to cover over-allotments, or 1,890,044,600 shares of our common stock, assuming the underwriters exercise in full their option to purchase additional shares of our common stock from us to cover over-allotments.

Beneficial ownership is determined in accordance with the rules of the SEC. These rules generally attribute beneficial ownership of securities to persons who possess sole or shared voting power or investment power with respect to those securities. A security holder is also deemed to be, as of any date, the beneficial owner of all securities that such security holder has the right to acquire within 60 days after such date through (1) the exercise of any option or warrant, (2) the conversion of a security, (3) the power to revoke a trust, discretionary account or similar arrangement or (4) the automatic termination of a trust, discretionary account or similar arrangement. Shares issuable pursuant to options are deemed to be outstanding for computing the beneficial ownership percentage of the person holding those options but are not deemed to be outstanding for computing the beneficial ownership percentage of any other person. Unless otherwise indicated in the footnotes to the following table, to our knowledge all persons listed below have sole voting and investment power with respect to the shares of our common stock beneficially owned by them, subject to applicable community property laws. Unless otherwise indicated in the footnotes to the following table, the address for each shareholder listed below is c/o Kenvue Inc., 199 Grandview Road, Skillman, NJ 08558.

Name of Beneficial Owner	Shares of our common stock beneficially owned prior to the completion of this offering		Shares of our common stock beneficially owned following the completion of this offering (assuming no exercise of the underwriters' option to purchase additional shares of our common stock from us to cover over-allotments)		Shares of our common stock beneficially owned following the completion of this offering (assuming full exercise of the underwriters' option to purchase additional shares of our common stock from us to cover over-allotments)	
	Number	%	Number	%	Number	%
Johnson & Johnson ⁽¹⁾	1,716,160,000	100%	1,716,160,000	91.9%	1,716,160,000	90.8%
Thibaut Mongon	—	0%	—	0%	—	0%
Paul Ruh	—	0%	—	0%	—	0%
Kathleen Widmer	—	0%	—	0%	—	0%
Ellie Bing Xie	—	0%	—	0%	—	0%
Carlton Lawson	—	0%	—	0%	—	0%
Larry Merlo	—	0%	—	0%	—	0%
Richard E. Allison, Jr.	—	0%	—	0%	—	0%
Peter M. Fasolo	—	0%	—	0%	—	0%
Tamara S. Franklin	—	0%	—	0%	—	0%
Seemantini Godbole	—	0%	—	0%	—	0%
Melanie L. Healey	—	0%	—	0%	—	0%
Betsy D. Holden	—	0%	—	0%	—	0%
Vasant Prabhu	—	0%	—	0%	—	0%
Michael E. Sneed	—	0%	—	0%	—	0%
Joseph J. Wolk	—	0%	—	0%	—	0%
All Directors and Executive Officers as a Group (22 persons)	—	0%	—	0%	—	0%

(1) The address of Johnson & Johnson is Johnson & Johnson, One Johnson & Johnson Plaza, New Brunswick, NJ 08933.

CERTAIN RELATIONSHIPS AND RELATED PERSON TRANSACTIONS

We describe below transactions and series of similar transactions, during our last three fiscal years or currently proposed, to which we were a party or will be a party, in which:

- the amounts involved exceeded or will exceed \$120,000; and
- any of our directors, executive officers or beneficial holders of more than 5% of any class of our capital stock had or will have a direct or indirect material interest.

Other than as described below, there have not been, nor are there any currently proposed, transactions or series of similar transactions meeting this criteria to which we have been or will be a party other than compensation arrangements for our executive officers and directors, which are described in the section of this prospectus entitled “Executive and Director Compensation.”

Historical Relationship with Johnson & Johnson

On November 12, 2021, Johnson & Johnson, our parent company, announced its intention to separate its Consumer Health Business. We were incorporated in Delaware on February 23, 2022 in connection with the Separation and were formed to ultimately hold, directly or indirectly, and conduct certain operational activities in anticipation of the planned separation of, the Consumer Health Business. Prior to the completion of this offering, we are a wholly owned subsidiary of Johnson & Johnson and all of our outstanding shares of common stock are owned by Johnson & Johnson.

Johnson & Johnson has historically provided certain corporate services to us, and costs associated with these services have been allocated to us in our combined financial statements included elsewhere in this prospectus. The allocations include costs of support functions that are provided on a centralized or geographic basis by Johnson & Johnson and its affiliates, which include facilities, insurance, logistics, quality, compliance, finance, human resources, benefit administration, procurement support, information technology, legal, corporate strategy, corporate governance, other professional services and general commercial support functions. These costs have been allocated to us based on a specific identification basis or, when specific identification is not practicable, a proportional cost allocation method, primarily based on net sales, headcount or other allocation methodologies that are considered to be a reasonable reflection of the utilization of services provided or the benefit received by us during the periods presented, depending on the nature of the services received. Following the completion of this offering, we expect that Johnson & Johnson and its affiliates will continue to provide certain services related to these functions on a transitional basis pursuant to the Transition Services Agreement. Upon completion of this offering, we will assume responsibility for all of our standalone public company costs, including the costs of corporate services provided by Johnson & Johnson and its affiliates to us prior to the Separation.

Agreements to be Entered into in Connection with the Separation

Prior to the completion of this offering, we and Johnson & Johnson will enter into a separation agreement (the “Separation Agreement”). The Separation Agreement will contain key provisions relating to our separation from Johnson & Johnson, this offering and the Distribution or other disposition of the shares of our common stock owned by Johnson & Johnson following the completion of this offering. In connection with the Separation, we will also enter into various other agreements with Johnson & Johnson that, together with the Separation Agreement, provide for certain transactions to effect the transfer of the assets and liabilities of the Consumer Health Business to us and will result in the separation of our business from Johnson & Johnson.

The agreements we will enter into with Johnson & Johnson in connection with the Separation, in addition to the Separation Agreement, include:

- the Tax Matters Agreement;
- the Employee Matters Agreement;
- the Intellectual Property Agreement;

- the Trademark Agreements;
- the Transition Services Agreement;
- the Transition Manufacturing Agreement;
- the Registration Rights Agreement;
- the Reverse Transition Services Agreement; and
- the Data Transfer and Sharing Agreement.

These agreements will, together with the Separation Agreement, govern various interim and ongoing relationships between us and Johnson & Johnson following the completion of this offering. The material terms of the Separation Agreement and the other agreements we will enter into with Johnson & Johnson in connection with the Separation are summarized below. Certain of these agreements that we believe are material agreements have been filed as exhibits to the registration statement of which this prospectus is a part, and the following summaries of such agreements are qualified in their entirety by reference to the full text of such agreements.

Separation Agreement

We will enter into the Separation Agreement with Johnson & Johnson prior to the completion of this offering. The Separation Agreement will set forth our agreements with Johnson & Johnson regarding the principal actions to be taken in connection with the Separation. The Separation Agreement will also set forth other agreements that will govern aspects of our relationship with Johnson & Johnson following the completion of this offering.

Transfer of Assets and Assumption of Liabilities

The Separation Agreement will identify certain transfers of assets and assumptions of liabilities that are necessary to effect the Separation. The Separation Agreement will provide that such transfers and assumptions will result in us generally holding (1) all assets primarily related to or used or held for use primarily in connection with our business and (2) all liabilities to the extent relating to, arising out of or resulting from the past or current operation or conduct of our business. However, the Separation Agreement also provides that certain assets and liabilities will be allocated between us and Johnson & Johnson without regard to such general rule.

In addition, we and Johnson & Johnson will agree to use our respective reasonable best efforts to divide, partially assign, modify or replicate the other party's rights and obligations under and in respect of any contract or agreement that relates in any material respect to both our business and Johnson & Johnson's business. The Separation Agreement will also provide for the settlement or extinguishment of certain liabilities and other obligations between us and Johnson & Johnson. See "—Intercompany Arrangements."

Internal Transactions

The Separation Agreement will provide for certain internal transactions related to our separation from Johnson & Johnson that will occur prior to the completion of this offering.

Intercompany Arrangements

All agreements, arrangements, commitments and understandings, including most intercompany accounts payable or accounts receivable, between us, on the one hand, and Johnson & Johnson, on the other hand, will terminate effective as of the consummation of the Separation, except specified agreements and arrangements that are either (1) intended to survive the Separation or (2) between a Deferred Local Business (as defined below under "—Deferred Markets"), on the one hand, and Johnson & Johnson, on the other hand.

Credit Support

We will agree to use our reasonable best efforts to arrange, prior to the completion of this offering, for the replacement of all guarantees, covenants, indemnities, surety bonds, letters of credit or similar assurances of credit

support currently provided by or through Johnson & Johnson or any of its subsidiaries for the benefit of our business.

Representations and Warranties

In general, neither we nor Johnson & Johnson will make any representations or warranties regarding any assets or liabilities transferred or assumed, and any consents or approvals that may be required in connection with these transfers or assumptions, the value or freedom from any lien or other security interest of any assets transferred, the absence of any defenses relating to any claim of either party or the legal sufficiency of any conveyance documents. Except as expressly set forth in the Separation Agreement, any other agreement we will enter into with Johnson & Johnson in connection with the Separation or any representation letter delivered in connection with the Separation, all assets will be transferred on an “as is,” “where is” basis.

Deferred Markets

The Separation Agreement will provide that, in order to ensure compliance with applicable law, to obtain necessary governmental approvals and other consents and for other business reasons, we and Johnson & Johnson will defer until after the completion of this offering the transfer of assets and assumptions of liabilities of our businesses in certain jurisdictions (each, a “Deferred Local Business”), including China, Malaysia and Russia. From and after the completion of this offering and until such time as a Deferred Local Business has been transferred to us, the Separation Agreement will generally provide that (1) Johnson & Johnson will hold and operate such Deferred Local Business on our behalf, (2) Johnson & Johnson will use reasonable best efforts to treat and operate, insofar as reasonably practicable and to the extent permitted by applicable law, each such Deferred Local Business in the ordinary course of business in all material respects consistent with past practice and (3) we will use reasonable best efforts to provide all support reasonably necessary or reasonably requested by Johnson & Johnson with respect to the operation of each such Deferred Local Business. In addition, we and Johnson & Johnson will agree to use our reasonable best efforts to take all actions to permit and effect the transfer of each Deferred Local Business as promptly following the completion of this offering as reasonably practicable.

With respect to most Deferred Local Businesses, we and Johnson & Johnson will enter into a net economic benefit arrangement, pursuant to which, among other things, Johnson & Johnson will transfer to us the net profits from the operation of each such Deferred Local Business (or, in the event the operations of any such Deferred Local Business result in net losses to Johnson & Johnson, we shall reimburse Johnson & Johnson for the amount of such net losses). Upon the transfer of certain Deferred Local Businesses, we may be required to compensate Johnson & Johnson for certain increases in the value of such Deferred Local Businesses between the completion of this offering and the transfer of such Deferred Local Businesses (or, in the event of certain value decreases, Johnson & Johnson will be required to compensate us).

The transfers of the Deferred Local Businesses are subject to the satisfaction of conditions, certain of which are beyond our or Johnson & Johnson’s control, including governmental approvals or other consents. As a result, we cannot assure you when such Deferred Local Businesses will ultimately be transferred to us, if ever. See “Risk Factors—Risks Related to the Separation and the Distribution—The transfer of certain assets and liabilities from Johnson & Johnson to us contemplated by the Separation will not be complete prior to the completion of this offering.”

Delayed or Improper Transfers

We and Johnson & Johnson will agree to use our respective reasonable best efforts to effect any transfers contemplated by the Separation Agreement that have not been consummated prior to the completion of this offering as promptly as practicable following the completion of this offering. In addition, we and Johnson & Johnson will agree to use our respective reasonable best efforts to effect any transfer or re-transfer of any asset or liability that was improperly transferred or retained as promptly following the completion of this offering as practicable.

The Initial Public Offering

The Separation Agreement will govern our and Johnson & Johnson's respective rights and obligations with respect to this offering. Prior to the completion of this offering, we will agree to take all actions reasonably requested by Johnson & Johnson in connection with this offering.

Conditions

The Separation Agreement will provide that certain conditions must be satisfied, or waived by Johnson & Johnson in its sole and absolute discretion, before the Separation can occur. Johnson & Johnson will have the right not to complete the Separation if, at any time prior to the completion of this offering, Johnson & Johnson's board of directors determines, in its sole and absolute discretion, that the Separation is not in the best interests of Johnson & Johnson or its shareholders or is otherwise not advisable.

Cash Distribution

We will pay Johnson & Johnson, as partial consideration for the Consumer Health Business that Johnson & Johnson is transferring to us in connection with the Separation, all of our cash and cash equivalents, including (1) all of the net proceeds that we will receive from the sale of shares of our common stock in this offering, including any net proceeds that we will receive as a result of any exercise of the underwriters' option to purchase additional shares of our common stock from us to cover over-allotments, and (2) all of the net proceeds that we will receive from the Debt Financing Transactions, together with any interest accrued thereon following our receipt of such proceeds; provided that we expect to retain \$1.17 billion in cash and cash equivalents, after giving effect to the offering, the Debt Financing Transactions and the settlement or termination of certain intercompany accounts payable or accounts receivable between us and Johnson & Johnson. See "Use of Proceeds."

Subsequent Stock Issuances

The Separation Agreement will provide that, prior to the Distribution, we will not issue any shares of our common stock without the prior written consent of Johnson & Johnson, which consent may be withheld in Johnson & Johnson's sole discretion. Further, regardless of whether or not Johnson & Johnson consents to any such stock issuance, in no case prior to the Distribution may any issuance of shares of our common stock result in Johnson & Johnson owning less than 80.1% of the voting power of our shares of common stock eligible to vote in the election of our directors.

Exchange of Information

We and Johnson & Johnson will each agree to provide each other, following the completion of this offering, with information relating to periods prior to the completion of this offering which is reasonably necessary to comply with reporting, disclosure, filing, notification or other requirements of any national securities exchange or governmental authority, for use in judicial, regulatory, administrative and other proceedings or to satisfy audit, accounting, regulatory, litigation and other similar requirements. We and Johnson & Johnson will also agree to provide each other, following the completion of this offering, with information to the extent relating to Johnson & Johnson and its business or assets or us and our business and assets, respectively.

In addition, we will agree to comply with certain covenants relating to our financial reporting for so long as Johnson & Johnson is required to consolidate our results of operations and financial position, to account for its investment in us under the equity method of accounting or to complete a financial statement audit for any such period. These covenants will include, among others, covenants regarding:

- delivery or supply of monthly, quarterly and annual financial information and periodic budgets and financial projections to Johnson & Johnson;
- maintenance of certain disclosure and financial controls;
- provision to Johnson & Johnson of access to our auditors and certain books and records related to internal accounting controls or operations; and

- cooperation with Johnson & Johnson to the extent reasonably requested by Johnson & Johnson in the preparation of Johnson & Johnson's public filings and press releases.

Distribution or Other Disposition

Johnson & Johnson will have the sole and absolute discretion, subject to applicable law, to determine the terms of, and whether and when to proceed with, any subsequent distribution or other disposition of the shares of our common stock owned by Johnson & Johnson following the completion of this offering. We will be required to cooperate with Johnson & Johnson to effect any such subsequent distribution or other disposition.

Termination

Johnson & Johnson, in its sole and absolute discretion, will be permitted to terminate the Separation Agreement at any time prior to the completion of this offering.

Release of Claims

We and Johnson & Johnson will each agree, subject to certain exceptions, to release the other party and its affiliates, successors and assigns and all persons that, at or prior to the completion of this offering, have been the other party's shareholders, directors, officers, agents or employees, and their respective heirs, executors, administrators, successors and assigns, from any and all claims against any of them that arise out of or relate to events, circumstances or actions occurring or failing to occur or any conditions existing at or prior to the completion of this offering.

Indemnification

We and Johnson & Johnson will each agree to indemnify the other party and each of the other party's current and former directors, officers and employees, and each of the heirs, executors, successors and assigns of any of them, against certain liabilities incurred in connection with the Separation and our and Johnson & Johnson's respective businesses. The amount of each party's indemnification obligations will be reduced by any insurance proceeds or other third-party proceeds the party being indemnified receives. The Separation Agreement will also specify procedures regarding claims subject to indemnification.

Management of Legal Actions

The Separation Agreement will govern the management and direction of pending and future legal actions in which we or Johnson & Johnson is named as a party. In general, neither we nor Johnson & Johnson may resolve any legal action without the prior written consent of the other party if such resolution (1) contains any finding or admission of any violation of law by such other party, (2) would result in any non-monetary remedy against such other party or (3) does not include a full and unconditional release of such other party (to the extent such other party is a named party in the legal action).

Insurance

With respect to any claim related to or arising from an occurrence prior to the completion of this offering, we will continue to have access to coverage under Johnson & Johnson's existing commercial insurance policies provided by third-party insurers, subject to exceptions set forth in the Separation Agreement. The Separation Agreement will also specify procedures regarding claims subject to coverage under these insurance policies. We will not have access to any insurance policies or reinsurance policies issued, reinsured or reimbursed by Johnson & Johnson's captive insurer, Johnson & Johnson or any affiliate of Johnson & Johnson or any other self-insurance or similar program or mechanism maintained by Johnson & Johnson. With respect to any claim accruing following the completion of this offering, we will be responsible for obtaining continuing insurance coverage; provided that Johnson & Johnson may, in its sole discretion, elect to provide certain insurance coverage to us or our directors and officers for the period between the completion of this offering and the Distribution, if pursued, pursuant to a policy that covers both Johnson & Johnson and us in the same policy.

Dispute Resolution

We and Johnson & Johnson will attempt in good faith to resolve disputes arising under the Separation Agreement by negotiation among our respective senior officers. Any dispute unable to be resolved through this process may be referred to non-binding mediation for resolution. If we and Johnson & Johnson are unable to resolve a dispute through negotiation or mediation, then either we or Johnson & Johnson may submit the dispute to the Court of Chancery of the State of Delaware or, in certain circumstances, to an alternative court in the State of Delaware.

Tax Matters Agreement

We will enter into a tax matters agreement (the “Tax Matters Agreement”) with Johnson & Johnson prior to the completion of this offering. The Tax Matters Agreement will govern our and Johnson & Johnson’s respective rights, responsibilities and obligations following the completion of this offering with respect to all tax matters, including tax liabilities, tax attributes, tax returns and tax contests.

Allocation of Taxes

With respect to taxes other than those incurred in connection with the Separation and the Distribution, the Tax Matters Agreement will provide that we will generally indemnify Johnson & Johnson for (1) any taxes of the Company for all periods after the Distribution and (2) any taxes of the Company or Johnson & Johnson for periods prior to the Distribution to the extent attributable to the Consumer Health Business. Johnson & Johnson will generally indemnify us for (1) any taxes of Johnson & Johnson for all periods after the Distribution and (2) any taxes of the Company or Johnson & Johnson for periods prior to the Distribution to the extent attributable to the business and operations conducted by Johnson & Johnson other than the Consumer Health Business.

With respect to certain taxes incurred in connection with the Separation and the Distribution, we will generally be required to indemnify Johnson & Johnson for any taxes resulting from the failure of certain steps of the Separation and the Distribution to qualify for their intended tax treatment, where such taxes result from (1) untrue representations and breaches of covenants that we will make and agree to in connection with the Separation and the Distribution (including representations we will make in connection with tax opinions to be received by Johnson & Johnson and covenants containing the restrictions described below that are designed to preserve the tax-free nature of the Separation and the Distribution), (2) the application of certain provisions of U.S. federal income tax law to the Separation and the Distribution or (3) any other actions or omissions that we know or reasonably should expect would give rise to such taxes. We will also generally be required to indemnify Johnson & Johnson for any increases in the amount of foreign taxes and transfer taxes that are otherwise expected to be incurred in connection with the Separation and the Distribution to the extent that such increases arise due to actions or omissions by us that would reasonably be expected to result in such additional taxes.

Neither our obligations nor Johnson & Johnson’s obligations under the Tax Matters Agreement will be limited in amount or subject to any cap. In addition, as a member of Johnson & Johnson’s consolidated U.S. federal income tax group, we have (and will continue to have following the Distribution) joint and several liability with Johnson & Johnson to the IRS for the consolidated U.S. federal income taxes of the Johnson & Johnson group relating to the taxable periods in which we were part of the group.

Preservation of the Tax-Free Status of Certain Steps of the Separation and the Distribution

Johnson & Johnson has received a private letter ruling from the IRS substantially to the effect that, among other things, certain steps of the Separation together with the Distribution will qualify as a transaction that is tax-free for U.S. federal income tax purposes under Sections 355 and 368(a)(1)(D) of the Code. The Distribution is conditioned on, among other things, the continuing effectiveness and validity of Johnson & Johnson’s private letter ruling from the IRS and favorable opinions of Johnson & Johnson’s U.S. tax advisors. The ruling and opinions will rely on certain facts, assumptions, representations and undertakings from us and Johnson & Johnson regarding the past and future conduct of the companies’ respective businesses and other matters.

Pursuant to the Tax Matters Agreement, we will agree to covenants that impose certain restrictions on us designed to preserve the tax-free nature of the Separation and the Distribution. We will be barred from taking any action, or failing to take any action, where such action or failure to act would be inconsistent with the tax-free status of these transactions, for all time periods. In addition, during the time period ending two years after the date of the Distribution, these covenants will restrict certain actions, including share issuances, business combinations, sales of assets and similar transactions. We may take these actions only if (1) we obtain and provide to Johnson & Johnson a private letter ruling from the IRS (or other applicable taxing authority) or an opinion from a tax counsel or accountant of recognized national standing to the effect that such action would not jeopardize the tax-free status of the Separation and the Distribution, in each case satisfactory to Johnson & Johnson, or (2) we obtain prior written consent of Johnson & Johnson. Regardless of whether we are so permitted to take such action, under the Tax Matters Agreement, we will generally be required to indemnify Johnson & Johnson for any taxes that result from the taking of any such action.

Employee Matters Agreement

We will enter into an employee matters agreement (the “Employee Matters Agreement”) with Johnson & Johnson prior to the completion of this offering. The Employee Matters Agreement will address certain employment, compensation and benefits matters, including the allocation and treatment of certain assets and liabilities relating to our employees and compensation and benefit plans and programs in which our employees participate prior to the date of the Distribution or, if no Distribution has occurred, the date that Johnson & Johnson ceases to control us (such date, the “Distribution Date”), as well as other employment and employee compensation and benefit matters.

Allocation of Liabilities

Except as specifically provided in the Employee Matters Agreement, we will generally assume responsibility for all employee liabilities related to the Consumer Health Business and Johnson & Johnson will generally remain responsible for all employee liabilities related to Johnson & Johnson’s remaining businesses, in each case, regardless of when such liabilities arose.

Collective Bargaining Agreements

Upon completion of this offering, we and Johnson & Johnson will agree to cooperate and consult in good faith to provide notice to, engage in consultation with and take any similar action which may be required with respect to any employee representative body covering our employees.

Health and Welfare Plans

The Employee Matters Agreement will provide that we have established health and welfare plans for the benefit of our employees, including health and dental plans, but excluding post-retirement health and welfare plans. Generally, our employees have ceased to be eligible for benefits under Johnson & Johnson’s U.S. health and welfare plans. However, our eligible employees in the United States, Puerto Rico or Canada will receive up to 15 years of service credit for continuous service with us immediately following the Distribution Date for purposes of determining eligibility for benefits under the Johnson & Johnson post-retirement health plans maintained for former employees who served in the United States, Puerto Rico or Canada (as applicable), subject to the terms of such plans as in effect from time to time.

Defined Benefit Pension Plans

The Employee Matters Agreement will provide that Johnson & Johnson will generally retain all liabilities and assets under its defined benefit pension plans, including any non-qualified plans, unless otherwise required by law. In the case of U.S. and Canadian plans, our employees will generally cease active participation in such plans as of the Distribution Date. Our U.S.-based employees will receive service credit under such plans until December 31, 2023 for all purposes (but based on estimated pension-eligible compensation levels as of the Distribution Date). Our U.S. and Canada-based employees (other than those based in Quebec) will receive up to 15 years of service credit for continuous service with us following the Distribution Date for purposes of vesting and early retirement subsidies.

(but not for purposes of eligibility or benefit accrual). We will reimburse Johnson & Johnson for the estimated cost of such service credit, as well as the service credit provided under the post-retirement health plans.

Defined Contribution Plans

The Employee Matters Agreement will provide that we have established a 401(k) plan, which will assume the account balances of our employees under Johnson & Johnson's 401(k) plans. The Employee Matters Agreement will also provide that we have established an unfunded U.S. nonqualified defined contribution plan that has substantially similar terms and conditions as Johnson & Johnson's Excess Savings Plan (as described in footnote 4 to the table in "Executive and Director Compensation—Executive Compensation Tables—2022 Non-Qualified Deferred Compensation"), which is filed as an exhibit to the registration statement of which this prospectus is a part. Our unfunded U.S. nonqualified defined contribution plan will assume the liabilities related to our employees under Johnson & Johnson's U.S. nonqualified defined contribution plan. To the extent permitted by law, any Johnson & Johnson non-U.S. tax-qualified defined contribution plan will be treated similarly to the 401(k) plans.

Johnson & Johnson Equity Awards

The Employee Matters Agreement will provide that, upon the Distribution Date, Johnson & Johnson equity awards held by our employees will generally convert into equivalent Kenvue equity awards with adjustments to the number of awards and option exercise prices to preserve the award's value (the "Converted Awards"). In connection with such conversion, the performance criteria applicable to any outstanding performance-based awards will be deemed satisfied at the target level, unless two years have been completed in the performance period, in which case performance will be deemed satisfied at the level of actual performance for such years. All other vesting terms and conditions that apply to outstanding awards prior to the conversion will not be affected by the conversion. The Employee Matters Agreement will also provide for the establishment of an equity incentive plan, the expected terms of which are described above under "Executive and Director Compensation—Future Compensation Programs—Kenvue Long-Term Incentive Plan."

Annual Incentive Awards

The Employee Matters Agreement will provide that our employees will continue to participate in Johnson & Johnson's 2023 annual incentive program until the Distribution Date, but that any financial measures will be based on the performance of our business. Upon the Distribution Date, we will assume all obligations under Johnson & Johnson's 2023 annual incentive programs with respect to our employees.

Intellectual Property Agreement

We will enter into an intellectual property agreement (the "Intellectual Property Agreement") with Johnson & Johnson prior to the completion of this offering. Pursuant to the Intellectual Property Agreement, Johnson & Johnson will transfer to us certain intellectual property rights, including certain intellectual property owned by Johnson & Johnson immediately prior to the completion of this offering, that are primarily related to or used or held for use primarily in connection with our business or operations. The Intellectual Property Agreement will also govern the parties' respective use of certain intellectual property that is not primarily or exclusively related to either party's business or operations and that will be jointly owned by us and Johnson & Johnson following the completion of this offering. Subject to the terms and conditions of the Intellectual Property Agreement, we also accept and assume all liabilities (1) relating to, arising out of or resulting from the transferred intellectual property and (2) in connection with the jointly owned intellectual property, to the extent relating to, arising out of or resulting from the operation or conduct of our business.

Term

The term of the Intellectual Property Agreement will be perpetual and, following the date of the completion of this offering, can be terminated only by mutual agreement of the parties.

Cross-Licenses

Pursuant to the Intellectual Property Agreement, we and Johnson & Johnson (in such capacity, the “licensor”) will grant to the other party (in such capacity, the “licensee”) certain personal, irrevocable (subject to certain exceptions), non-exclusive, worldwide, royalty-free and non-transferable (subject to certain exceptions) licenses, subject to the terms and conditions of certain third-party licenses, to use certain intellectual property rights in patents, copyright and know-how. The licensee (1) may use these licenses solely in connection with the operation of its business as operated as of the completion of this offering and any reasonable and natural extensions thereof and (2) will be able to sublicense the intellectual property rights within the scope of the license granted and in furtherance of activities conducted by, for or on behalf of the licensee.

The Intellectual Property Agreement also includes additional intellectual property cross-licenses, including mutual personal, irrevocable (subject to certain exceptions), non-exclusive, royalty-free and non-transferable (subject to certain exceptions) licenses to use certain data pertaining to business records and personal information (collectively, “Data”) worldwide (excluding any jurisdiction to the extent an action to be taken would violate any applicable privacy and data security requirements in such jurisdiction). The licensee (1) may use these licenses solely in connection with the operation of its business as operated as of the completion of this offering and any reasonable and natural extensions thereof and (2) will be able to sublicense the rights in the Data within the scope of the license granted and in furtherance of activities conducted by, for or on behalf of the licensee. The implementation of the request, transfer, extraction, traceability, retention and deletion of Data will be governed by the Data Transfer and Sharing Agreement, which is described below under “—Data Transfer and Sharing Agreement.”

Each party agrees that, until the fifth anniversary of the completion of this offering, it will not challenge any of the intellectual property licensed to it under the Intellectual Property Agreement.

The licenses to use certain intellectual property rights in trademarks will be governed by the Trademark Agreements. See “—Trademark Agreements.”

Trademark Agreements

In connection with the Separation, we and Johnson & Johnson have entered into a series of trademark phase-out license agreements, a Johnson’s license agreement, a trademark coexistence agreement and various additional trademark license agreements (collectively, the “Trademark Agreements”) that collectively govern our and Johnson & Johnson’s respective rights, responsibilities and obligations with respect to intellectual property rights in trademarks.

Trademark Phase-Out License Agreement

We have entered into a trademark phase-out license agreement (the “Trademark Phase-Out License Agreement”) with Johnson & Johnson. Pursuant to the Trademark Phase-Out License Agreement, Johnson & Johnson has granted us a non-exclusive, non-sublicensable (subject to certain exceptions), non-assignable (subject to certain exceptions), royalty-free, fully paid up worldwide license to use certain trademarks owned by Johnson & Johnson (the “Licensed J&J Marks”), consisting primarily of marks related to “Johnson & Johnson” and “J&J”, as well as certain marks related to “Janssen” and “CILAG”, on a transitional basis following the completion of this offering. Johnson & Johnson retains exclusive ownership of the Licensed J&J Marks, including any goodwill that might be acquired by our use of such marks.

Term

The term of the Trademark Phase-Out License Agreement will be no more than 10 years following the completion of this offering, and our license to use the Licensed J&J Marks for certain specified purposes will terminate within shorter periods. Our use of the Licensed J&J Marks on internal or external product packaging and labels will terminate within five years from the completion of this offering, and our use of the Licensed J&J Marks in bottle or product mold and as embossed or debossed on tablets will terminate in the next replacement cycle for such items in the ordinary course of business, but not longer than eight years from the completion of this offering. Each of these termination dates is subject to extension for an additional three years and an additional two years,

respectively, if, at such termination date, we continue to make use of the Licensed J&J Marks despite commercially reasonable efforts to terminate such use. Our use of the Licensed J&J Marks for certain corporate, administrative and digital purposes will terminate within one year from the completion of this offering, and our use of the Licensed J&J Marks on various physical assets (excluding product packaging and labels) will terminate within two years from the completion of this offering; provided that, in each case, if the use of the Licensed J&J Marks in such materials is incorporated in a legal entity name, then the phase-out period of one year or two years, as applicable, will not start until the name of such legal entity is changed; provided further that in no event shall such phase-out period extend more than five years following the completion of this offering.

Use

The license granted pursuant to the Trademark Phase-Out License Agreement extends only to our existing uses, and certain intended uses, of the Licensed J&J Marks as of the date of the Trademark Phase-Out License Agreement. We are required to adhere to certain quality standards in using the Licensed J&J Marks. Subject to certain exceptions, we are not permitted to (1) use or register in any jurisdiction any trademarks confusingly similar to, or consisting in whole or in part of, any of the Licensed J&J Marks or (2) register any of the Licensed J&J Marks in any jurisdiction, without, in each case, the express prior written consent of Johnson & Johnson.

Registration, Maintenance and Enforcement

Pursuant to the Trademark Phase-Out License Agreement, Johnson & Johnson, at its cost, is required to use commercially reasonable efforts to prosecute, maintain and renew, as applicable, the Licensed J&J Marks. The Trademark Phase-Out License Agreement also sets forth various other rights, obligations and cooperative duties of Johnson & Johnson and us related to the prosecution, maintenance and renewal of the Licensed J&J Marks. Johnson & Johnson retains the first right, but not obligation, to enforce and protect the Licensed J&J Marks at its cost, but if Johnson & Johnson declines to do so, we may enforce and protect such marks at our cost.

Additional Trademark Phase-Out License Agreements

To facilitate certain aspects of the Separation, certain Kenvue subsidiaries and certain Johnson & Johnson subsidiaries have entered into separate trademark phase-out license agreements (the “Additional Trademark Phase-Out License Agreements”) governing such Kenvue subsidiaries’ use of certain ancillary marks primarily related to “Janssen” and “CILAG”. The Additional Trademark Phase-Out License Agreements contain substantially the same terms as the Trademark Phase-Out License Agreement. Unless otherwise indicated or the context otherwise requires, references in this prospectus to the “Trademark Phase-Out License Agreement” include the Additional Trademark Phase-Out License Agreements.

Johnson’s License Agreement

We have entered into a Johnson’s license agreement (the “Johnson’s License Agreement”) with Johnson & Johnson. Pursuant to the Johnson’s License Agreement, Johnson & Johnson has granted us an irrevocable, exclusive (even as to Johnson & Johnson), sublicensable, non-assignable (subject to certain exceptions), royalty-free, fully paid up license to use certain trademarks relating to the “Johnson’s” brand (the “Licensed Johnson’s Marks”) that are owned by Johnson & Johnson and the ownership of which cannot be transferred to us because local law in the relevant jurisdictions requires that there be unity of ownership between the Licensed Johnson’s Marks and trademarks being retained by Johnson & Johnson. Pursuant to the Johnson’s License Agreement, Johnson & Johnson has also granted us an irrevocable, non-exclusive, sublicensable, non-assignable (subject to certain exceptions), royalty-free, fully paid up license to use certain Chinese character marks (the “Licensed Chinese Character Marks”) that are owned by Johnson & Johnson and are used by both Johnson & Johnson and us. The Licensed Chinese Character Marks are used primarily in China and simultaneously signify both the “Johnson’s” brand and the “Johnson & Johnson” company name and brand. Johnson & Johnson retains exclusive ownership of the Licensed Johnson’s Marks and the Licensed Chinese Character Marks, including any goodwill that might be acquired by our use of such marks. In 2022, sales of “Johnson’s” products across the jurisdictions in which the Johnson’s License Agreement is relevant comprised less than 5% of our net sales.

Term

The term of the licenses granted to us pursuant to the Johnson’s License Agreement is perpetual, and termination is not an available remedy for either party’s breach of the Johnson’s License Agreement.

Use

The licenses granted to us pursuant to the Johnson's License Agreement extend only to "Johnson's" branding in use as of the date of the Trademark Coexistence Agreement and to limited expanded uses of "Johnson's" branding. We are required to adhere to certain quality standards in using the Licensed Johnson's Marks and the Licensed Chinese Character Marks.

Registration, Maintenance and Enforcement

Pursuant to the Johnson's License Agreement, Johnson & Johnson is required to use commercially reasonable efforts to prosecute, maintain and renew, as applicable, the Licensed Johnson's Marks, and we are responsible for the costs of Johnson & Johnson's efforts. The Johnson's License Agreement also sets forth various other rights, obligations and cooperative duties of Johnson & Johnson and us related to the prosecution, maintenance and renewal of the Johnson's Licensed Marks and the Licensed Chinese Character Marks. With respect to the Licensed Johnson's Marks, we have the first right, but not obligation, to enforce and protect such marks at our cost, and if we decline to do so, Johnson & Johnson may enforce and protect such marks at its cost. With respect to the Licensed Chinese Character Marks, Johnson & Johnson retains the first right, but not obligation, to enforce and protect such marks at its cost, but if Johnson & Johnson declines to do so, we may enforce and protect such marks at our cost.

Trademark Coexistence Agreement

We have entered into a trademark coexistence agreement (the "Trademark Coexistence Agreement") with Johnson & Johnson. The Trademark Coexistence Agreement establishes certain global parameters regarding (1) our registration and use of trademarks related to the "Johnson's" brand (the "Johnson's Trademarks") and (2) Johnson & Johnson's registration and use of trademarks related to the "Johnson & Johnson" company name and brand (the "J&J Trademarks" and, collectively with the Johnson's Trademarks, the "Coexisting Trademarks"). These parameters are intended to avoid confusion among consumers regarding the Coexisting Trademarks. Our use of the Johnson's Trademarks is limited to goods and services offered under the Johnson's brand as of the date of the Trademark Coexistence Agreement, certain related uses and certain additional consumer health goods and services (collectively, the "Johnson's Goods"), while Johnson & Johnson's use of the J&J Trademarks in connection with the Johnson's Goods is limited solely to indications of corporate identity. The parties have also agreed to undertake additional cooperative efforts to mitigate any actual consumer confusion that may occur regarding the Coexisting Trademarks. The Trademark Coexistence Agreement remains in effect as long as the parties, or their successors or assigns, are using, or intend to use, the Coexisting Trademarks. In 2022, sales of "Johnson's" products globally comprised less than 10% of our net sales.

Additional Trademark License Agreements

We have entered into various additional trademark license agreements with Johnson & Johnson. Pursuant to these agreements, we and Johnson & Johnson (in such capacity, the "licensor") have granted to the other party (in such capacity, the "licensee") licenses to certain trademarks and, where applicable, related know-how owned by the licensor. The licensee is required to adhere to certain quality standards in using the licensed trademarks. The additional trademark license agreements also set forth various rights, obligations and cooperative duties of the licensor and licensee related to the prosecution, maintenance, renewal and enforcement of the additional licensed trademarks. We do not expect these additional trademark license agreements between us and Johnson & Johnson, individually or in the aggregate, to comprise a material portion of our trademark portfolio nor to have a material impact on our business, results of operations or financial condition.

Transition Services Agreement

We will enter into a transition services agreement (the "Transition Services Agreement") with Johnson & Johnson prior to the completion of this offering. Pursuant to the Transition Services Agreement, Johnson & Johnson will provide us with specified services (the "J&J Services"), including certain information technology, supply chain, human resources, medical safety, finance, regulatory, sales and marketing, research and development, real estate, legal operations, government affairs, distribution and tax services, for a transitional period following the completion of this offering. The Transition Services Agreement is intended to help ensure an orderly transition following the

completion of this offering and will facilitate cooperation between Johnson & Johnson and us to exit, transition, migrate and integrate each J&J Service to us as soon as reasonably practicable.

Services

Johnson & Johnson will be required to provide J&J Services in compliance with applicable laws, in a professional and workmanlike manner and at a quality level and in a manner consistent with its practice during the year preceding the completion of this offering. Johnson & Johnson may, at its option, delegate any of its obligations to perform J&J Services to third-party service providers, but Johnson & Johnson will remain responsible for ensuring that the J&J Services are provided to us in accordance with the terms of the Transition Services Agreement. From time to time, we may request that Johnson & Johnson provide an additional service to us and, if such service is reasonably necessary for the operation of our business and was provided to our business during the year preceding the completion of this offering, Johnson & Johnson will be required to use commercially reasonable efforts to provide such additional service to us.

Fees

The Transition Services Agreement will specify the fees for the J&J Services, which will generally be fixed amounts based on Johnson & Johnson's expected costs plus a markup and be adjusted for inflation on an annual basis. However, for a limited number of J&J Services, including distribution services, the applicable fees will vary and be calculated based on usage, typically as a function of sales. In addition to any such fees, we will also be required to bear certain additional costs, including one-time costs to enable the provision of services or secure necessary third-party consents, shipping costs, customs duties and certain taxes, as applicable. We do not expect the aggregate net fees and costs associated with the J&J Services under the Transition Services Agreement to be materially different than the aggregate historical costs that Johnson & Johnson has allocated to us for these services and, therefore, we do not expect these fees and costs to have a material impact on our business, results of operations or financial condition. In 2022, in connection with these services, Johnson & Johnson allocated to us aggregate costs representing approximately 2% of our total net sales.

Term and Termination

The term for most J&J Services is expected to terminate within 24 months following the completion of this offering. However, a limited number of J&J Services will be provided to us for a longer period of time, not expected to exceed 72 months, generally in cases where the applicable service relates to (1) regulatory or supply chain functions that cannot be fully transitioned to us prior to the receipt of requisite regulatory approvals or marketing authorization transfers, (2) product stability testing where the testing cannot be moved mid-cycle, (3) internal controls testing related to J&J Services that extend beyond the 24-month period or (4) management of certain active pharmaceutical ingredients. The service term for any J&J Service may be extended under certain conditions, so long as such extension does not extend beyond 24 months following the completion of this offering or, with respect to such limited number of services, such longer period (each, a "J&J Service Period Deadline"). We will generally be required to pay an increased service fee to Johnson & Johnson during any extension period. In addition, if Johnson & Johnson and we are unable to transition any J&J Service due to a failure to obtain requisite regulatory approvals, the Service Period Deadline for such J&J Service shall be extended to 30 days following receipt of such requisite regulatory approvals.

The Transition Services Agreement will expire upon the expiration of the term for all J&J Services. We may terminate any J&J Service upon advance written notice to Johnson & Johnson.

Liabilities and Indemnification

Johnson & Johnson will generally have no liability to us for liabilities arising from our implementation, execution or use of the J&J Services. We will generally be required to indemnify Johnson & Johnson, its affiliates, any third-party service providers and its and their respective directors, officers, employees, affiliates, agents and representatives for all liabilities arising from the provision of the J&J Services under the Transition Services Agreement. However, Johnson & Johnson will have liability for, and will be required to indemnify us, our affiliates and our and their respective directors, officers, employees, affiliates, agents and representatives for, liabilities arising

from Johnson & Johnson's or its third-party service providers' fraud, intentional misconduct or gross negligence. Johnson & Johnson's liability in such cases shall be limited to the aggregate amount of fees and payments it receives pursuant to the Transition Services Agreement.

Quality and Pharmacovigilance Matters

The Transition Services Agreement will provide that we and Johnson & Johnson will be required to enter into a quality agreement, which will govern the exchange of information related to quality and regulatory compliance with regard to our products as needed for our respective quality and regulatory compliance obligations, as well as for our respective pharmacovigilance obligations, during the transition period.

Transition Assistance

In connection with the transition of the J&J Services to us, the Transition Services Agreement also provides that, at our request, Johnson & Johnson may assist us in establishing our own standalone functions (including the development of our own IT systems) pursuant to one or more statements of work to be agreed on from time to time by us and Johnson & Johnson, which such statements of work will detail the scope of the work to be performed and the amount payable by us for such work. We expect to enter into certain statements of work related to the development of our IT systems at or prior to the completion of this offering, for which we expect to incur costs in 2023 representing less than 1.0% of our total net sales, with such costs being in addition to the fees incurred by us in connection with Johnson & Johnson's provision of the J&J Services. We expect the scope of work to be performed pursuant to such statements of work, and any resulting costs incurred by us, to decline after 2023, and for all such work to be completed during the term of the J&J Services.

Transition Manufacturing Agreement

We will enter into a transition manufacturing agreement (the "Transition Manufacturing Agreement") with Johnson & Johnson prior to the completion of this offering. Pursuant to the Transition Manufacturing Agreement, Johnson & Johnson will manufacture and supply to us certain products, or components thereof (each, a "Product"), including certain Tylenol, Zyrtec, Motrin and Benadryl products and other OTC products, on a transitional basis following the completion of this offering. Johnson & Johnson will be required to (1) adhere to certain quality standards in performing its manufacturing and supply services and (2) use commercially reasonable efforts to acquire, at its sole cost, all raw materials required for the manufacture and supply of the Products. In 2022, the Products collectively comprised less than 10% of our net sales.

Pricing

The Transition Manufacturing Agreement will set forth the initial prices we will pay Johnson & Johnson for each Product, which will be fixed amounts based on a cost-plus model. These prices will be adjusted annually to reflect changes in the cost of raw materials, third-party manufactured products, fees of third party manufacturers incurred by Johnson & Johnson and certain of Johnson & Johnson's conversion costs. We will be responsible for paying all sales taxes imposed in connection with the supply of goods or services under the Transition Manufacturing Agreement.

Demand Forecasts

We will be required to provide Johnson & Johnson with periodic binding and non-binding forecasts of our anticipated demand for each Product, and we will generally be required to submit purchase orders in line with our binding forecasts.

Changes

We and Johnson & Johnson may agree to discretionary changes to a Product's specifications, raw materials or manufacturing process. We and Johnson & Johnson will also cooperate to implement changes to any Product necessitated by the unavailability of a raw material or applicable legal requirements. If there is a shortage of a raw material, Johnson & Johnson will first allocate such raw material to the manufacture of essential or lifesaving

products (including both the Products and Johnson & Johnson products) and then to the manufacture of non-essential or non-lifesaving products (including both the Products and Johnson & Johnson products).

Term and Termination

The term of manufacturing services under the Transition Manufacturing Agreement will vary with respect to each Product and manufacturing facility and range from 3 months to 60 months with respect to Tylenol Products, 21 months to 60 months with respect to Zyrtec Products, 21 months to 60 months with respect to Motrin Products and 12 months to 60 months with respect to Benadryl Products. In certain cases, the term for a Product may be extended for up to three additional periods of 12 months each if the transition is delayed due to circumstances beyond our reasonable control. We expect that most Products will have transitioned within three years. The price for a Product will be adjusted at the time of any extension to reflect changes in the cost of raw materials, third-party manufactured products, fees of third-party manufacturers incurred by Johnson & Johnson, certain of Johnson & Johnson's conversion costs and increases in inefficiencies arising at the facility at which the Product is manufactured as a result of extending the term of the Product.

The Transition Manufacturing Agreement will expire following the expiration of the term for all Products and satisfaction of all manufacturing service obligations related to the Products (including quality assurance and ongoing stability testing services). We may terminate the Transition Manufacturing Agreement, or the supply of any particular Product thereunder, upon advance written notice to Johnson & Johnson, provided that we bear the costs of any inefficiencies incurred in connection with such termination. Johnson & Johnson may, under certain circumstances, terminate the supply of a Product after written notice to us that the manufacture or supply of such Product has become prohibited by law and if Johnson & Johnson and we are unable to determine mutually acceptable changes to such Product to comply with applicable law.

Liabilities and Indemnification

Our recourse against Johnson & Johnson for any defect in the Products will generally be limited to having the defective Product replaced or receiving a refund at our option and our recourse against Johnson & Johnson is generally limited, on a facility-by-facility basis, to the aggregate amount of fees and payments it receives for Products manufactured at a facility. We will generally be required to indemnify Johnson & Johnson, its affiliates and its and their respective directors, officers, employees, agents and representatives against damages incurred from third-party claims arising from the sale or use of the Products, from Johnson & Johnson's manufacturing or supplying us with Products pursuant to the Transition Manufacturing Agreement or from our fraud, intentional misconduct or gross negligence in connection with performance of our obligations under the Transition Manufacturing Agreement. However, Johnson & Johnson will be required to indemnify us, our affiliates and our and their respective directors, officers, employees, agents and representatives against damages incurred from third-party claims arising from Johnson & Johnson's fraud, intentional misconduct or gross negligence in connection with its performance under the Transition Manufacturing Agreement.

Quality Matters

The Transition Manufacturing Agreement will provide that we and Johnson & Johnson will be required to enter into a quality agreement, which will govern the exchange of information related to quality and regulatory compliance with regard to our products as needed for our respective quality and regulatory compliance obligations, as well as for our respective pharmacovigilance obligations, during the transition period.

Additional Matters

The Transition Manufacturing Agreement will provide that we and Johnson & Johnson will negotiate in good faith and enter into a reverse transition manufacturing agreement pursuant to which we will manufacture and supply products for Johnson & Johnson on a transitional basis. We expect this agreement to be entered into following the completion of this offering, and to contain terms that are substantially similar to the terms of the Transition Manufacturing Agreement. In addition, the Transition Manufacturing Agreement will provide that we and Johnson & Johnson will engage in good faith discussions with respect to transitional arrangements in connection with the transfer of certain Deferred Local Businesses following the completion of this offering.

Registration Rights Agreement

We and Johnson & Johnson will enter into a registration rights agreement (the “Registration Rights Agreement”) pursuant to which we will grant to Johnson & Johnson certain registration rights with respect to the shares of our common stock owned by Johnson & Johnson. Johnson & Johnson may transfer these rights in certain limited circumstances, including in connection with an equity-for-debt exchange to a third-party lender (a “Permitted Transferee” and collectively with Johnson & Johnson, “Holders”), and such Holders will thereafter be bound by the terms of the Registration Rights Agreement.

Demand Registration

Holders will be able to request registration under the Securities Act of all or any portion of their shares of our common stock covered by the Registration Rights Agreement, and we will be obligated, subject to limitations on minimum offering size and certain other limited exceptions, to register such shares as requested by such Holders. Holders will be able to designate the terms of each offering effected pursuant to a demand registration, which may take the form of a shelf registration, and will be able to request that we complete up to three demand registrations in any 12-month period.

We will not be required to honor a demand registration if we have effected a registration within the preceding 60 days. In addition, following the date on which Johnson & Johnson no longer owns a majority of the shares of our common stock, if we reasonably determine in good faith that filing a registration statement would be significantly disadvantageous to us, we may, no more than once during any 12-month period, delay filing such registration statement until the earlier of 45 days after we make such determination or seven days after the disadvantageous condition no longer exists.

Piggy-Back Registration

If we at any time intend to file on our behalf or on behalf of any of our other security holders a registration statement in connection with a public offering of any of our securities on a form and in a manner that would permit the registration for offer and sale of shares of our common stock held by Holders, Holders will have the right to include their shares of our common stock in that offering, subject to certain limitations.

Indemnification

The Registration Rights Agreement will contain customary indemnification and contribution provisions by us for the benefit of Holders and, in limited situations, by Holders for the benefit of us with respect to the information provided by such Holders included in any registration statement, prospectus or related document.

Reverse Transition Services Agreement

We will enter into a reverse transition services agreement (the “Reverse Transition Services Agreement”) with Johnson & Johnson prior to the completion of this offering. Pursuant to the Reverse Transition Services Agreement, we will provide Johnson & Johnson with specified services (the “Kenvue Services” including certain information technology, supply chain, medical safety, finance, regulatory, sales and marketing, real estate and distribution services, for a transitional period following the completion of this offering. The Reverse Transition Services Agreement is intended to help ensure an orderly transition following the completion of this offering and will facilitate cooperation between Johnson & Johnson and us to exit, transition, migrate and integrate each Kenvue Service to Johnson & Johnson as soon as reasonably practicable.

Services

We will be required to provide Kenvue Services in compliance with applicable laws, in a professional and workmanlike manner and at a quality level and in a manner consistent with our practice during the year preceding the completion of this offering. We may, at our option, delegate any of our obligations to perform Kenvue Services to third-party service providers, but we will remain responsible for ensuring that the Kenvue Services are provided to Johnson & Johnson in accordance with the terms of the Reverse Transition Services Agreement. From time to time, Johnson & Johnson may request that we provide an additional service to Johnson & Johnson and, if such

service is reasonably necessary for the operation of Johnson & Johnson's business and was provided to Johnson & Johnson's business during the year preceding the completion of this offering, we will be required to use commercially reasonable efforts to provide such additional service to Johnson & Johnson.

Fees

The Reverse Transition Services Agreement will specify the fees for the Kenvue Services, which will generally be fixed amounts based on our expected costs plus a markup and be adjusted for inflation on an annual basis. However, for a limited number of Kenvue Services, including distribution services, the applicable fees will vary and be calculated based on usage, typically as a function of sales. In addition to such fees, Johnson & Johnson will also be required to bear certain additional costs, including one-time costs to enable the provision of services or secure necessary third-party consents, shipping costs, customs duties and certain taxes, as applicable. We do not expect the aggregate net fees and costs associated with the Kenvue Services under the Reverse Transition Services Agreement to have a material impact on our business, results of operations or financial condition. In 2022, in connection with these services, Johnson & Johnson credited to us an aggregate amount representing less than 0.5% of our total net sales.

Term and Termination

The term for most Kenvue Services is expected to terminate within 24 months following the completion of this offering. However, a limited number of Kenvue Services will be provided to Johnson & Johnson for a longer period of time, not to exceed 84 months, generally in cases where the applicable service relates to (1) regulatory or supply chain functions that cannot be fully transitioned to Johnson & Johnson prior to the receipt of requisite regulatory approvals or marketing authorization transfers or (2) internal controls testing related to Kenvue Services that extend beyond the 24-month period. The service term for any Kenvue Service may be extended under certain conditions, so long as such extension does not extend beyond 24 months following the completion of this offering or, with respect to such limited number of services, such longer period (each, a "Kenvue Service Period Deadline"). Johnson & Johnson will generally be required to pay an increased service fee to us during any extension period. In addition, if we and Johnson & Johnson are unable to transition any Kenvue Service due to a failure to obtain requisite regulatory approvals, the Service Period Deadline for such Kenvue Service shall be extended to 30 days following receipt of such requisite regulatory approvals.

The Reverse Transition Services Agreement will expire upon the expiration of the term for all Kenvue Services. Johnson & Johnson may terminate any Kenvue Service upon advance written notice to us.

Liabilities and Indemnification

We will generally have no liability to Johnson & Johnson for liabilities arising from Johnson & Johnson's implementation, execution or use of the Kenvue Services. Johnson & Johnson will generally be required to indemnify us, our affiliates, any third-party service providers and our and their respective directors, officers, employees, affiliates, agents and representatives for all liabilities arising from the provision of the Kenvue Services under the Reverse Transition Services Agreement. However, we will have liability for, and will be required to indemnify Johnson & Johnson, its affiliates and its and their respective directors, officers, employees, affiliates, agents and representatives for, liabilities arising from our or our third-party service providers' fraud, intentional misconduct or gross negligence. Our liability in such cases shall be limited to the aggregate amount of fees and payments we receive pursuant to the Reverse Transition Services Agreement.

Quality and Pharmacovigilance Matters

The Reverse Transition Services Agreement will provide that we and Johnson & Johnson will be required to enter into a quality agreement, which will govern the exchange of information related to quality and regulatory compliance with regard to our products as needed for our respective quality and regulatory compliance obligations, as well as for our respective pharmacovigilance obligations, during the transition period.

Data Transfer and Sharing Agreement

We will enter into a data transfer and sharing agreement (the “Data Transfer and Sharing Agreement”) with Johnson & Johnson prior to the completion of this offering. The Data Transfer and Sharing Agreement will set forth protocols to govern the request, transfer, extraction, traceability, retention and deletion of certain Data primarily related to or used or held for use primarily in connection with our business or operations in Johnson & Johnson’s possession as of the completion of this offering, certain Data primarily related to or used or held for use primarily in connection with Johnson & Johnson’s business or operations in our possession as of the completion of this offering, certain Data created by Johnson & Johnson solely for us or on our behalf in relation to the services under the Transition Services Agreement in Johnson & Johnson’s possession as of or after the completion of this offering, certain Data created by us solely for Johnson & Johnson or on Johnson & Johnson’s behalf in relation to the services under the Reverse Transition Services Agreement in our possession as of or after the completion of this offering and certain Data requested by us or Johnson & Johnson pursuant to the Separation Agreement. The Data Transfer and Sharing Agreement will also establish a joint data committee, comprised of representatives from the Company and Johnson & Johnson, that will be responsible for providing general oversight and strategic planning to facilitate the efficient and orderly extraction and transfer of such Data or alternative access to certain shared Data, where transfers are not practicable. The term of the Data Transfer and Sharing Agreement will be perpetual.

Other Agreements with Johnson & Johnson

Real Estate Agreements

Prior to the completion of this offering, Johnson & Johnson’s owned real property and leased space will be allocated to Johnson & Johnson or us, as the case may be, in a manner that is consistent with the different business uses and needs of Johnson & Johnson and us. To the extent owned property or leased space is to be shared by Johnson & Johnson and us on a long-term basis or associated real estate services need to be provided by one party to the other, we have entered, and will continue to enter, into various lease, sublease and license agreements with Johnson & Johnson that will govern each party’s rights and obligations with respect to any such owned or leased property, shared space or service provided. In addition, certain facilities will, pursuant to transition services agreements, be shared between Johnson & Johnson and us for a limited period of time following the completion of this offering. We do not expect these real estate agreements between us and Johnson & Johnson, individually or in the aggregate, to comprise a material portion of our property portfolio nor to have a material impact on our business, results of operations or financial condition.

Royalty Monetization Agreements

In connection with the October 2021 Old JJCI corporate restructuring, Old JJCI and its affiliates entered into purchase and sale agreements (the “Royalty Monetization Agreements”) with Royalty A&M LLC (“RAM”), an indirect wholly owned subsidiary of Johnson & Johnson, pursuant to which Old JJCI and its affiliates transferred to RAM their rights to receive four streams of royalties from certain third parties representing an aggregate value of \$367.1 million. The royalty streams generally derive from third-party sales of certain branded products, primarily Lactaid sold in the United States. RAM’s rights to these royalty streams commenced with royalties payable in October 2021 and terminate with royalties payable for third-party Lactaid branded sales after December 2028 and for other products between December 2027 and November 2031 (each, a “Royalty Conclusion Date”). As a result of the Old JJCI corporate restructuring, the former rights of Old JJCI and its affiliates with respect to these underlying royalty streams were transferred to a second entity named Johnson & Johnson Consumer Inc., a New Jersey company (“New JJCI”) and its affiliates. New JJCI’s operations, assets and liabilities, including these underlying royalty streams, will be transferred to us in connection with the Separation. Following each Royalty Conclusion Date, the underlying royalty arrangements, unless perpetual in nature, will be due for renewal between each third party and us. In addition, prior to the applicable Royalty Conclusion Date for each royalty stream, or within 12 months thereafter, RAM will maintain a right of first negotiation to purchase from us the rights to the royalties (or any portion thereof) that are payable to us from such stream following such Royalty Conclusion Date.

Additional Related Person Transactions

A sister of Director Nominee Joseph J. Wolk is a Mobility Operations Leader at Johnson & Johnson Services, Inc., a wholly owned subsidiary of Johnson & Johnson, and earned \$217,121, \$193,211 and \$188,191 in total compensation in 2022, 2021 and 2020, respectively. These amounts included base salary, any annual incentive bonus, the value of any long-term incentive award granted in the relevant year and any other compensation. She also participates in the general welfare and benefit plans of Johnson & Johnson Services, Inc. Her compensation was established in accordance with Johnson & Johnson Services, Inc.'s employment and compensation practices applicable to employees with equivalent qualifications and responsibilities and holding similar positions. Mr. Wolk does not have a material interest in his sister's employment, nor does he share a household with her.

Policy on Related Person Transactions

Prior to the completion of this offering, the Board will adopt a Policy on Transactions with Related Persons. Our Policy on Transactions with Related Persons will require a reasonable prior review and oversight by the Nominating, Governance & Sustainability Committee of any transaction or series of transactions exceeding \$120,000 in which we are a participant and any related person has a direct or indirect material interest (other than solely as a result of being a director or trustee or less than 10% owner of another entity). Related persons include our directors and executive officers and their immediate family members and persons sharing their households as well as persons controlling more than 5% of our outstanding shares of common stock.

Once a potential related person transaction has been identified, the Nominating, Governance & Sustainability Committee will review all of the relevant facts and circumstances and approve or disapprove entry into the transaction. The Nominating, Governance & Sustainability Committee will prohibit such a transaction if it determines it to be inconsistent with the interests of the Company and its shareholders. The Nominating, Governance & Sustainability Committee will take into account, among other factors, whether the transaction is on terms no more favorable than terms generally available to an unaffiliated third party under the same or similar circumstances and the extent of the related person's interest in the transaction. If it is not reasonable to obtain advance approval of a transaction from the Nominating, Governance & Sustainability Committee, the transaction will be considered for ratification at the next regularly scheduled meeting of the Nominating, Governance & Sustainability Committee.

Our Policy on Transactions with Related Persons will not be in effect at the time we enter into the agreements described above under "—Agreements to be Entered into in Connection with the Separation." Each of the agreements between us and Johnson & Johnson that has been entered into prior to the completion of this offering, and any transactions contemplated thereby, will be deemed to be approved and not subject to the terms of our Policy on Transactions with Related Persons.

DESCRIPTION OF CAPITAL STOCK

In connection with this offering, we will amend and restate our certificate of incorporation and our bylaws. The following description summarizes the material terms of our amended and restated certificate of incorporation and our amended and restated bylaws, which will be in effect prior to the completion of this offering, as well as relevant sections of the Delaware General Corporation Law (the "DGCL"). The following description is not complete and is qualified by reference to the full text of our amended and restated certificate of incorporation and our amended and restated bylaws, forms of which have been filed as exhibits to the registration statement of which this prospectus is a part, as well as the applicable provisions of the DGCL.

General

Upon completion of this offering, our authorized capital stock will consist of:

- 12,500,000,000 shares of common stock, par value \$0.01 per share; and
- 750,000,000 shares of preferred stock, par value \$0.01 per share.

Upon completion of this offering, there will be:

- 1,867,364,000 shares of our common stock outstanding (or 1,890,044,600 shares if the underwriters exercise in full their option to purchase additional shares of our common stock from us to cover over-allotments); and
- no shares of our preferred stock outstanding.

Common Stock

Holders of shares of our common stock will be entitled to the rights set forth below.

Voting Rights

Each holder of shares of our common stock will be entitled to one vote per share of our common stock on all matters which may be submitted to the holders of shares of our common stock. At any meeting of our shareholders, the holders of a majority in voting power of the outstanding shares entitled to vote at such meeting must be present in person or represented by proxy in order to constitute a quorum.

At any meeting of our shareholders, all questions, except as otherwise expressly provided by statute, our amended and restated certificate of incorporation or our amended and restated bylaws, will be determined by vote of the majority of voting power of the outstanding shares present in person or represented by proxy at such meeting and entitled to vote. Except as otherwise required by law, a nominee for election as a director will be elected to the Board at a meeting at which a quorum is present by a majority of the votes cast with respect to that director's election; provided, however, that, if the number of director nominees exceeds the number of directors to be elected, then directors will be elected by a plurality of the votes cast at such meeting.

Our amended and restated certificate of incorporation will provide that any director may be removed from office at any time, with or without cause, by vote of the majority of voting power of the outstanding shares entitled to vote thereon.

Dividend Rights

Subject to any preferential rights of any outstanding shares of our preferred stock, each holder of shares of our common stock will be entitled to receive ratably the dividends, if any, as may be declared from time to time by the Board out of any assets lawfully available for the payment of dividends.

Liquidation, Dissolution and Winding-Up Rights

In the event of a liquidation, dissolution or winding-up of the Company, each holder of shares of our common stock will be entitled to ratable distribution of our net assets that remain after the payment in full of all liabilities and the liquidation preferences of any outstanding shares of our preferred stock.

Other Rights

Holders of shares of our common stock will have no preemptive or conversion rights to purchase, subscribe for or otherwise acquire any shares of our common stock or preferred stock or other securities. There are no redemption or sinking fund provisions applicable to the shares of our common stock.

Preferred Stock

The Board will be authorized, without further vote or action by our shareholders, to provide for the issuance from time to time of shares of our preferred stock in series and, as to each series, to fix the designation; the dividend rate and the preferences, if any, which dividends on that series will have compared to any other class or series of our capital stock; the voting rights, if any; the liquidation preferences, if any; the conversion privileges, if any, and the redemption price or prices and the other terms of redemption, if any, applicable to that series. Cumulative dividends, dividend preferences and conversion, exchange and redemption provisions, to the extent that some or all of these features may be present when shares of our preferred stock are issued, could have an adverse effect on the availability of earnings for distribution to the holders of our shares of common stock or for other corporate purposes.

Anti-Takeover Effects of Various Provisions of Delaware Law, Our Amended and Restated Certificate of Incorporation and Our Amended and Restated Bylaws

Provisions of the DGCL, our amended and restated certificate of incorporation and our amended and restated bylaws could make it more difficult to acquire us by means of a tender offer, a proxy contest or otherwise, or to remove incumbent directors. These provisions, summarized below, are expected to discourage certain types of coercive takeover practices and takeover bids that the Board may consider inadequate and to encourage persons seeking to acquire control of us to first negotiate with the Board. We believe the benefits of increased protection of the Board's ability to negotiate with the proponent of an unfriendly or unsolicited proposal to acquire or restructure us outweigh the disadvantages of discouraging takeover or acquisition proposals, including because negotiation of these proposals could result in an improvement of the terms of the proposals.

Delaware Anti-Takeover Statute

We will be subject to Section 203 of the DGCL. Section 203 of the DGCL generally prohibits a Delaware corporation from engaging in a "business combination" with an "interested stockholder" for a period of three years following the time that such stockholder became an interested stockholder, unless:

- prior to such time, the board of directors of the corporation approved either the business combination or the transaction which resulted in the stockholder becoming an interested stockholder;
- upon consummation of the transaction that resulted in the stockholder becoming an interested stockholder, the interested stockholder owned at least 85% of the voting stock of the corporation outstanding at the time the transaction commenced, excluding for purposes of determining the voting stock outstanding (but not the outstanding voting stock owned by the interested stockholder) those shares (1) owned by persons who are directors and also officers and (2) held in employee stock plans in which employee participants do not have the right to determine confidentially whether shares held subject to the plan will be tendered in a tender or exchange offer; or
- at or subsequent to such time, the business combination is approved by the board of directors of the corporation and authorized at an annual or special meeting of stockholders, and not by written consent, by the affirmative vote of at least two-thirds of the outstanding voting stock of the corporation which is not owned by the interested stockholder.

Generally, a “business combination” includes a merger, asset or stock sale or other transaction resulting in a financial benefit to the interested stockholder. Generally, an “interested stockholder” is a person who, together with its affiliates and associates, owns (or within three years prior to the determination of interested stockholder status did own) 15% or more of a corporation’s voting stock.

The existence of Section 203 of the DGCL would be expected to have an anti-takeover effect with respect to transactions not approved in advance by the Board, including discouraging takeover attempts that might result in a premium over the then-prevailing market price for the shares of our common stock held by our shareholders.

A Delaware corporation may “opt out” of Section 203 of the DGCL by including a provision expressly electing not to be governed by Section 203 of the DGCL in its original certificate of incorporation or in its certificate of incorporation or bylaws resulting from amendments approved by holders of at least a majority of the corporation’s outstanding voting stock. We will not elect to “opt out” of Section 203 of the DGCL.

So long as Johnson & Johnson beneficially owns a majority of the total voting power of our outstanding capital stock, and therefore has the ability to direct the election of all the members of the Board, directors designated by Johnson & Johnson to serve on the Board would have the ability to authorize a party, including a potential transferee of Johnson & Johnson’s shares of our common stock, to become an interested stockholder such that the restrictions of Section 203 of the DGCL would not apply to such party.

Size of Board and Vacancies

Our amended and restated certificate of incorporation will provide that the Board will consist of not fewer than 5 directors nor more than 18 directors, the actual number to be determined by the Board from time to time. Effective prior to the completion of this offering, the Board will consist of 11 directors.

Our amended and restated certificate of incorporation will provide that any vacancies in the Board, however created, will be filled by appointment made by a majority of the remaining directors. In addition, our amended and restated certificate of incorporation will provide that any directorship to be filled by reason of an increase in the number of directors on the Board may be filled by election by a majority of the directors then in office.

Special Shareholder Meetings

Our amended and restated certificate of incorporation will provide that a special meeting of our shareholders may be called at any time by (1) Chair of the Board, (2) a majority of the Board or (3) our Chief Executive Officer. Our amended and restated certificate of incorporation will provide that our shareholders will not have the ability to call a special meeting.

Shareholder Action by Written Consent

Our amended and restated certificate of incorporation will provide that (1) until such time as Johnson & Johnson ceases to beneficially own a majority of the voting power of our shares of common stock, holders of shares of our common stock will be permitted to act by written consent without a duly called annual or special meeting of our shareholders if such written consent is signed by holders of shares of our common stock having at least the minimum number of votes necessary to authorize such action and (2) from and after the time that Johnson & Johnson ceases to beneficially own a majority of the voting power of our shares of common stock, holders of shares of our common stock will not be able to act by written consent without a duly called annual or special meeting of our shareholders.

Requirements for Advance Notification of Shareholder Proposals

Our amended and restated bylaws will establish advance notice procedures for business (including any nominations for director) to be properly brought by a shareholder before an annual or special meeting of our shareholders. In general, any such notice must be received by us not less than 120 days nor more than 150 days prior to the first anniversary of the date on which we first released our proxy materials for the preceding year’s annual meeting, or in the event that no annual meeting was held in the previous year, or the date of the annual meeting has been changed by more than 30 days from the first anniversary of the preceding year’s annual meeting, notice by the

proposing shareholder to be timely must be received not later than the 10th day following the day on which public announcement of such meeting is first made.

In addition, our amended and restated bylaws will require that, in order to submit a nomination for director, a shareholder must also submit all information relating to such person that is required to be disclosed in solicitations of proxies as well as certain other information.

No Cumulative Voting

The DGCL provides that shareholders of a company are denied the right to cumulate votes in the election of directors unless the company's certificate of incorporation provides otherwise. Our amended and restated certificate of incorporation will not provide for cumulative voting.

Undesignated Preferred Stock

The authority that the Board will possess to issue preferred stock, as described under "—Preferred Stock," could potentially be used to discourage attempts by third parties to obtain control of us through a merger, tender offer or proxy contest or otherwise by making such attempts more difficult or more costly. The Board may be able to issue preferred stock with voting rights or conversion rights that, if exercised, could adversely affect the voting power of the holders of shares of our common stock.

Amendments to Certificate of Incorporation

Our amended and restated certificate of incorporation will provide that it may be amended or altered in any manner provided by the DGCL.

Amendments to Bylaws

Our amended and restated certificate of incorporation will provide that our amended and restated bylaws may be amended, altered or repealed and new bylaws made by (1) the Board or (2) vote of the majority of voting power of the outstanding shares entitled to vote thereon at a meeting of our stockholders called for that purpose.

Conflicts of Interest; Corporate Opportunities

In order to address potential conflicts of interest between us and Johnson & Johnson, our amended and restated certificate of incorporation will include certain provisions regulating and defining the conduct of our affairs to the extent that they may involve Johnson & Johnson and its directors, officers or employees and our rights, powers, duties and liabilities and those of our directors, officers, employees and shareholders in connection with our relationship with Johnson & Johnson. These provisions generally recognize that we and Johnson & Johnson may engage in the same or similar business activities and lines of business or have an interest in the same areas of corporate opportunities and that we and Johnson & Johnson will continue to have contractual and business relations with each other.

Following the completion of this offering and until (1) Johnson & Johnson ceases to beneficially own any shares of our capital stock and (2) no person who is a Johnson & Johnson director, officer or employee is also serving as our director or officer, the Board is expected to renounce any interest or expectancy of ours in any corporate opportunities that are presented to our directors, officers or employees who are also directors, officers or employees of Johnson & Johnson, and such director, officer or employee will have no duty to communicate or present such corporate opportunity to us, in each case so long as such corporate opportunity was not expressly offered to such person solely in their capacity as our director or officer.

Limitations on Liability, Indemnification of Officers and Directors and Insurance

The DGCL authorizes corporations to limit or eliminate the personal liability of directors or officers to corporations and their shareholders for monetary damages for breaches of fiduciary duties as directors or officers. Our amended and restated certificate of incorporation will include such an exculpation provision. Our amended and restated certificate of incorporation and our amended and restated bylaws will include provisions that indemnify, to

the fullest extent allowable under the DGCL, the personal liability of directors or officers for monetary damages for actions taken as our director or officer, for serving at our request as a director or officer or another position at another corporation or enterprise, as the case may be. Our amended and restated certificate of incorporation and our amended and restated bylaws will also provide that we must indemnify and advance reasonable expenses to our directors and, subject to certain exceptions, officers, subject to our receipt of an undertaking from the indemnified party as may be required under the DGCL. Our amended and restated certificate of incorporation will expressly authorize us to carry directors' and officers' insurance to protect us, our directors, officers and certain employees for some liabilities.

The limitation of liability and indemnification provisions that will be in our amended and restated certificate of incorporation and our amended and restated bylaws may discourage shareholders from bringing a lawsuit against directors and officers for breaches of their fiduciary duties. These provisions may also have the effect of reducing the likelihood of derivative litigation against our directors and officers, even though such an action, if successful, might otherwise benefit us and our shareholders. However, these provisions will not limit or eliminate our rights, or those of any shareholder, to seek non-monetary relief such as injunction or rescission in the event of a breach of a director's duty of care. The limitation of liability and indemnification provisions that will be in our amended and restated certificate of incorporation will not alter the liability of directors and officers under the federal securities laws. In addition, your investment may be adversely affected to the extent that, in a class action or direct suit, we pay the costs of settlement and damage awards against directors and officers pursuant to these indemnification provisions.

There is currently no pending material litigation or proceeding against us or any of our directors, officers or employees for which indemnification is sought.

Exclusive Forum

Our amended and restated certificate of incorporation will provide, in all cases to the fullest extent permitted by law, that, unless we consent in writing to the selection of an alternative forum, the Court of Chancery located within the State of Delaware will be the sole and exclusive forum for:

- any derivative action or proceeding brought on our behalf;
- any action asserting a claim of breach of a fiduciary duty owed by any of our directors, officers, employees or shareholders to us or our shareholders;
- any action asserting a claim arising pursuant to any provision of our amended and restated certificate of incorporation or our amended and restated bylaws;
- any action asserting a claim arising pursuant to any provision of the DGCL or as to which the DGCL confers jurisdiction on the Court of Chancery located within the State of Delaware; or
- any action asserting a claim governed by the internal affairs doctrine.

However, if the Court of Chancery located within the State of Delaware does not have jurisdiction over any such action, the action may be brought instead in the United States District Court for the District of Delaware.

In addition, our amended and restated certificate of incorporation will provide that the foregoing provision will not apply to claims arising under the Securities Act or the Exchange Act or any other claim for which the federal courts have exclusive jurisdiction. Unless we consent in writing to the selection of an alternative forum, the federal district courts of the United States will be the sole and exclusive forum for the resolution of any action asserting a claim arising under the Securities Act.

These exclusive forum provisions may impose additional costs on shareholders in pursuing any such claims, particularly if the shareholders do not reside in or near the State of Delaware, or limit a shareholder's ability to bring a claim in a judicial forum that such shareholder finds favorable for disputes with us or our directors, officers, employees or shareholders, which in each case may discourage such lawsuits with respect to such claims. Our

shareholders will not be deemed to have waived our compliance with the federal securities laws and the rules and regulations thereunder as a result of these exclusive forum provisions.

Authorized but Unissued Shares

Our authorized but unissued shares of common stock and our authorized but unissued shares of preferred stock will be available for future issuance without further vote or action by our shareholders. We may use additional shares for a variety of purposes, including to raise additional capital, to fund acquisitions and as employee compensation. The existence of authorized but unissued shares of common stock and preferred stock could also discourage attempts by third parties to obtain control of us through a merger, tender offer or proxy contest or otherwise by making such attempts more difficult or more costly.

Listing

We have applied to list our shares of common stock on the NYSE under the symbol “KVUE”.

Transfer Agent and Registrar

The transfer agent and registrar for shares of our common stock will be Computershare Trust Company, N.A.

DESCRIPTION OF CERTAIN INDEBTEDNESS

Senior Unsecured Notes

On March 22, 2023, we issued \$7,750,000,000 in aggregate principal amount of senior unsecured notes, comprised of \$750,000,000 aggregate principal amount of our 5.500% Senior Notes due 2025, \$750,000,000 aggregate principal amount of our 5.350% Senior Notes due 2026, \$1,000,000,000 aggregate principal amount of our 5.050% Senior Notes due 2028, \$1,000,000,000 aggregate principal amount of our 5.000% Senior Notes due 2030, \$1,250,000,000 aggregate principal amount of our 4.900% Senior Notes due 2033, \$750,000,000 aggregate principal amount of our 5.100% Senior Notes due 2043, \$1,500,000,000 aggregate principal amount of our 5.050% Senior Notes due 2053 and \$750,000,000 aggregate principal amount of our 5.200% Senior Notes due 2063 (collectively, the “notes”) in a private placement. The net proceeds to us from the Notes Offering was approximately \$7.69 billion after deduction of discounts and commissions payable of \$65 million. The notes are senior unsecured obligations of us and are initially fully and unconditionally guaranteed on a senior unsecured basis by Johnson & Johnson. Such guarantee will be automatically and unconditionally terminated upon (1) the completion in all material respects of the transfer of the assets and liabilities of the Consumer Health Business to us and our subsidiaries, other than the transfer of assets and liabilities in any Deferred Local Business (as defined and described in the section of this prospectus entitled “Certain Relationships and Related Person Transactions—Agreements to be Entered into in Connection with the Separation—Separation Agreement—Deferred Markets”) and any other immaterial assets (such transfer, the “Consumer Health Business Transfer”) and (2) the occurrence of the initial registration of our equity securities. We expect this guarantee will be terminated prior to or upon the completion of this offering. The net proceeds of the Notes Offering were placed in segregated escrow accounts pending the occurrence of the Consumer Health Business Transfer. On April 4, 2023, the net proceeds of the Notes Offering were released from escrow upon the completion of the Consumer Health Business Transfer.

In connection with the issuance of the notes, we entered into a registration rights agreement with the initial purchasers, pursuant to which we are obligated to use commercially reasonable efforts to file with the SEC and cause to become effective a registration statement with respect to an offer to exchange each series of notes for registered notes with terms that are substantially identical in all material respects to the notes of such series.

The notes are governed by an indenture and supplemental indenture between us and Deutsche Bank Trust Company Americas, as trustee, which we refer to collectively as the “indenture.” The indenture contains certain covenants, including limitations on our and certain of our subsidiaries’ ability to incur liens or engage in sale leaseback transactions. The indenture also contains restrictions on our ability to consolidate, merge or sell substantially all of our assets. In addition, the indenture contains other customary terms, including certain events of default, upon the occurrence of which, the notes may be declared immediately due and payable.

Pursuant to the indenture, we are able to redeem the notes of any series, in whole or in part, at any time by paying a “make whole” premium, plus accrued and unpaid interest to, but excluding, the applicable date of redemption.

The foregoing summarizes the material terms of the notes. However, the indenture and supplemental indenture have been filed as exhibits to the registration statement of which this prospectus is a part, and the foregoing summary of the notes is qualified in its entirety by reference to the full text of the indenture and supplemental indenture.

Commercial Paper Program

On March 3, 2023, we entered into a commercial paper program (the “Commercial Paper Program”). The Board has authorized the issuance by us of up to \$4 billion in aggregate principal amount of commercial paper under the Commercial Paper Program. The Commercial Paper Program contains representations and warranties, covenants and default that are customary for this type of financing. After giving effect to the Separation and related transactions, we expect to have approximately \$1.25 billion of commercial paper outstanding, which we refer to collectively with the Notes Offering as the “Debt Financing Transactions.”

The Commercial Paper Program provides for private placements in the United States under Section 4(a)(2) of the Securities Act. The commercial paper notes issued under the Commercial Paper Program are unsecured notes ranking at least pari passu with all of our other senior unsecured indebtedness. These commercial paper notes are anticipated to be offered at par less a discount representing an interest factor or, if interest bearing, at par.

Revolving Credit Facility

On March 6, 2023, we entered into a credit agreement providing for a five-year senior unsecured revolving credit facility (the “Revolving Credit Facility”) in an aggregate principal amount of \$4 billion to be made available in U.S. dollars and Euros, with JPMorgan Chase Bank, N.A. serving as administrative agent for a syndicate of lenders. We do not expect the Revolving Credit Facility to be drawn from or used in connection with this offering or the Separation. The proceeds of the loans under the Revolving Credit Facility will be used for general corporate purposes. The Revolving Credit Facility permits, subject to specified conditions, one or more of our wholly owned subsidiaries to be added as additional borrowers.

Interest is payable on the loans under the Revolving Credit Facility at (1) in the case of borrowings denominated in U.S. dollars, adjusted Term SOFR or, at our option, the adjusted base rate), (2) in the case of borrowings denominated in Euros, adjusted EURIBOR and (3) in the case of swingline borrowings, the daily simple ESTR, plus, in each case, a margin determined pursuant to a pricing grid based on our credit ratings. The Revolving Credit Facility fees and letter of credit fees are determined based upon the same grid. Interest payments are due (1) in the case of Term SOFR or EURIBOR borrowings, on the last day of each interest period applicable to the borrowing (or, in the case of any borrowing with an interest period of more than three months’ duration, every three months), (2) in the case of an adjusted base rate borrowing, on the last day of each March, June, September and December and (3) in the case of swingline borrowings, on the fifth business day after the borrowing.

The Revolving Credit Facility contains representations and warranties, covenants and events of default that are customary for this type of financing, including covenants restricting the incurrence of liens and the entry into certain merger transactions.

Prior to the delivery to the administrative agent of a certificate of an authorized officer certifying that (1) the initial registration of our equity securities has occurred and (2) the Separation has been consummated in a manner substantially consistent in all material respects with the registration statement of which this prospectus is a part, subject to conditions regarding solvency and absence of default, Johnson & Johnson will unconditionally guarantee all of the obligations of the borrowers under the Revolving Credit Facility on an unsecured basis. Kenvue will unconditionally guarantee all of the obligations of the borrowers (other than itself) under the Revolving Credit Facility on an unsecured basis.

The foregoing summarizes the material terms of the Revolving Credit Facility. However, the credit agreement has been filed as an exhibit to the registration statement of which this prospectus is a part, and the foregoing summary of such agreement is qualified in its entirety by reference to the full text of such agreement.

SHARES ELIGIBLE FOR FUTURE SALE

Prior to this offering, there has been no public market for shares of our common stock, and we cannot predict with certainty the effect, if any, that market sales of shares of our common stock or the availability of shares of our common stock for sale will have on the market price of shares of our common stock prevailing from time to time. We also cannot predict with certainty whether or when Johnson & Johnson will complete the Distribution or otherwise sell its remaining equity interest in our company. The sale or other availability of substantial amounts of shares of our common stock (including shares issued on the exercise of options, warrants or convertible securities, if any) in the public market, or the perception that such sales could occur, could adversely affect the prevailing market price of shares of our common stock and our ability to raise additional capital through a future sale of securities.

Upon completion of this offering, we will have 1,867,364,000 shares of common stock outstanding (or 1,890,044,600 shares if the underwriters exercise in full their option to purchase additional shares of our common stock from us to cover over-allotments). This includes 151,204,000 shares of common stock (or 173,884,600 shares if the underwriters exercise in full their option to purchase additional shares of our common stock from us to cover over-allotments) that we are offering to be sold in this offering, which shares will be freely tradable without restriction or further registration under the Securities Act, subject to the provisions of Rule 144 described below under “—Rule 144” and any contractual restrictions, including under the lock-up agreements described below under “—Lock-Up Agreements.”

Sale of Restricted Shares

Subject to any contractual restrictions, including under the lock-up agreements described below under “—Lock-Up Agreements,” all of the shares of our common stock to be sold in this offering will be freely tradable without restriction or further registration under the Securities Act, except that any shares purchased by or owned by our “affiliates,” as that term is defined in Rule 144 under the Securities Act (“Rule 144”), may generally only be sold publicly in compliance with the limitations of Rule 144 described below under “—Rule 144.” As defined in Rule 144, an affiliate of an issuer is a person that directly or indirectly, through one or more intermediaries, controls, or is controlled by or is under common control with, such issuer.

Upon completion of this offering, Johnson & Johnson will own 91.9% of our outstanding shares of common stock (or 90.8% if the underwriters exercise in full their option to purchase additional shares of our common stock from us to cover over-allotments). These shares will be “restricted securities” as that term is defined in Rule 144. Subject to any contractual restrictions, including under the lock-up agreements described below under “—Lock-Up Agreements,” Johnson & Johnson will be entitled to sell these shares in the public market only if the sale of such shares is registered with the SEC or if the sale of such shares qualifies for an exemption from registration under Rule 144 or any other applicable exemption under the Securities Act.

In addition, upon completion of this offering, Johnson & Johnson will, subject to certain conditions, have registration rights with respect to all of the shares of our common stock that Johnson & Johnson will own following the completion of this offering. See “—Registration Rights.” At such time as these restricted shares become unrestricted and available for sale, the sale of these restricted shares, whether pursuant to Rule 144 or otherwise, may have a negative effect on the prevailing market price of shares of our common stock.

Rule 144

In general, under Rule 144, beginning 90 days after the date of this prospectus, a person who is not one of our affiliates and has not been one of our affiliates at any time during the preceding three months will be entitled to sell any shares of our common stock that such person has beneficially owned for at least six months, including the holding period of any prior owner other than one of our affiliates, without regard to volume limitations. Sales of shares of our common stock by any such person would be subject to the availability of current public information about us if the shares to be sold were beneficially owned by such person for less than one year. Beginning 90 days after the date of this prospectus, our affiliates who have beneficially owned shares of our common stock for at least

six months, including the holding period of any prior owner other than one of our affiliates, would be entitled to sell, within any three-month period, a number of shares of our common stock that does not exceed the greater of:

- 1% of the number of shares of our common stock then outstanding; and
- the average weekly trading volume of shares of our common stock on the NYSE during the four calendar weeks preceding the filing of a notice on Form 144 with respect to the sale;

provided, in each case, that we are subject to the Exchange Act periodic reporting requirements for at least 90 days before the sale. Sales under Rule 144 by our affiliates are also subject to certain manner of sale provisions and notice requirements and to the availability of current public information about us.

S-8 Registration Statement

In connection with this offering, we intend to file a registration statement on Form S-8 under the Securities Act to register an aggregate of 186,736,400 shares of our common stock that we expect to reserve for issuance under our proposed equity incentive plan. The registration statement will become effective automatically upon filing with the SEC, and shares of our common stock covered by the registration statement will be eligible for resale in the public market immediately after the effective date of the registration statement, subject to the lock-up agreements described below under “—Lock-Up Agreements.”

Lock-Up Agreements

In connection with this offering, we, our executive officers, our directors and Johnson & Johnson have agreed with the underwriters that, except with the prior written consent of each of Goldman Sachs & Co. LLC and J.P. Morgan Securities LLC, we and they will not, subject to certain exceptions, during the period beginning on the date of this prospectus and continuing through the date that is 180 days after the date of this prospectus, offer, sell, contract to sell, pledge or otherwise dispose of or hedge, directly or indirectly, any shares of our common stock or securities convertible into or exchangeable or exercisable for any shares of our common stock. Goldman Sachs & Co. LLC and J.P. Morgan Securities LLC may, in their sole discretion and at any time without notice, release all or any portion of the shares of our common stock subject to lock-up agreements. See “Underwriting.”

Registration Rights

Pursuant to the Registration Rights Agreement we will enter into with Johnson & Johnson in connection with the Separation, Johnson & Johnson will be able to require us to effect the registration under the Securities Act of shares of our common stock that Johnson & Johnson will own following the completion of this offering. If the offer and sale of these shares is registered, these shares will become freely tradable without restriction under the Securities Act immediately upon the effectiveness of the registration, except for shares purchased by our affiliates. See “Certain Relationships and Related Person Transactions—Agreements to be Entered into in Connection with the Separation—Registration Rights Agreement.”

MATERIAL U.S. FEDERAL INCOME TAX CONSIDERATIONS FOR NON-U.S. HOLDERS OF OUR COMMON STOCK

The following discussion is a summary of the material U.S. federal income tax consequences to Non-U.S. Holders (as defined below) of the purchase, ownership and disposition of shares of our common stock issued pursuant to this offering, but does not purport to be a complete analysis of all potential tax effects. The effects of other U.S. federal tax laws, such as estate and gift tax laws, and any applicable state, local or non-U.S. tax laws are not discussed. This discussion is based on the U.S. Internal Revenue Code of 1986, as amended (the “Code”), Treasury Regulations promulgated thereunder, judicial decisions, and published rulings and administrative pronouncements of the Internal Revenue Service (the “IRS”), in each case in effect as of this prospectus. These authorities may change or be subject to differing interpretations. Any such change or differing interpretation may be applied retroactively in a manner that could adversely affect a Non-U.S. Holder of shares of our common stock. We have not sought and will not seek any rulings from the IRS regarding the matters discussed below. We cannot assure you that the IRS or a court will not take a contrary position to that discussed below regarding the tax consequences of the purchase, ownership and disposition of shares of our common stock.

This discussion is limited to Non-U.S. Holders that hold shares of our common stock as a “capital asset” within the meaning of Section 1221 of the Code (generally, property held for investment). This discussion does not address all U.S. federal income tax consequences relevant to a Non-U.S. Holder’s particular circumstances, including the impact of the Medicare contribution tax on net investment income. In addition, it does not address consequences relevant to Non-U.S. Holders subject to special rules, including:

- U.S. expatriates and former citizens or long-term residents of the United States;
- persons subject to the alternative minimum tax;
- persons holding shares of our common stock as part of a hedge, straddle or other risk reduction strategy or as part of a conversion transaction or other integrated investment;
- banks, insurance companies and other financial institutions;
- brokers, dealers or traders in securities;
- “controlled foreign corporations,” “passive foreign investment companies” and corporations that accumulate earnings to avoid U.S. federal income tax;
- partnerships or other entities or arrangements treated as partnerships for U.S. federal income tax purposes (and investors therein);
- tax-exempt organizations or governmental organizations;
- persons deemed to sell shares of our common stock under the constructive sale provisions of the Code;
- persons who hold or receive shares of our common stock pursuant to the exercise of any employee stock option or otherwise as compensation;
- persons subject to special tax accounting rules as a result of any item of gross income with respect to shares of our common stock being taken into account on an applicable financial statement; and
- tax-qualified retirement plans.

If an entity or arrangement treated as a partnership for U.S. federal income tax purposes holds shares of our common stock, the tax treatment of a partner in the partnership will depend on the status of the partner, the activities of the partnership and certain determinations made at the partner level. Accordingly, partnerships holding shares of our common stock and the partners in such partnerships should consult their tax advisors regarding the U.S. federal income tax consequences to them.

THIS DISCUSSION IS FOR INFORMATIONAL PURPOSES ONLY AND IS NOT TAX ADVICE. INVESTORS SHOULD CONSULT THEIR TAX ADVISORS WITH RESPECT TO THE APPLICATION OF THE U.S. FEDERAL INCOME TAX LAWS TO THEIR PARTICULAR SITUATIONS AS WELL AS ANY TAX CONSEQUENCES OF THE PURCHASE, OWNERSHIP AND DISPOSITION OF SHARES OF OUR COMMON STOCK ARISING UNDER THE U.S. FEDERAL ESTATE OR GIFT TAX LAWS OR UNDER THE LAWS OF ANY STATE, LOCAL OR NON-U.S. TAXING JURISDICTION OR UNDER ANY APPLICABLE INCOME TAX TREATY.

Definition of a Non-U.S. Holder

For purposes of this discussion, a “Non-U.S. Holder” is any beneficial owner of common stock that is neither a “U.S. person” nor an entity treated as a partnership for U.S. federal income tax purposes. A U.S. person is any person that, for U.S. federal income tax purposes, is or is treated as any of the following:

- an individual who is a citizen or resident of the United States;
- a corporation created or organized under the laws of the United States, any state thereof or the District of Columbia;
- an estate, the income of which is subject to U.S. federal income tax regardless of its source; or
- a trust that (1) is subject to the primary supervision of a U.S. court and the control of one or more “United States persons” (within the meaning of Section 7701(a)(30) of the Code), or (2) has a valid election in effect to be treated as a United States person for U.S. federal income tax purposes.

Distributions

As described in the section of this prospectus entitled “Dividend Policy,” we intend to pay quarterly cash dividends to holders of shares of our common stock. If we make a distribution of cash or other property (other than certain distributions of our stock) in respect of shares of our common stock, those distributions will constitute dividends for U.S. federal income tax purposes to the extent paid from our current or accumulated earnings and profits, as determined under U.S. federal income tax principles. To the extent those distributions exceed our current and accumulated earnings and profits, they will constitute a return of capital, which will first reduce a Non-U.S. Holder’s basis in shares of our common stock, but not below zero, and then will be treated as gain from the sale of shares of our common stock, as described below under “—Gain on Sale or Other Disposition of Shares of Our Common Stock.”

Dividends paid to a Non-U.S. Holder generally will be subject to withholding tax at a 30% rate or a reduced rate specified by an applicable income tax treaty. In order to obtain a reduced rate of withholding (subject to the discussion below), a Non-U.S. Holder will be required to provide a properly executed applicable IRS Form W-8BEN or W-8BEN-E (or other applicable or successor form) certifying the Non-U.S. Holder’s entitlement to benefits under a treaty.

If dividends paid to a Non-U.S. Holder are effectively connected with the Non-U.S. Holder’s conduct of a trade or business in the United States (and, if required by an applicable income tax treaty, are attributable to a permanent establishment or fixed base maintained by the Non-U.S. Holder in the United States), the Non-U.S. Holder will generally be taxed on the dividends on a net income basis at regular rates applicable to a U.S. person. In this case, the Non-U.S. Holder will be exempt from the withholding tax discussed in the preceding paragraph, although the Non-U.S. Holder will be required to provide a properly executed IRS Form W-8ECI in order to claim an exemption from withholding. Non-U.S. Holders should consult their tax advisors with respect to other U.S. tax consequences of the ownership and disposition of shares of our common stock, including the possible imposition of a branch profits tax at a rate of 30% (or a lower treaty rate) for corporations.

Gain on Sale or Other Disposition of Shares of Our Common Stock

Subject to the discussions below under “—Informational Reporting and Backup Withholding” and “—Additional Withholding Tax on Payments Made to Foreign Accounts,” a Non-U.S. Holder will not be subject to

U.S. federal income tax on any gain realized upon the sale or other taxable disposition of shares of our common stock unless:

- the gain is effectively connected with the Non-U.S. Holder's conduct of a trade or business within the United States (and, if required by an applicable income tax treaty, the Non-U.S. Holder maintains a permanent establishment in the United States to which such gain is attributable);
- the Non-U.S. Holder is a nonresident alien individual present in the United States for 183 days or more during the taxable year of the disposition and certain other requirements are met; or
- our common stock constitutes a U.S. real property interest ("USRPI") by reason of our status as a U.S. real property holding corporation ("USRPHC") for U.S. federal income tax purposes.

Gain described in the first bullet point above generally will be subject to U.S. federal income tax on a net income basis at the regular rates. A Non-U.S. Holder that is a corporation also may be subject to a branch profits tax at a rate of 30% (or such lower rate specified by an applicable income tax treaty) on such effectively connected gain, as adjusted for certain items.

Gain described in the second bullet point above will be subject to U.S. federal income tax at a rate of 30% (or such lower rate specified by an applicable income tax treaty), which may be offset by U.S. source capital losses of the Non-U.S. Holder (even though the individual is not considered a resident of the United States), provided the Non-U.S. Holder has timely filed U.S. federal income tax returns with respect to such losses.

With respect to the third bullet point above, we believe we currently are not, and do not anticipate becoming, a USRPHC. Because the determination of whether we are a USRPHC depends, however, on the fair market value of our USRPIs relative to the fair market value of our non-U.S. real property interests and our other business assets, there can be no assurance we currently are not a USRPHC or will not become a USRPHC in the future. Even if we were to become a USRPHC, gain arising from the sale or other taxable disposition by a Non-U.S. Holder of shares of our common stock will not be subject to U.S. federal income tax if our common stock is "regularly traded," as defined by applicable Treasury Regulations, on an established securities market, and such Non-U.S. Holder owned, actually and constructively, 5% or less of our common stock throughout the shorter of the five-year period ending on the date of the sale or other taxable disposition or the Non-U.S. Holder's holding period.

Non-U.S. Holders should consult their tax advisors regarding potentially applicable income tax treaties that may provide for different rules.

Informational Reporting and Backup Withholding

Payments of dividends on shares of our common stock will not be subject to backup withholding, provided the applicable withholding agent does not have actual knowledge or reason to know the holder is a U.S. person and the holder either certifies its non-U.S. status, such as by furnishing a valid IRS Form W-8BEN, W-8BEN-E or W-8ECI, or otherwise establishes an exemption. However, information returns are required to be filed with the IRS in connection with any dividends on shares of our common stock paid to the Non-U.S. Holder, regardless of whether any tax was actually withheld. In addition, proceeds of the sale or other taxable disposition of shares of our common stock within the United States or conducted through certain U.S.-related brokers generally will not be subject to backup withholding or information reporting, if the applicable withholding agent receives the certification described above and does not have actual knowledge or reason to know that such holder is a U.S. person, or the holder otherwise establishes an exemption. Proceeds of a disposition of shares of our common stock conducted through a non-U.S. office of a non-U.S. broker generally will not be subject to backup withholding or information reporting.

Copies of information returns that are filed with the IRS may also be made available under the provisions of an applicable treaty or agreement to the tax authorities of the country in which the Non-U.S. Holder resides or is established.

Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules may be allowed as a refund or a credit against a Non-U.S. Holder's U.S. federal income tax liability, provided the required information is timely furnished to the IRS.

Additional Withholding Tax on Payments Made to Foreign Accounts

Withholding taxes may be imposed under Sections 1471 to 1474 of the Code, such Sections commonly referred to as the Foreign Account Tax Compliance Act, or FATCA, on certain types of payments made to non-U.S. financial institutions and certain other non-U.S. entities. Specifically, a 30% withholding tax may be imposed on dividends on, or (subject to the proposed Treasury Regulations discussed below) gross proceeds from the sale or other disposition of, shares of our common stock paid to a "foreign financial institution" or a "non-financial foreign entity" (each as defined in the Code), unless (1) the foreign financial institution undertakes certain diligence and reporting obligations, (2) the non-financial foreign entity either certifies it does not have any "substantial United States owners" (as defined in the Code) or furnishes identifying information regarding each substantial United States owner or (3) the foreign financial institution or non-financial foreign entity otherwise qualifies for an exemption from these rules. If the payee is a foreign financial institution and is subject to the diligence and reporting requirements in (1) above, it must enter into an agreement with the U.S. Department of the Treasury requiring, among other things, that it undertake to identify accounts held by certain "specified United States persons" or "United States-owned foreign entities" (each as defined in the Code), annually report certain information about such accounts and withhold 30% on certain payments to non-compliant foreign financial institutions and certain other account holders. Foreign financial institutions located in jurisdictions that have an intergovernmental agreement with the United States governing FATCA may be subject to different rules.

Under the applicable Treasury Regulations and administrative guidance, withholding under FATCA generally applies to payments of dividends on shares of our common stock. Although withholding under FATCA would have applied also to payments of gross proceeds from the sale or other disposition of stock on or after January 1, 2019, proposed Treasury Regulations eliminate FATCA withholding on payments of gross proceeds entirely. Taxpayers generally may rely on these proposed Treasury Regulations until final Treasury Regulations are issued.

Prospective investors should consult their tax advisors regarding the potential application of withholding under FATCA to their investment in shares of our common stock.

UNDERWRITING

We and the underwriters named below have entered into an underwriting agreement with respect to the shares offered by us. Subject to certain conditions, each underwriter has severally agreed to purchase the number of shares indicated in the following table. Goldman Sachs & Co. LLC, J.P. Morgan Securities LLC and BofA Securities, Inc. are the representatives of the underwriters.

Underwriters	Number of Shares
Goldman Sachs & Co. LLC	
J.P. Morgan Securities LLC	
BofA Securities, Inc.	
Citigroup Global Markets Inc.	
Deutsche Bank Securities Inc.	
BNP Paribas Securities Corp.	
HSBC Securities (USA) Inc.	
RBC Capital Markets, LLC	
UBS Securities LLC	
BBVA Securities Inc.	
ING Financial Markets LLC	
Intesa Sanpaolo S.p.A.	
Santander US Capital Markets LLC	
UniCredit Capital Markets LLC	
Academy Securities, Inc.	
Independence Point Securities LLC	
Samuel A. Ramirez & Company, Inc.	
R. Seelaus & Co., LLC	
Siebert Williams Shank & Co., LLC	
Total	151,204,000

The underwriters are committed to take and pay for all of the shares offered by us, if any are taken, other than the shares covered by the over-allotment option described below unless and until this over-allotment option is exercised. Intesa Sanpaolo S.p.A. is not a U.S. registered broker-dealer; therefore, to the extent that Intesa Sanpaolo S.p.A. intends to effect any offers or sales of any shares in the United States, it will do so through Intesa Sanpaolo IMI Securities Corp., its affiliated U.S. registered broker-dealer, in accordance with the applicable U.S. securities laws and regulations.

We have granted the underwriters an option for a period of 30 days from the date of this prospectus to purchase up to 22,680,600 additional shares of our common stock from us at the initial public offering price less the underwriting discounts and commissions to cover over-allotments. If any shares are purchased pursuant to this over-allotment option, the underwriters will severally purchase shares in approximately the same proportion as set forth in the table above.

The following table shows the per share and total underwriting discounts and commissions to be paid to the underwriters by us. Such amounts are shown assuming both no exercise and full exercise of the underwriters' over-allotment option to purchase 22,680,600 additional shares of our common stock, as described above.

	No Exercise	Full Exercise
Per Share	\$	\$
Total		

Shares sold by the underwriters to the public will initially be offered at the initial public offering price set forth on the cover page of this prospectus. Any shares sold by the underwriters to securities dealers may be sold at a discount of up to \$ _____ per share from the initial public offering price. After the initial offering of the shares, the representatives may change the offering price and the other selling terms. The offering of the shares by the underwriters is subject to receipt and acceptance and subject to the underwriters' right to reject any order in whole or in part.

We, our executive officers, our directors and Johnson & Johnson have agreed with the underwriters that, except with the prior written consent of each of Goldman Sachs & Co. LLC and J.P. Morgan Securities LLC, we and they will not, subject to certain exceptions, during the period beginning on the date of this prospectus and continuing through the date that is 180 days after the date of this prospectus, offer, sell, contract to sell, pledge or otherwise dispose of or hedge, directly or indirectly, any shares of our common stock or securities convertible into or exchangeable or exercisable for any shares of our common stock. The lock-up agreements are subject to specified exceptions. Goldman Sachs & Co. LLC and J.P. Morgan Securities LLC may, in their sole discretion and at any time without notice, release all or any portion of the shares of our common stock subject to lock-up agreements.

See "Shares Eligible for Future Sale" for a discussion of certain transfer restrictions.

Prior to this offering, there has been no public market for shares of our common stock. The initial public offering price has been negotiated among us, Johnson & Johnson and the representatives. Among the factors to be considered in determining the initial public offering price of the shares, in addition to prevailing market conditions, will be our historical performance, estimates of our business potential and earnings prospects, an assessment of our management and the consideration of the above factors in relation to market valuation of companies in related businesses.

We have applied to list our shares of common stock on the NYSE under the symbol "KVUE".

In connection with this offering, the underwriters may purchase and sell shares of common stock in the open market. These transactions may include short sales, stabilizing transactions and purchases to cover positions created by short sales. Short sales involve the sale by the underwriters of a greater number of shares than they are required to purchase in this offering, and a short position represents the amount of such sales that have not been covered by subsequent purchases. A "covered short position" is a short position that is not greater than the amount of additional shares for which the underwriters' over-allotment option described above may be exercised. The underwriters may cover any covered short position by either exercising their over-allotment option to purchase additional shares or purchasing shares in the open market. In determining the source of shares to cover the covered short position, the underwriters will consider, among other things, the price of shares available for purchase in the open market as compared to the price at which they may purchase additional shares pursuant to the over-allotment option described above. "Naked" short sales are any short sales that create a short position greater than the amount of additional shares for which the over-allotment option described above may be exercised. The underwriters must cover any such naked short position by purchasing shares in the open market. A naked short position is more likely to be created if the underwriters are concerned that there may be downward pressure on the price of the common stock in the open market after pricing that could adversely affect investors who purchase in this offering. Stabilizing transactions consist of various bids for or purchases of common stock made by the underwriters in the open market prior to the completion of this offering.

The underwriters may also impose a penalty bid. This occurs when a particular underwriter repays to the underwriters a portion of the underwriting discount received by it because the representatives have repurchased shares sold by or for the account of such underwriter in stabilizing or short covering transactions.

Purchases to cover a short position and stabilizing transactions, as well as other purchases by the underwriters for their own accounts, may have the effect of preventing or retarding a decline in the market price of our common stock, and together with the imposition of the penalty bid, may stabilize, maintain or otherwise affect the market price of our common stock. As a result, the price of our common stock may be higher than the price that otherwise might exist in the open market. The underwriters are not required to engage in these activities and may end any of

these activities at any time. These transactions may be effected on the NYSE, in the over-the-counter market or otherwise.

We estimate that the total expenses of this offering, excluding underwriting discounts and commissions, will be approximately \$12 million, which is expected to be paid by Johnson & Johnson. We have also agreed to reimburse the underwriters for certain expenses, including those related to the Financial Industry Regulatory Authority ("FINRA"), incurred by them in connection with this offering in an amount not to exceed \$75,000.

We have agreed that, for a period of 180 days after the date of this prospectus (the "restricted period") we will not (1) offer, sell, contract to sell, pledge, grant any option to purchase, make any short sale or otherwise transfer or dispose of, directly or indirectly, or file with or confidentially submit to the SEC registration statement under the Act relating to, any securities of the Company that are substantially similar to the Shares, including but not limited to any options or warrants to purchase shares of common stock or any securities that are convertible into or exchangeable for, or that represent the right to receive, shares of common stock or any such substantially similar securities, or publicly disclose the intention to make any offer, sale, pledge, disposition or filing of (2) enter into any swap or other agreement that transfers, in whole or in part, any of the economic consequences of ownership of shares of common stock or any such other securities, whether any such transaction described in clause (1) or (2) above is to be settled by delivery of our common shares or such other securities, in cash or otherwise, without the prior written consent of Goldman Sachs & Co. LLC and J.P. Morgan Securities LLC.

The restrictions described in the paragraph above relating to the Company do not apply to:

- (1) the shares to be sold hereunder;
- (2) any transaction or actions (including, for the avoidance of doubt, any transfers) to facilitate the Separation or the Distribution or otherwise in connection therewith; provided that no securities of the Company may be sold, distributed or exchanged to effect the Distribution prior to the expiration of the restricted period;
- (3) the issuance by the Company of shares of common stock or any other security pursuant to the exercise of an option or warrant or the conversion or exchange of a security in each case outstanding on the date of this prospectus and described herein;
- (4) issuances by the Company of grants of options, restricted shares, restricted share units or other equity-based awards (including any securities convertible into shares of common stock) to officers, directors, employees and consultants of the Company in accordance with the terms of an equity incentive plan described herein, or the issuance by the Company of shares of common stock upon the exercise thereof;
- (5) the filing by the Company of a registration statement with the SEC on Form S-8;
- (6) any issuance of shares of common stock to Johnson & Johnson to the extent necessary to maintain Johnson & Johnson's ownership of at least 80.1% of the outstanding shares of common stock;
- (7) any issuance of shares of common stock to Johnson & Johnson in connection with the Separation; or
- (8) the issuance of shares of common stock, or any securities convertible into or exercisable or exchangeable for shares of common stock, or the entry into an agreement to issue shares of common stock, in each case in connection with any bona fide merger, joint venture, strategic alliance, commercial or other collaborative transaction, or the acquisition or license by the Company of the business, property, technology or other assets of another individual or entity that is an unaffiliated third party of the Company, or the assumption of an employee benefit plan in connection with such a merger or acquisition; provided that the aggregate number of shares of common stock or securities convertible into or exercisable for such shares that the Company may sell or issue or agree to sell or issue shall not exceed 10% of the total number of shares of the Company's common stock issued and outstanding immediately following the completion of this offering.

Our directors and executive officers and Johnson & Johnson (such persons, the "lock-up parties") have entered into lock-up agreements with the underwriters prior to the commencement of this offering pursuant to which each

lock-up party, for the duration of the restricted period, may not (and may not cause any of their direct or indirect affiliates to), without the prior written consent of Goldman Sachs & Co. LLC and J.P. Morgan Securities LLC: (1) offer, sell, contract to sell, pledge, grant any option, right or warrant to purchase, purchase any option or contract to sell, lend or otherwise transfer or dispose of any shares of common stock of the Company, or any options or warrants to purchase any shares of common stock of the Company, or any securities convertible into, exchangeable for or that represent the right to receive shares of common stock of the Company (the "lock-up securities") (2) engage in any hedging or other transaction or arrangement (including, without limitation, any short sale or the purchase or sale of, or entry into, any put or call option, or combination thereof, forward, swap or any other derivative transaction or instrument, however described or defined) which is designed to or which reasonably could be expected to lead to or result in a sale, loan, pledge or other disposition, or transfer of any of the economic consequences of ownership, in whole or in part, directly or indirectly, of any lock-up securities, whether any such transaction described in clause (1) or (2) above is to be settled by delivery of lock-up securities, in cash or otherwise, or (3) otherwise publicly announce any intention to do any of the foregoing that is inconsistent with Johnson & Johnson's or the Company's prior public disclosure with regards thereto.

The restrictions described in the paragraph above relating to our directors and executive officers and Johnson & Johnson do not apply to:

- (1) transfers as one or more bona fide gifts or charitable contributions, or for bona fide estate planning purposes; provided that the donee or donees thereof agree to be bound in writing by the restrictions set forth in the lock-up agreement; and provided, further, that no Exchange Act filing reporting such transfer, or other public filing, report or announcement reporting a reduction in beneficial ownership of shares of common stock, shall be required or shall be voluntarily made during the restricted period (other than any Form 4 filing or filing of any other required form, which shall clearly indicate in the footnotes thereto the nature and conditions of such transfer);
- (2) transfers upon death by will, testamentary document or intestate succession; provided that the transferee agrees to be bound in writing by the restrictions set forth in the lock-up agreement; and provided, further, that any Exchange Act filing reporting a reduction in beneficial ownership of shares of common stock shall clearly indicate in the footnotes thereto the nature and conditions of such transfer;
- (3) transfers to any member of the immediate family of the lock-up party or to any trust for the direct or indirect benefit of the lock-up party or the immediate family of the lock-up party or, if the lock-up party is a trust, to a trust or beneficiary of the trust or the estate of a beneficiary of such trust; provided that such transfer shall not involve a disposition for value; provided, further, that the transferee agrees to be bound in writing by the restrictions set forth in the lock-up agreement; and provided, further, that no Exchange Act filing reporting such transfer, or other public filing, report or announcement reporting a reduction in beneficial ownership of shares of common stock, shall be required or shall be voluntarily made during the restricted period (other than any Form 4 filing or filing of any other required form, which shall clearly indicate in the footnotes thereto the nature and conditions of such transfer);
- (4) transfers to a partnership, limited liability company or other entity of which the lock-up party or the immediate family of the lock-up party are the legal and beneficial owner of all of the outstanding equity securities or similar interests; provided that the transferee or distributee agrees to be bound in writing by the restrictions set forth in the lock-up agreement; provided, further, that such transfer or distribution shall not involve a disposition for value; and provided, further, that no Exchange Act filing reporting such transfer, or other public filing, report or announcement reporting a reduction in beneficial ownership of shares of common stock, shall be required or shall be voluntarily made during the restricted period (other than any Form 4 filing or filing of any other required form, which shall clearly indicate in the footnotes thereto the nature and conditions of such transfer);
- (5) transfers to a nominee or custodian of a person or entity to whom a disposition or transfer would be permissible under clauses (1) through (4) above; provided that such transfer or distribution shall not involve a disposition for value; provided, further, that the nominee agrees to be bound in writing by the restrictions set forth in the lock-up agreement; and provided, further, that no Exchange Act filing reporting such

transfer, or other public filing, report or announcement reporting a reduction in beneficial ownership of shares of common stock, shall be required or voluntarily made during the restricted period (other than any Form 4 filing or filing of any other required form, which shall clearly indicate in the footnotes thereto the nature and conditions of such transfer);

- (6) with respect to Johnson & Johnson only, transfers (A) to another corporation, partnership, limited liability company or other business entity that is an affiliate (as defined in Rule 405 under the Securities Act), or to any investment fund or other entity which fund or entity is controlled or managed by, or under common control with, the lock-up party, or (B) as part of a distribution by the lock-up party to its stockholders, partners, members or other equityholders or to the estate of any such stockholders, partners, members or other equityholders; provided that the transferee or distributee agrees to be bound in writing by the restrictions set forth in the lock-up agreement; provided, further, that such transfer or distribution shall not involve a disposition for value; and provided, further, that no Exchange Act filing reporting such transfer, or other public filing, report or announcement reporting a reduction in beneficial ownership of shares of common stock, shall be required or voluntarily made during the restricted period;
- (7) transfers by operation of law, such as pursuant to a qualified domestic order, divorce settlement, divorce decree or separation agreement; provided that the transferee agrees to be bound in writing by the restrictions set forth in the lock-up agreement; and provided, further, that any Exchange Act filing reporting a reduction in beneficial ownership of shares of common stock shall clearly indicate in the footnotes thereto the nature and conditions of such transfer;
- (8) transfers to the Company from an employee of the Company upon death, disability or termination of employment; provided that any Exchange Act filing reporting a reduction in beneficial ownership of shares of common stock shall clearly indicate in the footnotes thereto the nature and conditions of such transfer;
- (9) in connection with a sale of the lock-up party's shares of common stock acquired in open market transactions after the closing date of this offering; provided that no Exchange Act filing reporting such transfer, or other public filing, report or announcement reporting a reduction in beneficial ownership of shares of common stock, shall be required or voluntarily made during the restricted period;
- (10) to the Company in connection with the vesting, settlement or exercise of restricted stock units, options, warrants, exchange, conversion or other rights to purchase shares of Common Stock of the Company (including, in each case, by way of "net" or "cashless" exercise) that are set to expire or automatically vest during the restricted period, including any transfer to the Company for the payment of tax withholdings or remittance payments due as a result of the vesting, settlement or exercise of such restricted stock units, options, warrants, exchange, conversion or other rights, or in connection with the conversion of convertible securities, in all such cases pursuant to equity awards granted under a stock incentive plan or other equity award plan, or pursuant to the terms of convertible securities, each as described in this prospectus, provided that any securities received upon such vesting, settlement, exercise or conversion shall be subject to the terms of the lock-up agreement; and provided, further, that any Exchange Act filing reporting a reduction in beneficial ownership of shares of common stock shall clearly indicate in the footnotes thereto the nature and conditions of such transfer;
- (11) with respect to Johnson & Johnson only, transfers in connection with and pursuant to the Separation, which shall include the conversion, reclassification, redemption or exchange of any lock-up securities in connection with and pursuant to the Separation;
- (12) with respect to Johnson & Johnson only, transfers among Johnson & Johnson and/or any of its controlled affiliates as intercompany transfers to facilitate the Distribution and transactions related thereto;
- (13) enter into a written plan meeting the requirements of Rule 10b5-1 under the Exchange Act relating to the transfer, sale or other disposition of common stock, if then permitted by the Company; provided that none of the securities subject to such plan may be transferred, sold or otherwise disposed of until after the expiration of the restricted period; and provided, further, that to the extent a public announcement, report or filing under the Exchange Act, if any, is required or voluntarily made by or on behalf of the undersigned or

the Company regarding the establishment of a Rule 10b5-1 Plan, such announcement, report or filing shall include a statement to the effect that no transfer of shares of common stock may be made under such plan during the restricted period;

- (14) transfers pursuant to a bona fide third-party tender offer, merger, consolidation or other similar transaction that is approved by the Board and made to all holders of the Company's capital stock involving a change of control of the Company (defined as the transfer to a person or group of affiliated persons of a majority of the outstanding voting securities of the Company); provided that in the event that such change of control is not completed, the lock-up securities shall remain subject to the provisions of the lock-up agreement;
- (15) any demands or requests for, exercise of any right with respect to, or the taking of any action in preparation of, the registration by the Company under the Securities Act of Johnson & Johnson's lock-up securities or other securities; provided that no securities of the Company may be sold, distributed or exchanged prior to the expiration of the restricted period; or
- (16) With respect to Johnson & Johnson only, (A) the filing or confidential submission of a registration statement on Form S-4 with the SEC relating to the Distribution at any time and the making of offers thereunder, provided that, in the case of a public filing with the SEC, such registration statement does not effectuate the sale, distribution or exchange of securities of the Company prior to the expiration of the restricted period, and (B) public disclosure of the intention to (i) file with or submit to the SEC such a registration statement in compliance with clause (A) above or (ii) effect the Distribution, provided that such Distribution will not be completed prior to the expiration of the restricted period

We have agreed to indemnify the several underwriters against certain liabilities, including liabilities under the Securities Act.

The underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include sales and trading, commercial and investment banking, lending, advisory, investment management, investment research, principal investment, hedging, market-making, brokerage and other financial and non-financial activities and services. Certain of the underwriters and their respective affiliates have provided, and may in the future provide, a variety of these services to us and to persons and entities with relationships with us, for which they received or will receive customary fees and expenses.

In the ordinary course of their various business activities, the underwriters and their respective affiliates, officers, directors and employees may purchase, sell or hold a broad array of investments and actively traded securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities and/or instruments of ours (directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with us. The underwriters and their respective affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments.

Certain of the underwriters and their affiliates have engaged, and may in the future engage, in investment banking, commercial banking and other financial advisory and commercial dealings with us, Johnson & Johnson and our respective affiliates. They have received, or may in the future receive, customary fees and commissions for these transactions. All of the underwriters in this offering also acted as initial purchasers in connection with the Notes Offering, for which they received customary fees and commissions. Additionally, JPMorgan Chase Bank, N.A., which is an affiliate of J.P. Morgan Securities LLC, serves as administrative agent under, and certain of the other underwriters and/or their respective affiliates may be lenders under, the Revolving Credit Facility.

Johnson & Johnson has granted J.P. Morgan Securities LLC a right of first refusal to participate in the distribution of certain future public offerings of the Company's securities. This right will expire 12 months following the expiration or termination of a certain engagement letter between Johnson & Johnson and J.P. Morgan Securities LLC, and, in any event, will expire by December 31, 2024. Under FINRA Rule 5110, the right of first refusal is deemed to be underwriting compensation by FINRA.

Selling Restrictions

European Economic Area

In relation to each Member State of the European Economic Area (each, a “Member State”), no securities have been offered or will be offered pursuant to the offering to the public in that Member State prior to the publication of a prospectus in relation to the securities which has been approved by the competent authority in that Member State or, where appropriate, approved in another Member State and notified to the competent authority in that Member State, all in accordance with the Prospectus Regulation, except that offers of securities may be made to the public in that Member State at any time under the following exemptions under the Prospectus Regulation:

1. to any legal entity which is a qualified investor as defined in the Prospectus Regulation;
2. to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation), subject to obtaining the prior consent of the representatives; or
3. in any other circumstances falling within Article 1(4) of the Prospectus Regulation;

provided that no such offer of shares shall require us or any representative to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation and each person who initially acquires any shares or to whom any offer is made will be deemed to have represented, acknowledged and agreed to and with each of the underwriters and us that it is a “qualified investor” within the meaning of Article 2(e) of the Prospectus Regulation. In the case of any shares being offered to a financial intermediary as that term is used in the Prospectus Regulation, each such financial intermediary will be deemed to have represented, acknowledged and agreed that the shares acquired by it in the offer have not been acquired on a nondiscretionary basis on behalf of, nor have they been acquired with a view to their offer or resale to, persons in circumstances which may give rise to an offer of any shares to the public other than their offer or resale in a Relevant State to qualified investors as so defined or in circumstances in which the prior consent of the underwriters have been obtained to each such proposed offer or resale.

For the purposes of this provision, the expression an “offer of shares to the public” in relation to any shares in any Member State means the communication in any form and by means of sufficient information on the terms of the offer and the shares to be offered so as to enable an investor to decide to purchase shares, the expression “Prospectus Regulation” means Regulation (EU) 2017/1129 (as amended).

United Kingdom

In relation to the United Kingdom, no shares of common stock have been offered or will be offered pursuant to this offering to the public in the United Kingdom prior to the publication of a prospectus in relation to the shares that either (1) has been approved by the Financial Conduct Authority or (2) is to be treated as if it had been approved by the Financial Conduct Authority in accordance with the transitional provision in Regulation 74 of the Prospectus (Amendment etc.) (EU Exit) Regulations 2019, except that offers of shares may be made to the public in the United Kingdom at any time under the following exemptions under the UK Prospectus Regulation:

- to any legal entity which is a qualified investor as defined in Article 2 of the UK Prospectus Regulation;
- to fewer than 150 natural or legal persons (other than qualified investors as defined in Article 2 of the UK Prospectus Regulation); or
- in any other circumstances falling within section 86 of the Financial Services and Markets Act 2000 (“FSMA”);

provided that no such offer of shares shall require us or any representative to publish a prospectus pursuant to section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation.

For the purposes of this provision, the expression an “offer to the public” in relation to any shares in any relevant state means the communication in any form and by any means of sufficient information on the terms of the

offer and any shares to be offered so as to enable an investor to decide to purchase or subscribe for any shares, and the expression “UK Prospectus Regulation” means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018.

We have not authorized and do not authorize the making of any offer of shares through any financial intermediary on their behalf, other than offers made by the underwriters with a view to the final placement of the shares as contemplated in this prospectus. Accordingly, no purchaser of the shares, other than the underwriters, is authorized to make any further offer of the shares on behalf of us or the underwriters.

In addition, in the United Kingdom, this document is being distributed only to, and is directed only at, and any offer subsequently made may only be directed at persons who are “qualified investors” (as defined in Article 2 of the UK Prospectus Regulation) (1) who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the “Order”) or (2) who are high net worth companies (or persons to whom it may otherwise be lawfully communicated) falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as “relevant persons”) or otherwise in circumstances which have not resulted and will not result in an offer to the public of the shares in the United Kingdom within the meaning of the FSMA.

Any person in the United Kingdom that is not a relevant person should not act or rely on the information included in this document or use it as basis for taking any action. In the United Kingdom, any investment or investment activity that this document relates to may be made or taken exclusively by relevant persons.

Israel

This document does not constitute a prospectus under the Israeli Securities Law, 5728-1968, or the Securities Law, and has not been filed with or approved by the Israel Securities Authority. In Israel, this registration statement is being distributed only to, and is directed only at, and any offer of the shares of common stock is directed only at, (1) a limited number of persons in accordance with the Israeli Securities Law and (2) investors listed in the first addendum (the “Addendum”) to the Israeli Securities Law, consisting primarily of joint investment in trust funds, provident funds, insurance companies, banks, portfolio managers, investment advisors, members of the Tel Aviv Stock Exchange, underwriters, venture capital funds, entities with equity in excess of NIS 50 million and “qualified individuals,” each as defined in the Addendum (as it may be amended from time to time), collectively referred to as qualified investors (in each case, purchasing for their own account or, where permitted under the Addendum, for the accounts of their clients who are investors listed in the Addendum). Qualified investors are required to submit written confirmation that they fall within the scope of the Addendum, are aware of the meaning of same and agree to it.

Australia

This document:

- does not constitute a disclosure document or a prospectus under Chapter 6D.2 of the Corporations Act 2001 (Cth) (the “Corporations Act”);
- has not been, and will not be, lodged with the Australian Securities and Investments Commission (“ASIC”), as a disclosure document for the purposes of the Corporations Act and does not purport to include the information required of a disclosure document for the purposes of the Corporations Act and
- may only be provided in Australia to select investors who are able to demonstrate that they fall within one or more of the categories of investors, available under section 708 of the Corporations Act (“Exempt Investors”).

The shares of common stock may not be directly or indirectly offered for subscription or purchased or sold, and no invitations to subscribe for or buy the shares of common stock may be issued, and no draft or definitive offering memorandum, advertisement or other offering material relating to any shares of common stock may be distributed in Australia, except where disclosure to investors is not required under Chapter 6D of the Corporations Act or is

otherwise in compliance with all applicable Australian laws and regulations. By submitting an application for the shares of common stock, you represent and warrant to us that you are an Exempt Investor.

As any offer of shares of common stock under this document will be made without disclosure in Australia under Chapter 6D.2 of the Corporations Act, the offer of those securities for resale in Australia within 12 months may, under section 707 of the Corporations Act, require disclosure to investors under Chapter 6D.2 if none of the exemptions in section 708 applies to that resale. By applying for the shares of common stock you undertake to us that you will not, for a period of 12 months from the date of issue of the shares of common stock, offer, transfer, assign or otherwise alienate those shares of common stock to investors in Australia except in circumstances where disclosure to investors is not required under Chapter 6D.2 of the Corporations Act or where a compliance disclosure document is prepared and lodged with ASIC.

Canada

The shares of common stock may be sold in Canada only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 Prospectus Exemptions or subsection 73.3(1) of the Securities Act (Ontario), and are permitted clients, as defined in National Instrument 31-103 Registration Requirements, Exemptions, and Ongoing Registrant Obligations. Any resale of the shares of common stock must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this prospectus (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory of these rights or consult with a legal advisor.

Pursuant to section 3A.3 of National Instrument 33-105 Underwriting Conflicts ("NI 33-105"), the underwriters are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with this offering.

Dubai International Financial Centre

This prospectus relates to an Exempt Offer in accordance with the Offered Securities Rules of the Dubai Financial Services Authority (the "DFSA"). This prospectus is intended for distribution only to persons of a type specified in the Offered Securities Rules of the DFSA. It must not be delivered to, or relied on by, any other person. The DFSA has no responsibility for reviewing or verifying any documents in connection with Exempt Offers. The DFSA has not approved this prospectus nor taken steps to verify the information set forth herein and has no responsibility for the prospectus. The shares of our common stock to which this prospectus relates may be illiquid or subject to restrictions on its resale. Prospective purchasers of the shares offered should conduct their own due diligence on the shares. If you do not understand the contents of this prospectus, then you should consult an authorized financial advisor.

United Arab Emirates

The shares of common stock have not been, and are not being, publicly offered, sold, promoted or advertised in the United Arab Emirates (including the Dubai International Financial Centre) other than in compliance with the laws of the United Arab Emirates (and the Dubai International Financial Centre) governing the issue, offering and sale of securities. Further, this prospectus does not constitute a public offer of securities in the United Arab Emirates (including the Dubai International Financial Centre) and is not intended to be a public offer. This prospectus has not been approved by or filed with the Central Bank of the United Arab Emirates, the Securities and Commodities Authority or the Dubai Financial Services Authority.

Hong Kong

The shares of common stock may not be offered or sold in Hong Kong by means of any document other than (1) in circumstances which do not constitute an offer to the public within the meaning of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32 of the Laws of Hong Kong) (“Companies (Winding Up and Miscellaneous Provisions) Ordinance”) or which do not constitute an invitation to the public within the meaning of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) (“Securities and Futures Ordinance”), (2) to “professional investors” as defined in the Securities and Futures Ordinance and any rules made thereunder, or (3) in other circumstances which do not result in the document being a “prospectus” as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance, and no advertisement, invitation or document relating to the shares of common stock may be issued or may be in the possession of any person for the purpose of issue (in each case whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to shares of common stock which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” in Hong Kong as defined in the Securities and Futures Ordinance and any rules made thereunder.

Japan

No registration pursuant to Article 4, paragraph 1 of the Financial Instruments and Exchange Law of Japan (Law No. 25 of 1948, as amended) (the “FIEL”) has been made or will be made with respect to the solicitation of the application for the acquisition of the shares of common stock. Accordingly, the shares of common stock have not been, directly or indirectly, offered or sold and will not be, directly or indirectly, offered or sold in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organized under the laws of Japan) or to others for re-offering or re-sale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan except pursuant to an exemption from the registration requirements, and otherwise in compliance with, the FIEL and the other applicable laws and regulations of Japan.

For Qualified Institutional Investors (“QII”)

Please note that the solicitation for newly issued or secondary securities (each as described in Paragraph 2, Article 4 of the FIEL) in relation to the shares of common stock constitutes either a “QII only private placement” or a “QII only secondary distribution” (each as described in Paragraph 1, Article 23-13 of the FIEL). Disclosure regarding any such solicitation, as is otherwise prescribed in Paragraph 1, Article 4 of the FIEL, has not been made in relation to the shares of common stock. The shares of common stock may only be transferred to QIIs.

For Non-QII Investors

Please note that the solicitation for newly issued or secondary securities (each as described in Paragraph 2, Article 4 of the FIEL) in relation to the shares of common stock constitutes either a “small number private placement” or a “small number private secondary distribution” (each as is described in Paragraph 4, Article 23-13 of the FIEL). Disclosure regarding any such solicitation, as is otherwise prescribed in Paragraph 1, Article 4 of the FIEL, has not been made in relation to the shares of common stock. The shares of common stock may only be transferred en bloc without subdivision to a single investor.

Singapore

This prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the shares of common stock may not be circulated or distributed, nor may the shares of common stock be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (1) to an institutional investor (as defined under Section 4A of the Securities and Futures Act, Chapter 289 of Singapore (the “SFA”)) under Section 274 of the SFA, (2) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA or (3)

otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA, in each case subject to conditions set forth in the SFA.

Where the shares of common stock are subscribed or purchased under Section 275 of the SFA by a relevant person which is a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor, the securities (as defined in Section 239(1) of the SFA) of that corporation shall not be transferable for six months after that corporation has acquired the shares under Section 275 of the SFA except: (1) to an institutional investor under Section 274 of the SFA or to a relevant person (as defined in Section 275(2) of the SFA), (2) where such transfer arises from an offer in that corporation's securities pursuant to Section 275(1A) of the SFA, (3) where no consideration is or will be given for the transfer, (4) where the transfer is by operation of law, (5) as specified in Section 276(7) of the SFA or (6) as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore ("Regulation 32").

Where the shares of common stock are subscribed or purchased under Section 275 of the SFA by a relevant person which is a trust (where the trustee is not an accredited investor (as defined in Section 4A of the SFA)) whose sole purpose is to hold investments and each beneficiary of the trust is an accredited investor, the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferable for six months after that trust has acquired the shares under Section 275 of the SFA except: (1) to an institutional investor under Section 274 of the SFA or to a relevant person (as defined in Section 275(2) of the SFA), (2) where such transfer arises from an offer that is made on terms that such rights or interest are acquired at a consideration of not less than S\$200,000 (or its equivalent in a foreign currency) for each transaction (whether such amount is to be paid for in cash or by exchange of securities or other assets), (3) where no consideration is or will be given for the transfer, (4) where the transfer is by operation of law, (5) as specified in Section 276(7) of the SFA or (6) as specified in Regulation 32.

Solely for the purposes of our obligations pursuant to Section 309B of the SFA, we have determined, and hereby notify all relevant persons (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018 ("CMP Regulations")) that the shares of common stock are "prescribed capital markets products" (as defined in the CMP Regulations) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

Switzerland

This prospectus is not intended to constitute an offer or solicitation to purchase or invest in the shares of common stock. The shares of common stock may not be publicly offered, directly or indirectly, in Switzerland within the meaning of the Swiss Financial Services Act ("FinSA") and will not be listed on the SIX Swiss Exchange ("SIX") or on any other stock exchange or regulated trading venue (exchange or multilateral trading facility) in Switzerland. This document does not constitute a prospectus within the meaning of, and has been prepared without regard to, the disclosure standards for issuance prospectuses under art. 652a or art. 1156 of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under art. 27 ff. of the SIX Listing Rules or the listing rules of any other stock exchange or regulated trading venue (exchange or multilateral trading facility) in Switzerland. Neither this document nor any other offering or marketing material relating to the shares of common stock constitutes a prospectus pursuant to the FinSA, and neither this document nor any other offering or marketing material relating to the shares of common stock or this offering may be publicly distributed or otherwise made publicly available in Switzerland.

Neither this document nor any other offering or marketing material relating to this offering, us or the shares of common stock have been or will be filed with or approved by any Swiss regulatory authority. In particular, this document will not be filed with, and the offer of shares of common stock will not be supervised by, the Swiss Financial Market Supervisory Authority (FINMA), and the offer of shares of common stock has not been and will not be authorized under the Swiss Federal Act on Collective Investment Schemes ("CISA"). The investor protection afforded to acquirers of interests in collective investment schemes under the CISA does not extend to acquirers of shares of common stock.

LEGAL MATTERS

The validity of the shares of our common stock offered hereby will be passed upon for us by Cravath, Swaine & Moore LLP, New York, New York. Certain legal matters in connection with this offering will be passed upon for the underwriters by Davis Polk & Wardwell LLP, New York, New York.

EXPERTS

The financial statements as of January 1, 2023 and January 2, 2022 and for each of the three fiscal years in the period ended January 1, 2023 included in this prospectus have been so included in reliance on the report of PricewaterhouseCoopers LLP, an independent registered public accounting firm, given on the authority of said firm as experts in auditing and accounting.

WHERE YOU CAN FIND MORE INFORMATION

We have filed with the SEC a registration statement on Form S-1, of which this prospectus is a part, with respect to the shares of our common stock offered hereby. This prospectus does not contain all of the information included in the registration statement and the exhibits thereto. References in this prospectus to any of our contracts or other documents are not necessarily complete, and each such reference is qualified in all respects by reference to the full text of such contract or other document filed as an exhibit to the registration statement. For additional information about us and the shares of our common stock offered hereby, you should refer to the registration statement and the exhibits thereto, which are available on the internet website maintained by the SEC at www.sec.gov.

Upon completion of this offering, we will become subject to the reporting and information requirements of the Exchange Act and, in accordance with the Exchange Act, we will file periodic and current reports, proxy statements and other information with the SEC. We expect to make these reports and other information filed with or furnished to the SEC available, free of charge, through our website at www.kenvue.com as soon as reasonably practicable after the reports and other information are filed with or furnished to the SEC. Additionally, the SEC maintains an internet website that contains such reports and other information filed electronically with the SEC at www.sec.gov.

The information contained on, or that can be accessed through, the websites referenced in this prospectus is not part of, and is not incorporated into, this prospectus, and you should not rely on any such information in making an investment decision to purchase shares of our common stock. We have included the website addresses referenced in this prospectus only as inactive textual references and do not intend them to be active links to such website addresses.

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Report of Independent Registered Public Accounting Firm

To the Board of Directors of Johnson & Johnson and the Shareholder of Kenvue Inc.

Opinion on the Financial Statements

We have audited the accompanying combined balance sheets of the Consumer Health Business (the “Company”), a business of Johnson & Johnson, as of January 1, 2023 and January 2, 2022 and the related combined statements of operations, of comprehensive income (loss), of equity and of cash flows, for each of the three fiscal years in the period ended January 1, 2023, including the related notes (collectively referred to as the “combined financial statements”). In our opinion, the combined financial statements present fairly, in all material respects, the financial position of the Company as of January 1, 2023 and January 2, 2022, and the results of its operations and its cash flows for each of the three fiscal years in the period ended January 1, 2023 in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These combined financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on the Company’s combined financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits of these combined financial statements in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the combined financial statements are free of material misstatement, whether due to error or fraud.

Our audits included performing procedures to assess the risks of material misstatement of the combined financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the combined financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the combined financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matters

The critical audit matter communicated below is a matter arising from the current period audit of the combined financial statements that was communicated or required to be communicated to the audit committee and that (i) relates to accounts or disclosures that are material to the combined financial statements and (ii) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the combined financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Revenue Recognition – U.S. Net Sales

As described in Notes 1 and 15 to the combined financial statements, the Company’s total net sales were \$15.0 billion for the fiscal year ended January 1, 2023, of which, \$6.6 billion is related to U.S. net sales. Management recognizes the revenue from these sales at a single point in time when control transfers, which can be on the date of shipment or the date of receipt by the customer depending on the terms of the contract. Trade promotions, comprised of coupon, product listing allowances, cooperative advertising arrangements, volume-based incentive programs, as well as discounts to customers, rebates, sales incentives, and product returns, are accounted for as variable consideration and recorded as a reduction in sales in the same period as the related sale.

The principal consideration for our determination that performing procedures relating to U.S. net sales revenue recognition is a critical audit matter is a high degree of auditor effort in performing procedures related to the Company’s U.S. net sales revenue recognition.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the combined financial statements. These procedures included testing the effectiveness of controls relating to the revenue recognition process, including controls over the recording of U.S. net sales upon transfer of control to the customer, and controls over the recording of trade promotions. These procedures also included, among others, (i) evaluating U.S. net sales revenue transactions by testing the issuance and settlement of invoices and credit memos, (ii) tracing transactions not settled to a detailed listing of accounts receivable, (iii) confirming a sample of outstanding customer invoice balances at fiscal year end, and obtaining and inspecting source documents, including invoices, sales contracts, shipping documents, proof of delivery, and subsequent cash receipts, where applicable, for confirmations not returned, (iv) testing the completeness and accuracy of data provided by management, (v) testing trade promotions processed by the Company, on a sample basis, including evaluating those discounts for consistency with contractual terms of the Company's programs, (vi) testing credit memos on a sample basis and (vii) testing a sample of unsettled trade promotions for completeness and accuracy.

/s/ PricewaterhouseCoopers LLP

Florham Park, New Jersey

March 3, 2023

We have served as the Company's auditor since 2021.

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**CONSUMER HEALTH BUSINESS
COMBINED BALANCE SHEETS**

At January 1, 2023 and January 2, 2022
(Dollars in Millions) (Note 1)

	2022	2021
Assets		
Current assets		
Cash and cash equivalents (Note 1)	\$ 1,231	\$ 1,407
Trade receivables, less allowances for credit losses (2022 - \$35, 2021 - \$32) (Note 1)	2,122	2,974
Inventories (Notes 1 and 2)	2,226	1,982
Prepaid expenses and other receivables	175	177
Other current assets	123	184
Total current assets	\$ 5,877	\$ 6,624
Property, plant and equipment, net (Notes 1 and 3)	1,820	1,827
Intangible assets, net (Notes 1 and 4)	9,853	10,991
Goodwill (Notes 1 and 4)	9,185	9,110
Deferred taxes on income (Notes 1 and 11)	147	189
Other assets	434	575
Total assets	\$ 27,316	\$ 27,929
Liabilities and Equity		
Current liabilities		
Accounts payable	\$ 1,829	\$ 1,937
Accrued liabilities (Notes 1, 13 and 17)	906	1,124
Accrued rebates, returns and promotions (Note 1)	862	934
Accrued taxes on income (Note 11)	329	477
Total current liabilities	3,926	4,472
Employee related obligations (Notes 1 and 5)	214	302
Deferred taxes on income (Notes 1 and 11)	2,428	2,930
Other liabilities (Note 17)	727	836
Total liabilities	7,295	8,540
Commitments and contingencies (Note 13)		
Equity		
Net investment from Parent (Note 1 and 9)	25,474	24,422
Accumulated other comprehensive loss (Note 7)	(5,453)	(4,913)
Total equity	20,021	20,599
Total Liabilities and Equity	\$ 27,316	\$ 27,929

See Notes to Combined Financial Statements.

**CONSUMER HEALTH BUSINESS
COMBINED STATEMENTS OF OPERATIONS**

(Dollars in Millions) (Note 1)

	2022	2021	2020
Net sales	\$ 14,950	\$ 15,054	\$ 14,467
Cost of sales	<u>6,665</u>	<u>6,635</u>	<u>6,219</u>
Gross profit	<u>8,285</u>	<u>8,419</u>	<u>7,248</u>
Selling, general, and administrative expenses	5,633	5,484	4,856
Other (income) expense, net, operating (Note 10)	<u>(23)</u>	<u>15</u>	<u>3,871</u>
Operating income (loss)	<u>2,675</u>	<u>2,920</u>	<u>(99)</u>
Other expense (income), net (Note 10)	<u>38</u>	<u>(5)</u>	<u>37</u>
Income (loss) before taxes	<u>2,637</u>	<u>2,925</u>	<u>(1,816)</u>
Provision (benefit) for taxes (Note 11)	<u>550</u>	<u>894</u>	<u>(17)</u>
Net income (loss)	<u>\$ 2,087</u>	<u>\$ 2,031</u>	<u>\$ (819)</u>

See Notes to Combined Financial Statements.

CONSUMER HEALTH BUSINESS
COMBINED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

(Dollars in Millions) (Note 1)

	2022	2021	2020
Net income (loss)	\$ 2,087	\$ 2,031	\$ (879)
Other comprehensive (loss) income			
Foreign currency translation, net of (benefit) provision for taxes of \$(99), \$(94), \$120	(1,053)	(926)	55
Employee benefit plans:			
Prior service cost, net of amortization	(1)	—	(1)
Gain (loss), net of amortization	58	18	(2)
Effect of exchange rates	6	7	(8)
Net change, net of income tax provision (benefit) of \$29, \$8, \$(2)	63	25	(1)
Derivatives and hedges:			
Unrealized gain (loss) arising during period	12	(3)	(5)
Reclassifications to net income (loss)	(2)	3	6
Net change, net of income tax provision of \$3, \$0, \$0	10	—	1
Other comprehensive (loss) income	(980)	(901)	55
Comprehensive income (loss)	\$ 1,107	\$ 1,130	\$ (824)

See Notes to Combined Financial Statements.

**CONSUMER HEALTH BUSINESS
COMBINED STATEMENTS OF EQUITY**

(Dollars in Millions) (Note 1)

	Net Investment from Parent	Accumulated other comprehensive loss	Total Equity
Balance, December 29, 2019	\$ 26,138	\$ (4,417)	\$ 21,721
Net loss	(879)	—	(879)
Other comprehensive income	—	845	845
Net transfers to the Parent	(3,331)	—	(3,331)
Balance, January 3, 2021	\$ 21,928	\$ (3,572)	\$ 18,356
Net income	2,031	—	2,031
Other comprehensive loss	—	(901)	(901)
Net transfers from the Parent	913	—	913
Balance, January 2, 2022	\$ 24,872	\$ (4,473)	\$ 20,399
Net income	2,087	—	2,087
Other comprehensive loss	—	(980)	(980)
Net transfers to the Parent	(1,485)	—	(1,485)
Balance, January 1, 2023	\$ 25,474	\$ (5,453)	\$ 20,021

See Notes to Combined Financial Statements.

**CONSUMER HEALTH BUSINESS
COMBINED STATEMENTS OF CASH FLOWS**

(Dollars in Millions) (Note 1)

	2022	2021	2020
Cash flows from operating activities			
Net income (loss)	\$ 2,087	\$ 2,031	\$ (89)
Adjustments to reconcile net income (loss) to cash flows from operating activities:			
Depreciation and amortization	644	731	46
Stock-based compensation	137	141	15
Credit losses and trade receivable allowances	9	4	9
Net loss (gain) on write-downs/disposal of assets/businesses	4	(9)	(5)
Deferred income taxes	157	568	(81)
Net changes in assets and liabilities, net of effects from acquisitions and divestitures			
Trade receivables	(142)	(303)	265
Inventories	(582)	(77)	89
Other current and non-current assets	131	(68)	2
Accounts payable	52	330	54
Accrued liabilities (Note 17)	(17)	(2,977)	3,42
Employee related obligations	2	14	—
Accrued taxes on income (Note 11)	(5)	(19)	(6)
Other liabilities	48	(32)	6
Net cash flows from operating activities	2,525	334	3,97
Cash flows used in investing activities			
Purchases of property, plant, and equipment	(375)	(295)	(9)
Net (purchases) proceeds of assets/businesses	(18)	59	6
Proceeds from the sale of investments	8	77	—
Investment in equity securities	(5)	(12)	(8)
Net cash used in investing activities	(390)	(171)	(33)
Cash flows used in financing activities			
Proceeds from loans and notes payable	14	—	—
Repayments of debt	—	(7)	(1)
Net transfer (to) from the Parent	(1,597)	7	(3,46)
Net cash used in financing activities	(1,583)	(3)	(3,47)
Effect of exchange rate changes on cash and cash equivalents	(61)	(41)	9
Cash and cash equivalents, beginning of year	740	618	52
Net increase (decrease) in cash and cash equivalents	491	122	(34)
Cash and cash equivalents, end of year	\$ 1,231	\$ 740	\$ 618
Supplemental cash flow data			
Cash paid for income taxes	\$ (316)	\$ (363)	\$ (448)

See Notes to Combined Financial Statements.

**CONSUMER HEALTH BUSINESS
NOTES TO COMBINED FINANCIAL STATEMENTS**

1. Description of the Company and Summary of Significant Accounting Policies

Description of the Company and Business Segments

Consumer Health Business (a business of Johnson & Johnson) (the “Company”) sells a broad range of products used in the baby care, oral care, skin health and beauty, over-the-counter pharmaceutical, sanitary protection and wound care markets. These products are marketed to the general public through e-commerce, direct-to-consumer channels and to retail outlets and distributors throughout the world. The Company has a global team of more than 22,000 employees engaged in the research and development, manufacture, and sale of a broad range of these products.

The Company is organized into three business segments: Self Care, Skin Health and Beauty, and Essential Health. The Self Care segment includes a broad product range such as cough, cold and allergy, pain care, and other Self Care (digestive health, smoking cessation, and other) products. The Skin Health and Beauty segment is focused on face and body care and hair, sun, and other products. The Essential Health segment includes oral care, baby care, and other Essential Health (women’s health and wound care) products.

The Company is wholly-owned by Johnson & Johnson (“J&J” or the “Parent”) and primarily represents the Consumer Health segment of J&J. The Company also includes certain other product lines previously reported in another segment of J&J. In November 2021, the Parent announced its intention to separate the Company into a new, publicly traded company (the “Separation”).

Basis of Presentation

The Company has historically operated as part of the Parent and not as a separate entity. These Combined Financial Statements of the Company have been derived from the consolidated financial statements of the Parent to present the Combined Balance Sheets as of January 1, 2023 and January 2, 2022 and the related Combined Statements of Operations, Comprehensive Income (Loss), Equity and Cash Flows for fiscal years ended January 1, 2023, January 2, 2022 and January 3, 2021 as if the Company had been operated on a standalone basis for the periods presented. The Combined Financial Statements have been prepared in conformity with accounting principles generally accepted in the United States of America (“U.S. GAAP”) and the Parent’s historical accounting policies, by aggregating financial information from the components of the Company and the Parent’s accounting records directly attributable to the Company.

All intercompany transactions and balances within the Company have been eliminated. All transactions between the Company and the Parent are considered to be effectively settled for cash in the Combined Financial Statements at the time the transaction is recorded. The effects of the settlement of these transactions between the Company and the Parent are reflected in the Combined Statements of Cash Flows as “Net transfers from (to) the Parent” within the financing activities, and in the Combined Balance Sheets and Combined Statements of Equity as “Net Investment from Parent”.

The Combined Financial Statements of the Company include the assets, liabilities, revenues and expenses that management has determined are specifically or primarily identifiable to the Company, as well as direct and indirect costs that are attributable to the operations of the Company. Indirect costs are the costs of support functions that are provided on a centralized or geographic basis by the Parent and its affiliates, which include, but are not limited to, facilities, insurance, logistics, quality, compliance, finance, human resources, benefits administration, procurement support, information technology, legal, corporate strategy, corporate governance, other professional services and general commercial support functions.

Indirect costs have been allocated to the Company for the purposes of preparing the Combined Financial Statements based on a specific identification basis or, when specific identification is not practicable, a proportional cost allocation method, primarily net sales, headcount, or other allocation methodologies that are considered to be a reasonable reflection of the utilization of services provided or benefit received by the Company during the periods

presented, depending on the nature of the services received. Management considers that such allocations have been made on a reasonable basis consistent with the benefits received but may not necessarily be indicative of the costs that would have been incurred if the Company had been operated on a standalone basis for the periods presented.

The Company is incurring certain non-recurring Separation-related costs in its establishment as a standalone public company and those costs determined to be for the benefit of the Company are included in the Combined Financial Statements. These non-recurring Separation-related costs were \$213 million for fiscal year 2022 and are included within Selling, general, and administrative expenses. The Company did not incur Separation-related costs in fiscal year 2021 or 2020.

A significant number of personal injury claims alleging that talc causes cancer have been made against Johnson & Johnson Consumer Inc. ("Old JJCI") and the Parent arising out of the use of body powders containing talc, primarily Johnson's Baby Powder. Upon the 2021 Corporate Restructuring (as defined below), the Company no longer reflects the impact of the Talc-Related Liabilities (as defined below). See Note 13.

Cash generated from the Company's operations is generally managed by the Parent's centralized treasury function and is swept into the Parent's and its affiliates' bank accounts. Cash and cash equivalents on the Combined Balance Sheets represent balances in accounts specifically identifiable to the Company that are not swept into the Parent's and its affiliates' bank accounts. The Parent's third-party interest expense has not been allocated for any of the periods presented as the Company was not the legal obligor of the debt and the borrowings were not directly attributable to the Company's operations.

The Company's equity balance in these financial statements represents the excess of total assets over total liabilities. Equity is impacted by changes in comprehensive income, contributions from or to the Parent which are the result of treasury activities and net funding provided by or distributed to the Parent.

The Parent calculates foreign currency translation on its consolidated assets and liabilities, which include assets and liabilities of the Company. Foreign currency translation recorded during the fiscal years ended January 1, 2023, January 2, 2022 and January 3, 2021 is based on currency movements specific to the Company's Combined Financial Statements.

The income tax amounts in the Combined Financial Statements have been calculated based on a separate return methodology and presented as if the Company's operations were reported by separate taxpayers in the jurisdictions in which the Company operates. Following the Separation, the Company's operating footprint as well as tax return elections and assertions are expected to be different and therefore, the Company's hypothetical income taxes, as presented in the Combined Financial Statements, are not expected to be indicative of the Company's future income taxes, which will also be impacted by the Tax Matters Agreement with the Parent. Certain current income tax liabilities related to the Company's activities included in the Parent's income tax returns were assumed to be immediately settled with Parent through Net Investment from Parent on the Combined Balance Sheets and reflected in the Combined Statements of Cash Flows as a financing activity.

Use of Estimates

The preparation of Combined Financial Statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported. Estimates are used when accounting for sales discounts, trade promotions, rebates, allowances and incentives, product liabilities, income taxes, withholding taxes, depreciation, amortization, employee benefits, contingencies, allocations of cost and expenses from the Parent and its affiliates, and intangible asset and liability valuations. Actual results may or may not differ from those estimates.

Economic Uncertainty

Macroeconomic factors affect consumer spending patterns and thereby the Company's operations. These factors include general economic conditions, inflation, consumer confidence, employment rates, business conditions, the availability of credit, interest rates, tax rates and fuel and energy costs.

The extent to which COVID-19 and other macroeconomic factors impact the Company's business and financial results will depend on numerous evolving factors including, but not limited to: the magnitude, duration and speed of recovery from COVID-19, as well as the extent to which COVID-19 and other macroeconomic factors will impact worldwide conditions. The Company assessed certain accounting matters that generally require consideration of forecasted financial information in context with the information reasonably available to the Company and the unknown future impacts of COVID-19 and other macroeconomic factors. The accounting matters assessed included, but were not limited to, the Company's allowance for credit losses, inventory and related reserves, accruals, and the carrying value of the goodwill and other long-lived assets and did not result in a material impact to these accounting matters. The Company's future assessment of the magnitude and duration of COVID-19 and other macroeconomic factors, could result in material impacts to the Company's Combined Financial Statements in future reporting periods.

Annual Closing Date

The Company follows the concept of a fiscal year, which ends on the Sunday nearest to the end of the month of December. Normally each fiscal year consists of 52 weeks, but every five or six years the fiscal year consists of 53 weeks, and therefore includes additional shipping days, as was the case in fiscal year 2020, and will be the case again in fiscal year 2026. Fiscal year 2022 refers to the fiscal year ended January 1, 2023. Fiscal year 2021 refers to the fiscal year ended January 2, 2022. Fiscal year 2020 refers to the fiscal year ended January 3, 2021.

Reportable Segments

Commencing in fiscal year 2022, the Company began operating in the following reportable segments: (i) Self Care, (ii) Skin Health and Beauty and (iii) Essential Health. Prior to 2022, the Company operated as one reportable segment. All periods have been presented to conform to the current segment reporting structure.

Cash Equivalents

The Company classifies highly liquid investments with stated maturities of three months or less from date of purchase as cash equivalents.

Trade Receivable and Allowance for Credit Losses

Trade receivables, net are stated net of certain sales provisions and the allowance for credit losses. The Company estimates the current expected credit loss on its receivables based on various factors, including historical credit loss experience, customer credit worthiness, value of collaterals (if any), and any relevant current and reasonably supportable future economic factors. Trade receivable balances are written off against the allowance when it is deemed probable that the trade receivable will not be collected.

(Dollars in Millions)	2022	2021	2020
Allowance for credit losses, beginning of period	<u>\$ (32)</u>	<u>\$ (37)</u>	<u>\$ (5)</u>
Provision	(9)	(4)	(9)
Utilization	5	8	6
Currency translation adjustment	1	1	1
Allowance for credit losses, end of period	<u><u>\$ (35)</u></u>	<u><u>\$ (32)</u></u>	<u><u>\$ (7)</u></u>

Inventories

Inventories are stated at the lower of cost or net realizable value and are accounted for using the first-in, first-out method.

Property, Plant and Equipment and Depreciation

Property, plant and equipment are stated at cost less accumulated depreciation. The Company utilizes the straight-line method of depreciation over the estimated useful lives.

Building and building equipment	20 - 30 years
Land and leasehold improvements	10 - 20 years
Machinery and equipment	2 - 13 years
Software	3 - 8 years

The Company capitalizes certain computer software and development costs when incurred in connection with developing or obtaining computer software for internal use. Upon retirement or other disposal of property, plant and equipment, the costs and related amounts of accumulated depreciation or amortization are eliminated from the asset and accumulated depreciation accounts, respectively. The difference, if any, between the net asset value and the proceeds are recorded in Other (income) expense, net, operating.

Intangible Assets

Intangible assets are reported at cost, less accumulated amortization and impairments. The Company amortizes intangible assets with a finite life over their respective useful lives on a straight-line basis. The estimated useful lives of patents, trademarks and customer relationships range from 3 years to 40 years and for other intangibles ranges from 20 years to 40 years. The useful lives for customer relationships are estimated based on various customer attributes including customer type, size, geography, length of relationships and nature of relationships. Intangible assets deemed to have indefinite lives are not amortized but are subjected to annual tests of impairment. See Note 4 for further details on Intangible Assets.

Goodwill

Goodwill represents the excess of the consideration transferred over the fair value of net assets of businesses acquired. The Combined Balance Sheets reflect goodwill established based on past transactions of the Consumer Health segment allocated to the Company's operations by the Parent. Goodwill is not amortized but is tested for impairment at least annually in the fourth quarter at the reporting unit level, or more frequently if impairment indicators exist, by first assessing qualitative factors to determine whether it is more likely than not that fair value is less than carrying value. If the Company concludes it is more likely than not that fair value is less than carrying value, a quantitative fair value test is performed. If carrying value is greater than fair value, a goodwill impairment charge will be recorded for the difference (up to the carrying value of goodwill). See Note 4 for further details on Goodwill.

Impairment of Long-Lived Assets

Long-lived assets with finite lives are tested for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. If indicators of impairment are present, the asset group is tested for recoverability by comparing the carrying value of the asset group to the related estimated undiscounted future cash flows expected to be derived from the asset group, which include the amount and timing of the projected future cash flows. If the expected undiscounted cash flows are less than the carrying value of the asset, then the asset is considered to be impaired and its carrying value is written down to fair value. If quoted market prices are not available, the Company will estimate fair value using a discounted value of estimated future cash flows. No indicators of impairment were present for fiscal years 2021 and 2020. See Note 4 for impairment recorded in fiscal year 2022.

Indefinite-lived intangible assets are tested for impairment annually or more frequently if events or changes in circumstances between annual tests indicate that the asset may be impaired. Impairment losses on indefinite-lived intangible assets are recognized based on a comparison of the fair value of the asset to its carrying value.

Financial Instruments

The Parent and Company use derivative financial instruments to manage exposure to foreign currency fluctuations. The Company participates in the Parent's centralized hedging and offsetting programs. The effects of foreign currency derivatives are allocated to the Company based on the portion that is deemed to be associated with the Company's operations.

Additionally, in certain jurisdictions, 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 sales and third-party purchases of materials denominated in a foreign currency. The Company uses interest rate swaps as an instrument to manage interest rate risk related to forecasted fixed rate borrowings.

As required by U.S. GAAP, all derivative instruments held by the Company are recorded on the balance sheet at fair value. Fair value is the exit price that would be received to sell an asset or paid to transfer a liability. Fair value is a market-based measurement determined using assumptions that market participants would use in pricing an asset or liability. The authoritative literature establishes a three-level hierarchy to prioritize the inputs used in measuring fair value, with Level 1 having the highest priority and Level 3 having the lowest. Changes in the fair value of derivatives designated as cash flow hedges are recorded in other comprehensive income until the underlying transaction affects earnings, and are then reclassified to earnings in the same account as the hedged transaction. Any changes in the fair value of derivatives designated as fair value hedges are recorded in net income.

The Parent and Company document all relationships between hedged items and derivatives. The overall risk management strategy includes reasons for undertaking hedge transactions and entering into derivatives. The objectives of this strategy are: (1) minimize foreign currency exposure's impact on the Company's financial performance; (2) protect the Company's cash flow from adverse movements in foreign exchange rates; (3) ensure the appropriateness of financial instruments; (4) manage the enterprise risk associated with financial institutions; and (5) reduce exposure to fluctuation in variable interest rates.

See Note 12 to the Combined Financial Statements for further information on fair value instruments.

Revenue Recognition

The Company's revenue contracts represent a single performance obligation to sell its products to customers. Revenue from the sale of products to customers is recognized at a single point in time when control transfers, which can be on the date of shipment or the date of receipt by the customer depending on the terms of the contract. Net sales exclude taxes collected by the Company on behalf of governmental authorities. In addition, the Company has elected to account for shipping and handling activities as fulfillment costs and includes the shipping and handling fees charged to the customers as a part of the transaction price to be recognized when control of the product transfers. The Company's global payment terms are typically between 30 to 90 days.

Trade promotions, comprised of coupons, product listing allowances, cooperative advertising arrangements, volume-based incentive programs, as well as discounts to customers, rebates, sales incentives, and product returns, are accounted for as variable consideration and recorded as a reduction in sales in the same period as the related sale. To estimate variable consideration, the Company may apply both the "expected value" method and the "most likely amount" method based on the form of variable consideration, after considering which method would provide the best prediction of consideration to be received from the Company's customers. The redemption cost of consumer coupons is based on historical redemption experience by product and value. Volume-based incentive programs are based on the estimated sales volumes for the incentive period. The related liability is recognized within Accrued rebates, returns and promotions on the Combined Balance Sheets.

Sales returns are almost exclusively not resalable, the related reserves are recorded at full sales value and estimated based on historical sales and return information.

See Note 15 to the Combined Financial Statements for further disaggregation of net sales.

Leases

The Company determines whether an arrangement is a lease at contract inception by establishing if the contract conveys the right to control the use of identified property, plant, or equipment for a period of time in exchange for consideration. Right of Use ("ROU") assets and lease liabilities for operating leases are included in Other assets, Accrued liabilities, and Other liabilities on the Combined Balance Sheets. The ROU assets represent the right to use an underlying asset for the lease term and lease liabilities represent an obligation to make lease payments arising from the lease.

ROU assets and lease liabilities are recognized at the lease commencement date based on the present value of all minimum lease payments over the lease term. The Company uses the Parent's incremental borrowing rate based on the information available at commencement date in determining the present value of lease payments, when the implicit rate is not readily determinable. Lease terms may include options to extend or terminate the lease. These options are included in the lease term when it is reasonably certain that the Company will exercise that option. Operating lease expense is recognized on a straight-line basis over the lease term. The Company has elected the following policy elections on adoption: use of portfolio approach on leases of assets under master service agreements, exclusion of short-term leases on the balance sheet, and not separating lease and non-lease components.

The Company primarily has operating leases for space, vehicles, manufacturing equipment and data processing equipment. The ROU asset pertaining to operating leases was \$110 million and \$126 million, in 2022 and 2021, respectively. The current and non-current lease liability was \$116 million and \$129 million, in 2022 and 2021, respectively. The operating lease costs were \$42 million, \$54 million and \$63 million, in 2022, 2021 and 2020, respectively. Cash paid for amounts included in the measurement of lease liabilities was \$43 million, \$55 million and \$63 million in 2022, 2021 and 2020 respectively. Weighted-average remaining lease term for operating leases was 7 years for 2022 and 6 years for 2021. The weighted-average discount rate for operating leases was 2.0% and 3.0% for 2022 and 2021, respectively.

The estimated operating lease future payments before tax for the five succeeding years and thereafter is approximately:

(Dollars in Millions)	
2023	\$ 51
2024	55
2025	44
2026	22
2027	9
Thereafter	83
Total	254
Less: Imputed Interest	(8)
Total current and non-current lease liability	\$ 246

Advertising

Costs associated with advertising are expensed in the year incurred and are included in Selling, general, and administrative expenses. Advertising expenses worldwide, which comprised television, radio, print media and digital advertising, were \$1,356 million, \$1,461 million and \$1,230 million in fiscal years 2022, 2021 and 2020, respectively.

Shipping and Handling

Shipping and handling costs incurred were \$322 million, \$305 million and \$295 million in fiscal years 2022, 2021 and 2020, respectively, and are included in Selling, general, and administrative expenses.

Product Liability

Accruals for product liability claims are recorded, on an undiscounted basis, when it is probable that a liability has been incurred and the amount of the liability can be reasonably estimated based on existing information and actuarially determined estimates where applicable. The accruals are adjusted periodically as additional information becomes available. The Company accrues an estimate of the legal defense costs needed to defend each matter when these costs are probable and can be reasonably estimated. To the extent adverse verdicts have been rendered against the Company, the Company does not record an accrual until a loss is determined to be probable and can be reasonably estimated.

Research and Development

Research and development expenses are expensed as incurred and included within Selling, general, and administrative expenses. Research and development costs were \$375 million, \$355 million and \$320 million for fiscal year 2022, 2021 and 2020, respectively.

Income Taxes

Income taxes are recorded based on amounts refundable or payable for the current fiscal year and include the results of any differences between U.S. GAAP accounting and tax reporting, recorded as deferred tax assets or liabilities. The Company estimates deferred tax assets and liabilities based on enacted tax regulations and rates. Future changes in tax laws and rates may affect recorded deferred tax assets and liabilities.

U.S. federal, state and foreign income tax payables and receivables are recognized in the Combined Balance Sheets for entities that file separate income tax returns and make direct payments to taxing authorities. U.S. federal, state and foreign income tax payables and receivables for entities that file a combined, consolidated or group income tax return with the Parent are deemed settled with the Parent and are included in the "Net Investment from Parent."

Management establishes valuation allowances on deferred tax assets when it is determined "more likely than not" that some portion or all of the deferred tax assets may not be realized. Management considers positive and negative evidence in evaluating the Company's ability to realize its deferred tax assets, including its historical results and forecasts of future taxable income on a jurisdiction-by-jurisdiction basis.

The Company has unrecognized tax benefits for uncertain tax positions. The Company follows U.S. GAAP which prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. The estimates for these positions are regularly assessed based upon all available information. These estimates may be revised in the future and such changes may have a material additional expense or benefit to the Company's financial results or its effective tax rate.

In the United States, the Tax Cuts and Jobs Act of 2017 (the "TCJA") enacted in 2017 includes provisions for a tax on global intangible low-taxed income ("GILTI"). GILTI is described as the excess of a U.S. shareholder's total net foreign income over a deemed return on tangible assets, as provided by the TCJA. In January 2018, the FASB issued guidance that allowed companies to elect as an accounting policy whether to record the tax effects of GILTI in the period the tax liability is generated (i.e., "period cost") or to provide for deferred tax assets and liabilities related to basis differences that exist at the balance sheet date and are expected to affect the amount of GILTI inclusion in future years upon reversal (i.e., "deferred method"). The Company has elected to account for GILTI under the deferred method. The deferred tax amounts recorded are based on the evaluation of temporary differences that are expected to reverse as GILTI is incurred in future periods.

See Note 11 to the Combined Financial Statements for further information regarding income taxes.

Stock-Based Compensation

Certain employees of the Company participate in the Parent's stock-based compensation plans. Stock-based compensation expense related to these plans is recognized based on specific identification of cost related to the Company's employees. The Company also receives allocated stock-based compensation expense relating to employees of central support functions provided by the Parent.

Foreign Currency Translation

For translation of its international operations, the Company has determined that the local currencies are the functional currencies except those in highly inflationary economies, which are defined as those which have had compound cumulative rates of inflation of 100% or more during the past three years, or where a substantial portion of its cash flows are not in the local currency. For the majority of the Company's international operations the local currency is the functional currency.

The net assets of international operations where the local currencies have been determined to be the functional currencies are translated into U.S. dollars, the reporting currency, using period-end exchange rates and at the average exchange rates for the reporting period for revenue and expense accounts. The cumulative foreign currency translation adjustment is recorded as a component of Accumulated other comprehensive loss in equity. Foreign currency translation recorded in these Combined Financial Statements is based on currency movements specific to the Company's assets and liabilities included on the Combined Balance Sheets during the periods presented. Foreign currency exchange gains and losses on transactions occurring in a currency other than an operation's functional currency are recognized as a component of Other expense (income), net in the Combined Statements of Operations. Net currency transaction losses (gains) were \$105 million, \$(16) million and \$16 million in fiscal years 2022, 2021 and 2020, respectively.

Recently Issued Accounting Standards, Not Adopted as of January 1, 2023

ASU 2022-04: Liabilities-Supplier Finance Programs (Topic 405-50) – Disclosure of Supplier Finance Program Obligations

This update requires that a buyer in a supplier finance program disclose additional information about the program to allow financial statement users to better understand the effect of the programs on an entity's working capital, liquidity, and cash flows. This update will be effective for the Company for fiscal years beginning after December 15, 2022, except for the amendment on roll forward information, which is effective for fiscal years beginning after December 15, 2023. Early adoption is permitted. The Company is currently assessing the impact of this update on its disclosures and will adopt this standard in the first quarter of 2023.

Reclassifications

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

2. Inventories

At the end of fiscal years 2022 and 2021, inventories were comprised of:

(Dollars in Millions)	2022	2021
Raw materials and supplies	\$ 351	\$ 4
Goods in process	123	6
Finished goods	1,752	1,009
Total inventories	\$ 2,226	\$ 1,019

3. Property, Plant and Equipment

At the end of fiscal years 2022 and 2021, property, plant and equipment at cost and accumulated depreciation were:

(Dollars in Millions)	2022	2021
Machinery and equipment	\$ 2,280	\$ 2,016
Buildings and building equipment	1,709	1,744
Software	1,329	1,603
Construction in progress	307	428
Land and land improvements	75	79
Total property, plant and equipment, gross	\$ 5,700	\$ 5,770
Less: accumulated depreciation	(3,880)	(3,543)
Total property, plant and equipment, net	\$ 1,820	\$ 1,227

Depreciation expense in fiscal years 2022, 2021 and 2020 was \$296 million, \$317 million and \$331 million, respectively.

4. Intangible Assets and Goodwill

At the end of fiscal years 2022 and 2021, the gross and net amounts of intangible assets were:

(Dollars in Millions)	2022			2021		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Definite-lived intangible assets:						
Patents and trademarks	\$ 4,400	\$ (1,485)	\$ 2,915	\$ 4,705	\$ (1,350)	\$ 3,355
Customer relationships	2,127	(1,063)	1,064	2,265	(1,021)	1,244
Other intangibles	1,343	(650)	693	1,377	(628)	749
Total definite-lived intangible assets	7,870	(3,198)	4,672	8,347	(2,999)	5,348
Indefinite-lived intangible assets:						
Trademarks	5,122	—	5,122	5,291	—	5,291
Other	59	—	59	62	—	62
Total intangible assets, net	\$ 13,051	\$ (3,198)	\$ 9,853	\$ 13,700	\$ (2,999)	\$ 10,701

The weighted average amortization period for patents and trademarks is 20 years. The weighted average amortization period for customer relationships is 31 years and is driven by large established distributors in various regional markets. These customers have been operating in these markets for many years and are expected to continue to operate in these markets for the foreseeable future. The weighted average amortization period for other intangible assets is 34 years. A majority of the other intangible assets relates to the Parent's acquisition of Pfizer Consumer Health in 2006. The amortization expense of amortizable assets included in Cost of sales was \$348 million, \$414 million and \$415 million, for the fiscal years 2022, 2021 and 2020 respectively. Amortization of intangible assets is inclusive of amortization on trademarks of \$187 million, \$213 million, and \$197 million for the fiscal years 2022, 2021, and 2020, respectively. Amortization on the remaining intangible assets is \$161 million, \$201 million, and \$218 million for the fiscal years 2022, 2021, and 2020, respectively. Carrying amount changes from fiscal year 2021 to fiscal year 2022 are primarily driven by currency translation. The Company recognized an intangible impairment of \$12 million related to certain definite-lived trademarks deemed as irrecoverable in Other (income) expense, net, operating for the fiscal year ended January 1, 2023.

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

(Dollars in Millions)	2023	2024	2025	2026	2027
\$	314	\$ 304	\$ 280	\$ 276	\$

During 2022, the Company realigned and began managing its operations differently, and as a result the Company reallocated its goodwill to align with the new operating segments during 2022. This realignment in segment structure resulted in a change in the Company's former reporting units, which are now divided between: (i) Self Care, (ii) Skin Health and Beauty and (iii) Essential Health, which are also the Company's reportable segments. As a result of this realignment, goodwill was reassigned to each of the reporting units using a relative fair value approach. The Company estimates the fair values of a reporting unit using a discounted cash flow model.

Goodwill by reportable segment is as follows:

(Dollars in Millions)	Consumer Health Business	Self Care	Skin Health and Beauty	Essential Health	Total
Goodwill at January 3, 2021	\$ 10,326	\$ —	\$ —	\$ —	\$ 10,326
Currency translation/other	(516)	—	—	—	(516)
Goodwill at January 2, 2022	\$ 9,810	\$ —	\$ —	\$ —	\$ 9,810
Currency translation/other	(664)	—	—	—	(664)
Goodwill at July 3, 2022	\$ 9,146	\$ —	\$ —	\$ —	\$ 9,146
Realignment of segment goodwill	(9,146)	5,193	2,334	1,619	—
Currency translation/other	—	1	31	7	39
Goodwill at January 1, 2023	\$ —	\$ 5,194	\$ 2,365	\$ 1,626	\$ 9,185

A majority of the goodwill relates to the Parent's acquisition of Pfizer Consumer Health in 2006.

The fair value of a reporting unit refers to the price that would be received to sell the unit as a whole in an orderly transaction between market participants. The Company estimates the fair values of a reporting unit using a discounted cash flow model. The discounted cash flow model relies on assumptions regarding revenue and net income growth rates, projected working capital needs, capital expenditures, and discount rates. To estimate fair value, the Company discounts the forecasted cash flows of each reporting unit. The discount rate the Company uses represents the estimated weighted average cost of capital, which reflects the overall level of inherent risk involved in its reporting unit operations and the rate of return a market participant would expect to earn. The quantitative fair value test is performed utilizing long-term growth rates and discount rates applied to the estimated cash flows in estimation of fair value.

To forecast a reporting unit's cash flows the Company takes into consideration economic conditions and trends, estimated future operating results, management's projections, and a market participant's view of growth rates and product lives, and anticipates future economic conditions. Revenue growth rates inherent in these forecasts are based on input from internal and external market research that compare factors such as growth in global economies, recent industry trends and product life-cycles. Macroeconomic factors such as changes in economies, changes in the competitive landscape, changes in government legislation, product life-cycles, industry consolidations and other changes beyond the Company's control could have a positive or negative impact on achieving its targets. Accordingly, if market conditions deteriorate, or if the Company is unable to execute its strategies, it may be necessary to record impairment charges in the future.

Re-segmentation Goodwill Impairment Test

Following the change in reporting units during 2022, the Company performed a quantitative impairment test on each of the reporting units: (i) Self Care, (ii) Skin Health and Beauty and (iii) Essential Health. After completing the testing, the fair value of each of these reporting units exceeded its carrying value, and, therefore, there was no impairment to goodwill.

Annual Goodwill Impairment Tests

The Company completed its annual goodwill impairment tests for fiscal years 2022, 2021, and 2020 and concluded that no impairment to goodwill was necessary as the fair value of each reporting unit was in excess of its respective carrying value.

5. Employee Related Obligations

At the end of fiscal years 2022 and 2021, employee related obligations recorded on the Combined Balance Sheets were:

(Dollars in Millions)	2022	2021
Pension benefits	\$ 216	\$ 203
Postretirement benefits	5	5
Total employee obligations	<u>221</u>	<u>208</u>
Less: current benefits in Accrued liabilities	(7)	(6)
Employee related obligations - non-current	<u>\$ 214</u>	<u>\$ 202</u>

6. Pensions and Other Benefit Plans

Single Employer Plans

The Company is the plan sponsor for certain defined benefit retirement plans and other benefit plans and these Combined Financial Statements reflect the periodic benefit costs and funded status of such plans. The Company uses December 31 as the fiscal year-end measurement date for these plans. The Company's defined benefit retirement plans are located outside the United States.

Net periodic benefit costs for the Company's defined benefit retirement plans and other benefit plans sponsored by the Company for 2022, 2021 and 2020 include the following components:

(Dollars in Millions)	Retirement Plans			Other Benefit Plans		
	2022	2021	2020	2022	2021	2020
Service cost	\$ 8	\$ 7	\$ 6	\$ —	\$ —	\$ —
Interest cost	4	2	3	—	1	—
Recognized actuarial losses (gain)	4	6	5	—	(1)	—
Curtailments and settlements	—	—	1	—	—	—
Expected return on plan assets	(1)	—	—	—	—	—
Net periodic benefit cost	<u>\$ 15</u>	<u>\$ 15</u>	<u>\$ 15</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>

The service cost component of net periodic benefit cost is presented in the same line items on the Combined Statements of Operations where other employee compensation costs are reported, including Cost of sales and Selling, general, and administrative expenses. All other components of net periodic benefit costs are presented as part of Other expense (income), net on the Combined Statements of Operations.

The following table represents the weighted-average actuarial assumptions:

Worldwide Benefit Plans	Retirement Plans			Other Benefit Plans		
	2022	2021	2020	2022	2021	2020
Net Periodic Benefit Cost						
Service cost discount rate	2.3 %	1.2 %	1.5 %	— %	— %	— %
Interest cost discount rate	3.1 %	0.7 %	1.0 %	— %	— %	— %
Rate of increase in compensation levels	2.5 %	2.7 %	2.7 %	— %	— %	— %
Expected long-term rate of return on plan assets	2.9 %	2.1 %	2.5 %	— %	— %	— %
Benefit Obligation						
Discount rate	4.2 %	1.4 %	1.1 %	12.3 %	11.5 %	13.0 %
Rate of increase in compensation levels	2.7 %	2.7 %	2.7 %	— %	— %	— %

The Company's discount rates are determined by considering current yield curves representing high quality, long-term fixed income instruments. The resulting discount rates are consistent with the duration of plan liabilities. The Company's methodology in determining service and interest cost uses duration specific spot rates along that yield curve to the plans' liability cash flows.

The expected rates of return on plan asset assumptions represent the Company's assessment of long-term returns on diversified investment portfolios globally. The assessment is determined using projections from external financial sources, long-term historical averages, actual returns by asset class and the various asset class allocations by market.

The healthcare cost trend rates have reached the ultimate trend rates of 8.3% and 8.3% for fiscal years 2022 and 2021 respectively.

The following table sets forth information related to the benefit obligation and the fair value of plan assets at fiscal year-end 2022 and 2021 for the deferred benefit retirement plans and other benefit plans sponsored by the Company:

(Dollars in Millions)	Retirement Plans		Other Benefit Plans	
	2022	2021	2022	2021
Change in Benefit Obligation				
Projected benefit obligation - beginning of year	\$ 303	\$ 347	\$ 5	\$ 5
Service cost	8	7	—	—
Interest cost	4	2	—	—
Actuarial gain ⁽¹⁾	(82)	(21)	—	—
Curtailments, settlements & restructuring	—	—	—	—
Benefits paid from plan	(8)	(9)	—	—
Effect of exchange rates	(19)	(23)	—	(1)
Other ⁽²⁾	29	—	—	—
Projected benefit obligation - end of year	<u>\$ 235</u>	<u>\$ 303</u>	<u>\$ 5</u>	<u>\$ 5</u>
Change in Plan Assets				
Plan assets at fair value - beginning of year	\$ —	\$ —	\$ —	\$ —
Company contributions	9	9	—	—
Benefits paid from plan assets	(8)	(9)	—	—
Actual return on plan assets	(1)	—	—	—
Effect of exchange rates	(2)	—	—	—
Transfers	21	—	—	—
Plan assets at fair value - end of year	<u>19</u>	<u>—</u>	<u>—</u>	<u>—</u>
Funded status - end of year	<u>(216)</u>	<u>(303)</u>	<u>—</u>	<u>—</u>
Amounts Recognized in the Company's Balance Sheet consist of the following:				
Accrued liabilities	(7)	(6)	—	—
Employee related obligations - non-current	(209)	(297)	(5)	(5)
Total recognized in the Combined Balance Sheets - end of year	<u>(216)</u>	<u>(303)</u>	<u>(5)</u>	<u>(5)</u>
Amounts Recognized in Accumulated Other Comprehensive Income consist of the following:				
Net actuarial (gain) loss	(15)	79	(4)	(4)
Prior service cost	4	2	—	—
Total before tax effects	<u>(11)</u>	<u>81</u>	<u>(4)</u>	<u>(4)</u>
Accumulated Benefit Obligations - end of year	<u>\$ 204</u>	<u>\$ 262</u>	<u>\$ 3</u>	<u>\$ 3</u>

(1) The actuarial gain for retirement plans in 2022 was primarily related to increases in discount rates

(2) This amount includes \$25 million related to new unfunded pension plans included in the balance during 2022 from the Parent and other pension plans. See Note 9.

(Dollars in Millions)	Retirement Plans		Other Benefit Plans	
	2022	2021	2022	2021
Amounts Recognized in Net Periodic Benefit Cost and Other Comprehensive Income				
Net periodic benefit cost	\$ 15	\$ 15	\$ —	\$ —
Net actuarial gain ⁽¹⁾	(82)	(21)	—	—
Amortization of net actuarial loss	(4)	(6)	—	—
Effect of exchange rates	(6)	(7)	—	—
Total (income)/loss recognized in other comprehensive income, before tax	\$ (92)	\$ (34)	\$ —	\$ —
Total recognized in net periodic benefit cost and other comprehensive income	\$ (77)	\$ (19)	\$ —	\$ —

(1) The actuarial gain for retirement plans in 2022 was primarily related to increases in discount rates

The Company's pension plans are funded in accordance with local regulations. Additional discretionary contributions are made when deemed appropriate to meet the long-term obligations of the plans. For certain plans, funding is not a common practice, as funding provides no economic benefit. Consequently, the Company's pension plans are not funded. The following table displays the projected future benefit payments from the Company's defined benefit retirement plans and other benefit plans:

(Dollars in Millions)	2023	2024	2025	2026	2027	2028-2030
Projected future benefit payments						
Retirement plans	\$ 10	\$ 11	\$ 12	\$ 12	\$ 13	\$ 80
Other benefit plans	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 2

The Company currently has no projected benefit plan contributions.

The Company's retirement plan assets at the end of 2022 were primarily comprised of debt, equity and insurance contracts.

The Company's retirement plan asset allocation at the end of 2022 and 2021 and target allocations for 2023 are as follows:

Worldwide Retirement Plans	Percent of Plan Assets		Target Allocation
	2022	2021	2023
Equity securities	42 %	— %	42 %
Debt securities	56 %	— %	56 %
Other assets	2 %	100 %	2 %
Total plan assets	100 %	100 %	100 %

Determination of Fair Value of Plan Assets

The Plan has an established and well-documented process for determining fair values. Fair value is based upon quoted market prices, where available. If listed prices or quotes are not available, fair value is based upon models that primarily use, as inputs, market-based or independently sourced market parameters, including yield curves, interest rates, volatilities, equity or debt prices, foreign exchange rates and credit curves.

While the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different estimate of fair value at the reporting date.

Valuation Hierarchy

The authoritative literature establishes a three-level hierarchy to prioritize the inputs used in measuring fair value. The levels within the hierarchy are described in the table below with Level 1 having the highest priority and Level 3 having the lowest. The Net Asset Value (NAV) is based on the value of the underlying assets owned by the fund, minus its liabilities, and then divided by the number of shares outstanding.

A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

Following is a description of the valuation methodologies used for the investments measured at fair value.

- *Debt instruments* — A limited number of these investments are valued at the closing price reported on the major market on which the individual securities are traded. Where quoted prices are available in an active market, the investments are classified as Level 1. If quoted market prices are not available for the specific security, then fair values are estimated by using pricing models, quoted prices of securities with similar characteristics or discounted cash flows and are classified as Level 2. Level 3 debt instruments are priced based on unobservable inputs.
- *Equity securities* — Equity securities are valued at the closing price reported on the major market on which the individual securities are traded. Substantially all equity securities are classified within Level 1 of the valuation hierarchy.
- *Other assets* — Other assets are primarily related to insurance contracts. The instruments are issued by insurance companies. The fair value is based on negotiated value and the underlying investments held in separate account portfolios as well as considering the credit worthiness of the issuer. The underlying investments are government, asset-backed and fixed income securities. In general, insurance contracts are classified as Level 3 as there are no quoted prices nor other observable inputs for pricing.

The following table sets forth the Retirement Plans' investments measured at fair value as of January 1, 2023 and January 2, 2022:

(Dollars in Millions)	Quoted Prices in Active Markets for Identical Assets (Level 1)		Significant Other Observable Inputs (Level 2)		Significant Unobservable Inputs (Level 3)		Total Assets	
	2022	2021	2022	2021	2022	2021	2022	2021
Debt instruments	\$ —	\$ —	\$ 9	\$ —	\$ —	\$ —	\$ 9	\$ —
Equity securities	9	—	—	—	—	—	9	—
Other assets	—	—	—	—	1	—	1	—
Investments at fair value	\$ 9	\$ —	\$ 9	\$ —	\$ 1	\$ —	\$ 19	\$ —

Multiemployer Plans

The Parent has defined benefit pension plans covering eligible employees in the United States and in certain of its international subsidiaries. The Parent also provides medical benefits, principally to its U.S. retirees and their dependents through its other postretirement benefit plans. The participation of the Company's employees and retirees in these plans is reflected as though the Company participated in a multiemployer plan with the Parent. Liabilities associated with these plans are not reflected in the Company's Combined Balance Sheets. The Combined Statements of Operations includes expense allocations for these benefits which were determined using a proportional allocation method. Total benefit plan expense allocated to the Company amounted to \$54 million, \$93 million and \$94 million for fiscal years 2022, 2021 and 2020, respectively.

Savings Plan

In the United States, the Parent has voluntary 401(k) savings plans designed to enhance the existing retirement programs covering eligible employees. The Parent matches a percentage of each employee's contributions consistent

with the provisions of the plan for which he/she is eligible. Total Parent matching contributions attributable to the Company's employees were \$14 million, \$14 million and \$12 million in fiscal years 2022, 2021 and 2020, respectively.

Post-Employment Benefit Plans

Additionally, the Parent maintains a post-employment benefit plan to provide limited benefits to its former employees, including former employees of the Company, if they are involuntarily terminated. The duration of these benefits are generally based on the employee's term of service with the Parent, and includes both severance compensation and other benefits, including medical coverage. The post-employment plan is published and is considered a benefit to employees which is earned over the employee's term of service. As a result, the Parent recognizes the cost of this benefit as it is earned by the employee as required by ASC 712: Compensation - non-retirement post-employment benefits. The cost of this benefit allocated to the Company in fiscal years 2022, 2021 and 2020 was approximately \$46 million, \$49 million and \$53 million, respectively, and is reflected as an expense in the Combined Statements of Comprehensive Income (Loss).

7. Accumulated Other Comprehensive Loss

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

(Dollars in Millions)	Foreign Currency Translation	Employee Benefit Plans	Gain/ (Loss) On Derivatives & Hedge	Total Accumulated Other Comprehensive (Loss) Income
December 29, 2019	\$ (4,350)	\$ (65)	\$ (2)	\$ (4,417)
Net 2020 changes	855	(11)	1	845
January 3, 2021	(3,495)	(76)	(1)	(3,572)
Net 2021 changes	(926)	25	(1)	(902)
January 2, 2022	(4,421)	(51)	(1)	(4,473)
Net 2022 changes	(1,053)	63	10	(980)
January 1, 2023	<u>\$ (5,474)</u>	<u>\$ 12</u>	<u>\$ 9</u>	<u>\$ (5,453)</u>

Amounts in Accumulated other comprehensive loss are presented net of the related tax impact. Foreign currency translation is not adjusted for income taxes where it relates to permanent investments in international operations. For additional details on comprehensive income, see the Combined Statements of Comprehensive Income (Loss).

8. Stock-Based Compensation

At January 1, 2023, the Parent had three stock-based compensation plans. The shares outstanding are for contracts under the Parent's 2005 Long-Term Incentive Plan and the 2012 Long-Term Incentive Plan. The 2005 Long-Term Incentive Plan expired on April 26, 2012. On March 7, 2022, the Parent's Board of Directors approved the 2022 Long-Term Incentive Plan (the "2022 Plan") providing the grant of non-qualified stock options, incentive stock options, stock appreciation rights, RSUs, performance shares, PSUs, other stock-based awards and cash awards to employees and directors including the Company's personnel. The 2022 Plan became effective in April 2022. All options and restricted shares granted subsequent to that date were under this plan.

The components and classification of stock-based compensation expense related to stock options, Restricted Stock Units ("RSUs"), and Performance Stock Units ("PSUs") directly attributable to those employees specifically

identified as employees of the Company and allocations from the Parent for fiscal years 2022, 2021 and 2020 were as follows:

(Dollars in Millions)	2022	2021	2020
Stock options	\$ 43	\$ 41	\$ 37
RSUs	74	73	67
PSUs	20	27	11
Stock-based compensation expense	137	141	115
Cost of sales	30	33	29
Selling, general and administrative expenses	107	108	86
Stock-based compensation expense	\$ 137	\$ 141	\$ 115

Stock-based compensation expense includes \$26 million, \$38 million and \$28 million for fiscal years 2022, 2021 and 2020 respectively, of allocated charges from the Parent, based on percentage attribution related to Parent employees providing services to the Company.

The following quantitative stock option, RSU and PSU information relates to awards to those employees specifically identified as employees of the Company.

Stock Options

Stock options expire 10 years from the date of grant and vest over service periods that range from 6 months to 4 years. All options were granted at the average of the high and low prices of the Parent's common stock on the New York Stock Exchange on the date of grant.

The fair value of each option award was estimated on the date of grant using the Black-Scholes option valuation model that uses the assumptions noted in the following table. For fiscal years 2022, 2021 and 2020 grants, expected volatility represents a blended rate of 10-year weekly historical overall volatility rate, and a 5-week average implied volatility rate based on at-the-money traded Parent options with a life of 2 years. For all grants, the Parent's historical data is used to determine the expected life of the option. The risk-free rate was based on the U.S. Treasury yield curve in effect at the time of grant.

The average fair value of options granted was \$23.23, \$20.86 and \$16.42, in fiscal years 2022, 2021 and 2020, respectively.

The fair value was estimated based on the weighted average assumptions of:

	2022	2021	2020
Risk-free rate	2.0 %	0.8 %	1.4 %
Expected volatility	18.0 %	18.6 %	15.2 %
Expected life (in years)	7	7	7
Expected dividend yield	2.7 %	2.5 %	2.0 %

A summary of option activity under the Plans as of January 1, 2023, and changes during the year is presented below:

(Shares in Thousands)	Outstanding Shares	Weighted Average Exercise Price	Aggregate Intrinsic Value
			(Dollars in Millions)
Shares at January 2, 2022	8,657	132.58	\$ 1,131.3
Options granted	1,783	165.89	
Options exercised	(1,018)	112.53	
Options canceled/forfeited/adjusted ⁽¹⁾	(1,201)	114.19	
Shares at January 1, 2023	8,221	\$ 144.03	\$ 1,188.3
Options vested and expected to vest at January 1, 2023	8,017	\$ 143.55	\$ 1,155.5

(1) Includes employee transfers in and out.

The total intrinsic value of options exercised was \$64 million, \$56 million and \$50 million in fiscal years 2022, 2021 and 2020, respectively. The weighted-average remaining contractual term of options vested and expected to vest was 6.6 years at January 1, 2023.

The following table summarizes stock options outstanding and exercisable at January 1, 2023:

(Shares in Thousands)	Outstanding			Exercisable	
	Options	Average Life ⁽¹⁾	Weighted Average Exercise Price	Options	Weighted Average Exercise Price
Exercise Price Range					
\$72.54-\$100.48	475	1.6	\$ 94.95	476	\$ 94.95
\$101.87-\$115.67	1,062	3.7	109.51	1,062	109.51
\$129.51-\$141.06	1,766	5.7	130.94	1,753	130.93
\$151.41-\$164.62	3,139	7.6	158.11	—	—
\$164.63-\$165.89	1,779	9.1	165.89	—	—
	8,221	6.7	\$ 144.03	3,291	\$ 118.83

(1) Average contractual life remaining in years

Stock options outstanding at January 1, 2023 and January 2, 2022 were 8,221 and an average life of 6.7 years, and 8,657 and an average life of 6.4 years, respectively. Stock options exercisable at January 1, 2023 and January 2, 2022 were 3,291 at an average exercise price of \$118.83 and 3,693 at an average exercise price of \$109.21, respectively.

Restricted Share Units and Performance Share Units

The Parent granted restricted share units which vest over service periods that range from 6 months to 3 years. The Parent also granted performance share units, which are paid in shares of Parent common stock after the end of a three-year performance period. Whether any performance share units vest, and the amount that does vest, is tied to the completion of service periods that range from 6 months to 3 years and the achievement, over a three-year period, of three equally-weighted goals that directly align with or help the Parent drive long-term total shareholder return: operational sales, adjusted operational earnings per share, and relative total shareholder return. Beginning in fiscal year 2020, performance shares were granted with two equally-weighted goals that directly align with or help drive Parent's long-term total shareholder return: adjusted operational earnings per share and relative total shareholder return. The number of shares actually earned at the end of the three-year period will vary, based only on actual performance, from 0% to 200% of the target number of performance share units granted.

A summary of the unvested restricted share units and performance share units activity under the Plans as of January 1, 2023 is presented below:

(Shares in Thousands)	Outstanding Restricted Share Units	Outstanding Performance Share Units
Shares at January 2, 2022	1,206	88
Granted	475	5
Issued	(364)	(28)
Canceled/forfeited/adjusted ⁽¹⁾	(87)	(4)
Shares at January 1, 2023	1,230	61

(1) Includes employee transfers in and out.

The weighted average grant date fair value of the restricted share units granted was \$153.69, \$152.73 and \$139.88 in fiscal years 2022, 2021 and 2020, respectively, using the fair market value at the date of grant. The fair value of restricted share units was discounted for dividends, which are not paid on the restricted share units during the vesting period. The aggregate fair value of restricted share units issued was \$44 million, \$45 million and \$43 million in 2022, 2021 and 2020, respectively.

The weighted average per unit grant date fair value of the performance share units granted was \$178.45, \$187.50 and \$177.16 in fiscal years 2022, 2021 and 2020, calculated using the weighted average grant date fair market value for each of the component goals at the date of grant.

The fair value for the relative total shareholder return goal of each performance share unit was estimated on the date of grant using a Monte Carlo valuation model. The aggregate fair value of performance share units issued was \$4 million, \$5 million and \$4 million in fiscal years 2022, 2021 and 2020, respectively.

For fiscal years 2022, 2021 and 2020, the total remaining unrecognized compensation cost for stock options, RSUs, and PSUs was \$105 million, \$90 million and \$75 million, respectively. The weighted-average remaining requisite service period is approximately 1.79 years, 1.76 years and 1.74 years for fiscal years 2022, 2021 and 2020, respectively.

9. Related Parties

The Company has not historically operated as a standalone business and the Combined Financial Statements are derived from the consolidated financial statements and accounting records of the Parent. The following disclosure summarizes activity between the Company and Parent.

Cost Allocations from Parent

Parent provides significant support functions to the Company. The Combined Financial Statements reflect an allocation of these costs. Similarly, certain of the Company's operations provide support to the Parent's affiliates and related costs for support are charged to the Parent's affiliates. Allocated costs included in Cost of sales relate to enterprise-wide support primarily consisting of facilities, insurance, logistics, quality and compliance which are predominantly allocated based on net sales. Allocated costs included in Selling, general, and administrative expenses primarily relate to finance, human resources, benefits administration, procurement support, information technology, legal, corporate strategy, corporate governance, other professional services and general commercial support functions and are predominantly allocated based on net sales or headcount. See Note 1 for a discussion of these costs and the methodology used to allocate them.

These allocations (excluding stock-based compensation expense), net of costs charged to the Parent's affiliates are reflected in the Combined Statement of Operations as follows:

(Dollars in Millions)	2022	2021	2020
Cost of sales	\$ 149	\$ 182	\$ 66
Selling, general, and administrative expenses	679	649	2
Total	\$ 828	\$ 831	\$ 68

Management believes these cost allocations are a reasonable reflection of the utilization of services provided to, or the benefit derived by, the Company during the periods presented. The allocations may not, however, be indicative of the actual expenses that would have been incurred had the Company operated as a standalone public company. Actual costs that may have been incurred if the Company had been a standalone public company would depend on a number of factors, including the chosen organizational structure, whether functions were outsourced or performed by Company's employees, and strategic decisions made in areas such as manufacturing, selling and marketing, research and development, information technology and infrastructure.

Net Transfers (to) from the Parent

Net transfers (to) from the Parent are included within Net Investment from Parent in the Combined Balance Sheets and Combined Statement of Equity and within financing activities in the Combined Statement of Cash Flows and represent the net effect of transactions between the Company and Parent. The components of Net transfers from (to) the Parent are as follows:

(Dollars in Millions)	2022	2021	2020
Cash pooling and general financing activities	\$ (2,568)	\$ (832)	\$ (4,414)
Corporate cost allocations	828	831	8
Taxes deemed settled with the Parent	78	44	1
Allocated derivative and hedging gain (losses)	65	(36)	(1)
Net transfers (to) from the Parent as reflected in the Combined Statements of Cash Flows	(1,597)	7	(3,416)
Stock-based compensation expense	137	141	5
Talc liability transferred to Parent, net of related deferred taxes (\$0, \$251, \$0)	—	765	—
Pension liabilities transferred from the Parent	(25)	—	—
Net transfers (to) from the Parent as reflected in the Combined Statements of Equity	\$ (1,485)	\$ 913	\$ (3,411)

During the fiscal year 2022, transfers between the Company and the Parent were recognized in Net transfers from (to) the Parent in the Combined Statement of Equity at the Parent's historical cost and consisted primarily of \$25 million of pension liabilities related to the Consumer Health Business from the Parent. See Note 6.

10. Other (income) expense, net, operating and Other expense (income), net

Other (income) expense, net, operating consisted of:

(Dollars in Millions)	2022	2021	2020
Litigation (income) expense ⁽¹⁾	\$ (7)	\$ 92	\$ 3,967
Royalty income ⁽²⁾	(39)	(89)	(100)
Other ⁽³⁾	23	12	4
Total Other (income) expense, net, operating	\$ (23)	\$ 15	\$ 3,871

- (1) Litigation expense includes \$154 million and 4,029 million of Talc-Related costs for the fiscal year 2021 and 2020, respectively, as well as \$74 million of beneficial settlements for Brazil VAT legal resolution for fiscal year 2021.

- (2) In connection with the Old JJCI corporate restructuring starting in October 2021, rights of Old JJCI and its affiliates to receive four streams of royalties payable from certain third parties were transferred to Royalty A&M LLC, an indirect wholly owned subsidiary of the Parent.
- (3) Other consists primarily of (gains) losses on asset disposals, certain restructuring expenses (Note 16), intangible impairment (Note 4), and miscellaneous (income) expenses.

Other expense (income), net consisted of:

(Dollars in Millions)	2022	2021	2020
Currency losses on transactions	\$ 42	\$ 20	\$ 40
Other ⁽¹⁾	(4)	(25)	(3)
Total Other expense (income), net	\$ 38	\$ (5)	\$ 37

- (1) Other consists primarily of business disposals, gains and losses on investments, other than service cost components of net periodic benefit costs, and miscellaneous non-operating (income) expenses.

11. Income Taxes

During the periods presented in the Combined Financial Statements, the Company operated as part of the Parent and did not file income tax returns on a standalone basis in all jurisdictions in which it operates. However, for the purposes of the Combined Financial Statements, the income taxes and related income tax accounts have been calculated using the separate return method as if the Company filed income tax returns on a standalone basis. In the future, as a standalone company, the income taxes and related income tax accounts of the Company may differ from those presented in the Combined Financial Statements.

The provision for taxes on income consists of:

(Dollars in Millions)	2022	2021	2020
Currently payable:			
U.S. taxes	\$ 75	\$ 8	\$ 88
International taxes	318	318	36
Total current taxes	393	326	124
Deferred:			
U.S. taxes	205	627	(1)
International taxes	(48)	(59)	(60)
Total deferred	157	568	(61)
Provision (benefit) for taxes on income	\$ 550	\$ 894	\$ (37)

STATE OF NEW MEXICO
COUNTY OF DOÑA ANA
THIRD JUDICIAL DISTRICT

GABRIEL G. OCHOA,

Plaintiff,

v.

D-307-CV-2023-01125

3M COMPANY, et al.,

Defendants.

**ORDER GRANTING DEFENDANT JANSSEN PHARMACEUTICALS, INC.,
JOHNSON & JOHNSON HOLDCO (NA) INC., AND KENVUE INC.'S
MOTION TO DISMISS**

THIS MATTER came before the Court on Defendant Janssen Pharmaceuticals, Inc., Johnson & Johnson Holdco (NA) Inc., and Kenvue Inc.'s Motion to Dismiss, filed July 24, 2023 ("Motion). The Court has reviewed the Motion and all briefing of the parties, has conducted oral argument on December 5, 2023, and is otherwise fully advised in the premises.

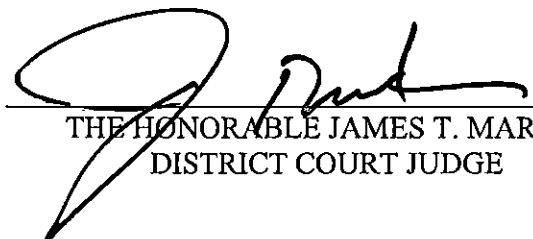
The Court FINDS as follows:

1. Janssen Pharmaceuticals, Inc., Johnson & Johnson Holdco (NA) Inc., and Kenvue Inc.'s Motion to Dismiss is well taken and should be granted. Applying Texas law, all talc liabilities formerly belonging to Johnson & Johnson Consumer Inc. (Old JJCI) are now owned by LTL management, LLC.

2. Plaintiff's claims against Janssen Pharmaceuticals, Inc., Johnson & Johnson Holdco (NA) Inc., and Kenvue Inc.'s Motion to Dismiss should accordingly be dismissed with prejudice.

NOW, THEREFORE, IT IS ORDERED, ADJUDGED AND DECREED:

All of Plaintiff's claims against Janssen Pharmaceuticals, Inc., Johnson & Johnson Holdco (NA) Inc., and Kenvue Inc. are hereby dismissed with prejudice.



THE HONORABLE JAMES T. MARTIN
DISTRICT COURT JUDGE

SUBMITTED BY:

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

AMENDMENT NO. 4
TO
FORM S-1
REGISTRATION STATEMENT UNDER
THE SECURITIES ACT OF 1933

Kenvue Inc.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

2844
(Primary Standard Industrial
Classification Code Number)

88-1032011
(I.R.S. Employer
Identification Number)

**199 Grandview Road
Skillman, NJ 08558
(908) 874-1200**
(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

**Thibaut Mongon
Kenvue Inc.
199 Grandview Road
Skillman, NJ 08558
(908) 874-1200**
(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copies to:

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(212) 474-1000**

**John B. Meade
Roshni Banker Cariello
Davis Polk & Wardwell LLP
450 Lexington Avenue
New York, NY 10017
(212) 450-4000**

Approximate date of commencement of proposed sale to the public: As soon as practicable after this registration statement becomes effective.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933 check the following box: ☐

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, 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, indicate 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 7(a)(2)(B) of the Securities Act. ☐

The registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until this registration statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

The information in this preliminary prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This preliminary prospectus is not an offer to sell these securities and is not soliciting an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

Subject to Completion, Dated April 24, 2023

Preliminary Prospectus

151,204,000 Shares



Kenvue Inc.
Common Stock

This is an initial public offering of shares of the common stock of Kenvue Inc. We are offering 151,204,000 shares of our common stock to be sold in this offering.

Prior to this offering, there has been no public market for shares of our common stock. We estimate that the initial public offering price per share of our common stock will be between \$20.00 and \$23.00. We have applied to list our shares of common stock on the New York Stock Exchange (the “NYSE”) under the symbol “KVUE”.

Upon completion of this offering, Johnson & Johnson will continue to own 91.9% of the voting power of our shares of common stock eligible to vote at the election of our directors (or 90.8% if the underwriters exercise in full their option to purchase additional shares of our common stock from us to cover over-allotments). As a result, we will be a “controlled company” as defined under the corporate governance rules of the NYSE. See “Management—Controlled Company Exemption.”

Investing in shares of our common stock involves risks. See “Risk Factors” beginning on page 26 to read about factors you should consider before purchasing shares of our common stock.

Neither the Securities and Exchange Commission nor any state securities commission or other regulatory body has approved or disapproved of these securities or passed upon the accuracy or adequacy of this prospectus. Any representation to the contrary is a criminal offense.

	Per Share	Total
Initial public offering price	\$	\$
Underwriting discounts and commissions ⁽¹⁾	\$	\$
Proceeds to us, before expenses	\$	\$

(1) See “Underwriting” for a description of compensation to be paid to the underwriters.

We have granted the underwriters an option for a period of 30 days from the date of this prospectus to purchase up to an additional 22,680,600 shares of our common stock from us at the initial public offering price less the underwriting discounts and commissions to cover over-allotments.

The underwriters expect to deliver the shares of common stock against payment in New York, New York on or about , 2023.

Goldman Sachs & Co. LLC

Citigroup

BNP PARIBAS

BBVA

Academy Securities

J.P. Morgan

HSBC

IMI – Intesa Sanpaolo

Independence Point Securities

RBC Capital Markets

Santander

Ramirez & Co., Inc.

BofA Securities

Deutsche Bank Securities

UBS Investment Bank

UniCredit Capital Markets

R. Seelaus & Co., LLC

Siebert Williams Shank

Prospectus dated , 2023.



Realize the
extraordinary
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Through and including , 2023 (25 days after the date of this prospectus), all dealers effecting transactions in these securities, whether or not participating in this offering, may be required to deliver a prospectus. This delivery is in addition to a dealer's obligation to deliver a prospectus when acting as an underwriter and with respect to an unsold allotment or subscription.

Neither we nor any of the underwriters have authorized anyone to provide any information or to make any representations other than those contained in this prospectus, any amendment or supplement to this prospectus or any free writing prospectus prepared by us or on our behalf. We and the underwriters take no responsibility for, and cannot assure you as to the reliability of, any other information that others may give you. This prospectus is an offer to sell only the shares of our common stock offered hereby, but only under circumstances and in jurisdictions where it is lawful to do so.

The information contained in this prospectus is current only as of the date of this prospectus, regardless of the time of delivery of this prospectus or of any sale of shares of our common stock. Our business, results of operations or financial condition may have changed since that date.

Neither we nor any of the underwriters have done anything that would permit this offering or possession or distribution of this prospectus in any jurisdiction where action for that purpose is required, other than in the United States. Persons outside the United States who come into possession of this prospectus must inform themselves about, and observe any restrictions relating to, the offering of the shares of our common stock and the distribution of this prospectus outside the United States.

ABOUT THIS PROSPECTUS

In connection with this offering, we will enter into a series of transactions with Johnson & Johnson pursuant to which Johnson & Johnson will transfer the assets and liabilities of the Consumer Health Business (as defined below) to us. We refer to these transactions, as further described in the section of this prospectus entitled “The Separation and Distribution Transactions—The Separation,” collectively as the “Separation.” See “The Separation and Distribution Transactions—The Separation.”

In exchange for the transfer of these assets, we will, as consideration:

- issue to Johnson & Johnson shares of our common stock; and
- pay Johnson & Johnson all of our cash and cash equivalents, including (1) all of the net proceeds that we will receive from the sale of shares of our common stock in this offering, including any net proceeds that we will receive as a result of any exercise of the underwriters’ option to purchase additional shares of our common stock from us to cover over-allotments, and (2) all of the net proceeds that we will receive from the debt financing arrangements we intend to enter into in connection with the Separation, together with any interest accrued thereon following our receipt of such proceeds;

provided that we expect to retain \$1.17 billion in cash and cash equivalents, after giving effect to this offering, the debt financing arrangements described above and the settlement or termination of certain intercompany accounts payable or accounts receivable between us and Johnson & Johnson.

Unless otherwise indicated or the context otherwise requires, (1) references in this prospectus to the “Company,” “we,” “us” and “our” refer to Kenvue Inc., a Delaware corporation, and its consolidated subsidiaries assuming the completion of the Separation, (2) references in this prospectus to the “Consumer Health Business” refer to the business that will be transferred to the Company in connection with the Separation, primarily representing the Consumer Health segment of Johnson & Johnson and (3) references in this prospectus to “Johnson & Johnson” or “Parent” refer to Johnson & Johnson, a New Jersey corporation, and its consolidated subsidiaries other than Kenvue Inc. and Kenvue Inc.’s consolidated subsidiaries.

In addition, unless the context otherwise requires, statements relating to our history in this prospectus describe the history of the Consumer Health Business of Johnson & Johnson and forward-looking statements assume the completion of all the transactions described in this prospectus, including the Separation.

Market and Industry Data

Unless otherwise indicated, information contained in this prospectus concerning our industry and the markets in which we operate, including our general expectations, market position, market share, market opportunity and market size, has been obtained from third-party sources, including industry publications and other reports, internal data sources and management estimates, which we believe to be reliable and based on reasonable assumptions. Unless otherwise indicated, statements of market position are on the basis of total sales in the relevant geographic market or product category in 2022, based on our analysis of third-party data reported by various sources, including Euromonitor Beauty & Personal Care 2023ed, Euromonitor Tissue & Hygiene 2023ed, Euromonitor Consumer Health 2023ed, IQVIA, IRI, Morning Consult, Nicholas Hall, Nielsen and Numerator Consumer Insights.

Unless otherwise indicated, we have not commissioned any of the industry publications or other reports generated by third-party providers that we refer to in this prospectus. Our management estimates are derived from such third-party sources, other publicly available information, our knowledge of our industry, internal company research, surveys, information from our customers and third-party partners, trade and business organizations and other contacts in the markets in which we operate and assumptions based on this information and knowledge.

Data regarding our industry and our market position and market share within our industry are inherently imprecise and are subject to significant business, economic and competitive uncertainties beyond our control, but we believe they generally indicate market size, market position and market share within our industry. In addition, assumptions and estimates of our and our industry’s future performance involve risks and uncertainties and are

subject to change based on various factors, including those described in the section of this prospectus entitled “Risk Factors.” These and other factors could cause results to differ materially from those expressed in the estimates made by third parties and us. See “Cautionary Note Regarding Forward-Looking Statements.”

In addition, claims described in this prospectus relating to the efficacy of our products are not subject to approval by the U.S. Food and Drug Administration (“FDA”) or comparable authorities in other jurisdictions. Certain of our products that are named in this prospectus are regulated by the FDA as drugs, cosmetics or medical devices. For additional information about the regulation of these products, see “Business—Government Regulations—Drug Products,” “Business—Government Regulations—Cosmetics” and “Business—Government Regulations—Medical Devices.”

Trademarks, Trade Names and Service Marks

The trademarks, trade names and service marks of the Company appearing in this prospectus are, as applicable, our property, licensed to us or, prior to the completion of this offering, the property of Johnson & Johnson. The name and mark, Johnson & Johnson, and other trademarks, trade names and service marks of Johnson & Johnson appearing in this prospectus are the property of Johnson & Johnson. Solely for convenience, trademarks, trade names and service marks referred to in this prospectus may appear without the “®”, “™” or “SM” symbols, but such references are not intended to indicate, in any way, that we will not assert, to the fullest extent possible under applicable law, our rights or the rights of the applicable licensor to these trademarks, trade names and service marks. This prospectus also contains additional trademarks, trade names and service marks belonging to other parties. We do not intend our use or display of these other parties’ trademarks, trade names or service marks to imply, and such use or display should not be construed to imply, a relationship with, or endorsement or sponsorship of us by, such other parties.

Basis of Presentation

We have historically operated as part of Johnson & Johnson. The financial information included in this prospectus has been prepared from Johnson & Johnson’s historical accounting records and is derived from the consolidated financial statements of Johnson & Johnson to present the Consumer Health Business as if it had been operating on a standalone basis. The historical combined financial statements (together with the notes thereto, the “combined financial statements”) reflect our financial position, results of operations and cash flows as we were historically managed, in conformity with generally accepted accounting principles in the United States (“U.S. GAAP”). The combined financial statements include the assets, liabilities, net sales and expenses that management has determined are specifically or primarily identifiable to us, as well as direct and indirect costs that are attributable to our operations. Indirect costs are the costs of support functions that are provided on a centralized or geographic basis by Johnson & Johnson and its affiliates, which include facilities, insurance, logistics, quality, compliance, finance, human resources, benefits administration, procurement support, information technology, legal, corporate strategy, corporate governance, other professional services and general commercial support functions. Indirect costs have been allocated to us for the purposes of preparing the combined financial statements based on a specific identification basis or, when specific identification is not practicable, a proportional cost allocation method, primarily based on net sales, headcount or other allocation methodologies that are considered to be a reasonable reflection of the utilization of services provided or the benefit received by us during the periods presented, depending on the nature of the services received.

The financial information included in this prospectus may not necessarily reflect what our financial condition, results of operations or cash flows would have been had we been a standalone company during the periods presented, including changes that will occur in our operations and capital structure as a result of this offering and the Separation. In addition, the financial information included in this prospectus may not necessarily reflect what our financial condition, results of operations and cash flows may be in the future. See “Risk Factors—Risks Related to the Separation and the Distribution—We have no history of operating as a standalone public company, and our historical and pro forma financial information may not necessarily reflect the results that we would have achieved as a standalone public company or what our results may be in the future.”

We follow the concept of a fiscal year, which ends on the Sunday nearest to the end of the month of December. Normally each fiscal year consists of 52 weeks, but every five or six years the fiscal year consists of 53 weeks, and therefore includes additional shipping days, as was the case in fiscal year 2020, and will be the case again in fiscal year 2026. Unless otherwise indicated or the context otherwise requires, references in this prospectus to “2022,” “2021” and “2020” refer to the fiscal years ended January 1, 2023, January 2, 2022 and January 3, 2021, respectively.

Non-GAAP Financial Measures

This prospectus contains certain financial measures, including Organic growth, Adjusted gross profit, Adjusted operating income, Adjusted EBITDA and Adjusted net income, that are not required by, or prepared in accordance with, U.S. GAAP. We refer to these measures as “non-GAAP” financial measures. See “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Non-GAAP Information” for our definitions of these non-GAAP measures, information about how and why we use these non-GAAP measures and a reconciliation of each of these non-GAAP measures to its most directly comparable financial measure calculated in accordance with U.S. GAAP.

PROSPECTUS SUMMARY

This summary highlights information included elsewhere in this prospectus and does not contain all of the information you should consider before making an investment decision to purchase shares of our common stock. You should read this entire prospectus carefully, including the sections entitled “Risk Factors,” “Cautionary Note Regarding Forward-Looking Statements,” “Unaudited Pro Forma Condensed Combined Financial Statements” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” as well as our combined financial statements included elsewhere in this prospectus, before making an investment decision to purchase shares of our common stock.

Company Overview

We are the world’s largest pure-play consumer health company by revenue with \$15.0 billion in net sales in 2022. We combine the power of science with meaningful human insights and digital-first capabilities, which we believe empowers approximately 1.2 billion people to live healthier lives every day. Our differentiated portfolio of iconic brands—including Tylenol, Neutrogena, Listerine, Johnson’s, Band-Aid, Aveeno, Zyrtec and Nicorette—is built for moments that uniquely matter to our consumers and, we believe, drives positive health outcomes around the world.

We are a global leader at the intersection of healthcare and consumer goods, with a portfolio of iconic brands, operating in some of the most attractive categories in consumer health from both a growth and profitability perspective. Our consumer health portfolio includes self care, skin care and beauty and essential personal care products, which reflect categories that we believe allow consumers across the world to realize the extraordinary power of everyday care. We hold leadership positions across a \$369 billion consumer health market that we expect to grow at a compounded annual growth rate (“CAGR”) of 3% to 4% globally through 2025.

We are well positioned to capitalize on this large market opportunity through our holistic approach to delivering consumer health solutions. This approach starts with our distinctive understanding of various consumer needs, which allows us to apply our consumer insights across multiple categories and brands. These comprehensive solutions are backed by science and recommended by healthcare professionals, which further reinforces our consumers’ connections to our brands.

Our portfolio of brands is widely recognized and represents a combination of global and regional brands, many of which hold leading positions in their respective categories. Ten of our brands had approximately \$400 million or more in net sales in 2022, and we currently hold seven #1 brand positions across major categories globally, in addition to many #1 brand positions locally across our four regions. In 2022, our net sales were well balanced and scaled across three segments: Self Care (40%), Skin Health and Beauty (29%) and Essential Health (31%).

	Selected Brands				Selected Leadership Positions		
Self Care							
					Tylenol #1 Pain Brand Globally	Nicorette #1 Smoking Cessation Brand Globally	Zyrtec #1 Allergy Brand Globally
Skin Health and Beauty							
					Neutrogena #1 Facial Care Brand in the U.S.	Neutrogena #1 Sun Care Brand Globally	OGX #1 Premium Hair Care Brand in the U.S.
Essential Health							
					Listerine #1 Mouthwash Brand Globally	Johnson's #1 Baby Toiletries Brand Globally	Band-Aid #1 Adhesive Bandage Brand Globally

Our global footprint is also well balanced geographically with approximately half of our net sales generated outside North America in 2022. The breadth and scale of our portfolio allows us to dynamically capitalize on and respond to current trends impacting our categories and geographic markets. Our breadth and scale also provide us with a strong platform to broaden and enhance our portfolio in the future.

Our global scale and brand portfolio are complemented by our well-developed capabilities and accelerated through our digital-first approach, allowing us to deliver better consumer health experiences. Our marketing organization leverages our e-commerce, precision marketing and broader digital capabilities to develop unique consumer insights and further enhance the relevance of our brands. Our research and development (“R&D”) organization leverages these consumer insights and places human empathy at the heart of our product development process. We combine that perspective with deep, multi-disciplinary scientific expertise, and engagement with healthcare professionals, to drive innovative new products, solutions and experiences.

Our marketing and innovation capabilities are further complemented by our end-to-end, digitally connected supply chain ecosystem which is designed to optimize the flexibility and agility of our route-to-market. Our sourcing, manufacturing and demand planning capabilities are continuously optimized to meet evolving market dynamics. We also aim to leverage our flexible distribution network, consumer health thought leadership and data-driven customer partnerships to continue to drive joint value creation for us and our retail customers. Underpinned by our comprehensive environmental, social and governance (“ESG”) strategy, our core capabilities are supported by our commitment to building a resilient and sustainable business that creates value for all our stakeholders over the long term.

The strength of our business has created a compelling financial profile characterized by net sales growth and strong profitability. From 2020 to 2022, our net sales increased from \$14.5 billion to \$15.0 billion, representing a CAGR of 1.7%, our net income (loss) increased from \$(879) million to \$2.1 billion, our Adjusted EBITDA decreased from \$3.8 billion to \$3.6 billion and our Adjusted net income decreased from \$2.7 billion to \$2.6 billion. See “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Non-GAAP Information” for information regarding our use of Adjusted EBITDA and Adjusted net income, which are non-GAAP financial measures, and for a reconciliation of each of Adjusted EBITDA and Adjusted net income to its most directly comparable financial measure calculated in accordance with U.S. GAAP.

Our Industry

We have a differentiated business profile focused exclusively on consumer health, with a portfolio that includes self care, skin care and beauty and essential personal care products. This broad portfolio allows us to provide holistic consumer health solutions to our consumers across a spectrum of need states and usage occasions, while holding leading positions across numerous large and attractive categories globally.

The \$369 billion consumer health market in which we operate grew at a CAGR of 4.8% from 2019 to 2022, according to data from Euromonitor and Nicholas Hall. We believe this total addressable consumer health market will continue to grow at a CAGR of 3% to 4% globally through 2025, supported by various secular trends expected to favor our industry.

Several trends are re-shaping consumer health and contributing to sustainable long-term growth potential. Specifically, we see the following trends unfolding:

- *Increasingly empowered consumers focused on their health.* Consumers are increasingly adopting a holistic approach across the consumer health continuum, understanding that overall well-being is a foundational element of a balanced and longer life. Consumer preferences and expectations for consumer health products continue to evolve, with a heightened focus on preventative care and science-backed solutions. While the focus on consumer health was already on the rise before the COVID-19 pandemic, this focus has further accelerated since the start of the pandemic. We see momentum in the over-the-counter (“OTC”) category, while dermocosmetics continue to outpace the broader skin care and beauty category, shifting the paradigm of beauty towards health. We believe this trend is expected to continue and that consumers will continue to seek solutions that meet their health goals.

- *Global healthcare systems embracing proactive and preventive health and wellness.* As demand for healthcare rises, both developed countries and emerging markets will experience increased strain on health services and fiscal budgets. In Organization for Economic Cooperation and Development (“OECD”) countries, health spending constituted an average of 15% of all government expenditure in 2019. Effective consumer health solutions provide an alternative to help meet some of these demands. These solutions are expected to experience increasing demand and government support in the future. One example of this trend is the “Healthy China 2030” strategic plan. The plan broadly aspires to provide equitable, systematic and sustainable services for the population of China throughout their lives, most notably from a self care perspective. Worldwide, we believe that improving health literacy and education can have empowering effects on peoples’ lives. We also believe that consumer health brands can have an impact in alleviating global healthcare crises with products that can be a first line of defense against preventable ailments and other health issues, significantly reducing overall healthcare system costs.
- *Traditional retailers increasing focus on health and wellness.* As a result of increasing demand for consumer health products, traditional retailers have shifted their focus and allocated more shelf space to consumer health categories. According to a third-party report, 38% of consumers surveyed as of May 2021 believe offering a wide variety of OTC healthcare products is the most important factor for retailers to be considered a trusted health source. As a partner to consumers on their health journey, retailers have health and wellness at the core of their growth ambitions and have already experienced increased foot traffic in outlets with health-focused offerings. In addition, many traditional retailers have also designed their own in-house health-oriented service platforms to capitalize on this momentum. We expect this trend will accelerate in the medium term as additional traditional retailers realize the benefits of focusing on health and wellness as consumers continue to incorporate these products in their everyday lives.
- *Digital ecosystems creating new opportunities and personalized solutions.* The overall consumer health sector is becoming increasingly digitally oriented. Technology and data help personalize solutions through consumer insights and offer new ways to interact with consumers through a true omnichannel approach, including social media, mobile apps, telehealth, connected devices and other channels. E-commerce adoption in the consumer health sector has continued growing since the start of the COVID-19 pandemic as consumers across multiple generations are increasingly demanding omnichannel options and purchasing consumer health products through e-commerce or direct-to-consumer (“DTC”) channels.
- *Premiumization reflecting shifting purchase drivers among consumers.* Premiumization trends have been observed in consumer categories for decades resulting from demographic shifts and evolving consumer preferences, as well as the more recent impact of social media. The skin care category exemplifies this shift, particularly in China where it is buoyed by urbanization and e-commerce access, and in the United States as mass and premium categories increasingly converge online and offline, reflecting consumers’ willingness to invest in better health and beauty outcomes and experiences. Consumers are increasingly prioritizing the effectiveness of their products and seeking science-based solutions across all price points. We believe these trends will align with broader demand for consumer health in the future as consumers continue to pursue these benefits proactively.
- *Aging population.* According to the World Health Organization, the world’s population over 60 years old will nearly double between 2015 and 2050. This aging population will require significant public and private efforts to ensure that health and social systems are equipped to handle this demographic shift. More than ever before, we expect that consumer health and personal care companies will be relied upon to continue developing products that meet the needs of an aging population. We also expect that the demand for early preventative solutions, self care and anti-aging products will continue to increase as more consumers, from Baby Boomers and Generation X to Millennials and Generation Z, learn and appreciate the benefits of focusing on their health sooner.
- *Growing middle-class in emerging markets.* Over the next 15 years, the number of middle-class consumers globally is expected to rise significantly, particularly in Asia. We are witnessing the rise of a new middle class across multiple emerging markets, comprising households with an income level comparable to that of developed economies. According to Euromonitor, between 2019 and 2030, the number of households with

annual disposable income of \$45,000 to \$100,000 on a purchasing power parity basis across emerging markets is expected to rise by 5% to 6% per year on average, significantly exceeding the average annual growth of 1.2% expected for the total number of households in the same period. We believe this trend will continue to drive incremental demand for consumer health and personal care products across multiple geographic markets.

Further details on the consumer health categories we operate in through each of our three business segments are summarized below:

- The Self Care subcategories in which we have products comprise a \$114 billion global market as of calendar year 2022, which grew at a CAGR of 5.1% from 2019 to 2022 according to Nicholas Hall. The Nicholas Hall subcategories in which we have Self Care products include: Analgesics, Gastrointestinals, Dermatologicals, Lifestyle CHC, Cough & Cold, Allergy, Eye Care and Smoking Control. Vitamins, minerals & supplements are excluded.
- The Skin Health and Beauty subcategories in which we have products comprise a \$217 billion global market as of calendar year 2022, which grew at a CAGR of 4.5% from 2019 to 2022 according to Euromonitor. The Euromonitor subcategories in which we have Skin Health and Beauty products include: Conditioners and Treatments, Hair Loss Treatments, Shampoos, Medicated Shampoos, Skin Care and Adult Sun Care.
- The Essential Health subcategories in which we have products comprise a \$38 billion global market as of calendar year 2022, which grew at a CAGR of 6.2% from 2019 to 2022 according to Euromonitor. The Euromonitor subcategories in which we have Essential Health products include: Baby and Child Specific Products (excluding Wipes), Mouthwash/Dental Rinses, Sanitary Protection (excluding the United States, Canada and China) and Wound Care.

Within our three business segments, we sell products that are regulated by the FDA as drugs, cosmetics or medical devices. For additional information about the regulation of these products, see “Business—Government Regulations—Drug Products,” “Business—Government Regulations—Cosmetics” and “Business—Government Regulations—Medical Devices.”

Our Competitive Strengths

We believe our business is differentiated by the following set of competitive strengths. Although we believe these competitive strengths will contribute to the growth and success of our company, our business is subject to risks that may prevent us from achieving our business objectives or otherwise adversely affect our business, results of operations or financial condition. See “—Summary of Risk Factors” and “Risk Factors” for a discussion of these risks, which you should consider carefully before making an investment decision to purchase shares of our common stock.

Leading portfolio of category-defining and trusted brands

We have a world class, global portfolio of iconic and modern brands that has been built over the last 135 years and is trusted by generations of consumers. Our curated and purposeful portfolio of brands enables us to deliver holistic consumer health solutions to our consumers across multiple categories. Our brands are widely recognized and include household names such as Tylenol, Listerine, Neutrogena, Aveeno, Johnson’s and Band-Aid. At a time when consumers are increasingly health-conscious, we believe our brands empower approximately 1.2 billion people to live their healthiest lives every day. Operating across a number of categories and geographies around the globe, our comprehensive portfolio combines global and regional brands, many of which hold leading positions in our three segments. Among them, ten brands had approximately \$400 million or more in net sales in 2022. We currently hold seven #1 brand positions across major categories globally, in addition to many #1 brand positions locally across our four regions. In addition, in June 2022, Band-Aid was named the #1 most trusted brand in the United States across all categories by Morning Consult. Although some of our brands and products currently hold leading market positions, they nonetheless may possess a relatively small share of a highly fragmented market or may face a competing product that possesses a larger market share on a global or regional basis. While operating in

competitive markets, we believe the strength of our brand recognition is a key differentiator that allows us to maintain and gain mindshare among consumers around the world.

Our top 10 brands globally by net sales in 2022 include:



Deep connection with consumers built upon trust and human empathy

Our brands are built for moments that uniquely matter, which helps create deep bonds with our consumers. Whether for the first baby bath, the first cuts and bruises, a pain or sniffle or the onset of menstruation, our iconic brands are there, introduced by people consumers love and trust. We believe these moments of vulnerability when our brands are first introduced create an emotional connection to our products and a deep association of care and well-being that fosters lifelong loyalty to our brands. Although consumer preferences and purchasing patterns are difficult to predict, we strive to meet evolving consumer values, including growing interests in sustainability and inclusivity, which further deepens consumers' trust in and loyalty to our brands. We recognize that developing and maintaining the reputation of our brands is a critical component of our relationship with consumers, customers and other third-party partners, and the failure to maintain the value of our brands could impact our brand loyalty with these parties.

Products recommended by healthcare professionals and experts

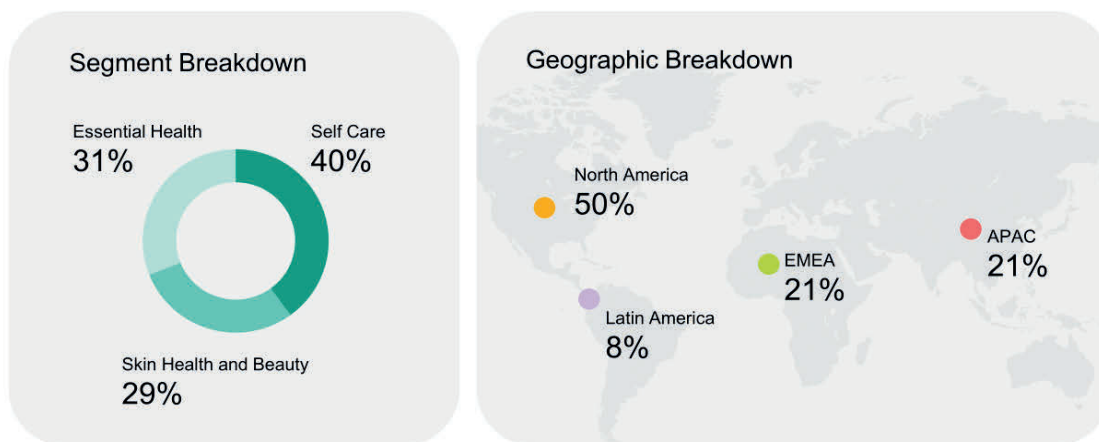
We believe our relationships with healthcare professionals and experts and health organizations complement our ability to articulate our science-backed solutions in ways that meet the needs and preferences of our consumers. Several of our brands have a long history of recommendations by healthcare professionals and are the #1 most recommended brand by healthcare professionals in their respective categories. For example, Tylenol is the #1 doctor recommended adult pain medication in the United States, Neutrogena is the #1 dermatologist recommended OTC sunscreen and acne brand in the United States and Listerine is the #1 dentist recommended mouthwash in the United States, based on surveys conducted by third parties of select healthcare practitioners in the United States from 2020 to 2022. We also maintain several relationships with established health organizations, including the American Heart Association, the American Academy of Dermatology and the Arthritis Foundation.

Balanced and resilient business profile across categories and geographies

We have a balanced, resilient business profile with iconic brands across categories and geographic markets. In 2022, our net sales were well balanced across three segments, all focused on consumer health: Self Care (40%), Skin Health and Beauty (29%) and Essential Health (31%). Within each of these segments, our portfolio of iconic brands operates within some of the most attractive categories in the consumer health industry from both a growth and profitability perspective. This balance across categories and geographic markets has also provided resilience across economic cycles, as exemplified during the COVID-19 pandemic, where increased demand for certain of our Self Care and Essential Health products balanced the reduced demand from lost usage occasions due to lockdowns and other factors affecting our Skin Health and Beauty segment. Furthermore, our portfolio, fueled by the power of our global brands and complemented by strong regional brands that are uniquely tailored to local preferences and trends, represents a well-balanced footprint between North America and other regions. While North America is our largest geographic region, approximately half of our net sales in 2022 were generated in other regions. The breadth and scale of our portfolio allows us to both dynamically capitalize on and respond to current trends impacting our

categories and geographic markets, and provides us a strong platform to broaden and develop our portfolio in the future.

Segment and Geographic Net Sales Breakdown



Note: As of 2022

Consumer-focused innovation backed by science

Product innovation is deeply rooted in our DNA and strongly manifested in our culture. Since their inception, the goal of our brands has been to make a positive and enduring impact on the daily health of our consumers through advancements in science and technology. Several of our products also have a long history of life-enhancing, first-to-market innovations, such as our Band-Aid product which was first launched in 1921 and created the adhesive bandage category. In some situations, we have driven the innovation and clinical research compendium of entire categories. For example, since 2009, we have generated more than 90% of all industry-sponsored research on baby skin development and baby skin care globally. In addition, we are a leader in mouthwash research, with Listerine having been studied and published in hundreds of peer-reviewed publications spanning back more than a century.

By leveraging leading R&D capabilities and a team of approximately 1,500 R&D professionals, we have a multi-disciplinary and differentiated approach to innovation. We leverage our extensive capabilities and consumer insights, derived through human empathy, to develop innovative new products and solutions that meet the specific needs of our consumers while enhancing their overall standard of care. Further, this approach is supported by rigorous scientific application based on our vast clinical research capabilities and long-standing relationships with healthcare professionals and academic institutions. Our robust R&D capabilities have enabled us to launch more than 100 new product innovations each year since 2020. In addition, product innovations launched during the preceding three-year period have accounted for approximately \$1.5 billion of our net sales each year since 2020.

Digital-first mindset

Over the last several years, our digital acceleration has transformed our ability to deliver better consumer health experiences. Today, we apply a digital-first mindset to all aspects of our operations, including R&D, supply chain, go-to-market and marketing, by prioritizing digital investments across our three segments. We have also significantly shifted our capital allocation priorities, and gradually increased our investment focus, into enhancing our digital capabilities. In 2022, 71% of our marketing spend was allocated to digital investments. These investments are improving data quality and access, fostering innovation, driving e-commerce success and enabling us to manage our supply chain more effectively while enhancing our marketing and commercial capabilities. By harnessing billions of consumer data points, we create a personalized approach to health, consistent with data use and privacy requirements. Through technology-enabled solutions driven by Artificial Intelligence and data analytics, we drive scientific discovery with strategically located labs around the globe. This is further supported by data-

driven customer partnerships and advanced business-to-business-to-consumer capabilities that enable us to win with customers and improve the efficiency of our marketing spend.

Operational excellence and flexibility driven by global reach, scale and a purpose-built supply chain

With a global team of more than 22,000 employees, presence in more than 165 countries and 25 in-house manufacturing sites, we are the world's largest pure-play consumer health company by revenue. Although as a standalone company we will no longer benefit from Johnson & Johnson's size and scale, we believe the scale and global footprint of our operations provides significant economies of scale, negotiating power with customers and suppliers and operational efficiencies across the globe.

Although the COVID-19 pandemic and the current volatility in the cost and availability of raw materials and other inputs for our products have tested our resilience, our supply chain has responded well overall. We continue to refine our network and enhance our product resiliency through reformulation, increased dual sourcing and inventory strategies. Within this context, reliability and resiliency remain our priority as we build a fit-for-purpose supply chain that ensures we deliver our products to our consumers and customers whenever and wherever they need them.

Our supply chain network is purpose-built to deploy resources across the globe where they are most needed. Our extensive distribution network and sales organization enable us to establish strategic partnerships with key suppliers and retailers across multiple markets and channels, where we further leverage our scale to drive flexible manufacturing capacity and supply chain optimization. We believe this approach builds and supports our resilience across economic cycles and allows us to prioritize or expand our geographic focus based on our strategic priorities.

Proven leadership team supported by a diverse employee base and agile philosophy

Our senior leadership team consists of seasoned professionals with deep industry expertise at the intersection of consumer goods and healthcare, with average experience of approximately 18 years. This leadership team has a significant track record of successfully delivering results, and has effectively transformed our business since taking the helm in 2019 by launching a strategic transformation that we believe positions us for success as a standalone public company. In addition, our senior leadership team is global and diverse, represented by 9 different nationalities and over 58% women. This robust group helps bring our employees together on a worldwide basis, with approximately 75% of our workforce located outside of North America.

We have built a world-class and diverse team that truly reflects the consumers and customers we serve. Through an agile structure focused on the ability to respond quickly to changes in market and consumer dynamics, we increasingly operate our organization based on three main agility principles: (1) consumer and customer obsession, (2) small, cross-functional empowered and accountable teams and (3) servant and inclusive leadership. We believe that our blend of talent, experience, diversity and agile, inclusive culture is a key competitive strength that will support our continued growth.

Robust financial profile with strong profitability

We have an attractive financial profile with momentum across all three segments, following a deliberate strategy adopted in 2019 aimed at expanding profitability and accelerating growth. The key elements of this strategy involved organizational re-design, portfolio repositioning and capability building. Since then, we have tailored our portfolio by reducing the number of stock-keeping units ("SKUs") by 21% through 2022 and increasing media return on investment ("ROI"), defined as incremental retail sales divided by cost of media, at a CAGR of 13% through 2021. Since the beginning of 2016, we have also actively refined our portfolio by completing 10 acquisitions and 15 divestitures.

Net sales grew from \$14.5 billion in 2020 to \$15.0 billion in 2022, representing a CAGR of 1.7%. Net income (loss) grew from \$(879) million in 2020 to \$2.1 billion in 2022. Adjusted net income and Adjusted EBITDA decreased from \$2.7 billion to \$2.6 billion and from \$3.8 billion to \$3.6 billion from 2020 to 2022, respectively.

Our Growth Strategies

Our leading competitive positions across attractive consumer health categories and our strong global presence provide us with multiple avenues to drive continued long-term growth. We plan to deliver this growth by capturing additional category and brand penetration through growing brand relevance and salience, increasing product availability in existing and new channels and delivering a consistent cadence of innovation. In addition, we also intend to selectively expand into new product adjacencies and geographic markets, while also thoughtfully and prudently evaluating acquisitions to enhance our core portfolio and capabilities.

Grow brand relevance and salience

We believe there are significant opportunities to further increase our category and brand penetration by continuing to deepen our brand relevance and salience across our portfolio. This begins with our marketing expertise that is built upon a combination of human empathy, science that improves health outcomes and a digital-first approach to promoting the relevance and salience of our brands. Our digital-first approach to marketing generates unique consumer insights, which we leverage to continuously evolve our brand messaging. We believe this consumer-centric approach drives brand relevance and ultimately increases category and brand penetration.

Over the last several years, our consumer-centric marketing campaigns have received considerable consumer acclaim and increased our category and brand penetration throughout our portfolio. For example, our Neutrogena SkinU campaign, where we utilized TikTok to feature our consumer health scientists as the stars of the content, resulted in more than 300 million social media impressions and contributed to a 660% increase in Neutrogena's social media followers from August to December 2021.

Based on our success to date, we believe there is a significant opportunity to further increase brand relevance and salience across our portfolio, such as in the mouthwash category with our Listerine brand, where household penetration is still relatively modest. We believe there are further opportunities to increase our penetration with our Tylenol brand among older generations, and with our Nicorette brand among people who are trying to quit smoking.

Increase product availability through our omnichannel strategy

Our omnichannel strategy starts with a deep understanding of how consumers are shopping in a rapidly evolving retail landscape, where we work closely with our retail partners, both online and offline, to ensure product availability at the right place, the right time and with the right value proposition, allowing us to drive category and brand growth. Our omnichannel approach is highly targeted to our most attractive core geographic markets, which we define as fast-growing markets where we are well positioned to win.

We have an opportunity to further expand product availability in our core geographic markets, such as North America and China, with our existing retail customers through leveraging our thought leadership in consumer health, scientific expertise and focus on joint value creation. As our traditional retail customers continue increasing their focus on consumer health, our portfolio is particularly well positioned to capture this incremental shelf space through our holistic approach to delivering consumer health solutions. Additional retail partnerships represent another opportunity to expand offline retail category penetration for our leading brands in our largest geographic markets. Examples of these partnerships include our sun care partnership with Walgreens and our data collaboration through the Walmart Luminate portal. We also have an opportunity to increase our presence in the fast-growing pharmacy channel globally, where we have a strong existing footprint to expand upon, particularly in our Europe, Middle East and Africa ("EMEA") region, India and China. We also intend to expand our presence in online-to-offline services in our Asia Pacific ("APAC") region.

We also plan to continue accelerating our omnichannel strategy by driving our e-commerce sales, which represented 13% of our net sales in 2022 and grew at a CAGR of 20% from 2020 to 2022. We plan to further increase our e-commerce sales through additional product availability and innovation online, driving brand awareness through targeted advertisement placements and leveraging our go-to-market capabilities to continuously improve delivery times. The DTC channel, which enables greater direct consumer engagement, is another component of our omnichannel strategy. For example, Dr. Ci:Labo, our dermocosmetic skin care brand, sold 63% of sales in Japan direct to consumer in 2022.

Deliver a consistent cadence of innovation

We have a successful track record of driving innovation across our categories with a science-based approach centered around human empathy and leveraging our long-standing relationships with healthcare professionals and academic institutions. We expect that our future innovation pipeline will be increasingly related to connected health solutions, including digital diagnostics and therapeutics, enhancing product accessibility to all consumers, expanding usage occasions through scientific claims, driving novel scientific breakthroughs and premiumization.

One example of our connected health solutions leverages the Nicorette brand to create a nicotine replacement therapy ecosystem, which provides behavioral support to people who are trying to quit smoking through a mouth spray connected to a mobile app. This innovation provides people with the ability to set goals, track their progress against a personalized quit plan and review money saved from quitting smoking. We also believe there are opportunities to increase product accessibility, such as through our Tylenol Dissolve Packs, which increase the comfort and convenience of taking medication for our consumers.

We are increasing the usage occasions of our products through scientific support. For example, although rinse is not intended to replace brushing and flossing, a study sponsored by Johnson & Johnson Consumer Inc. on the comparative effects of various oral hygiene routines on the prevention and reduction of plaque, gingivitis and gingival bleeding demonstrated that oral hygiene regimens that include the use of Listerine result in greater reduction of plaque above the gumline relative to flossing, as measured by sustained plaque reduction after a dental cleaning, and also reduce gingivitis and gingival bleeding. The claims described in this prospectus relating to the efficacy of our products are not subject to approval by the FDA or comparable authorities in other jurisdictions.

Expand product portfolio into product adjacencies and extend geographic footprint

We plan to leverage our world-class R&D capabilities and cross-category insights to launch new products in adjacent categories in our core geographic markets where we see significant growth potential, and where we are best positioned to win. We believe our consumer and shopper insights indicate that our portfolio resonates in a broad set of new product categories based on identified incremental pockets of demand and consumption occasions. We can address this opportunity through new brand introductions or brand extensions across different or adjacent categories.

Given our global scale, including in the United States and China, we are well positioned to work with our retail partners to meet increasing consumer health demands and develop new product adjacencies for evolving consumer needs globally. In addition to prioritizing expansion in our existing markets where we have identified the most attractive opportunities, we also intend to invest in other sizable, growing and underpenetrated geographic markets throughout the world. For example, since 2018, we have launched the Aveeno brand in multiple new geographic markets, including Indonesia, Malaysia and the Philippines.

Continually evaluate acquisitions that enhance our core product portfolio and capabilities

We intend to supplement our capital expenditure and R&D investments with a disciplined and prudent approach to acquisitions and partnership opportunities that accelerate growth within our business. We believe that our global scale and exclusive focus on consumer health as a standalone company will allow us to evaluate a more targeted set of acquisition opportunities and make us a highly attractive strategic partner. We plan to strategically and actively monitor the market for value-enhancing opportunities, such as adding differentiated product offerings and capabilities, strengthening our competitive positioning, increasing our portfolio depth and growing our addressable markets. We have also demonstrated an ability to successfully integrate and scale acquired businesses to further build upon our market leadership across our product portfolio. We believe our strong balance sheet will allow us to thoughtfully pursue acquisitions while maintaining our disciplined approach to capital allocation.

The Separation and Post-Separation Relationship with Johnson & Johnson

On November 12, 2021, Johnson & Johnson, our parent company, announced its intention to separate its Consumer Health Business. In connection with the Separation (as defined below) and prior to the completion of this offering, we will enter into a separation agreement with Johnson & Johnson. We refer to the separation agreement, as further described in the section of this prospectus entitled “Certain Relationships and Related Person Transactions

—Agreements to be Entered into in Connection with the Separation—Separation Agreement,” as the “Separation Agreement.” We will also enter into various other agreements with Johnson & Johnson that, together with the Separation Agreement, provide for certain transactions to effect the transfer of the assets and liabilities of the Consumer Health Business to us and will result in the separation of our business from Johnson & Johnson. In addition, these agreements will collectively govern various interim and ongoing relationships between us and Johnson & Johnson following the completion of this offering. We refer to these transactions, as further described in the section of this prospectus entitled “The Separation and Distribution Transactions—The Separation,” collectively as the “Separation.” See “The Separation and Distribution Transactions—The Separation.”

The agreements we will enter into with Johnson & Johnson in connection with the Separation, which will provide a framework for our relationship with Johnson & Johnson following the Separation, include the following:

- *Separation Agreement*—We and Johnson & Johnson will enter into a separation agreement that will set forth our agreements with Johnson & Johnson regarding the principal actions to be taken in connection with the Separation and govern, among other matters, (1) the allocation of assets and liabilities to us and Johnson & Johnson (including our indemnification obligations, for potentially uncapped amounts, for certain liabilities relating to our business activities, whether incurred prior to or following the completion of this offering) and (2) certain matters with respect to this offering and the Distribution (as defined below).
- *Tax Matters Agreement*—We and Johnson & Johnson will enter into a tax matters agreement that will govern our and Johnson & Johnson’s respective rights, responsibilities and obligations with respect to all tax matters, including tax liabilities (including responsibility and potential indemnification obligations for taxes attributable to our business and taxes arising, under certain circumstances, in connection with the Separation and the Distribution, if pursued), tax attributes, tax contests and tax returns (including our inclusion in the U.S. federal consolidated group tax return, and certain other combined or similar group tax returns, with Johnson & Johnson through the date of the Distribution, if pursued, and our continuing joint and several liability with Johnson & Johnson for such tax returns).
- *Employee Matters Agreement*—We and Johnson & Johnson will enter into an employee matters agreement that will address certain employment, compensation and benefits matters, including the allocation and treatment of certain assets and liabilities relating to our employees and compensation and benefit plans and programs in which our employees participate prior to the date of the Distribution, if pursued.
- *Intellectual Property Agreement*—We and Johnson & Johnson will enter into an intellectual property agreement that will govern our and Johnson & Johnson’s respective rights, responsibilities and obligations with respect to intellectual property matters, excluding certain intellectual property matters with respect to trademarks, which will be governed by the trademark agreements described below.
- *Trademark Agreements*—We and Johnson & Johnson have entered into various trademark agreements that collectively govern our and Johnson & Johnson’s respective rights, responsibilities and obligations with respect to intellectual property rights in trademarks.
- *Transition Services Agreement*—We and Johnson & Johnson will enter into a transition services agreement, pursuant to which Johnson & Johnson will provide to us certain services for terms of varying duration following the completion of this offering.
- *Transition Manufacturing Agreement*—We and Johnson & Johnson will enter into a transition manufacturing agreement, pursuant to which Johnson & Johnson will provide to us certain manufacturing services for terms of varying duration following the completion of this offering.
- *Registration Rights Agreement*—We and Johnson & Johnson will enter into a registration rights agreement, pursuant to which we will grant to Johnson & Johnson certain registration rights with respect to the shares of our common stock owned by Johnson & Johnson following the completion of this offering.

- *Reverse Transition Services Agreement*—We and Johnson & Johnson will enter into a reverse transition services agreement, pursuant to which we will provide to Johnson & Johnson certain services for terms of varying duration following the completion of this offering.
- *Data Transfer and Sharing Agreement*—We and Johnson & Johnson will enter into a data transfer and sharing agreement that will govern the implementation of the request, transfer, extraction, traceability, retention and deletion of certain data pertaining to business records and personal information.

See “Certain Relationships and Related Person Transactions—Agreements to be Entered into in Connection with the Separation” for a more detailed discussion of these agreements.

All of the agreements relating to the Separation will be made in the context of a parent-subsidary relationship and will be entered into in the overall context of our separation from Johnson & Johnson. The terms of these agreements may be more or less favorable to us than if they had been negotiated with unaffiliated third parties. See “Risk Factors—Risks Related to Our Relationship with Johnson & Johnson—We may have received better terms from unaffiliated third parties than the terms we will receive in our agreements with Johnson & Johnson.”

We believe, and Johnson & Johnson has advised us that it believes, that the Separation, this offering and the Distribution, if pursued, will provide a number of benefits to our business. These intended benefits include:

- improving our strategic and operational flexibility;
- increasing the focus of our management team on our business operations;
- allowing us to adopt the capital structure, investment policy and dividend policy best suited to our financial profile and business needs;
- providing us with our own equity to facilitate acquisitions; and
- enabling potential investors to invest directly in our business.

However, we cannot assure you that we will be able to achieve these and other anticipated benefits of the Separation, and the benefits of the Separation may be delayed or not occur at all. See “Risk Factors—Risks Related to the Separation and the Distribution—We may not achieve some or all of the expected benefits of the Separation, and the Separation could adversely affect our business, results of operations or financial condition.” Furthermore, certain of our executive officers and directors own equity interests in Johnson & Johnson because of their current or former positions with Johnson & Johnson, and certain of Johnson & Johnson’s current executive officers are expected to become our directors, each of which could create, or appear to create, actual or potential conflicts of interests following the completion of this offering. See “Risk Factors—Risks Related to Our Relationship with Johnson & Johnson—Following the completion of this offering, certain of our executive officers and directors may have actual or potential conflicts of interest because of their equity interest in Johnson & Johnson. Also, certain of Johnson & Johnson’s current executive officers are expected to become our directors, which may create conflicts of interest or the appearance of conflicts of interest.”

Debt Financing Transactions

In connection with the Separation, we have entered into the following financing arrangements:

- On March 22, 2023, we completed a private placement issuance of senior unsecured notes in an aggregate principal amount of \$7.75 billion (the “Notes Offering”). All of the underwriters in this offering also acted as initial purchasers in connection with the Notes Offering, for which they received customary fees and commissions. The notes issued in the Notes Offering are governed by an indenture and a supplemental indenture, which we refer to collectively as the “indenture.” The indenture contains certain covenants, including limitations on our and certain of our subsidiaries’ ability to incur liens or engage in sale leaseback transactions. The indenture also contains restrictions on our ability to consolidate, merge or sell substantially all of our assets. In addition, the indenture contains other customary terms, including certain events of default, upon the occurrence of which, the notes may be declared immediately due and payable.

- On March 3, 2023, we entered into a commercial paper program (the “Commercial Paper Program”). Our Board of Directors (the “Board”) has authorized the issuance by us of up to \$4 billion in aggregate principal amount of commercial paper under the Commercial Paper Program. The Commercial Paper Program contains representations and warranties, covenants and default that are customary for this type of financing. After giving effect to the Separation and related transactions, we expect to have approximately \$1.25 billion of commercial paper outstanding, which we refer to collectively with the Notes Offering as the “Debt Financing Transactions.”
- On March 6, 2023, we entered into a credit agreement providing for a five-year senior unsecured revolving credit facility (the “Revolving Credit Facility”) in an aggregate principal amount of \$4 billion to be made available in U.S. dollars and Euros. The Revolving Credit Facility contains representations and warranties, covenants and events of default that are customary for this type of financing, including covenants restricting the incurrence of liens and the entry into certain merger transactions. We do not expect the Revolving Credit Facility to be drawn from or used in connection with this offering or the Separation.

We will pay Johnson & Johnson all of the net proceeds that we will receive from the Debt Financing Transactions, together with any interest accrued thereon following our receipt of such proceeds; provided that we expect to retain \$1.17 billion in cash and cash equivalents, after giving effect to this offering, the Debt Financing Transactions and the settlement or termination of certain intercompany accounts payable or accounts receivable between us and Johnson & Johnson. See “Description of Certain Indebtedness.”

The Distribution

Upon completion of this offering, Johnson & Johnson will continue to own 91.9% of the voting power of our shares of common stock eligible to vote in the election of our directors (or 90.8% if the underwriters exercise in full their option to purchase additional shares of our common stock from us to cover over-allotments). Johnson & Johnson has informed us that, following the completion of this offering, it intends to make a tax-free distribution to its shareholders of all or a portion of its remaining equity interest in us, which may include one or more distributions effected as a dividend to all Johnson & Johnson shareholders, one or more distributions in exchange for Johnson & Johnson shares or other securities, or any combination thereof. We refer to these distributions, as further described in the section of this prospectus entitled “The Separation and Distribution Transactions—The Distribution,” collectively as the “Distribution.”

Johnson & Johnson has agreed not to effect the Distribution for a period of 180 days after the date of this prospectus without the prior written consent of each of Goldman Sachs & Co. LLC and J.P. Morgan Securities LLC. See “Underwriting.” While, as of the date of this prospectus, Johnson & Johnson intends to effect the Distribution, Johnson & Johnson has no obligation to pursue or consummate any further dispositions of its equity interest in our company, including through the Distribution, by any specified date or at all. If pursued, the Distribution may be subject to a number of conditions, including the receipt of any necessary regulatory or other approvals, the existence of satisfactory market conditions and the continuing effectiveness and validity of Johnson & Johnson’s private letter ruling from the U.S. Internal Revenue Service (“IRS”) and favorable opinions of Johnson & Johnson’s U.S. tax advisors to the effect that the Distribution will be tax-free to Johnson & Johnson and its shareholders. The conditions to the Distribution may not be satisfied, Johnson & Johnson may decide not to consummate the Distribution even if the conditions are satisfied or Johnson & Johnson may decide to waive one or more of the conditions and consummate the Distribution even if all of the conditions are not satisfied. See “The Separation and Distribution Transactions—The Distribution.”

Upon completion of the Distribution, if pursued, we will no longer qualify as a “controlled company” as defined under the corporate governance rules of the NYSE, and, to the extent we have not done so already, we will be required to fully implement the corporate governance requirements of the NYSE within the transition periods specified in the rules of the NYSE. See “Management—Controlled Company Exemption.”

Recent Developments

Preliminary Results for the Fiscal Three Months Ended April 2, 2023

Set forth below are preliminary estimates of selected unaudited financial and other information for the fiscal three months ended April 2, 2023, and actual unaudited financial results for the fiscal three months ended April 3, 2022. We have provided estimates and ranges of certain preliminary results below because our closing procedures for the fiscal three months ended April 2, 2023 are not yet complete. Our actual results for the fiscal three months ended April 2, 2023 remain subject to the completion of management's final review and our other closing procedures, or subsequent events, as well as the completion of the review of our financial statements. Accordingly, we caution you not to place undue reliance on our preliminary results set out below, which may differ from actual results. Our actual unaudited condensed combined financial statements as of and for the fiscal three months ended April 2, 2023 and April 3, 2022 are not expected to be filed with the SEC until after the completion of this offering. During the course of the preparation of our unaudited condensed combined financial statements and the notes thereto, additional items that require adjustments to the preliminary results presented below may be identified. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Critical Accounting Policies and Estimates" and "Cautionary Note Regarding Forward-Looking Statements."

The preliminary financial data included in this document has been prepared by, and is the responsibility of, management. Our independent registered public accounting firm, PricewaterhouseCoopers LLP, has not audited, reviewed, compiled or applied agreed-upon procedures with respect to this preliminary financial data. Accordingly, PricewaterhouseCoopers LLP does not express an opinion or any other form of assurance with respect thereto.

The preliminary and actual results provided below do not represent a comprehensive statement of our financial results and should not be viewed as a substitute for unaudited condensed combined financial statements prepared in accordance with GAAP. In addition, the preliminary estimates for the fiscal three months ended April 2, 2023 are not necessarily indicative of the results to be achieved in any future period. The unaudited actual results for the fiscal three months ended April 3, 2022 have been derived from the books and records of Johnson & Johnson. For additional information regarding the presentation of our financial information, see Note 1, "Description of the Company and Summary of Significant Accounting Policies—Basis of Presentation," to our audited combined financial statements included elsewhere in this prospectus.

The following table reflects certain preliminary results for the fiscal three months ended April 2, 2023 and actual results for the fiscal three months ended April 3, 2022:

(Dollars in Millions)	Fiscal Three Months Ended		
	April 2, 2023 (Estimated)		April 3, 2022 (Actual)
	Low	High	
Net sales ⁽¹⁾	\$ 3,852	\$ 3,852	\$ 3,590
Gross profit	2,060	2,190	1,956
Operating income	620	660	611
Income before taxes	590	625	612
Net income	320	340	528
Non-GAAP Financial Measures:			
Adjusted gross profit	\$ 2,140	\$ 2,270	\$ 2,054
Adjusted operating income	915	970	847
Adjusted EBITDA	840	895	801
Adjusted net income	610	650	613

- (1) Net sales for the fiscal three months ended April 2, 2023 increased by approximately \$0.3 billion compared to the fiscal three months ended April 3, 2022, primarily attributable to approximately \$0.4 billion of organic growth in net sales, offset by approximately \$0.1 billion of unfavorable currency impacts. The organic growth in net sales of approximately \$0.4 billion was primarily attributable to (1) price actions,

(2) increased demand for Cough, Cold and Allergy products due to high cough, cold and flu incidences, primarily in Europe, (3) one-time retail restocking and (4) an easing of supply chain constraints.

The following table reflects preliminary segment Net sales for the fiscal three months ended April 2, 2023 and actual results for the fiscal three months ended April 3, 2022:

(Dollars in Millions)	Fiscal Three Months Ended	
	April 2, 2023 (Estimated)	April 3, 2022 (Actual)
Self Care ⁽¹⁾	\$ 1,640	\$ 1,465
Skin Health and Beauty ⁽²⁾	1,111	1,012
Essential Health ⁽³⁾	1,101	1,113
Total	\$ 3,852	\$ 3,590

- (1) Self Care segment Net sales for the fiscal three months ended April 2, 2023 increased by approximately \$0.2 billion compared to the fiscal three months ended April 3, 2022, primarily attributable to (1) price actions, (2) increased demand for Cough, Cold and Allergy products due to high cough, cold and flu incidences, primarily in Europe and (3) one-time retail restocking primarily in the United States related to low inventory levels due to demand associated with greater instances of respiratory illness. This increase was partially offset by unfavorable currency impacts.
- (2) Skin Health and Beauty segment Net sales for the fiscal three months ended April 2, 2023 increased by approximately \$0.1 billion compared to the fiscal three months ended April 3, 2022, primarily attributable to (1) price actions, (2) strong e-commerce and club channel performance driven by new product innovations, (3) an easing of supply chain constraints and (4) one-time retail restocking and sun season pipeline fill. This increase was partially offset by unfavorable currency impacts.
- (3) Essential Health segment Net sales for the fiscal three months ended April 2, 2023 decreased by less than \$0.1 billion compared to the fiscal three months ended April 3, 2022, primarily attributable to (1) unfavorable currency impacts, (2) our suspension of the supply of certain personal care products in Russia since March 2022 and (3) lapping prior year increased demand outside the United States. This decrease was partially offset by (1) price actions, most notably in Baby Care, and (2) one-time retail restocking.

Organic growth is a non-GAAP financial measure. For further information about the limitations to the use of the non-GAAP financial measures presented in this prospectus, see “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Non-GAAP Information.” The following tables present a reconciliation of the preliminary change in Net sales to preliminary Organic growth for the fiscal three months ended April 2, 2023 compared to the fiscal three months ended April 3, 2022:

(Dollars in Millions)	Fiscal Three Months Ended April 2, 2023 vs. April 3, 2022 ⁽¹⁾				
	Estimated net sales change		Impact of foreign currency	Estimated organic growth	
	Amount	Percent	Amount	Amount	Percent
Self Care	\$ 175	11.9 %	\$ (50)	\$ 225	15.3 %
Skin Health and Beauty	99	9.8	(34)	133	13.2
Essential Health	(12)	(1.1)	(57)	45	4.0
Total	\$ 262	7.3 %	\$ (141)	\$ 403	11.2 %

- (1) Acquisitions and divestitures did not impact net sales for the fiscal three months ended April 2, 2023 or April 3, 2022.

Adjusted gross profit is a non-GAAP financial measure. For further information about the limitations to the use of the non-GAAP financial measures presented in this prospectus, see “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Non-GAAP Information.” The following table reconciles preliminary Gross profit for the ranges presented above to preliminary Adjusted gross profit for the fiscal three

months ended April 2, 2023, and reconciles actual Gross profit to Adjusted gross profit for the fiscal three months ended April 3, 2022:

(Dollars in Millions)	Fiscal Three Months Ended		
	April 2, 2023 (Estimated)		April 3, 2022 (Actual)
	Low	High	
Gross profit	\$ 2,060	\$ 2,190	\$ 1,956
Adjustment to components of Cost of sales:			
Restructuring expense	—	—	5
Amortization of intangible assets	80	80	93
Adjusted gross profit (non-GAAP)	\$ 2,140	\$ 2,270	\$ 2,054

Adjusted operating income is a non-GAAP financial measure. For further information about the limitations to the use of the non-GAAP financial measures presented in this prospectus, see “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Non-GAAP Information.” The following table reconciles preliminary Income before taxes for the ranges presented above to preliminary Adjusted operating income for the fiscal three months ended April 2, 2023, and reconciles actual Income before taxes to Adjusted operating income for the fiscal three months ended April 3, 2022:

(Dollars in Millions)	Fiscal Three Months Ended		
	April 2, 2023 (Estimated)		April 3, 2022 (Actual)
	Low	High	
Income before taxes	\$ 590	\$ 625	\$ 612
Interest expense	1	1	—
Other expense (income), net	29	34	(1)
Operating income	\$ 620	\$ 660	\$ 611
Adjustment to components of operating income:			
Depreciation and amortization	148	161	165
Separation-related costs	96	101	10
Restructuring expense	—	—	14
Other income, net, operating	(16)	(23)	(5)
Unallocated general corporate administrative expenses	67	71	52
Adjusted operating income (non-GAAP)	\$ 915	\$ 970	\$ 847

Adjusted EBITDA is a non-GAAP financial measure. For further information about the limitations to the use of the non-GAAP financial measures presented in this prospectus, see “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Non-GAAP Information.” The following table reconciles preliminary Net income for the ranges presented above to preliminary Adjusted EBITDA for the fiscal three months

ended April 2, 2023, and reconciles actual Net income to Adjusted EBITDA for the fiscal three months ended April 3, 2022:

(Dollars in Millions)	Fiscal Three Months Ended		
	April 2, 2023 (Estimated)		April 3, 2022 (Actual)
	Low	High	
Net income	\$ 320	\$ 340	\$ 528
Interest expense	1	1	—
Provision for taxes	270	285	84
Depreciation and amortization	148	161	165
EBITDA (non-GAAP)	\$ 739	\$ 787	\$ 777
Adjustments:			
Restructuring expense	—	—	14
Unrealized loss on securities	5	7	—
Separation-related costs	96	101	10
Adjusted EBITDA (non-GAAP)	\$ 840	\$ 895	\$ 801

Adjusted net income is a non-GAAP financial measure. For further information about the limitations to the use of the non-GAAP financial measures presented in this prospectus, see “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Non-GAAP Information.” The following table reconciles preliminary Net income for the ranges presented above to preliminary Adjusted net income for the fiscal three months ended April 2, 2023, and reconciles actual Net income to Adjusted net income for the fiscal three months ended April 3, 2022:

(Dollars in Millions)	Fiscal Three Months Ended		
	April 2, 2023 (Estimated)		April 3, 2022 (Actual)
	Low	High	
Net income	\$ 320	\$ 340	\$ 528
Adjustments:			
Restructuring expense	—	—	14
Amortization of intangible assets	80	80	93
Unrealized loss on securities	5	7	—
Separation-related costs	96	101	10
Tax Adjustments:			
Tax impact on special item adjustments	109	122	(32)
Adjusted net income (non-GAAP)	\$ 610	\$ 650	\$ 613

Summary of Risk Factors

An investment in shares of our common stock is subject to a number of risks that may prevent us from achieving our business objectives or otherwise adversely affect our business, results of operations or financial condition. The following list contains a summary of some, but not all, of these risks. You should consider the risks listed below and other risks, which are discussed in more detail in the section of this prospectus entitled “Risk Factors,” before making an investment decision to purchase shares of our common stock.

Risks Related to Our Business, Industry and Operations

- Damage to our reputation and the reputation of our brands, including as a result of negative publicity, could impact our brand loyalty with consumers, customers and third-party partners.

- We face substantial competitive pressures, including from multinational corporations, smaller regional companies, private-label brands and generic non-branded products, in each of our business segments and product lines and across all geographic markets in which we operate.
- Some of our products that currently hold leading market share positions may nonetheless possess relatively small shares of their overall product market.
- Whether we can both innovate successfully and anticipate, understand and respond appropriately to market trends, rapidly changing consumer and customer preferences and shifting demand for our products.
- Our marketing efforts may be costly and inefficient, and may not successfully defend, maintain or improve our reputation, our brands or our market share positions in existing or new markets.
- Expanding our global operations requires significant resources and expenses, and we may not succeed due to various commercial, operational and legal challenges associated with conducting business globally.
- We may face challenges in implementing our digital-first strategy across all aspects of our operations, and our digital-first strategy may lead us to pursue new offerings that are outside of our historical competencies and expose us to digital-related risks.
- The rapidly changing retail landscape, including our increasing dependence on key retail trade customers in developed markets, changes in the policies of our retail trade customers and the emergence of e-commerce and other alternative retail channels.
- The failure to realize the intended benefits of acquisitions and divestitures we have pursued or may pursue.
- The threats of counterfeit products, infringement of our intellectual property and other unauthorized versions of our products, which pose a risk to consumer health and safety and could damage our reputation.
- Our reliance on third parties in many aspects of our business, including to manufacture products, inherently involves a lesser degree of control over business operations, compliance matters and ESG practices.
- Disruptions to our manufacturing operations, supplier operations and distribution operations, which could result in product shortages, declining sales, reputational damage and significant costs.
- Inflationary pressures and related volatility in the cost or availability of raw materials and other inputs for our products, including due to the COVID-19 pandemic and other adverse economic or market conditions.
- Information security incidents, including cybersecurity breaches, and failure of information technology systems operated by us or a third party, which could result in reputational damage and significant costs.
- Our ability to attract and retain a skilled and diverse workforce and to implement succession plans for our senior management.

Risks Related to Government Regulation, Legal Proceedings and Financial and Economic Market Conditions

- Our ability to comply with a broad range of laws and regulations, and other requirements imposed by stakeholders, in the United States and around the world, including rapidly evolving requirements related to climate change, ESG, privacy, data protection, anti-corruption and human rights matters.
- We are, and could become, subject to legal proceedings and regulatory investigations that may result in significant expenses, liabilities (potentially in excess of accruals) and reputational damage.
- Concerns about the reliability, safety and efficacy of our products and their ingredients, which have resulted and could in the future result in litigation, including personal injury or class action litigation, regulatory action, reputational damage, product recalls, product reformulations or product withdrawals.
- Legal proceedings related to talc or talc-containing products, such as Johnson's Baby Powder, sold outside the United States and Canada (pursuant to the Separation Agreement, Johnson & Johnson will retain talc-related liabilities for products sold in the United States and Canada), including personal injury claims alleging that talc causes cancer, and other risks and uncertainties related to our historic or current sale of talc or talc-containing products (talc-based Johnson's Baby Powder will be discontinued globally in 2023).
- Our ability to successfully establish, maintain, protect and enforce intellectual property rights that are, in the aggregate, material to our business, and our ability to successfully avoid violation of the intellectual property rights of others.
- Risks associated with conducting business globally, including foreign currency risks and impacts on our business related to the ongoing military conflict between Russia and Ukraine (the "Russia-Ukraine War") as well as possible future conflicts, geopolitical events or adverse global economic or market conditions.

Risks Related to the Separation, the Distribution and Our Relationship with Johnson & Johnson

- We have no history of operating as a standalone public company, and our historical and pro forma financial information may not necessarily reflect the results that we would have achieved as a standalone public company or what our results may be in the future.
- We may not achieve some or all of the expected benefits of the Separation, including because our business will experience a loss of corporate brand identity, historical market reputation, economies of scale, purchasing power and access to certain resources from which we benefited as part of Johnson & Johnson.
- We will be a “controlled company” as defined under the rules of the NYSE, which means Johnson & Johnson will continue to control the direction of our business, and we could remain a controlled company if the distribution of Johnson & Johnson’s remaining equity interest in us does not occur.
- In connection with the Distribution, if pursued, we may be subject to restrictions on our business, potential tax-related liabilities (such as joint and several liability with Johnson & Johnson for its U.S. federal consolidated group tax return for periods prior to the date of the Distribution) and potential tax-related indemnification obligations to Johnson & Johnson for taxes attributable to our business and, under certain circumstances, taxes arising in connection with the Separation and the Distribution.
- The failure to realize the intended benefits of our rebranding strategy in connection with the Separation and our continued use of legacy Johnson & Johnson branding, including ongoing use of the “Johnson’s” brand.
- The transfer of certain assets, liabilities and contracts from Johnson & Johnson to us contemplated by the Separation will not be complete prior to the completion of this offering and may be significantly delayed or not occur at all.
- We may not be able to replace necessary manufacturing operations, systems and services when the transition services agreement and the transition manufacturing agreement we will enter into with Johnson & Johnson in connection with the Separation expire or otherwise terminate.
- Certain of our executive officers and directors may have actual or potential conflicts of interest due to their equity interest in Johnson & Johnson, and certain of Johnson & Johnson’s current executive officers are expected to become our directors, each of which may create conflicts of interest or the appearance thereof.
- We may incur indemnification obligations to Johnson & Johnson, including for potentially uncapped amounts, for certain liabilities relating to our business activities, whether incurred prior to or following the completion of this offering.
- Johnson & Johnson will indemnify us for certain liabilities, including talc-related liabilities for products sold in the United States and Canada, but such indemnity may not be sufficient to protect us against the full amount of such liabilities or Johnson & Johnson may be unable to satisfy its indemnification obligations.

Risks Related to This Offering and Ownership of Our Common Stock

- We cannot be certain that an active trading market for our common stock will develop or be sustained following the completion of this offering.
- The stock price of our common stock may fluctuate significantly, including as a result of the Distribution, future sales by our shareholders or the perception that the Distribution or such sales may occur, which can also cause your percentage ownership in us to be diluted in the future.
- Our ability to comply with obligations associated with being a public company, including implementing and maintaining effective internal control over financial reporting.
- We expect to have debt obligations following the completion of this offering that will impose certain restrictions on our business.
- We are a holding company and depend on the ability of our subsidiaries to pay dividends and make other payments and distributions to us in order to meet our obligations.

Corporate Information

We were incorporated in Delaware on February 23, 2022 in connection with the Separation and were formed to ultimately hold, directly or indirectly, and conduct certain operational activities in anticipation of the planned separation of, the Consumer Health Business. Prior to the completion of this offering, we are a wholly owned subsidiary of Johnson & Johnson and all of our outstanding shares of common stock are owned by Johnson & Johnson. Our principal executive offices are located at 199 Grandview Road, Skillman, NJ 08558, and our telephone number is (908) 874-1200. Our website address is www.kenvue.com. The information contained on, or that can be

accessed through, our website is not part of, and is not incorporated into, this prospectus, and you should not rely on any such information in making an investment decision to purchase shares of our common stock. We have included our website address only as an inactive textual reference and do not intend it to be an active link to our website.

THE OFFERING

Common stock offered by us in this offering	151,204,000 shares (or 173,884,600 shares if the underwriters exercise in full their option to purchase additional shares of our common stock from us to cover over-allotments).
Common stock to be outstanding upon completion of this offering	1,867,364,000 shares (or 1,890,044,600 shares if the underwriters exercise in full their option to purchase additional shares of our common stock from us to cover over-allotments).
Common stock to be held by Johnson & Johnson upon completion of this offering	1,716,160,000 shares.
Underwriters' option to purchase additional shares of our common stock from us to cover over-allotments	We have granted the underwriters an option for a period of 30 days from the date of this prospectus to purchase up to 22,680,600 additional shares of our common stock from us at the initial public offering price less the underwriting discounts and commissions to cover over-allotments.
Use of proceeds	We estimate that the net proceeds to us from this offering will be approximately \$3,153 million (or approximately \$3,626 million if the underwriters exercise in full their option to purchase additional shares of our common stock from us to cover over-allotments) based on an assumed initial public offering price of \$21.50 per share of our common stock, which is the midpoint of the estimated public offering price range set forth on the cover page of this prospectus, after deducting the underwriting discounts and commissions and estimated offering expenses payable by us. We will pay Johnson & Johnson, as partial consideration for the Consumer Health Business that Johnson & Johnson is transferring to us in connection with the Separation, all of our cash and cash equivalents, including (1) all of the net proceeds that we will receive from the sale of shares of our common stock in this offering, including any net proceeds that we will receive as a result of any exercise of the underwriters' option to purchase additional shares of our common stock from us to cover over-allotments, and (2) all of the net proceeds that we will receive from the Debt Financing Transactions, together with any interest accrued thereon following our receipt of such proceeds; provided that we expect to retain \$1.17 billion in cash and cash equivalents, after giving effect to this offering, the Debt Financing Transactions and the settlement or termination of certain intercompany accounts payable or accounts receivable between us and Johnson & Johnson, which we currently intend to use for general corporate purposes. See "Use of Proceeds."
Dividend policy	We initially expect to pay quarterly cash dividends of approximately \$0.20 per share of our common stock to holders of our common stock commencing the fiscal quarter ending October 1, 2023, subject to the discretion of the Board. The payment of any dividends in the future to our shareholders, and the timing and amount thereof, will fall within the discretion of the Board. The Board's decisions regarding the payment of dividends will depend on many factors, and we cannot assure you that we will pay our anticipated dividend in the same amount or frequency, or at all, in the future. You should not purchase shares of our common stock with the expectation of receiving cash dividends. See "Risk Factors—Risks Related to This Offering and Ownership of Our Common Stock—We cannot guarantee the payment of dividends on our common stock, or the timing or amount of any such dividends" and "Dividend Policy."

Controlled company

Upon completion of this offering, Johnson & Johnson will own 91.9% of the voting power of our shares of common stock eligible to vote in the election of our directors (or 90.8% if the underwriters exercise in full their option to purchase additional shares of our common stock from us to cover over-allotments). As a result, we will be a “controlled company” as defined under the corporate governance rules of the NYSE and, therefore, will qualify for exemptions from certain corporate governance requirements of the NYSE. See “Management—Controlled Company Exemption.”

We do not currently intend to rely on any of these exemptions following the completion of this offering. However, we may elect to take advantage of one or more of these exemptions from time to time in the future. As a result, you may not have the same protections afforded to shareholders of companies that are subject to all of the corporate governance requirements of the NYSE.

As long as Johnson & Johnson beneficially owns a majority of the voting power of our outstanding shares of common stock, Johnson & Johnson will generally be able to control the outcome of matters submitted to our shareholders for approval, including the election of directors, without the approval of our other shareholders. See “Risk Factors—Risks Related to Our Relationship with Johnson & Johnson—Following the completion of this offering, Johnson & Johnson will continue to control the direction of our business, and the concentrated ownership of our common stock may prevent you and other shareholders from influencing significant decisions.”

Proposed listing and symbol

We have applied to list our shares of common stock on the NYSE under the symbol “KVUE”.

Risk factors

You should read the section of this prospectus entitled “Risk Factors” beginning on page 26 for a discussion of factors you should consider carefully before making an investment decision to purchase shares of our common stock.

Unless otherwise indicated or the context otherwise requires, references to the number and percentage of shares of our common stock to be outstanding upon completion of this offering are based on 1,867,364,000 shares of our common stock outstanding upon completion of this offering.

Unless otherwise indicated, the information presented in this prospectus:

- gives effect to the transactions described under “The Separation and Distribution Transactions—The Separation”;
- gives effect to our amended and restated certificate of incorporation and our amended and restated bylaws, which will be in effect prior to the completion of this offering and forms of which have been filed as exhibits to the registration statement of which this prospectus is a part;
- assumes an initial public offering price of \$21.50 per share of our common stock, which is the midpoint of the estimated public offering price range set forth on the cover page of this prospectus;
- assumes no exercise of the underwriters’ option to purchase additional shares of our common stock from us to cover over-allotments;
- excludes 186,736,400 shares of our common stock (representing 10.0% of our outstanding shares of common stock upon completion of this offering) that we expect to reserve for issuance under our proposed equity incentive plan; and
- excludes any shares of our common stock that may become issuable pursuant to Converted Awards (as defined and described in the section of this prospectus entitled “Certain Relationships and Related Person Transactions—Agreements to be Entered into in Connection with the Separation—Employee Matters

Agreement—Johnson & Johnson Equity Awards”). Based on the number of outstanding Johnson & Johnson equity awards as of April 2, 2023, we estimate that the Converted Awards will include (1) restricted stock units that would, upon settlement, convert into approximately 13,287,929 shares of our common stock and (2) stock options that would, upon settlement, be exercisable for approximately 77,071,656 shares of our common stock with a weighted average exercise price of \$19.46 per share. The number of shares issuable upon exercise or settlement, as applicable, of Converted Awards will depend on a number of factors, including the relative value of Johnson & Johnson shares and shares of our common stock upon the Distribution Date (as defined in “Certain Relationships and Related Person Transactions—Agreements to be Entered into in Connection with the Separation—Employee Matters Agreement”). The estimate set forth above is calculated based on a number of assumptions, including that shares of our common stock are trading at a price of \$21.50 per share upon the Distribution Date (which is the midpoint of the estimated public offering price range set forth on the cover page of this prospectus) and Johnson & Johnson shares are trading at \$162.69 per share upon the Distribution Date (which was the closing price of Johnson & Johnson shares on April 21, 2023).

SUMMARY HISTORICAL AND UNAUDITED PRO FORMA COMBINED FINANCIAL DATA

The summary historical audited combined statement of operations data and combined statement of cash flows data for the fiscal years ended January 1, 2023, January 2, 2022 and January 3, 2021 and the summary historical combined balance sheet data as of January 1, 2023 and January 2, 2022 have been derived from our audited combined financial statements included elsewhere in this prospectus. The combined financial statements include the assets, liabilities, net sales and expenses that management has determined are specifically or primarily identifiable to us, as well as direct and indirect costs that are attributable to our operations. Indirect costs are the costs of support functions that are provided on a centralized or geographic basis by Johnson & Johnson and its affiliates, which include facilities, insurance, logistics, quality, compliance, finance, human resources, benefits administration, procurement support, information technology, legal, corporate strategy, corporate governance, other professional services and general commercial support functions. Indirect costs have been allocated to us for the purposes of preparing the combined financial statements based on a specific identification basis or, when specific identification is not practicable, a proportional cost allocation method, primarily based on net sales, headcount or other allocation methodologies that are considered to be a reasonable reflection of the utilization of services provided or benefit received by us during the periods presented, depending on the nature of the services received.

The historical combined financial data below is only a summary and should be read in conjunction with the section of this prospectus entitled “Management’s Discussion and Analysis of Financial Condition and Results of Operations” as well as our combined financial statements included elsewhere in this prospectus. The historical combined financial data may not necessarily reflect what our financial condition, results of operations or cash flows would have been had we been a standalone company during the periods presented, including changes that will occur in our operations and capital structure as a result of this offering and the Separation. In addition, the historical combined financial data may not necessarily reflect what our financial condition, results of operations and cash flows may be in the future.

The summary unaudited pro forma condensed combined balance sheet data at January 1, 2023 and statement of operations data for the fiscal year ended January 1, 2023 has been derived from our unaudited pro forma condensed combined financial statements included in the section of this prospectus entitled “Unaudited Pro Forma Condensed Combined Financial Statements.” The unaudited pro forma condensed combined financial statements have been derived from our historical audited combined statement of operations for the fiscal year ended January 1, 2023 and our historical audited combined balance sheet at January 1, 2023. The pro forma adjustments to the unaudited pro forma condensed combined statement of operations for the fiscal year ended January 1, 2023 assume that the Separation and related transactions occurred as of January 3, 2022, which was the first day of the 2022 fiscal year. The unaudited pro forma condensed combined balance sheet data gives effect to the Separation and related transactions as if they had occurred on January 1, 2023, our latest balance sheet date. See “Unaudited Pro Forma Condensed Combined Financial Statements.”

The unaudited pro forma condensed combined financial data below is only a summary and should be read in conjunction with the section of this prospectus entitled “Unaudited Pro Forma Condensed Combined Financial Statements.” The unaudited pro forma condensed combined financial data is based upon available information and assumptions that we believe are reasonable and supportable. The summary unaudited pro forma condensed combined financial data is for illustrative and informational purposes only. The summary unaudited pro forma condensed combined financial data may not necessarily reflect what our financial condition, results of operations or cash flows would have been had we been a standalone company during the periods presented. In addition, the

summary unaudited pro forma condensed combined financial data may not necessarily reflect what our financial condition, results of operations and cash flows may be in the future.

Combined Statement of Operations Data

(Dollars in Millions, except per share amounts)	Pro Forma	Historical		
	Fiscal year ended	Fiscal years ended		
	January 1, 2023	January 1, 2023	January 2, 2022	January 3, 2021
Net sales	\$ 14,950	\$ 14,950	\$ 15,054	\$ 14,467
Cost of sales	6,730	6,665	6,635	6,619
Gross profit	8,220	8,285	8,419	7,848
Selling, general, and administrative expenses	5,767	5,633	5,484	4,956
Other (income) expense, net, operating	(23)	(23)	15	3,871 ⁽¹⁾
Operating income (loss)	2,476	2,675	2,920	(979)
Other expense (income), net	567 ⁽²⁾	38	(5)	37
Income (loss) before taxes	1,909	2,637	2,925	(1,016)
Provision (benefit) for taxes	454	550	894	(137)
Net income (loss)	\$ 1,455	\$ 2,087	\$ 2,031	\$ (879)
Basic and diluted income per common share	\$ 0.78			
Weighted average number of common shares outstanding – basic and diluted	1,867,364,000			

(1) Primarily related to the impact of Talc-Related Liabilities. See Note 13, “Commitments and Contingencies,” to our audited combined financial statements included elsewhere in this prospectus for additional information.

(2) Includes \$458 million of interest expense related to the Debt Financing Transactions. See Note (a) to our unaudited pro forma condensed combined financial statements included elsewhere in this prospectus for additional information.

Combined Balance Sheet Data

(Dollars in Millions)	Pro Forma ⁽¹⁾	Historical		
	As of	As of		
	January 1, 2023	January 1, 2023	January 2, 2022	January 3, 2021
Total assets	\$ 27,358	\$ 27,316	\$ 27,929	\$ 29,177
Total liabilities	16,361	7,295	7,530	10,821
Total equity	10,997	20,021	20,399	18,356

(1) Excludes the impact associated with the sale of shares of common stock in this offering. See Note (c) to our unaudited pro forma condensed combined financial statements included elsewhere in this prospectus for additional information.

Combined Statement of Cash Flows Data

(Dollars in Millions)	Historical		
	Fiscal years ended		
	January 1, 2023	January 2, 2022	January 3, 2021
Net cash flows from operating activities	\$ 2,525	\$ 334	\$ 3,397
Net cash used in investing activities	(390)	(171)	(83)
Net cash used in financing activities	(1,583)	—	(3,457)

Other Data (Non-GAAP)¹

(Dollars in Millions)	Historical		
	Fiscal years ended		
	January 1, 2023	January 2, 2022	January 3, 2021
Adjusted gross profit	\$ 8,688	\$ 8,881	\$ 8,297
Adjusted operating income	3,907	4,054	3,997
Adjusted EBITDA	3,606	3,810	3,775
Adjusted net income	2,589	2,711	2,703

- (1) Adjusted gross profit, Adjusted operating income, Adjusted EBITDA and Adjusted net income are non-GAAP financial measures. Management believes that these non-GAAP measures, together with the U.S. GAAP measures used by management, reflect how we measure our business internally and set operational goals and incentives. These non-GAAP measures should be considered supplements to, not substitutes for, or superior to, the corresponding measures calculated in accordance with U.S. GAAP. For additional information about these non-GAAP measures, including a reconciliation of each of these non-GAAP measures to its most directly comparable financial measure calculated in accordance with U.S. GAAP, see "Management's Discussion and Analysis of Financial Condition and Results of Operations—Non-GAAP Information."

RISK FACTORS

An investment in shares of our common stock involves risks and uncertainties. In addition to the other information in this prospectus, you should consider carefully the factors set forth below before making an investment decision to purchase shares of our common stock. We seek to identify, manage and mitigate risks to our business, but risks and uncertainties are difficult to predict and many are outside of our control and therefore cannot be eliminated. You should be aware that it is not possible to predict or identify all of these factors and that the following is not meant to be a complete discussion of all potential risks or uncertainties. If known or unknown risks or uncertainties materialize, our business, results of operations or financial condition could be adversely affected, potentially in a material way, which could result in a partial or complete loss of your investment.

Risks Related to Our Business and Industry

Our brands are critical to our success, and damage to our reputation or our brands could adversely affect our business, results of operations or financial condition.

Our ability to compete successfully depends on the strength of our brands. The vast majority of our net sales are derived from products bearing proprietary trademarks and trade names, and these trademarks and trade names convey that the products we sell are “brand name” products. Developing and maintaining the reputation of our brands is a critical component of our relationship with consumers, customers, manufacturers, suppliers, distributors and other third-party partners, including healthcare professionals, influencers and other individuals with whom we have relationships. We believe consumers, customers and third-party partners value and trust the reputation, reliability and status of our brands and the quality, performance and functionality of our products. As a result, we devote significant time and resources to programs designed to grow, protect and preserve our brands. However, these efforts may not be successful, and failure to maintain the value of our brands could impact our brand loyalty with consumers, customers and third-party partners and otherwise adversely affect our business, results of operations or financial condition.

Our reputation and our brands have in the past been, and could in the future be, damaged by negative publicity, whether or not valid. Negative publicity could relate to our company, our brands, our products, our supply chain, our ingredients, our packaging, our ESG practices, our employees or any other aspect of our business. We could experience negative publicity for a variety of reasons, including as a result of product safety issues, threatened or pending legal or regulatory proceedings, product claims, advertising and promotional practices, ESG practices (including as they relate to environmental impacts, such as deforestation, packaging, plastic use, energy use, water use and waste management, or labor conditions and practices, such as diversity, equity and inclusion matters), other sustainability or policy issues (which may be raised by consumer advocacy groups, third-party interest groups, investors, employees or other stakeholders), ingredient sourcing (such as certain sources of palm oil), counterfeiting incidents or cybersecurity incidents. Negative publicity that damages one of our brands could be compounded by having an adverse effect on our other brands or our company as a whole.

Our reputation or our brands could also be adversely affected by negative publicity related to our industry, our competitors, our competitors’ products, our customers or our third-party partners, including healthcare professionals, influencers and other individuals with whom we have relationships, even if the publicity is not directly related to our company or our brands and even if the publicity is not accurate. Our reputation or our brands could be adversely affected if our customers, manufacturers, suppliers, distributors and other third-party partners fail to maintain high ethical, social, environmental, health and safety standards, fail to comply with local laws and regulations or become subject to other negative events or adverse publicity. These third parties may also enter into relationships with or be acquired by other third parties whose values, business practices or reputation expose us to the risk of adverse publicity and damage to our existing relationships by association. While we have policies and procedures in place for managing third-party relationships, it may not be possible to fully ensure that third parties adhere to the same standards and values that we do or to replace third-party partners in a timely or cost-effective manner. See “—Risks Related to Our Operations—We rely on third parties in many aspects of our business, including to manufacture certain of our products, which exposes us to additional risks that could adversely affect our business, results of operations or financial condition.”

In addition, widespread use of digital and social media platforms around the world has greatly increased the accessibility of information and the speed with which it is disseminated, which has made, and likely will continue to make, maintaining our reputation and our brands more challenging. For example, information or misinformation about our company, our brands or our products may quickly spread to a large and global audience before we have an opportunity for redress or correction. Alternatively, our employees may knowingly or inadvertently use digital or social media platforms in ways that may not be aligned with our digital or social media strategy and could damage our reputation or our brands. Damage to our reputation or our brands could cause consumers, customers and third-party partners to lose trust in our products, require us to expend substantial resources to remedy the damage or otherwise adversely affect our business, results of operations or financial condition.

We operate in highly competitive product markets and competitive pressures could adversely affect our business, results of operations or financial condition.

We face substantial competition in each of our business segments and product lines and across all geographic markets in which we operate, and competitive pressures could adversely affect our business, results of operations or financial condition. We compete with companies of all sizes on the basis of numerous factors, including cost-effectiveness, product performance, real or perceived product advantages, intellectual property rights, advertising and promotional activities, sponsorship initiatives, brand recognition and loyalty, consumer convenience, pricing and geographic reach. Furthermore, we expect that the continued attractiveness of the categories and geographic markets in which we operate will encourage the entry of new competitors of all sizes, which could increase these and other competitive pressures in the future. We may be unable to anticipate the timing and scale of the threats posed by our competitors or to successfully respond to them. In addition, the cost of responding to increasingly significant and widespread competition worldwide, including management time and out-of-pocket expenses, could adversely affect our business, results of operations or financial condition.

Certain of our competitors are multinational corporations that may have greater financial, marketing, research and development or other resources than we do, as well as greater market share within certain of our categories or geographic markets. These competitors could introduce competing products more quickly, respond more effectively to changing business and economic conditions and evolving consumer preferences, outspend us on advertising and promotional activities or possess greater negotiating leverage with customers, manufacturers, suppliers, distributors and other third-party partners. In addition, we face competition from smaller companies that often operate on a regional basis. Many of these companies have benefited from the substantial growth in e-commerce and focus extensively on DTC or other non-traditional, digital business models. Our products also compete with retailers' private-label brands and generic non-branded products, which are typically sold at lower prices than our branded products. See "—Increases in the availability and acceptance of private-label brands and generic non-branded products could adversely affect our business, results of operations or financial condition." As we seek to grow our business, including by introducing new product offerings as part of our digital-first strategy and expanding our global operations, the composition of our competitors could change or expand from time to time to include companies with a strong presence in a particular category or geographic market.

Some of our products that currently hold leading market share positions may nonetheless possess relatively small shares of their overall product market.

Although several of our products are currently number one or two by net sales in their respective categories and we believe we have significant brand loyalty with consumers and customers for these products, a competing product may be able to rapidly capture a significant share of the market for that product in the future. In some cases, we could have a leading market share position for a particular product but still possess a relatively small share of the overall market for that product due to the presence of many competing products. For example, in 2022, Tylenol had the number one market share position in the pain care category on a global basis, but accounted for approximately 12% of the global sales in that category, and Aveeno had the number four market share position in the body care category on a global basis, but accounted for approximately 3% of the global sales in that category. In addition, in some cases, we could have a leading market share position for a particular product but possess a substantially smaller share of the overall market for that product than the number one competitor for that product. For example, in 2022, Stayfree, Carefree and o.b. had the number two, three and five market share positions, respectively, in the sanitary protection category across the geographic markets in which we compete, but collectively accounted for

fewer sales across those markets than the number one competitor in that category. Certain of our leading positions may also be in markets that are smaller than, or that have more limited growth prospects than, other markets in which we or our competitors have leading positions. For example, in 2022, Nicorette had the number one market share position in the smoking cessation category on a global basis, accounting for approximately 54% of the global sales in that category. At the same time, Neutrogena had the number three market share position in the facial care category on a global basis, but accounted for more global sales than Nicorette because the overall size of the smoking cessation category on a global basis is substantially smaller than the overall size of the facial care category on a global basis.

If we are unable to anticipate, understand and respond appropriately to market trends and rapidly changing consumer and customer preferences in a timely manner, or at all, our business, results of operations or financial condition could be adversely affected.

Our success is increasingly dependent on our ability to anticipate, understand and respond appropriately to market trends and rapidly changing consumer and customer preferences more quickly than our competitors. This requires us to effectively leverage digital technology and data analytics to gain new commercial insights and develop targeted marketing and advertising initiatives to reach consumers and customers. To maintain our success and increase our consumer and customer base, we must continually work to maintain and enhance the reputation of our brands, develop, manufacture and market new products with differentiated benefits, maintain and adapt to existing and emerging distribution channels, anticipate and adapt to evolving scientific knowledge and advances, successfully manage our inventories and modernize and refine our approach as to how and where we manufacture, market and sell our products. Consumer preferences and purchasing patterns cannot be predicted with certainty and may fluctuate rapidly, facilitated by the speed with which information and opinions are shared on digital and social media platforms. For example, in recent years, there has been increasing awareness of the environmental impact and sustainability of our products, packaging and manufacturing practices. Furthermore, market trends and consumer preferences and purchasing patterns may vary by geographic region, which could present challenges for our brands that have global distribution footprints. If we are unable to anticipate, understand and respond appropriately to market trends and rapidly changing consumer and customer preferences, we may experience lower sales or increased pricing pressures, leading to excess inventory levels or lower gross margins, which could adversely affect our business, results of operations or financial condition.

If our marketing efforts are not successful, our business, results of operations or financial condition could be adversely affected.

We may be required to spend substantial resources on advertising and promotional activities to defend, maintain or improve our reputation, our brands or our market share positions or to successfully enter new markets, expand operations in existing markets or introduce new products to the marketplace. Our business, results of operations or financial condition could be adversely affected if we are unable to maintain and promote a favorable perception of our brands and products on a cost-effective basis, or if our marketing initiatives or social media communications do not convey the desired message for a brand or product or its ability to attract consumers and customers.

We use various media, including digital, social media and mobile communication channels, in connection with our marketing efforts. Digital, social media and mobile communication channels are becoming increasingly effective and are constantly evolving. Our ability to effectively utilize digital, social media and mobile communication channels depends on the successful implementation of our digital-first strategy. See “—We may face challenges in implementing our digital-first strategy, which could adversely affect our business, results of operations or financial condition.” In addition, our advertising and promotional activities may become increasingly expensive, particularly as we adapt to new and evolving media platforms and communication channels. Our competitors could spend more resources on their marketing efforts, use more efficient and effective marketing initiatives than we do or secure more effective endorsements from key opinion leaders or influencers, any of which may provide our competitors with a competitive advantage. Generating a meaningful return on our marketing efforts may become increasingly difficult, and even if our marketing efforts do yield increased net sales, the increase in net sales may not offset the expenses we incur. Furthermore, if claims that are made as part of our advertising and promotional activities, whether they are made by us or by social media influencers or other endorsers with whom we have relationships, become subject to legal or regulatory proceedings alleging false advertising, it could damage our reputation or our brands, cause us to

alter our marketing initiatives in ways that could adversely affect our sales or result in the imposition of significant damages or other penalties against us.

An inability to successfully expand our global operations could adversely affect our business, results of operations or financial condition.

In recent years, we have grown, and we intend to continue to grow, our business by expanding our global operations. In seeking to expand our operations in geographic markets where we currently have a presence or to establish operations in new geographic markets where we do not currently have a presence, we expect, as we have in the past, to invest significant resources, incur significant expenses and face various challenges, including those related to compliance with market-specific laws or regulations, gaining acceptance of our products from consumers, customers and third-party partners, some of whom may be less familiar with our company and our brands or have existing brand loyalty or other commercial relationships with our competitors and their brands or products, and expanding our sales force and other personnel in those markets. We cannot predict with certainty the extent to which our products and our marketing efforts will be accepted or successful in any particular market, and it is possible that positive returns on our investments in a market will not be achieved for several years, or at all.

In addition, competition is likely to intensify in the geographic markets where we plan to expand our operations. Local companies based in markets outside the United States may have substantial competitive advantages because of their greater understanding of, and focus on, those local markets. Some of our competitors may also be able to develop and grow in certain geographic markets more quickly than we will.

Furthermore, as we continue to expand our global operations, the variety and magnitude of risks associated with conducting business around the world may increase, which could have an adverse effect on our business, results of operations or financial condition. See “—Risks Related to Financial and Economic Market Conditions—We face a variety of risks associated with conducting business around the world, and these risks will increase as we continue to expand our global operations.”

We may face challenges in implementing our digital-first strategy, which could adversely affect our business, results of operations or financial condition.

Over the last several years, we have pursued a digital-first strategy across all aspects of our operations, including research and development, supply chain, go-to-market and marketing, and we intend to continue to accelerate our implementation of this strategy in the future. Effective implementation of our digital-first strategy, including effective integration of our digital and physical channels, is integral to the continued growth of our business, but involves significant operational changes. Successful execution of this strategy has required, and will require, significant investments in our digital platforms, including information technology systems, and significant development and expansion of our digital capabilities, including data science, data analytics, Artificial Intelligence, machine learning and natural language processing.

Our pursuit of this strategy has led us in recent years to promote new services, including e-commerce and DTC services, and introduce innovative new products and connected health offerings, including the Tylenol SmartCheck Digital Ear Scope, the Nicorette QuickMist SmartTrack, the Zyrtec AllergyCast app and the Neutrogena Skin360 app, that are outside of the traditional services and products we have historically provided to our consumers and customers. Expanding our service and product offerings through digital initiatives will expose us to additional risks and uncertainties associated with conducting business digitally, including the speed with which technology changes, technical failures, information security or cybersecurity incidents, consumer privacy and data protection concerns, ethical concerns, changes in state tax regimes and government regulation of internet activities. See “—Risks Related to Our Operations—An information security incident, including a cybersecurity breach, or the failure of an information technology system owned or operated by us or a third party, could adversely affect our business, results of operations or financial condition” and “—Risks Related to Government Regulation and Legal Proceedings—A breach of privacy laws or unauthorized access, loss or misuse of personal data could adversely affect our business, results of operations or financial condition.”

We may not be able to respond appropriately to these risks and uncertainties, or we may otherwise face challenges as we continue to implement our digital-first strategy. If we are unable to improve our data quality and

access, drive e-commerce success, enhance our precision marketing capabilities or otherwise realize the intended benefits of our digital-first strategy, our growth prospects may be hindered, which could adversely affect our business, results of operations or financial condition. Many of our competitors are also investing in digital and omnichannel strategies and could be more successful at implementing these strategies, particularly if digital operations are already among their core competencies or if they decide to invest more resources in developing and expanding their digital platforms and digital capabilities. The size and global scale of our business may also enable digitally native competitors to adapt to and implement digital developments and technological advancements with greater speed, agility and effectiveness. As a result of these and other factors, we may decide to adjust our focus on digital operations, or the pace at which we pursue our digital-first strategy, from time to time in the future, which could adversely affect our business, results of operations or financial condition.

The rapidly changing retail landscape, including our increasing dependence on key retail trade customers in developed markets, changes in the policies of our retail trade customers and the emergence of e-commerce and other alternative retail channels, could adversely affect our business, results of operations or financial condition.

Our products are sold in a highly competitive global marketplace, which, in recent years, has experienced increased retail trade concentration, the emergence of retail buying alliances, the rapid growth of e-commerce and the integration of traditional and digital operations at key retail trade customers. For 2021 and 2020, one of our customers accounted for approximately 14% of our total net sales and our top ten customers represented approximately 43% of our total net sales. For 2022, one of our customers accounted for approximately 13% of our total net sales and our top ten customers represented approximately 42% of our total net sales. Nonetheless, as a result of these trends, we are increasingly dependent on certain large-format retail trade customers in each of our business segments and some of these retail trade customers have significant bargaining strength. Retail trade customers have used, and may continue to use, their bargaining strength as leverage to demand increased investments across a diverse platform, inclusive of data, retail media, search, higher trade discounts, logistical services or fines and promotion, which could lead to reduced sales or profitability.

Although we have formed long-term relationships with many of our key retail trade customers, our contracts with these customers typically have stated terms of one to three years. Accordingly, these relationships could change on short notice, and the terms of our future agreements with retail trade customers, including with respect to volume, pricing or the introduction of new products and services, are subject to periodic negotiation with each retail trade customer. We may not have any recourse in the event a retail trade customer no longer wants to purchase products from us or reduces the number of items it purchases from us. The loss of a key retail trade customer or a significant number of smaller retail trade customers, or a significant reduction in sales to a key retail trade customer or a significant number of smaller retail trade customers, could adversely affect our business, results of operations or financial condition, particularly if, as a result, we would become increasingly dependent on a single customer or a small group of customers.

We also have been, and may continue to be, negatively affected by changes in the policies or practices of our retail trade customers, such as inventory stocking, fulfillment requirements, limitations on access to shelf space, delisting of our products, environmental, sustainability, supply chain or packaging standards or initiatives and other conditions. For example, a determination by a key retail trade customer that any of our ingredients should not be used in certain products, or that our packaging does not comply with certain environmental, sustainability, supply chain or packaging standards or initiatives, could require us to undertake a complex, time-consuming and costly process to reformulate our products or our packaging, which may lead to product shortages, declining sales, reputational damage and otherwise adversely affect our business, results of operations or financial condition. Moreover, the standards or initiatives established by our retail trade customers may conflict with one another, as has been the case with various “clean beauty” sustainability standards, which could impose additional costs on us and otherwise present challenges, particularly for our brands that have global or large distribution footprints.

In addition, the retail landscape in many markets continues to evolve as a result of the rapid growth of e-commerce retailers and price comparison websites, changing consumer preferences and purchasing patterns (as consumers increasingly shop online and via mobile and social applications) and the increased presence of alternative retail channels, such as subscription services and DTC businesses. These trends have accelerated in recent years,

including during the COVID-19 pandemic. The rapid growth of e-commerce and the emergence of alternative retail channels have created, and may continue to create, pricing pressures for our retail trade customers or otherwise adversely affect our relationships with our retail trade customers. If we are not successful in continuing to adapt or effectively react to market trends and changes in consumer preferences and purchasing patterns, including by expanding sales through e-commerce, DTC and other alternative retail channels, our business, results of operations or financial condition could be adversely affected. See “—If we are unable to anticipate, understand and respond appropriately to market trends and rapidly changing consumer and customer preferences in a timely manner, or at all, our business, results of operations or financial condition could be adversely affected.”

Significant challenges or delays in our innovation and development of new products and technologies could adversely affect our business, results of operations or financial condition.

Significant challenges or delays in our innovation and development of new products and technologies could adversely affect our business, results of operations or financial condition. We rely on continued global demand for our brands and products, which depends on the continued success of existing products, the successful identification, development and launch of innovative new and differentiated products and the expansion into adjacent categories, channels of distribution or geographies. Development of successful products and technologies is also necessary to offset the loss of sales when our existing products lose market share, which could occur due to various factors, such as competition and SKU rationalization. We cannot predict with certainty when we will be able to develop products and technologies, or otherwise license or acquire new products and technologies, and whether they will be commercially successful. Our ability to remain competitive within the categories in which we currently operate, enter new categories and expand into adjacent categories, channels of distribution or geographic markets depends on many factors, including whether we can successfully:

- identify, develop and fund technological innovations;
- establish, maintain, protect and enforce necessary intellectual property protection and avoid infringing on, misappropriating or otherwise violating the intellectual property rights of others;
- obtain and maintain approvals and registrations of regulated products, including from the FDA and other regulatory bodies in the United States and around the world;
- anticipate and quickly respond to the needs and preferences of consumers, customers and third-party partners; and
- differentiate our products from competing products by delivering efficient and effective marketing across evolving media and mobile platforms with dynamic privacy requirements.

Developing new products and technologies is a complex, time-consuming and costly process. Any new product may not generate sufficient consumer and customer interest and sales to become a profitable product or to cover the costs of its development and promotion. Our ability to achieve a successful launch of a new product could also be adversely affected by preemptive actions taken by competitors in response to the launch, such as increased advertising and promotional activities with respect to competing products. In addition, new products may not be accepted quickly or significantly in the marketplace, particularly in geographic markets that are less familiar with our company or our brands, including due to product and price competition or changes in consumer preferences or purchasing patterns. The success of a product can also be adversely affected by concerns about the reliability, safety or efficacy of the product or an ingredient used in the product. See “—Risks Related to Government Regulation and Legal Proceedings—Concerns about the reliability, safety or efficacy of our products or their ingredients could result in litigation, regulatory action, reputational damage, product recalls, product reformulations or product withdrawals, which could adversely affect our business, results of operations or financial condition.”

Our ability to quickly develop new products and technologies and to adapt and market our products on an ongoing basis to meet evolving consumer and customer preferences is an essential component of our business strategy. Any failure to develop and launch successful new products or to adapt our ingredients, packaging and supply chain to meet these preferences could hinder the growth of our business, and any delay in the development or launch of a new product could compromise our competitive position and otherwise adversely affect our business,

results of operations or financial condition. See “—If we are unable to anticipate, understand and respond appropriately to market trends and rapidly changing consumer and customer preferences in a timely manner, or at all, our business, results of operations or financial condition could be adversely affected.” In addition, our ability to develop innovative new products could be adversely affected if third parties allege that we are infringing on, misappropriating or otherwise violating their intellectual property rights. If, in the course of identifying or developing new products, we are found to have infringed the trademark, trade secret, copyright, patent or other intellectual property rights of others, directly or indirectly, through the use of third-party ideas or technologies, our ability to develop innovative new products could be adversely affected. Even if it is ultimately determined that we did not infringe a third party’s intellectual property rights, a claim of infringement could delay our launch of a new product or increase the cost of its development. See “—Risks Related to Government Regulation and Legal Proceedings—We may be involved in legal proceedings based on the alleged violation of intellectual property rights, such as trademark or patent infringement claims, and, if we are found to have violated the intellectual property rights of others, our business, results of operations or financial condition could be adversely affected.”

The COVID-19 pandemic has adversely affected, and is expected to continue to adversely affect, certain aspects of our business, results of operations or financial condition.

We are subject to risks associated with global health crises, epidemics and pandemics, including the global outbreak of COVID-19 and its variants. The COVID-19 pandemic has adversely affected, and is expected to continue to adversely affect, certain aspects of our business, results of operations or financial condition, including by causing commodity scarcities and other disruptions to our manufacturing operations, shipping delays and other disruptions to our supply chain and volatility in the demand for and availability and usage of our products. Although sales of some of our products, particularly in our Self Care and Essential Health segments, have increased during the COVID-19 pandemic, sales of other products, particularly in our Skin Health and Beauty segments, have fluctuated during the COVID-19 pandemic due to lockdown-driven lost usage occasions, including as a result of the inability of consumers to purchase our products due to financial hardship, government actions imposing travel or movement restrictions, shifts in demand and consumption away from more discretionary or higher-priced products to lower-priced products and consumer pantry-loading activity. The COVID-19 pandemic has also caused us to modify our workplace practices from time to time, such as by temporarily instituting remote work for many of our employees. We may take further actions to modify our business practices from time to time in the future in response to the COVID-19 pandemic, or any other global health crisis, epidemic or pandemic, as may be required by governmental directives or as we may otherwise determine to be in the best interests of our employees or third-party partners. These future actions could adversely affect our business, results of operations or financial condition.

The extent to which the COVID-19 pandemic will continue to impact our future operations will depend on numerous evolving factors that cannot be predicted with certainty, including the magnitude and duration of the COVID-19 pandemic, the extent to which the COVID-19 pandemic impacts worldwide macroeconomic conditions (including interest rates, employment rates and health insurance coverage), the speed of the anticipated recovery from the COVID-19 pandemic and governmental and business reactions to the COVID-19 pandemic. Any resurgence in the spread of COVID-19 or its variants could result in the imposition of new governmental directives and the implementation of prolonged restrictive measures that could further disrupt our operations. Given the developments concerning the COVID-19 pandemic have been constantly evolving, additional impacts and risks may arise that are not presently known to us. As a result, future impacts of the COVID-19 pandemic on our business, results of operations and financial condition remain uncertain, and we continue to monitor the situation.

In addition, to the extent the COVID-19 pandemic, or any other global health crisis, epidemic or pandemic, adversely affects our business, results of operations or financial condition, it may also have the effect of heightening many of the other risks described in this “Risk Factors” section.

We have pursued, and expect to continue to pursue, acquisitions and divestitures, which exposes us to additional risks that could adversely affect our business, results of operations or financial condition.

We have historically expanded our operations by pursuing acquisitions of businesses, brands, assets and technologies from third parties. For example, in 2019 we acquired the Dr. Ci:Labo brand of dermocosmetic skin care products and in 2018 we acquired the Zarbee’s brand of nature-inspired wellness products. As part of our growth

strategy, we expect to continue to pursue acquisitions of businesses, brands, assets and technologies from third parties in the future. Pursuing acquisition targets, signing and closing acquisition transactions and integrating acquired businesses, brands, assets and technologies into our ongoing operations involve numerous potential risks that could adversely affect our business, results of operations or financial condition, including:

- diverting management's attention from other business priorities;
- receiving necessary consents, clearances and approvals in connection with a transaction, including under antitrust and competition laws, which could delay or prevent the completion of a transaction or otherwise restrict our ability to realize the expected financial or strategic goals of a transaction;
- successfully integrating the operations, technologies, services, products and systems of the acquired businesses, brands or assets in an effective, timely and cost-efficient manner;
- to the extent applicable, integrating operations across different cultures and languages and addressing the particular economic, currency, political and regulatory risks associated with specific countries;
- realizing the full extent of the expected benefits or synergies as a result of a transaction, within the anticipated time frame, or at all;
- successfully operating in new lines of business, categories, channels of distribution or geographic markets;
- achieving distribution expansion related to products, categories and geographic markets;
- retaining key employees, partners, suppliers and customers of the acquired business;
- conforming standards, controls, procedures and policies of the acquired business with our own;
- developing and launching products with acquired technologies; and
- other unanticipated problems or liabilities.

Moreover, our acquisitions have in the past resulted in, and could in the future result in, substantial exposure to contingent liabilities, such as litigation, indemnification claims and earn-out obligations. The occurrence of these or other costs of acquisitions, such as incurrence of substantial additional debt or transaction costs or impairment of goodwill or other intangible assets, could adversely affect our business, results of operations or financial condition. See Note 13, "Commitments and Contingencies," to our audited combined financial statements included elsewhere in this prospectus for additional information, including with respect to indemnification claims related to over-the-counter Zantac products sold by third parties in the United States.

In addition, we have divested, and expect to continue to periodically divest in the future, businesses, brands and assets as part of ongoing efforts to refine our portfolio and redefine our strategic priorities. These divestitures may adversely affect our business, results of operations or financial condition if we are unable to offset the dilutive impacts from the loss of net sales associated with the divested businesses, brands or assets or otherwise achieve the anticipated benefits or cost savings from the divestitures. Furthermore, businesses, brands or assets under consideration for, or otherwise subject to, divestiture may be adversely impacted prior to completion of the divestiture, which could adversely affect our business, results of operations or financial condition.

For additional information about recent acquisitions and divestitures, see Note 14, "Acquisitions and Divestitures," to our audited combined financial statements included elsewhere in this prospectus.

Increases in the availability and acceptance of private-label brands and generic non-branded products could adversely affect our business, results of operations or financial condition.

Many of our products, such as our OTC products, face substantial competition from retailers' private-label brands and generic non-branded products, which are typically sold at lower prices than branded products. For example, in the allergy care category, where Zyrtec had the number one market share on a global basis in 2022, private-label brands collectively accounted for approximately 27% of the global sales in that category. In addition, in

the pain care category, where Tylenol had the number one market share on a global basis in 2022, private-label brands collectively accounted for approximately 19% of the global sales in that category.

Legislative proposals emerge from time to time in various jurisdictions that would further encourage the early and rapid approval of generic non-branded products in those jurisdictions. An increase in the availability and acceptance of private-label brands and generic non-branded products around the world could cause us to reduce the prices of some of our products to maintain sales volume, which could adversely affect the profitability and market share of those products and otherwise adversely affect our business, results of operations or financial condition. Although we believe that our branded products provide superior quality, performance and functionality, we cannot predict with certainty the extent to which consumers will continue to favor our branded products over private-label and generic non-branded products in the future, particularly during periods when economic or market conditions are uncertain or unfavorable.

In addition, retailers' private-label brands and generic non-branded products may use similar packaging and trade dress as our proprietary packaging and trade dress, which could diminish the value of our proprietary rights in our branded products. We may, from time to time, decide not to enforce such proprietary rights against these retailers due, in part, to uncertainty about the outcome and our relationship with these retailers, among other factors. See "—Risks Related to Government Regulation and Legal Proceedings—The loss of any registered trademark or other rights with respect to our trademarks or trade names could enable other companies to compete more effectively with us and otherwise adversely affect our business, results of operations or financial condition."

Counterfeit, intellectual property infringing or other unauthorized versions of our products, particularly in our OTC business, could harm consumers and adversely affect our business, results of operations or financial condition.

Our industry, including our business, continues to be challenged by the vulnerability of distribution channels to illegal counterfeiting and the presence of counterfeit, intellectual property infringing or other unauthorized products in a growing number of markets and over the internet. We have anticounterfeiting initiatives in place and work closely with government regulators and law enforcement officials to prevent and stop these activities. Nonetheless, third parties may illegally distribute and sell counterfeit, intellectual property infringing or other unauthorized versions of our OTC medicines or other products, which do not meet our rigorous manufacturing and testing standards. Counterfeit, intellectual property infringing or other unauthorized versions of our medicines may contain harmful substances, the wrong dose of an active pharmaceutical ingredient ("API") or no API at all, depriving consumers of the therapeutic benefit of these medicines. However, to distributors and consumers, unauthorized versions of our products may be visually indistinguishable from the authentic versions and, as a result, the unauthorized versions may be sold by retailers or purchased by consumers in error. Counterfeit, intellectual property infringing or other unauthorized versions of our products pose a risk to consumer health and safety because of the conditions under which they are manufactured, which are often in unregulated, unlicensed, uninspected and unsanitary sites, as well as the lack of regulation of their contents. The consumption of unauthorized versions of our products that are inferior in quality yet believed to be genuine may, in some instances, cause consumer health and safety issues and damage our reputation.

We may be unable to prevent sales of counterfeit or stolen products, unauthorized resellers online or sales in violation of law or our policies, particularly as our sales on various e-commerce platforms grow. The internet exposes consumers to greater risk because it is a preferred vehicle for counterfeit, intellectual property infringing or other unauthorized versions of products. Counterfeit, intellectual property infringing or other unauthorized versions of our products could adversely affect our business, results of operations or financial condition by diverting our products from their authorized market into other channels or by being mistakenly attributed to, or impacting consumer confidence in, our authentic products, potentially resulting in lost sales, product recalls and an increased threat of legal or regulatory proceedings.

Risks Related to Our Operations

We rely on third parties in many aspects of our business, including to manufacture certain of our products, which exposes us to additional risks that could adversely affect our business, results of operations or financial condition.

We rely on relationships with third parties, including manufacturers, suppliers, distributors, contractors, logistics providers and other external business partners, in many aspects of our business. If we are unable to effectively manage our third-party relationships and the agreements under which our third-party partners operate, our business, results of operations or financial condition could be adversely affected. Furthermore, failure of these third parties to meet their obligations to us or substantial disruptions in our relationships with these third parties could adversely affect our business, results of operations or financial condition. While we have policies and procedures for managing these relationships, they inherently involve a lesser degree of control over business operations, compliance matters and ESG practices, thereby potentially increasing our reputational, legal, financial and operational risk. If our manufacturers, suppliers or other third-party partners fail to comply with applicable laws, regulations, safety codes, employment practices, human rights standards, quality standards, environmental standards, health and safety standards, production practices or other obligations, norms or ethical standards, our reputation or our brands could be damaged, and we could be exposed to litigation, investigations, enforcement actions, monetary liability and additional costs that could adversely affect our business, results of operations or financial condition. Moreover, some of our third-party partners are located outside the United States, which exposes us to additional risks inherent to conducting business around the world. These risks will increase as we continue to expand our global operations. See “—Risks Related to Financial and Economic Market Conditions—We face a variety of risks associated with conducting business around the world, and these risks will increase as we continue to expand our global operations.”

In particular, we partner with third parties to manufacture certain of our key products, such as Tylenol and Zyrtec. We depend on these third-party manufacturers to allocate to us a portion of their manufacturing capacity sufficient to meet our needs, to produce products of acceptable quality and at acceptable manufacturing yields and to deliver those products to us on a timely basis and at acceptable prices. However, these third-party manufacturers may not be able to meet our near-term or long-term manufacturing requirements, which could result in lost sales and otherwise adversely affect our business, results of operations or financial condition. Other risks associated with our reliance on third parties to manufacture products include reliance on third parties for regulatory compliance and quality assurance, potential misappropriation of our intellectual property by third parties or their employees, limited ability to manage our inventory, possible breach of the manufacturing agreement by the third party and the possible termination or nonrenewal of the manufacturing agreement by the third party at a time that is costly or inconvenient for us. Moreover, if any of our third-party manufacturers suffers any damage to its facilities, loses benefits under material agreements, experiences power outages or cybersecurity issues, encounters financial difficulties, is unable to secure necessary raw materials from its suppliers or suffers any other reduction in efficiency, we may experience significant business disruption. In the event that such a disruption occurs, we may need to seek and source other qualified third-party manufacturers, likely resulting in further delays and increased costs, which could adversely affect our business, results of operations or financial condition. See “—Disruptions to our manufacturing or supplier operations could adversely affect our business, results of operations or financial condition.”

In connection with the Separation, we may need to replace certain of our existing contracts with third parties and, with respect to certain contracts, including contracts related to information technology and cybersecurity matters, that are intended to be transferred, in whole or in part, from Johnson & Johnson to us, obtain consents or approvals from third parties. If we are unable to obtain these replacement contracts or required consents or approvals, or if we can only do so on less favorable terms, our business, results of operations or financial condition could be adversely affected. See “—Risks Related to the Separation and the Distribution—The transfer of certain contracts and other assets and rights from Johnson & Johnson to us may require the consents or approvals of third parties and governmental authorities, and failure to obtain these consents or approvals could adversely affect our business, results of operation or financial condition.” In addition, upon expiration or termination of the Transition Services Agreement and the Transition Manufacturing Agreement that we will enter into with Johnson & Johnson in connection with the Separation, we may need to engage alternative third-party sources to provide certain manufacturing operations, systems and services that Johnson & Johnson currently provides to us, which could

further increase our exposure to the risks related to reliance on third parties described in the preceding two paragraphs. See “—Risks Related to Our Relationship with Johnson & Johnson—Johnson & Johnson may fail to perform under the Transition Manufacturing Agreement, or we may fail to have replacement manufacturing arrangements in place when the Transition Manufacturing Agreement expires” and “—Risks Related to Our Relationship with Johnson & Johnson—Johnson & Johnson may fail to perform under the Transition Services Agreement, or we may fail to have replacement systems and services in place when the Transition Services Agreement expires.”

Disruptions to our manufacturing or supplier operations could adversely affect our business, results of operations or financial condition.

Our ability to meet the needs of our consumers and customers depends on the proper functioning of our manufacturing and supplier operations. Our manufacturing operations require the timely delivery of sufficient amounts of complex, high-quality components and materials. Interruptions or delays in our internal operations, or those of our third-party manufacturers, suppliers and logistics providers, could adversely affect our business, results of operations or financial condition. These disruptions could be caused by a number of factors, including regulatory action, quality control or safety issues, labor disputes or the lack of availability of qualified personnel, concentration or insolvency of manufacturers or suppliers, site-specific incidents (such as fires, explosions, flooding, power outages or site closures), natural disasters (such as hurricanes, earthquakes or other severe natural events), raw material shortages, increases in the cost of components and materials for our products, political unrest, terrorist attacks, cybersecurity incidents, epidemics, pandemics (such as the COVID-19 pandemic), global shipping, logistics, transport and warehousing constraints, governmental incentives and controls (including import and export restrictions such as new or increased tariffs, sanctions, quotas or trade barriers), other unfavorable economic or market conditions, trade embargoes, customs and tax requirements and similar factors.

We have in the past faced, and may in the future face, unanticipated interruptions and delays in manufacturing through our internal and external supply chain. Manufacturing or supplier disruptions could result in product shortages, declining sales, reputational damage or significant costs, which could adversely affect our business, results of operations or financial condition. In addition, although we currently operate 25 in-house manufacturing sites and source from hundreds of suppliers around the world, some of our products are currently manufactured at a single location or a limited number of locations. We also purchase certain key components and materials for our products, including APIs required to manufacture Tylenol, from single-source suppliers or a limited number of suppliers. As a result, a disruption that only impacts a single manufacturer, manufacturing facility or supplier could nonetheless have an adverse effect on our business, results of operations or financial condition.

The unavailability of qualified manufacturers or suppliers could further disrupt our operations. Our current manufacturing or supplier operations may not be able to continue to manufacture or supply current quantities at preferential prices or accommodate our anticipated growth. New manufacturers and suppliers may need to be qualified under industry and governmental standards as well as our own ethical and business partner standards, which can require a significant amount of resources. If we are unable to enter into relationships with new manufacturers or suppliers or replace the loss or unavailability of any of our existing manufacturers or suppliers on a timely basis, or at all, our business, results of operations or financial condition could be adversely affected.

Disruptions to our distribution operations could adversely affect our ability to deliver our products to consumers and customers.

Our ability to receive inventory and deliver products to distributors, customers and consumers on a timely basis depends on the proper functioning of our manufacturing, supplier and distribution operations, and interruptions or delays in these operations could adversely affect our business, results of operations or financial condition. Distribution disruptions can occur for many reasons, including manufacturing or supplier disruptions, labor disputes or the lack of availability of qualified personnel, concentration or insolvency of distributors or logistics providers, site-specific incidents, natural disasters, political unrest, terrorist attacks, cybersecurity incidents, epidemics, pandemics (such as the COVID-19 pandemic), other unfavorable economic or market conditions, trade embargoes, customs and tax requirements and similar factors. Increases in transportation costs (including fuel costs) or shipping costs, issues with overseas shipments, reductions in the transportation capacity of carriers, labor strikes or shortages

in the transportation industry, disruptions to transportation infrastructure and unexpected delivery interruptions or delays could also increase the costs of, or otherwise adversely affect, our distribution operations.

Interruptions or delays in our distribution operations could disrupt our ability to process or fulfill customer or consumer orders. Any delay in processing or inability to fulfill, customer or consumer orders through our distribution network could adversely affect our business, results of operations or financial condition. We are also subject to risks of damage to, or loss of, our products while they are stored in our warehousing facilities or being delivered by our shipping vendors. Distributors, customers and consumers rely on timely receipt of our products and any repeated, intermittent or long-term disruption to, or failure of, the operations of our warehousing and distribution facilities could lead to lower sales and profitability, excess inventory, reputational damage or loss of loyalty to our brands. In addition, as we continue to grow our business, we may need to continue to update or expand our warehousing and distribution facilities, which may require significant amounts of capital, or engage additional third-party distributors and shipping vendors, which may increase the risks to our business associated with reliance on third parties. See “—We rely on third parties in many aspects of our business, including to manufacture certain of our products, which exposes us to additional risks that could adversely affect our business, results of operations or financial condition.”

Volatility in the cost or availability of raw materials and other inputs for our products, including as a result of recent inflationary pressures, has adversely affected, and could in the future continue to adversely affect, our business, results of operations or financial condition.

The manufacture and distribution of our products involves a variety of raw materials, including essential oils, resins, pulp, tropical oils, lubricants, tallow, corn, poultry, soybeans and silicon; packaging components, including corrugate; and other inputs, including energy, labor, transportation (such as trucks, containers and ocean freight) and logistics services. Any increase in the cost, or constraint on the availability, of these raw materials, packaging components or other inputs for our products could adversely affect our business, results of operations or financial condition. Volatility in the cost or availability of these raw materials, packaging components and other inputs for our products can occur for many reasons, including changes in consumer and customer preferences and purchasing patterns, regulatory action, safety issues, labor issues, concentration or insolvency of suppliers, site-specific incidents, natural disasters, political unrest, terrorist attacks, cybersecurity incidents, epidemics, pandemics (such as the COVID-19 pandemic), other unfavorable economic or market conditions, trade embargoes, customs and tax requirements, currency fluctuations and similar factors.

Inflationary pressures have recently increased, and may continue to increase, the costs of these raw materials, packaging components and other inputs for our products. Since 2021 and continuing throughout 2022, we have experienced, and we continue to experience, higher than expected inflation, including escalating transportation, commodity and other supply chain costs and disruptions that have adversely affected, and continue to adversely affect, our results of operations. We anticipate that supply chain disruptions will persist in the near-term. We strive to maintain our usual profit margins in economies experiencing high inflation rates, which has in the past caused us (including in response to recent periods of high inflation in the United States), and may in the future cause us, to increase our prices and to implement supply chain optimization initiatives to partially offset the adverse effects of the high inflation. Specifically, since 2021, we have partially offset the impact of inflation largely through price increases, in addition to continued supply chain optimization initiatives. However, if our costs continue to be subject to significant inflationary pressures, we may not be able to offset the higher costs through price increases, achieve cost efficiencies, such as in manufacturing and distribution, or otherwise manage the exposure through sourcing strategies, ongoing productivity initiatives and the use of commodity hedging contracts, which could adversely affect our business, results of operations or financial condition. In addition, even if we are initially able to increase the prices of our products as a responsive measure to inflationary pressures, we may not be able to sustain these price increases, or sustained price increases may eventually lead to a decline in sales volume if our competitors do not increase their prices or if consumers or customers decide to no longer pay the higher prices for our products. As a result, inflationary pressures could damage our reputation or our brands or lead to loss of profitability or market share, which could adversely affect our business, results of operations or financial condition.

In addition, in certain cases, our relationship with a particular supplier may not be governed by a contract and the supplier could discontinue our supply at any time. This risk may be magnified in economies experiencing high

inflation rates, as suppliers could respond to inflationary pressures by reallocating supply to competitors that are willing to pay more for the applicable materials or components. If we are unable to procure key raw materials or packaging components for our products at a reasonable cost, or at all, our business results of operations or financial condition could be adversely affected.

If we are unable to accurately forecast demand for our products, our business, results of operations or financial condition could be adversely affected.

To ensure adequate inventory supply, we forecast inventory needs and place orders with our third-party manufacturers before firm orders are placed by our consumers or customers. Factors that could affect our ability to accurately forecast demand for our products include an unanticipated increase or decrease in demand for our products; our failure to accurately forecast acceptance for new products; product introductions by competitors; unanticipated changes in general market conditions (which may result in cancellations of advance orders or a reduction or increase in the rate of reorders or at-once orders placed by our customers); the impact on demand due to natural disasters or unseasonable weather conditions, weakening of economic conditions or consumer or customer confidence in future economic conditions (which could reduce demand for our products); and terrorism or acts of war, or the threat thereof, or political or labor instability or unrest (which could adversely affect consumer or customer confidence and spending or the cost or availability of raw materials and other inputs for our products).

If we fail to accurately forecast consumer and customer demand for our products, we may experience excess inventory levels or a shortage of product to deliver to our consumers, customers and distributors. Inventory levels in excess of consumer or customer demand may result in inventory write-downs or write-offs and the sale of excess inventory at discounted prices or in less preferred distribution channels, which could damage our reputation and otherwise adversely affect our business, results of operations or financial condition. In addition, if we underestimate the demand for our products, our third-party manufacturers may not be able to manufacture products in quantities that are sufficient to meet our consumer or customer requirements, which could result in delays in the shipment of our products, lost sales and damage to our reputation and customer and distributor relationships. The difficulty in forecasting demand may also make it difficult to estimate our future results of operations or financial condition from period to period.

An information security incident, including a cybersecurity breach, or the failure of an information technology system owned or operated by us or a third party, could adversely affect our business, results of operations or financial condition.

Our business is increasingly dependent on information technology systems, networks and services, including internal and public internet and intranet sites, data hosting and processing facilities and technologies, cloud-based services and hardware, physical security systems, digital, social media and mobile technology platforms and other hardware, software and technical applications and platforms (collectively, "IT Systems"), some of which are managed, hosted, provided or used by third parties, including cloud-based service providers, and their vendors. Our uses of IT Systems include:

- communicating within our company and with other parties, including consumers, customers and third-party partners;
- ordering and managing materials from suppliers;
- manufacturing and testing our products;
- receiving and processing orders from, shipping products to and invoicing our consumers and customers;
- marketing products to consumers and customers;
- collecting, transferring, storing or processing personal data;
- processing transactions, including employee payroll, employee and retiree benefits and payments to customers and vendors;

- hosting, processing and sharing confidential and proprietary research, intellectual property, business plans and financial information;
- summarizing and reporting results of operations, including financial reporting;
- managing our banking and other cash liquidity systems and platforms;
- complying with legal, regulatory and tax requirements;
- providing data security; and
- handling other processes involved in managing our business.

Our IT Systems and those of third parties with which we partner or their vendors could be damaged, breached or cease to function properly due to any number of causes, including catastrophic events, natural disasters, power outages, computer and telecommunications failures, improper data handling, viruses, phishing attempts, cyberattacks, malware and ransomware attacks, security breaches, security incidents or employee error or malfeasance. In particular, extensive information security and cybersecurity threats, which affect companies globally, pose a risk to the security and availability of these systems and networks and the confidentiality, integrity and availability of our sensitive data. The overall increase in supply chain attacks on companies generally and our interdependency on third-party service providers increase the potential for supply disruptions and service outages.

Certain of our third-party partners and their vendors have access to portions of our IT Systems, and any attack on the IT Systems of these third-party partners or their vendors could then be used to attempt to infiltrate our IT Systems. Furthermore, any cybersecurity incident impacting our third-party partners or their vendors may adversely affect our business, results of operations or financial condition even if the breach does not directly impact our IT Systems. In the market for third parties that provide the IT Systems we use in our business were to contract or converge in the future, this may increase both the challenge in identifying capable service providers and the potential impact of a breach incident with any single service provider.

Cyberattacks and other cybersecurity incidents are of ever-increasing levels of sophistication and are made by groups and individuals with a wide range of motives (including industrial espionage) and expertise, including nation-states, organized criminal groups, “hacktivists,” insiders acting with malicious intent and others. Our IT Systems and those of third parties with which we partner or their vendors have been, and likely will continue to be, subject to advanced computer attacks, including viruses or other malicious code, ransomware, unauthorized access attempts, denial of service attacks, phishing, social engineering, hacking and other cyberattacks. In addition, the global threat of cyberattacks has increased in response to the Russia-Ukraine War. See “—Risks Related to Financial and Economic Market Conditions—The Russia-Ukraine War, and actions taken in response to the Russia-Ukraine War, could adversely affect our business, results of operations or financial condition.”

We continually assess these threats and make investments to increase internal protection, detection and response capabilities and ensure the third parties with which we partner and their vendors have the required capabilities and controls to address these risks. However, our security efforts may not prevent or timely detect breakdowns, breaches, cyberattacks or other compromises of or interruptions to our IT Systems or those of third parties with which we partner or their vendors, and we may not be able to timely remediate any breakdowns, breaches, cyberattacks or other compromises or interruptions that we detect, which could adversely affect our business, results of operations or financial condition. Furthermore, notwithstanding any contractual rights or remedies we may have, because we do not control, and may have limited oversight over, our third-party partners and their vendors, we cannot ensure the technologies, capabilities and controls they employ to protect the integrity and security of their IT Systems will provide adequate protection. In addition, we, third parties with which we partner and their vendors periodically upgrade IT Systems or adopt new technologies. If an upgrade to an IT System or a newly adopted technology that is used in our business does not function as designed or for its intended purpose, or increases our exposure to a cyberattack or cybersecurity incident, our business, results of operations or financial condition could be adversely affected.

To date, we have not experienced any material impact to our business or operations resulting from information security or cybersecurity incidents. However, due to the frequency with which attack techniques change and the increased volume and sophistication of attacks, there is the continuous potential for our business, results of operations or financial condition to be adversely affected by an information security or cybersecurity incident involving us or a third party with which we partner or its vendor, which could result in reputational, competitive, operational or other business harm as well as financial costs and regulatory action. Moreover, we expect that the variety and magnitude of risks associated with our use of IT Systems will increase as we continue to implement our digital-first strategy and as our third-party partners similarly expand their digital operations.

The availability of cybersecurity insurance to cover an information security or cybersecurity incident in the future, whether on economically reasonable terms or at all, is uncertain and, even if available, the coverage may not be sufficient to cover all financial, legal, business or reputational losses that may result from a breakdown, breach, cyberattack or other compromise of or interruption to the IT Systems or confidential and other sensitive information used in our business. If we maintain cybersecurity insurance, the insurer may deny coverage as to any future claim. Even if we maintain cybersecurity insurance, the successful assertion of one or more large claims against us that exceed available insurance coverage, or the occurrence of changes in our insurance policies including premium increases or the imposition of large deductible or co-insurance requirements, could adversely affect our business, results of operations or financial condition. See “—Insurance coverage, even where available, may not be sufficient to cover losses we may incur.” In addition, limitation of liability or indemnity provisions in our contracts, including with vendors and service providers, may not be enforceable or adequate or otherwise protect us from any liabilities or damages for an information security or cybersecurity incident with respect to any particular claim.

In connection with the Separation, we will work to separate our IT Systems from Johnson & Johnson’s IT Systems. Any of the foregoing risks may be exacerbated by the Separation as a result of the required transition of our IT Systems and related transfer of data. See “—Risks Related to the Separation and the Distribution—We will incur significant charges in connection with the Separation and incremental costs as a standalone public company.”

For additional information about risks related to privacy and data protection matters, see “—Risks Related to Government Regulation and Legal Proceedings—A breach of privacy laws or unauthorized access, loss or misuse of personal data could adversely affect our business, results of operations or financial condition.”

Our business depends on our ability to attract and retain talented, highly skilled employees and a diverse workforce, and on the succession of our senior management.

Our business depends on our ability to attract and retain talented employees representing diverse backgrounds, experiences and skill sets. The market for highly skilled personnel and leaders in our industry is extremely competitive, and our ability to compete depends on our ability to hire, develop and motivate highly skilled personnel and leaders in all areas of our business and in all geographic markets in which we operate, particularly as we continue to implement our digital-first strategy and expand our global operations. Maintaining our brands and our reputation, and a diverse, equitable and inclusive work environment, enables us to attract top talent. If we are less successful in our hiring efforts, or, if we cannot retain highly skilled workers and key leaders, then our ability to develop, market and sell successful products could be adversely affected. Furthermore, our ability to attract and retain talent has been, and may continue to be, impacted to varying degrees by challenges in the labor market that emerge from time to time, such as wage inflation, labor shortages, changes in immigration laws and government policies and a shift toward remote work and other flexible work arrangements.

As part of Johnson & Johnson, we have been able to capitalize on Johnson & Johnson’s historical market reputation, performance and corporate brand identity to attract and retain key personnel to run and operate our business. As a standalone company, we will not have the same historical market reputation, performance or corporate brand identity as Johnson & Johnson, which may make it more difficult for us to attract or retain such personnel. In connection with the Separation, we will need to hire and integrate a significant number of employees on an expedited basis to enable us to continue to operate without the same access to Johnson & Johnson’s existing operational and administrative infrastructure. Furthermore, the Separation could result in new and increased demands on our management team and other employees. Current or prospective employees could also experience uncertainty about their future roles at our company as a result of the Separation or other strategic, organizational or

operational changes in the future. As a result, we may lose key personnel or we may be unable to attract, integrate, retain or motivate qualified individuals, the costs associated with attracting, integrating, retaining or motivating personnel may increase. Any impact on our ability to operate our business with employees possessing the appropriate expertise could adversely affect our business, results of operations or financial condition.

Effective succession planning is also important to our long-term success. Any unsuccessful implementation of our succession plans or failure to ensure effective transfer of knowledge and smooth transitions involving key employees could adversely affect our business, results of operations or financial condition.

Labor disputes, strikes, work stoppages or other labor relations matters could adversely affect our business, results of operations or financial condition.

Some of our employees are members of unions or trade associations, represented by works councils or otherwise subject to collective bargaining agreements in certain jurisdictions, including the United States. As a result, we are exposed to risks associated with labor disputes, strikes, work stoppages and other similar labor relations matters. We may be unable to negotiate new collective bargaining agreements on similar or more favorable terms, and we may experience work stoppages, higher ongoing labor costs or other labor issues in the future. These risks may be increased by the Separation to the extent we are no longer able to benefit from Johnson & Johnson's existing relationships and prior negotiations relating to collective bargaining agreements. We may also experience difficulties or delays in implementing changes to our workforce in certain geographic markets or in building our workforce in new geographic markets that we may enter.

Legislative proposals are made or discussed from time to time to increase the federal minimum wage in the United States as well as the minimum wage in a number of federal, state and local jurisdictions around the world. As the applicable minimum wage rates increase, we may need to increase the wage rates of our hourly employees. If we fail to increase our wages competitively in response to increasing wage rates, the quality of our workforce could decline. Legislative proposals are also made or discussed from time to time to modify benefit programs, such as health insurance and paid leave programs. Any increase in the cost of our labor as a result of these or other legislative proposals could adversely affect our business, results of operations or financial condition.

Our manufacturers, suppliers or other third-party partners may also be affected by labor-related issues, which could disrupt our operations, potentially for an extended period of time, and otherwise adversely affect our business, results of operations or financial condition. See “—We rely on third parties in many aspects of our business, including to manufacture certain of our products, which exposes us to additional risks that could adversely affect our business, results of operations or financial condition.”

Climate change, or legal, regulatory or market measures to address climate change, could adversely affect our business, results of operations or financial condition.

Climate change resulting from increased concentrations of carbon dioxide and other greenhouse gases in the atmosphere, which could have an adverse effect on global temperatures, weather patterns and the frequency and severity of extreme weather and natural disasters, could adversely affect our business, results of operations or financial condition. Natural disasters and extreme weather conditions, such as hurricanes, tornados, earthquakes, wildfires or flooding incidents, pose physical risks to our facilities and have in the past, and could in the future, disrupt the operation of our supply chain. The impacts of the changing climate on water resources may result in water scarcity, limiting our ability to access sufficient high-quality water in certain locations, which may increase operational costs. Concern over climate change may also result in new laws or regulations designed to reduce greenhouse gas emissions or mitigate the effects of climate change on the environment. If new laws or regulations are more stringent than current laws or regulations, we may experience disruption or an increase in the costs associated with, sourcing, manufacturing and distribution of our products. See “—Risks Related to Government Regulation and Legal Proceedings—We are subject to a broad range of environmental, health and safety laws and regulations, and the impact of any obligations under these laws and regulations could adversely affect our business, results of operations or financial condition.”

For additional information about risks related to climate change and sustainability matters, including our climate change and sustainability goals, see “Increasing scrutiny and rapidly evolving expectations from stakeholders regarding ESG matters could adversely affect our business, results of operations or financial condition.”

Increasing scrutiny and rapidly evolving expectations from stakeholders regarding ESG matters could adversely affect our business, results of operations or financial condition.

Increasing scrutiny and rapidly evolving expectations, including by governmental and non-governmental organizations, consumer advocacy groups, third-party interest groups, investors, consumers, customers, employees and other stakeholders, regarding ESG practices and performance, particularly as they relate to the environment, sustainability, climate change, health and safety, supply chain management, diversity, labor conditions and human rights, could adversely affect our business, results of operations or financial condition. The standards for tracking and reporting on ESG matters are relatively new, have not been harmonized and continue to evolve. Legislators and regulators have imposed, and likely will continue to impose, ESG-related legislation, rules and guidance which may conflict with one another, create new disclosure obligations, result in additional compliance costs or expose us to new or additional risks. In addition, customers and other stakeholders have encouraged or insisted on, and likely will continue to encourage or insist on in the future, the adoption of various ESG practices that may conflict with one another and may exceed the requirements of applicable laws or regulations. Furthermore, certain organizations that provide information to investors have developed ratings for evaluating companies on their approach to various ESG matters. Implementing any necessary enhancements to our global processes and controls to reflect the increased scrutiny and rapidly evolving expectations regarding ESG matters may be complex, time-consuming and costly.

In 2020, we launched our Healthy Lives Mission, which includes a public commitment to invest \$800 million by 2030 intended to position our brands as healthy choices for both people and the planet. We expect to expend significant resources to promote our Healthy Lives Mission and our broader ESG efforts. However, we may be unable to successfully implement our ESG efforts or the changes we implement in connection with our ESG efforts may not generate the intended effects, which could adversely affect our business, results of operations or financial condition. For example, our ESG goals and commitments could hinder our ability to obtain sufficient amounts of products or materials, either at a reasonable cost or at all, including because our ESG goals and commitments could reduce the number of manufacturers or suppliers with business practices or access to materials that satisfy the requirements of our ESG goals and commitments. In addition, we expect that stakeholders will compare our ESG goals and commitments against those of our competitors. Our competitors could have more robust ESG goals and commitments or be more successful at implementing their ESG goals and commitments than us, which could adversely affect our reputation. Our competitors could also decide not to establish ESG goals and commitments at a scope or scale that is comparable to our ESG goals and commitments, which could result in our competitors having lower supply chain or operating costs.

Our reputation may be affected by our perceived ESG credentials and our ability to meet our ESG goals. Despite our efforts, any actual or perceived failure to achieve our ESG goals or the perception (whether or not valid) that we have failed to act responsibly with respect to ESG matters, comply with ESG laws or regulations or meet societal, investor and consumer ESG expectations could result in negative publicity and reputational damage, lead consumers or customers to purchase competing products or investors to choose not to invest in our company or cause dissatisfaction among our employees or other stakeholders, which could adversely affect our business, results of operations or financial condition.

Insurance coverage, even where available, may not be sufficient to cover losses we may incur.

Our business exposes us to the risk of liabilities and losses arising from our operations. For example, we may be liable for claims brought by consumers, customers, employees or other third parties for personal injury or property damage arising from the use of our products or premises. We also may face liabilities or losses due to site-specific incidents (such as fires, explosions, flooding or power outages), natural disasters (such as hurricanes, earthquakes or other severe natural events), cybersecurity incidents and similar factors. We seek to minimize these risks where practicable and economical through various insurance contracts from third-party insurance carriers. However, any insurance coverage we purchase or otherwise have access to is subject to large deductibles on individual claims, policy limits (on individual claims and on all claims in the aggregate) and other terms and conditions. We retain an

insurance risk reserve for the deductible portion of each claim and for any gaps in insurance coverage. We do not view insurance, by itself, as a material mitigant to our business risks, and our insurance may not be sufficient to cover losses we may incur. Any losses that insurance does not substantially cover could adversely affect our business, results of operations or financial condition. In addition, the insurance industry has become more selective in offering some types of insurance, such as product liability and cybersecurity insurance, and we may not be able to obtain certain insurance coverage on favorable terms, or at all, in the future.

Significant product returns or refunds could adversely affect our business, results of operations or financial condition.

In accordance with our terms of sale, we allow our customers to return products in exchange for reimbursement and refund. In addition, some of our agreements with our retail trade customers provide that we are responsible for the logistical costs associated with certain product returns. Return rates and related costs may be higher for products with degrees of unpredictable seasonable demand, such as products used for sun protection or to treat coughs and colds. If product returns or refunds are significant or higher than anticipated, our business, results of operations or financial condition could be adversely affected. Furthermore, we and our third-party partners, including retail trade customers and third-party e-commerce partners, modify policies relating to returns or refunds from time to time, and may do so in the future, which may result in consumer dissatisfaction, damage to our reputation or our brands or an increase in the number of product returns or the amount of refunds we make. From time to time, our products are not received as expected or are damaged in transit, which can increase return rates, damage our reputation or our brands and otherwise adversely affect our business, results of operations or financial condition.

Risks Related to Government Regulation and Legal Proceedings

We are subject to a broad range of laws and regulations in the United States and around the world, and compliance with or enforcement actions related to these laws and regulations could adversely affect our business, results of operations or financial condition.

We are subject to a broad range of laws and regulations in the United States and around the world. These laws and regulations apply to many areas of our business, including most aspects of our products, such as their development, ingredients, formulation, manufacture, packaging content, labeling, storage, transportation, distribution, export, import, advertising, sale and environmental impact. Compliance with or enforcement actions related to these laws and regulations could adversely affect our business, results of operations or financial condition. In the United States, federal authorities, including the Food and Drug Administration, the Federal Trade Commission, the Consumer Product Safety Commission, the Occupational Safety and Health Administration, the Environmental Protection Agency and the Drug Enforcement Administration, regulate different aspects of our business, along with parallel authorities at the state and local levels and comparable authorities in other jurisdictions.

In particular, the FDA and comparable authorities in other jurisdictions regulate the facilities and operational procedures that we use to manufacture our products. We are required to register our facilities with these authorities and manufacture products in these facilities in accordance with current Good Manufacturing Practices (“cGMP”) or similar manufacturing standards in each country in which we manufacture products. Compliance with these regulations and with our own quality standards, which may exceed applicable government regulations, requires substantial expenditures of time, money and effort across many areas of our business, including with respect to training of personnel, recordkeeping, production, quality control and quality assurance. Failure to comply with cGMP or similar manufacturing standards at one of our or our third-party partners’ facilities could result in adverse regulatory action. For example, McNEIL-PPC, Inc. (renamed “Johnson & Johnson Consumer Inc.”), whose assets will be transferred to us in connection with the Separation, previously operated under a consent decree, signed in 2011 with the FDA, which governed certain of its manufacturing operations and required it to remediate the facilities it operates in Lancaster, Pennsylvania, Fort Washington, Pennsylvania and Las Piedras, Puerto Rico. The FDA has completed its inspections of the facilities, which included a required five-year audit period by a third-party cGMP expert, and this consent decree was vacated in July 2021.

New or more stringent laws or regulations, more restrictive interpretations of existing laws or regulations or increased enforcement actions by governmental and regulatory agencies around the world could increase our

ongoing costs of compliance, alter the environment in which we do business or otherwise adversely affect our business, results of operations or financial condition. The global regulatory landscape is subject to rapid and unexpected changes, including as a result of the Russia-Ukraine War, the COVID-19 pandemic and the formal withdrawal of the United Kingdom from the European Union (commonly referred to as Brexit), and there has been a general trend toward increasingly stringent regulation and enforcement around the world in recent years. If we fail to comply with any new or existing laws or regulations, we may be required to pay damages, cease advertising or promotional activities, alter our products or marketing materials, cease selling certain products and possibly face fines or sanctions. Furthermore, as we continue to expand our global operations, we may be required to comply with market-specific laws and regulations, including by obtaining approvals, licenses or certifications from a particular country's regulators. Failure to obtain these approvals, licenses or certifications or comply with these laws or regulations could impede our growth prospects and otherwise adversely affect our business, results of operations or financial condition.

While it is our policy and practice to comply with all laws and regulations applicable to our business, our internal control policies and procedures may not always protect us from reckless or criminal acts committed by our employees, joint venture partners or agents. A finding that we are in violation of, or out of compliance with, applicable laws or regulations could subject us to civil remedies, including fines, damages, injunctions or product recalls, or criminal sanctions, any of which could adversely affect our business, results of operations or financial condition. Even if a claim is unsuccessful, is without merit or not fully pursued, the cost of responding to such a claim, including management time and out-of-pocket expenses, and the negative publicity surrounding such assertions regarding our products, processes or business practices could adversely affect our reputation or our brands and otherwise adversely affect our business, results of operations or financial condition.

For additional information about the regulatory landscape applicable to our business, see "Business—Government Regulations." For additional information about risks related to the regulatory landscape applicable to our business, see "—A breach of privacy laws or unauthorized access, loss or misuse of personal data could adversely affect our business, results of operations or financial condition", "—Our extensive operations and business activity throughout the world expose us to a variety of laws and regulations related to anti-corruption and human rights matters, and enforcement actions related to these laws and regulations could adversely affect our business, results of operations or financial condition" and "—We are subject to a broad range of environmental, health and safety laws and regulations, and the impact of any obligations under these laws and regulations could adversely affect our business, results of operations or financial condition."

We are, and could become, subject to significant legal proceedings and regulatory investigations that may result in significant expenses, fines and reputational damage.

In the ordinary course of business, we may be subject to a wide variety of claims, lawsuits and regulatory and governmental investigations involving various issues such as intellectual property, commercial contracts, product liability, labeling, marketing, advertising, pricing, foreign exchange controls, antitrust and trade regulation, labor and employment, pension, indemnification, data privacy and security, environmental, health and safety and tax matters. These claims and lawsuits may result in significant expenses, fines and reputational damage. Litigation, in general, and securities, derivative action, class action and multi-district litigation, in particular, can be expensive and disruptive, regardless of the merit of the underlying claims. Some of these matters may include thousands of plaintiffs, may involve parties seeking large or indeterminate amounts, including punitive or exemplary damages, and may remain unresolved for several years. It is not feasible to predict the ultimate outcome of a legal proceeding, and our assessment of the materiality of a legal proceeding, including any accruals taken in connection therewith, may not be consistent with the ultimate outcome of the legal proceeding. We could, from time to time in the future, be required to pay significant amounts as a result of settlements or judgments in legal proceedings, potentially in excess of accruals, including proceedings where we could be held jointly and severally liable among other defendants. In addition, our current estimates of the potential impact of legal proceedings on our business, results of operations or financial condition could change from time to time in the future. The resolution of, or increase in accruals for, a legal proceeding in a particular reporting period could adversely affect our business, results of operations or financial condition for that period.

For additional information about our current legal proceedings, see Note 13, “Commitments and Contingencies,” to our audited combined financial statements included elsewhere in this prospectus.

Concerns about the reliability, safety or efficacy of our products or their ingredients could result in litigation, regulatory action, reputational damage, product recalls, product reformulations or product withdrawals, which could adversely affect our business, results of operations or financial condition.

Concerns about the reliability, safety or efficacy of our products or their ingredients, whether raised internally or by litigants, regulators, consumer advocacy groups, third-party interest groups or others, and whether or not based on scientific or factual evidence, have resulted, and could in the future result, in governmental investigations, regulatory action (including the shutdown of manufacturing facilities), private claims and lawsuits, significant remediation and related costs, safety alerts, product shortages, declining sales or reputational damage (including damage to brand image, brand equity and consumer trust in our products). We have in the past paid, and we may be required in the future to pay, for losses or injuries purportedly caused by our products. These claims may be based on a variety of allegations, including that our products contain contaminants or impurities, provide inadequate instructions or warnings regarding their use, have defective packaging, fail to perform as advertised or damage property or persons. If any of our products, or an ingredient contained in any of our products, is perceived or found to be contaminated or tampered with, or otherwise defective or unsafe, we have needed to, and may in the future need to, recall, reformulate or withdraw our products, which could result in the adverse effects described above. The availability of third-party product liability insurance is uncertain and, even if available, potential claims may be subject to a deductible, exceed the amount of coverage or be excluded under the terms of the policies. See “—Risks Related to Our Operations—Insurance coverage, even where available, may not be sufficient to cover losses we may incur.”

Product recalls, product reformulations and product withdrawals of various magnitudes have occurred in each of our business segments and may occur in the future, including as a result of manufacturing issues, contamination issues, shipping and other supply chain issues and labeling issues. For example, with respect to our Skin Health and Beauty segment, in July 2021, Johnson & Johnson Consumer Inc. (“Old JJCI”) voluntarily recalled all lots of five Neutrogena and Aveeno aerosol sunscreen product lines to the consumer level and advised consumers to stop using the affected products out of an abundance of caution after internal testing identified low levels of benzene in some samples of the products, though based on exposure modeling and the U.S. Environmental Protection Agency’s framework, daily exposure to benzene in the recalled products would not be expected to cause adverse health consequences. See Note 13, “Commitments and Contingencies,” to our audited combined financial statements included elsewhere in this prospectus for additional information regarding benzene.

We have also faced, and could face in the future, concerns about the reliability, safety or efficacy of the ingredients used in our products. Scrutiny of ingredients we use in our products, including scrutiny that originates on digital or social media platforms, may result in an inability to use, or restrictions on the use of, the ingredients or a requirement for remedial action, which could cause us to incur significant additional costs, particularly if we need or otherwise decide to reformulate the affected products, or result in litigation. For example, Johnson & Johnson Inc. (Canadian affiliate) (“JJJ”) previously sold over-the-counter Zantac (ranitidine) products in Canada. JJJ has been named as a defendant, along with other manufacturers, in four proposed class actions in Canada alleging that Zantac and other over-the-counter medications that contain ranitidine may degrade and result in unsafe levels of NDMA (N-nitrosodimethylamine) and can cause or have caused various cancers in patients using the products. JJJ has also been named as a defendant, along with other manufacturers, in various personal injury actions in Canada related to Zantac products. Though we may have rights to indemnification from third parties for certain liabilities relating to these claims, it is not possible, at this stage, to assess reliably the outcome of these lawsuits or the potential financial impact on the Company. Johnson & Johnson has also received demands for indemnification for legal claims related to over-the-counter Zantac products sold by third parties in the United States. In addition, Johnson & Johnson Consumer Inc. and other subsidiaries of Johnson & Johnson have been named in cases alleging that prenatal exposure to Tylenol, an acetaminophen product, is associated with the development of autism spectrum disorder and attention-deficit/hyperactivity disorder in children. Plaintiffs have asserted similar claims against retailer chains, alleging similar injuries resulting from use of store-brand generic acetaminophen products. In September 2022, the Judicial Panel on Multidistrict Litigation (“MDL”) consolidated all such cases pending in the U.S. federal courts. At this time, the MDL proceedings are in their early stages. In addition, lawsuits have been filed in Canada against our

Canadian affiliate. It is not possible at this stage to assess reliably the outcome of these cases or the potential financial impact on the Company. See Note 13, “Commitments and Contingencies,” to our audited combined financial statements included elsewhere in this prospectus for additional information regarding litigation related to Zantac and acetaminophen.

If we remove certain ingredients from our products, either voluntarily or pursuant to a regulatory mandate, we may not be able to successfully develop an alternative formulation or obtain necessary regulatory approvals on a timely basis, or at all. Furthermore, any reformulated product we introduce to the market may not be positively received by consumers and customers, which could result in lost sales, damage our reputation or our brands or otherwise adversely affect our business, results of operations or financial condition.

Moreover, negative perceptions of our products or their ingredients may arise from product liability claims, product recalls or product withdrawals, regardless of whether the claims, recalls or withdrawals directly involve us or our products. In addition, the mere publication of information asserting concerns about the reliability, safety or efficacy of competing products or ingredients in competing products that are also used in our products could adversely affect our business, results of operations or financial condition. Increased regulation, litigation or adverse publicity concerning ingredients used in our products, such as acetaminophen, may discourage consumers from buying our products that contain those ingredients, even when the regulation, litigation or publicity does not directly relate to or expressly mention us or our products, and even if not accurate. In addition, we believe our products are reliable, safe and effective when used for their intended purposes in accordance with label directions. However, consumers have misused, and may in the future misuse, our products, including for unauthorized, nefarious or other unintended purposes, which in certain instances has had, and may in the future have, serious or even fatal implications. Misuse of our products has led to, and may in the future lead to, criticism on digital and social media platforms, negative coverage by traditional media and other forms of adverse publicity regarding our products or their ingredients, which could similarly discourage consumers from buying our products or otherwise adversely affect our reputation or our brands. See “—Risks Related to Our Business and Industry—Our brands are critical to our success, and damage to our reputation or our brands could adversely affect our business, results of operations or financial condition.”

Legal proceedings related to talc or talc-containing products, such as Johnson’s Baby Powder, sold outside the United States and Canada and other risks and uncertainties related to talc or talc-containing products could adversely affect our business, results of operations or financial condition.

A significant number of personal injury claims alleging that talc causes cancer have been made against Old JJCI and Johnson & Johnson arising out of the use of body powders containing talc, primarily Johnson’s Baby Powder.

In October 2021, Old JJCI implemented a corporate restructuring, as a result of which LTL Management LLC (“LTL”), a subsidiary of Johnson & Johnson, was established through a demerger procedure and assumed sole responsibility for all liabilities of Old JJCI related in any way to injury or damage, or alleged injury or damage, sustained or incurred in the purchase or use of, or exposure to, talc, including talc contained in any product sold in the United States or Canada, or to the risk of, or responsibility for, any such damage or injury, including such liabilities based on the contamination, or alleged contamination of, talc, including talc contained in any product sold in the United States and Canada, with asbestos or any other material (the “Talc-Related Liabilities”). Pursuant to the Separation Agreement, Johnson & Johnson will retain the Talc-Related Liabilities and, as a result, will agree to indemnify us for the Talc-Related Liabilities and any costs associated with resolving such claims. Such claims represent the vast majority of claims relating to harm arising out of, based upon or resulting from, directly or indirectly, the presence of or exposure to talc or talc-containing products. We will, however, remain responsible for all liabilities on account of or relating to harm arising out of, based upon or resulting from, directly or indirectly, the presence of or exposure to talc or talc-containing products sold outside the United States or Canada.

LTL will remain a subsidiary of Johnson & Johnson (and not the Company) following the Separation. In October 2021, LTL filed for voluntary bankruptcy protection under Chapter 11 of the U.S. Bankruptcy Code (the “Original Bankruptcy Case”). In February 2022, the United States Bankruptcy Court for the District of New Jersey (the “Bankruptcy Court”) denied claimants’ motions to dismiss the Original Bankruptcy Case. However, in January 2023, a three-judge panel of the United States Court of Appeals for the Third Circuit reversed the Bankruptcy Court

and remanded the case for dismissal. On April 4, 2023, the Bankruptcy Court dismissed the Original Bankruptcy Case, and LTL thereafter refiled for voluntary bankruptcy protection under Chapter 11 of the U.S. Bankruptcy Code (the “Refiled Bankruptcy Case”) in a manner that it believes addresses the Third Circuit’s basis for ordering the dismissal of the Original Bankruptcy Case. The Refiled Bankruptcy Case remains pending before the Bankruptcy Court, and it is intended that all claims related to the Talc-Related Liabilities will be resolved in these bankruptcy proceedings. However, LTL may not be able to successfully reorganize through bankruptcy, and we cannot predict with certainty the amount or timing of Talc-Related Liabilities that LTL or Johnson & Johnson will be required to pay, whether in connection with the bankruptcy proceedings or otherwise.

Various parties have brought, and it is possible that other parties will seek to bring, claims against us, including by raising allegations that we are liable for the Talc-Related Liabilities, and it is possible that these parties will be successful in bringing such claims. Although, under the Separation Agreement, Johnson & Johnson will agree to indemnify us for the Talc-Related Liabilities and any costs associated with resolving such claims, we cannot assure you that the indemnity from Johnson & Johnson will be sufficient to protect us against the full amount of these liabilities or that Johnson & Johnson will be able to fully satisfy its indemnification obligations. See “—Risks Related to Our Relationship with Johnson & Johnson—In connection with the Separation, Johnson & Johnson will indemnify us for certain liabilities. However, we cannot assure you that the indemnity will be sufficient to protect us against the full amount of such liabilities or that Johnson & Johnson’s ability to satisfy its indemnification obligation will not be impaired in the future.”

Furthermore, we have been, and may continue to be, subject to claims arising out of the sale of talc-based products that do not constitute Talc-Related Liabilities, such as claims relating to the sale of talc-based Johnson’s Baby Powder outside the United States or Canada. We are currently subject to a few such claims which are in early stages, and as such, we cannot reasonably estimate any probable loss relating to such claims. While we believe we have substantial defenses to these claims, it is not feasible to predict the ultimate outcome of these litigations. Although we have discontinued the sale of talc-based Johnson’s Baby Powder in certain markets, including the United States and Canada, and the sale of talc-based Johnson’s Baby Powder will be discontinued globally in 2023, we presently sell talc-based Johnson’s Baby Powder in certain other markets around the world. Given this, we may be subject to additional claims related to the sale of talc-based Johnson’s Baby Powder in markets where we presently sell this product, as well as additional claims related to the sale of talc-based Johnson’s Baby Powder in markets where we have discontinued this product (such as in the United States and Canada), including potential governmental inquiries, investigations, claims and consumer protection cases from state attorneys general. To the extent any such additional claims, whether currently pending or made in the future, do not constitute Talc-Related Liabilities, such claims would not be resolved by LTL’s bankruptcy filing and any related liabilities would not be covered by Johnson & Johnson’s indemnification obligations under the Separation Agreement. As a result, it is possible that these additional claims could adversely affect our business, results of operations or financial condition.

In addition, Johnson & Johnson has received inquiries, subpoenas and requests to produce documents regarding talc matters from various U.S. governmental authorities and is also subject to consumer protection cases and investigations from state attorneys general.

We may not be able to successfully establish, maintain, protect and enforce intellectual property rights that are, in the aggregate, material to our business.

We rely on a combination of intellectual property rights, including our trademarks, trade secrets, patents and copyrights, as well as rights to third-party intellectual property pursuant to licenses and other contracts, to establish, maintain, protect and enforce the intellectual property and proprietary information used in our business.

We may not be able to establish, maintain, protect or enforce our own intellectual property rights or, where appropriate, license in intellectual property rights necessary to support new product introductions. In addition, intellectual property is territorial, and, even if such rights are protected in the United States, the laws of other countries in which our products are or may be sold do not universally protect intellectual property rights to the same extent or in the same way as U.S. intellectual property laws. Public policy, both within and outside the United States, has often become increasingly unfavorable toward certain classes of intellectual property rights. We cannot be

certain that we will obtain adequate intellectual property protection for new products and technologies in the United States and other important markets or that such protections will last as long as originally anticipated.

Our intellectual property rights could be invalidated, circumvented or challenged in the future, and we could incur significant costs in connection with legal actions relating to such rights. If other parties infringe on, misappropriate or otherwise violate our intellectual property rights, they could diminish the value that consumers or customers associate with our brands in the marketplace and otherwise adversely affect our business, results of operations or financial condition.

From time to time, legal action has been, and may in the future be, necessary to maintain, protect and enforce our intellectual property and other proprietary rights. We may not be successful in prevailing in any such matters, regardless of the merits or our expenditures and efforts. Our efforts to enforce our intellectual property and other proprietary rights may be met with defenses, counterclaims and countersuits attacking the validity and enforceability of our intellectual property and other proprietary rights, and if such defenses, counterclaims or countersuits are successful, it could diminish, or we could otherwise lose, valuable intellectual property and other proprietary rights.

For certain of our products, we rely on inbound and outbound third-party licensing arrangements, the loss of which could adversely affect our business, results of operations or financial condition. In the event that any inbound license pursuant to which we use intellectual property rights of a third party expires or is otherwise terminated, we would lose the right to use the intellectual property covered by the license, which could require us to develop or license in alternative intellectual property. Our rights as a licensee could be similarly reduced if the applicable licensor fails to maintain or protect the licensed intellectual property in a manner that compromises the value of the licensed intellectual property. We also license out certain of our intellectual property rights to third parties, for which we receive royalty income in exchange. These outbound licensing arrangements inherently involve a lesser degree of control over the use of our intellectual property rights, thereby potentially increasing our reputational, legal, financial and operational risk by exposing the licensed intellectual product to product safety, quality, sustainability and other concerns. See “—Risks Related to Our Operations—We rely on third parties in many aspects of our business, including to manufacture certain of our products, which exposes us to additional risks that could adversely affect our business, results of operations or financial condition.”

For certain of our products, product uses, product formulations, manufacturing processes, delivery devices, dosage forms, packaging and designs, we rely on trade secrets, know-how and other proprietary information, which we seek to protect, in part, through IT Systems and by confidentiality and nondisclosure agreements with our employees, vendors, consultants and other commercial partners. We also seek to enter into agreements whereby our employees, vendors, consultants and other commercial partners assign to us the rights in any intellectual property they develop in the course of their engagement with us. However, these agreements may be breached, and we may not have adequate remedies for any breach. These agreements may not be self-executing or otherwise effectively prevent disclosure or misappropriation of our trade secrets, know-how or other proprietary information, and disputes may still arise with respect to the ownership of the intellectual property and proprietary information used in our business. In addition, third parties may independently develop substantial equivalent proprietary information.

The loss of any registered trademark or other rights with respect to our trademarks or trade names could enable other companies to compete more effectively with us and otherwise adversely affect our business, results of operations or financial condition.

We consider our trademarks and trade names to be, in the aggregate, material to our business. Our trademarks and trade names are valuable assets that reinforce how consumers, customers and other third parties perceive our brands and products. We have invested a significant amount of resources and money in establishing and promoting our trademarked brands. Our continued success depends, to a significant degree, upon our ability to protect and preserve our registered trademarks, as well as our other rights with respect to our trademarks and trade names, and to successfully obtain additional trademark registrations in the future. We undertake substantial efforts to maintain proper use of, and to vigorously protect, our trademarks and trade names through enforcement actions as necessary, but it is possible that some courts, particularly those outside the United States, may determine that certain third-party trademarks or trade names are non-infringing, which could adversely affect our business, results of operations or financial condition. In addition, during trademark registration proceedings, we may receive rejections of our

trademark applications by the U.S. Patent and Trademark Office (“USPTO”) or comparable authorities in other jurisdictions.

We may not be able to obtain trademark protection in all jurisdictions that we consider to be important to our business. In addition, we cannot assure you that the steps we have taken and will take in the future to protect our trademarks or trade names will prove adequate, that our trademarks and trade names can be successfully defended and asserted in the future or that third parties will not infringe upon or otherwise violate any such rights. Our trademark and trade name rights and related registrations may be challenged, opposed, infringed, diluted, cancelled, circumvented, declared generic or determined to be infringing on other marks, as applicable. Failure to protect our trademark and trade name rights could prevent us in the future from challenging third parties who use names and logos similar to our trademarks or trade names, which may in turn cause consumer confusion or negatively affect perceptions of our brands and products. Moreover, any trademark or trade name disputes may result in a significant distraction for management and significant expense, which may not be recoverable regardless of whether we successfully resolve the dispute. Such proceedings may be protracted with no certainty of success, and an adverse outcome could subject us to liabilities, require us to cease use of certain trademarks, trade names or other intellectual property or require us to enter into licenses with third parties, any of which could have an adverse effect on our business, results of operations or financial condition.

An inability to successfully establish, maintain, protect and enforce patent rights could adversely affect our business, results of operations or financial condition.

We have applied for, and may continue to apply for, patents relating to our products, product uses, product formulations, manufacturing processes, delivery devices, dosage forms, packaging and designs. When we apply for patents, our applications may not be successful and result in the issuance of any patents or the scope of issued patents may not provide adequate protection from competition. The patenting process is expensive and time-consuming, and we may not be able to file or prosecute all necessary or desirable patent applications at a reasonable cost or in a timely manner. In addition, we may not pursue or obtain patent protection in all relevant geographic markets.

It is possible that patents issued or licensed to us may be challenged successfully in the future, and such patents may consequently be narrowed in scope or found to be invalid or unenforceable. Our owned or in-licensed patents may also be challenged in administrative proceedings in the USPTO and patent offices outside the United States. Changes in either the patent laws or interpretation of the patent laws in the United States and other countries may diminish the value of our owned or in-licensed patents or narrow the scope of our patent protection. If we or our licensors are not successful in defending against a challenge to our owned or in-licensed patents and maintaining exclusive rights to market one or more of our products still under patent protection, we could lose a portion of our sales in a very short period. We or our licensors may also initiate litigation against third parties to protect or enforce our owned or in-licensed patent rights, but even in cases where we or our licensors prevail in an infringement claim, the legal remedies available for harm caused to us may not be sufficient to make us whole.

Our current owned and in-licensed patents will expire or they may otherwise cease to provide meaningful competitive advantage, and we may be unable to adequately develop new technologies and obtain future patent protection to preserve our competitive advantage or avoid adverse effects on our business, results of operations or financial condition. Moreover, many of our products use APIs whose original patents have expired, and our owned and in-licensed patents rarely, if ever, solely cover a new API by itself. Even with respect to our products or ingredients in our products that may be covered by patents, there may be numerous similar yet non-infringing products or ingredients in the marketplace, and this could negatively affect sales we might otherwise make.

We may be involved in legal proceedings based on the alleged violation of intellectual property rights, such as trademark or patent infringement claims, and, if we are found to have violated the intellectual property rights of others, our business, results of operations or financial condition could be adversely affected.

Despite our internal processes for intellectual property clearance, we may be involved in legal proceedings based on the alleged violation of intellectual property rights of others, including claims of trademark or patent infringement or that competitors, collaborators or former employees have an interest in our trade secrets or other

intellectual property. As a result, we could be subject to significant litigation or licensing costs or face obstacles to selling our products. If we are found to have infringed, misappropriated or otherwise violated the trademark, trade secret, patent, copyright or other intellectual property rights of others, directly or indirectly, through the use of trademarks, inventions, works of authorship or technologies to which third parties have a prevailing ownership claim, we may need to cease use of such trademark, invention, work or technology in our business and pay for past infringement. We may also be required to obtain a third-party license, which may not be available on reasonable terms or at all, and even if the applicable owners are willing to permit us to continue to use the intellectual property rights, they could require significant compensation for our continued use of those rights. In certain circumstances, we may be required to redesign our products and trademarks so that they do not infringe, misappropriate or otherwise violate third-party intellectual property rights, which may not be possible or may require substantial monetary expenditures and time. Ceasing this use, paying these substantial amounts or undertaking these redesign efforts could cause us to become less competitive and could adversely affect our business, results of operations or financial condition. Even if it is ultimately determined that we did not infringe, misappropriate or otherwise violate the intellectual property rights of others, we could incur material legal costs and related expenses to defend against such claims, and we could incur significant costs associated with suspending our use of the challenged intellectual property rights, which could adversely affect our business, results of operations or financial condition.

Furthermore, we have employed, and expect to employ in the future, individuals who were previously employed at other companies, including our competitors or potential competitors. Although we seek to ensure that these employees, as well as our other employees and our vendors, consultants and other commercial partners, do not use the proprietary information or know-how of others in their work for us, we may be subject to claims that these persons have inadvertently or otherwise used or disclosed trade secrets or other proprietary information of their former employers or other third parties or that we have improperly used or obtained these trade secrets or other proprietary information. Litigation may be necessary to defend against these claims. If we are unable to successfully defend these claims, in addition to paying monetary damages, we may lose valuable intellectual property rights and face increased competition. The unauthorized access to, or disclosure of, our proprietary information or the loss of these intellectual property rights may impact our ability to develop, manufacture and sell our own products or may assist competitors in the development, manufacture and sale of competing products, which could adversely affect our business, results of operations or financial condition.

A breach of privacy laws or unauthorized access, loss or misuse of personal data could adversely affect our business, results of operations or financial condition.

We are subject to increasingly complex and changing privacy and data protection laws and regulations in the United States and around the world that impose broad compliance obligations on the collection, transmission, dissemination, use, privacy, confidentiality, security, retention, availability, integrity and other processing of health-related and other sensitive and personal information. These laws and regulations could expose us to significant risks due to our digital-first strategy. See “—Risks Related to Our Business and Industry—We may face challenges in implementing our digital-first strategy, which could adversely affect our business, results of operations or financial condition.” Failure to comply with these laws and regulations, which may conflict with one another and evolve in the future, could result in substantial fines, penalties, private rights of action, claims and damage to our reputation.

These laws and regulations include the California Consumer Privacy Act (as modified by the California Privacy Rights Act), the European Union’s General Data Protection Regulation, the United Kingdom’s General Data Protection Regulation and China’s Personal Information Protection Law. We are also subject to federal health information privacy laws, such as the Health Insurance Portability and Accountability Act (“HIPAA”), and consumer protection laws, such as the Controlling the Assault of Non-Solicited Pornography and Marketing Act (the “CAN-SPAM Act”), which further impose requirements for the collection, use, storage, access, transfer and protection of health-related and other sensitive and personal information. In the United States, we are also subject to a growing number of state laws and regulations, including the Illinois Biometric Information Privacy Act, that govern the collection and use of biometric information, such as fingerprints and facial biometric templates, as well as laws in all 50 states that require businesses, under certain circumstances, to provide notice to consumers whose personal information has been accessed or acquired as a result of a data breach and, in some cases, to regulators. These laws are changing rapidly and there is also discussion in Congress of a new comprehensive federal data privacy law to which we may become subject if it is enacted, which would add additional complexity, restrictions

and potential legal risks and may require additional investment of resources in compliance programs and other operational costs. Additional privacy and data protection laws and regulations are being developed around the world, including in other jurisdictions in which we operate, and privacy enforcement by governmental authorities globally, particularly on data localization requirements and international data flows, has increased in recent years.

Compliance with these new and changing laws has impacted, and may in the future impact, our business strategies, and unforeseen changes to privacy laws may affect our ability to tailor and personalize our products and services to meet our strategic goals or consumer expectations, which could adversely affect our business, results of operations or financial condition. In addition, certain privacy and data protection laws may apply to us indirectly through our customers, manufacturers, suppliers or other third-party partners. For example, non-compliance with applicable laws or regulations by a third-party partner that is processing personal data on our behalf may be deemed non-compliance by us or a failure by us to conduct proper due diligence on the third party. See “—Risks Related to Our Operations—We rely on third parties in many aspects of our business, including to manufacture certain of our products, which exposes us to additional risks that could adversely affect our business, results of operations or financial condition.” In addition, in the ordinary course of business, we may be subject to claims, lawsuits or regulatory or governmental investigations or inquiries relating to our data privacy practices, including claims or lawsuits from third parties alleging that we have breached applicable data privacy laws or otherwise violated their privacy rights. See “—We are, and could become, subject to significant legal proceedings and regulatory investigations that may result in significant expenses, fines and reputational damage.”

The changes introduced by privacy and data protection laws increase the complexity of regulations enacted to protect business and personal data and subject us to additional costs, including costs associated with implementing any required changes to our security systems, policies, procedures and practices. We are also subject to the terms of our external and internal privacy and security policies, codes, representations, certifications, industry standards, publications and frameworks and contractual obligations to third parties related to privacy, information security and data processing, including contractual obligations to indemnify and hold harmless third parties from the costs or consequences of non-compliance with data protection laws or other obligations. In particular, the publication of our privacy policies and other statements that provide promises and assurances about data privacy and security can subject us to potential government or legal action if they are found to be deceptive, unfair or misrepresentative of our actual practices. Any concerns about our data privacy and security practices, even if unfounded, could damage the reputation of our businesses and discourage potential users from our products and services.

Our extensive operations and business activity throughout the world expose us to a variety of laws and regulations related to anti-corruption and human rights matters, and enforcement actions related to these laws and regulations could adversely affect our business, results of operations or financial condition.

We have extensive operations and business activity outside the United States, which exposes us to a variety of complex laws and regulations in the United States and around the world. These include anti-corruption laws and regulations, such as the U.S. Foreign Corrupt Practices Act (“FCPA”), the U.K. Bribery Act 2010 and Chinese anti-corruption laws, that are aimed at preventing and penalizing corrupt behavior. For example, the FCPA prohibits companies from promising, offering or giving anything of value to foreign officials with the corrupt intent of influencing the foreign official for the purpose of obtaining or retaining business or gaining any improper advantage. We operate in jurisdictions where corruption, bribery, pay-offs and other similar practices may not be uncommon. Although our policies and procedures require compliance with these laws and regulations and are designed to facilitate compliance with these laws and regulations, our employees, contractors and agents may take actions in violation of applicable laws or regulations or our policies. Any such violation or alleged violation, even if prohibited by our policies, could result in criminal or civil sanctions, reputational damage or other substantial costs and penalties, any of which could adversely affect our business, results of operations or financial condition.

We are also subject to an increasing number of laws and regulations designed to combat abuses of human rights in supply chain operations. These laws and regulations could affect the sourcing, availability and pricing of materials used in the manufacture of our products, which could disrupt our manufacturing operations. In addition, we have incurred additional costs to comply with these laws and regulations, including through policies and procedures related to conducting due diligence on our supply chain. Nevertheless, we have a complex supply chain, and we may not be able to sufficiently verify the origins of certain materials used in our products or the conditions under which

they were sourced. Any violation or alleged violation of these laws and regulations, even if prohibited by our policies, could result in criminal or civil sanctions, reputational damage or other substantial costs and penalties, any of which could adversely affect our business, results of operations or financial condition.

In addition, we are subject to laws and regulations pertaining to sanctions imposed by the United States (including those imposed by the U.S. Treasury Department's Office of Foreign Assets Control ("OFAC")) and other authorities that may prohibit us or our affiliates from doing business in certain countries or restrict the type of business that may be conducted by us or our affiliates. For example, actions taken in response to the Russia-Ukraine War have included the imposition of export controls and broad financial and economic sanctions against Russia, Belarus and specific areas of Ukraine. See "—Risks Related to Financial and Economic Market Conditions—The Russia-Ukraine War, and actions taken in response to the Russia-Ukraine War, could adversely affect our business, results of operations or financial condition." Any violation or alleged violation of these laws and regulations, even if prohibited by our policies, could result in criminal or civil sanctions, reputational damage or other substantial costs and penalties, any of which could adversely affect our business, results of operations or financial condition.

We are subject to a broad range of environmental, health and safety laws and regulations, and the impact of any obligations under these laws and regulations could adversely affect our business, results of operations or financial condition.

We are subject to a broad range of federal, state and local environmental laws and regulations concerning the environment, health and safety matters, regulation of chemicals and product safety in the countries in which we manufacture and sell our products or otherwise operate our business. These include requirements governing product content and labeling, the handling, manufacture, transportation, storage, use and disposal of hazardous materials and wastes, the discharge and emission of pollutants and the cleanup of contamination in the environment. We could incur substantial costs, including civil or criminal penalties, enforcement actions and other third-party claims and cleanup costs as a result of our failure to comply with, or liabilities under, environmental health and safety laws and regulations or permits required thereunder. Under certain environmental laws and regulations, we may be subject to liability for environmental investigations and cleanups, including at properties that we currently or previously owned or operated, or at sites at which waste we generated was disposed, even if the contamination was not caused by us or the relevant conduct was legal at the time it occurred. We may incur significant additional costs as a result of the discovery of contamination or the imposition of additional obligations in the future, including at sites where we are currently addressing contamination or have been named as one of the responsible parties.

Laws and regulations related to environmental protection, health and safety matters have become, and are likely to continue to become, more stringent over time. Compliance with existing or future requirements could require us to incur significant operating or capital expenditures or result in significant restrictions on our operations, including installing pollution control equipment or reformulating or ceasing the marketing of our products. We also are subject to extensive and evolving regulations regarding the manufacturing, processing, distribution, importing, exporting, registration and labeling of our products and their raw materials. This includes the Registration, Evaluation, Authorisation and Restriction of Chemicals ("REACH") regulations, which came into effect in the European Union in 2007, with implementation rolling out over time, and includes certain chemical evaluation and registration requirements and potential restrictions. Since the promulgation of REACH, other jurisdictions have enacted or are in the process of implementing similar comprehensive chemical regulations. These and other laws and regulations, as well as responding to related consumer expectations, may require us to reformulate or otherwise change certain of our products and could adversely affect our business, results of operations or financial condition.

Changes in tax laws or exposures to additional tax liabilities could adversely affect our business, results of operations or financial condition.

Changes in tax laws or regulations in jurisdictions in which we operate, including changing laws in the United States and changes led by the Organization for Economic Cooperation and Development, such as the recent adoption by the European Union and enactment by additional countries of a global minimum tax, could negatively impact our effective tax rate and adversely affect our business, results of operations or financial condition. A change in statutory tax rate or certain international tax provisions in any jurisdiction would result in the revaluation of our deferred tax assets and liabilities related to that particular jurisdiction in the period in which the new tax law is enacted. Any such

change would result in an expense or benefit recorded to our combined statement of earnings. We closely monitor these proposals as they arise in the jurisdictions where we operate. Changes to tax laws or regulations may occur at any time, and any related expense or benefit recorded may be material to the fiscal quarter and year in which the law change is enacted. For additional information, see Note 11, "Income Taxes," to our audited combined financial statements included elsewhere in this prospectus.

We conduct business and file tax returns in numerous jurisdictions and are subject to regular reviews, examinations and audits by many tax authorities around the world. These reviews, examinations and audits can cover periods for several years prior to the date the review, examination or audit is undertaken and could result in the imposition of material tax liabilities, including interest and penalties, if our positions are not accepted by the applicable tax authority. In connection with various government initiatives, companies are required to disclose more information to tax authorities on operations around the world, which may lead to greater audit scrutiny of profits earned in other jurisdictions. We regularly assess the likely outcomes of our tax audits and disputes to determine the appropriateness of our tax reserves. However, any tax authority could take a position on tax treatment that is contrary to our expectations, which could result in tax liabilities, including interest and penalties, in excess of reserves.

Risks Related to Financial and Economic Market Conditions

We face a variety of risks associated with conducting business around the world, and these risks will increase as we continue to expand our global operations.

In 2022, approximately 55% of our net sales occurred outside the United States, with 21% in EMEA, 21% in APAC, 8% in Latin America and 5% in the rest of North America. Our extensive operations and business activity outside the United States are accompanied by certain financial, economic and political risks, including:

- local and regional economic environments and policies in the markets that we serve, including interest rates, monetary policy, inflation, economic growth, recession, commodity prices and currency controls or other limitations on the ability to expatriate cash;
- currency devaluations in jurisdictions experiencing high inflation rates or significant currency exchange fluctuations, despite our efforts to mitigate the impacts of fluctuations on our cash flows through the use of financial instruments;
- the weakening or strengthening of the U.S. Dollar, which may result in significant favorable or unfavorable translation effects when the operating results of our non-U.S. business activity are translated into U.S. dollars;
- compliance with local regulations and laws, including, in some jurisdictions, regulatory requirements restricting our ability to manufacture or sell our products in the relevant market;
- lack of well-established, reliable or impartial legal systems in certain countries in which we operate and difficulties in enforcing contractual, intellectual property or other legal rights;
- labor market disruptions or increases in labor costs in individual countries or regions;
- foreign ownership and investment restrictions and the potential nationalization or expropriation of our foreign assets;
- sovereign risk related to a default by, or deterioration in, the creditworthiness of local governments, particularly in emerging markets;
- political or social upheavals, economic instability, repression or human rights issues;
- rising geopolitical trade tensions in our key markets, such as between the United States, Western Europe and China;

- changes resulting from Brexit, including those related to additional trade agreements, tariffs and customs regulations and currency fluctuations, which may materially impact the way we conduct our operations in those markets; and
- other geopolitical events, including natural disasters, disruptions to markets due to war, armed conflict, terrorism, epidemics or pandemics and actions taken in response to these events, including increased trade controls, sanctions and other restrictive measures.

Furthermore, the imposition of tariffs or increase in tariffs on various products by the United States and other countries has introduced greater uncertainty with respect to trade policies and government regulations affecting trade between the United States and other countries. New or increased tariffs as well as import/export licensing requirements have subjected, and may continue to subject, us to additional costs and expenditure of resources. Major developments in trade relations, including the imposition of new or increased tariffs by the United States or other countries, and any emerging nationalist trends in specific countries could alter the trade environment and consumer purchasing behavior, which could adversely affect our business, results of operations or financial condition.

Any of the foregoing risks could have a significant impact on our ability to sell our products on a competitive basis in markets outside the United States and could adversely affect our business, results of operations or financial condition. In addition, these risks will increase as we continue to expand our global operations. See “—Risks Related to Our Business and Industry—An inability to successfully expand our global operations could adversely affect our business, results of operations or financial condition.”

We have significant foreign currency exposure due to the large portion of our business conducted in currencies other than U.S. dollars.

A large portion of our business is conducted in currencies other than U.S. dollars, and generally the applicable local currency is our functional currency in that locality. As a result, we face foreign currency exposure on the translation into U.S. dollars of our results of operations in numerous jurisdictions, primarily in the European Union, the United Kingdom, Japan, China, Canada, Brazil and India. Where possible, we manage foreign currency risk through a variety of methods. We may adopt natural hedging strategies, whereby favorable and unfavorable foreign currency impacts to our foreign currency-denominated operating expenses are mitigated to a certain extent by the natural, opposite impact on our foreign currency-denominated net sales. During 2022 and in anticipation of operating as a standalone entity, we started to use derivative financial instruments to mitigate our foreign currency exposure and not for trading or speculative purposes. For example, we hedged a portion of forecasted foreign currency revenue and forecasted inventory purchases. Nonetheless, it is not practical for us to mitigate all of our foreign currency exposures, nor are we able to accurately predict the possible impact of future foreign currency exchange rate fluctuations on our results of operations, due to our constantly changing exposure to various foreign currencies, difficulty in predicting fluctuations in foreign currency exchange rates relative to the U.S. Dollar and the significant number of foreign currencies involved. Accordingly, we cannot guarantee that foreign currency exchange rates will be stable in the future or that foreign currency risk can be mitigated with currency hedging or other risk management strategies, which could adversely affect our business, results of operations or financial condition. In addition, as we continue to expand our global operations, our exposure to foreign currency risk could become more significant, particularly if the recent strengthening of the U.S. Dollar continues in the future.

The Russia-Ukraine War, and actions taken in response to the Russia-Ukraine War, could adversely affect our business, results of operations or financial condition.

In February 2022, Russia launched a military invasion of Ukraine. The ongoing Russia-Ukraine War has provoked strong reactions from the United States, the United Kingdom, the European Union and various other countries and economic and political organizations around the world. Actions taken in response to the Russia-Ukraine War include the imposition of export controls and broad financial and economic sanctions against Russia, Belarus and specific areas of Ukraine. Additional sanctions or other measures may be imposed by the global community, and counteractive measures may be taken by the Russian government, other entities in Russia or governments or other entities outside of Russia.

Our operations and presence in Russia and Ukraine are limited. For 2021 and 2022, our Ukrainian business represented 0.3% and 0.1%, respectively, of our net sales and 0.2% and 0.1%, respectively, of our assets. For 2021 and 2022, our Russian business represented 1.8% and 1.4%, respectively, of our net sales and 0.7% and 0.4%, respectively, of our assets.

We have been monitoring the geopolitical situation in Russia since the start of the Russia-Ukraine War. In March 2022, we suspended supply of all of our products into Russia other than our OTC medicines within our Self Care segment. We also suspended all advertising in Russia, all clinical trials in Russia and any additional investment in Russia. These actions have not had, and are not expected to have, a material impact on our business as a whole. We will continue to monitor the geopolitical situation in Russia and to evaluate our activities and future operations in Russia.

We have experienced, and expect to continue to experience, other risks related to the broad economic consequences of the Russia-Ukraine War, including foreign currency volatility, decreased demand for our products in countries affected by the Russia-Ukraine War and challenges to our global supply chain related to increased costs of materials and other inputs for our products and suppliers operating in Russia and Ukraine. We also continue to monitor the various sanctions and export controls imposed in response to the Russia-Ukraine War.

As a result of the Russia-Ukraine War, there has been, and we expect there will continue to be, an increased risk of information security or cybersecurity incidents, including cyberattacks perpetrated by Russia or others at its direction. Although we have taken steps to enhance our protections against these attacks, we may not be able to address the threat of information security or cybersecurity incidents proactively or implement adequate preventative measures and we may not be able to detect and address any such disruption or security breach promptly, or at all, which could adversely affect our business, results of operations or financial condition. Moreover, we are aware of incidents in which our third-party partners have been the target of information security or cybersecurity incidents as a result of the Russia-Ukraine War. Although, to date, our IT Systems have not been compromised by these incidents, it is possible that future information security or cybersecurity incidents involving our customers, manufacturers, suppliers or other third-party partners could successfully compromise our IT Systems, which could adversely affect our business, results of operations or financial condition. See “—Risks Related to Our Operations—An information security incident, including a cybersecurity breach, or the failure of an information technology system owned or operated by us or a third party could adversely affect our business, results of operations or financial condition.”

In addition, actions by the United States and other governments may limit or prevent our ability to file, prosecute and maintain patents, trademarks and other intellectual property rights in Russia. These actions could result in partial or complete loss of such intellectual property rights in Russia. Furthermore, in March 2022, the Russian government adopted a decree allowing Russian companies and individuals to exploit inventions owned by patent holders from the United States and many other countries without consent or compensation. Consequently, we may not be able to prevent third parties from practicing our inventions in Russia or from selling or importing products made using our inventions in and into Russia. It is possible that the Russian government will adopt similar measures with regard to other types of intellectual property, including trademarks, or that Russian courts, even absent any additional decrees, will refuse to enforce existing intellectual property rights, including trademarks. Moreover, prolonged non-use of our trademarks in Russia could result in the cancellation of such trademark registrations. See “—Risks Related to Government Regulation and Legal Proceedings—The loss of any registered trademark or other rights with respect to our trademarks or trade names could enable other companies to compete more effectively with us and otherwise adversely affect our business, results of operations or financial condition.” Any counterfeit, intellectual property infringing or other unauthorized versions of our products that emerge in response to these actions could damage our reputation and our brands and otherwise adversely affect our business, results of operations or financial condition. See “—Risks Related to Our Business and Industry—Counterfeit, intellectual property infringing or other unauthorized versions of our products, particularly in our OTC business, could harm consumers and adversely affect our business, results of operations or financial condition.”

The full impact of the Russia-Ukraine War, and actions taken in response to the ongoing conflict, on the global economy and geopolitical relations, in general, and on our business in particular, remain uncertain. Any or all of the foregoing risks could have an adverse effect on our business, results of operations or financial condition, particularly

as the conflict continues for an indefinite period of time. Given that developments concerning the Russia-Ukraine War are ongoing and have been constantly evolving, additional impacts and risks may arise that are not presently known to us. The Russia-Ukraine War may also have the effect of heightening many of the other risks described in this “Risk Factors” section.

Uncertain or unfavorable global economic or market conditions could adversely affect our business, results of operations or financial condition.

Uncertain or unfavorable global economic or market conditions, such as a recession, an economic slowdown, inflation or reduced category growth rates, could impact our operating results or lead to significant reductions in demand or significant volatility in demand for our products, which could adversely affect our business, results of operations or financial condition. Although we devote significant resources to support our brands and market our products at multiple price points, during periods of economic uncertainty or unfavorable economic or market conditions consumers may reduce consumption or discretionary spending or change their purchasing patterns by forgoing purchasing certain of our products or by instead purchasing private-label or generic non-branded products, which are typically sold at lower prices than our products. These changes could reduce demand for and sales volumes of our products or result in a shift in our product mix from higher margin to lower margin product offerings. In addition, our customers may respond to uncertain or unfavorable global economic or market conditions by increasing pressure on our selling prices or increasing promotional activity for lower-priced or value offerings as they seek to maintain sales volumes and margins. Furthermore, uncertain or unfavorable global economic or market conditions, including the recent volatility in the banking sector, may cause our manufacturers, suppliers, distributors, contractors, logistics providers and other external business partners to suffer financial or operational difficulties, which could impact their ability to provide us with or distribute finished product, raw and packaging materials or services in a timely manner or at all. We could also face difficulty collecting or recovering accounts receivables from third parties facing financial or operational difficulties.

Impairment of our goodwill and other intangible assets would result in a reduction in net income.

We have a material amount of goodwill, trademarks and other intangible assets, as well as other long-lived assets, which are periodically evaluated for impairment in accordance with current accounting standards. We may confront events and circumstances that can lead to an impairment charge, including macroeconomic industry and market conditions, significant adverse shifts in our operating environment or the manner in which an asset is used, pending litigation or other regulatory matters and current or forecasted reductions in net sales, operating income or cash flows associated with the use of an asset. Impairment charges have resulted, and may in the future result, in a reduction in net income and an adverse effect on our business, results of operations or financial condition.

For additional information regarding goodwill and other intangible assets, see “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Critical Accounting Policies and Estimates—Goodwill and Intangible Assets.”

Failure to maintain satisfactory credit ratings could adversely affect our liquidity, capital position, borrowing costs and access to capital markets.

We expect that credit rating agencies will routinely evaluate us, and their ratings of our long-term and short-term debt will be based on a number of factors. Our credit ratings are lower than those of Johnson & Johnson. Any downgrade of our credit rating by a credit rating agency, whether as a result of our actions or factors which are beyond our control, could increase the cost of borrowing under any indebtedness we may incur, reduce market capacity for our commercial paper or require the posting of additional collateral under our derivative contracts. We cannot assure you that we will be able to maintain satisfactory credit ratings, and any actual or anticipated changes or downgrades in our credit ratings, including any announcement that our ratings are under review for a downgrade, could adversely affect our liquidity, capital position, borrowing costs or access to capital markets.

Risks Related to the Separation and the Distribution

We have no history of operating as a standalone public company, and our historical and pro forma financial information may not necessarily reflect the results that we would have achieved as a standalone public company or what our results may be in the future.

We have historically operated as part of Johnson & Johnson. The financial information included in this prospectus has been prepared from Johnson & Johnson's historical accounting records and is derived from the consolidated financial statements of Johnson & Johnson to present the Consumer Health Business as if it had been operating on a standalone basis. Accordingly, this information may not necessarily reflect what our financial condition, results of operations or cash flows would have been had we been a standalone company during the periods presented or what our financial condition, results of operations and cash flows may be in the future, primarily because of the following factors:

- Prior to the Separation, our business has been operated by Johnson & Johnson as part of its broader corporate organization, rather than as a standalone company. Johnson & Johnson or one of its affiliates performed various corporate functions for us, including facilities, insurance, logistics, quality, compliance, finance, human resources, benefits administration, procurement support, information technology, legal, corporate strategy, corporate governance, other professional services and general commercial support functions.
- Our historical and pro forma financial results reflect the direct and indirect costs for the services historically provided by Johnson & Johnson to us. Following the completion of this offering, Johnson & Johnson will continue to provide some of these services to us on a transitional basis pursuant to the Transition Services Agreement and the Transition Manufacturing Agreement. See "Certain Relationships and Related Person Transactions—Agreements to be Entered into in Connection with the Separation—Transition Services Agreement" and "Certain Relationships and Related Person Transactions—Agreements to be Entered into in Connection with the Separation—Transition Manufacturing Agreement." Our historical financial information does not reflect our obligations under the various transitional agreements we will enter into with Johnson & Johnson in connection with the Separation. At the end of the transitional periods specified in these agreements, we will need to perform these functions ourselves or hire third parties to perform these functions on our behalf, and these costs may significantly exceed the comparable expenses we have incurred in the past.
- Our working capital requirements and capital expenditures have historically been satisfied as part of Johnson & Johnson's corporate-wide cash management and centralized funding programs, and our cost of debt and other capital may differ significantly from the historical amounts reflected in our historical financial statements.
- Currently, our business is integrated with the other businesses of Johnson & Johnson, and we benefit from Johnson & Johnson's size and scale, including with respect to costs, employees and relationships with customers and third-party partners. Although we will enter into transitional agreements with Johnson & Johnson in connection with the Separation, these arrangements will not fully capture the benefits that we have enjoyed as a result of being integrated with Johnson & Johnson, and the costs we will incur as a standalone public company may significantly exceed comparable costs we would have incurred as part of Johnson & Johnson.

Our unaudited pro forma condensed combined financial statements included in this prospectus have been presented for illustrative and informational purposes only. The unaudited pro forma condensed combined financial data may not necessarily reflect what our financial condition, results of operations or cash flows would have been had we been a standalone company during the periods presented. In addition, the unaudited pro forma condensed combined financial data may not necessarily reflect what our financial condition, results of operations and cash flows may be in the future. The unaudited pro forma condensed combined financial data is based upon available information and assumptions that we believe are reasonable and supportable. Actual results, however, may vary.

For additional information about the past financial performance of our business and the basis of presentation of the historical combined financial statements and the unaudited pro forma condensed combined financial statements of our business included in this prospectus, see “Basis of Presentation,” “Unaudited Pro Forma Condensed Combined Financial Statements” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and our combined financial statements included elsewhere in this prospectus.

We may not achieve some or all of the expected benefits of the Separation, and the Separation could adversely affect our business, results of operations or financial condition.

We may not be able to achieve the full strategic and financial benefits expected to result from the Separation, or the benefits may be delayed or not occur at all. We expect that the Separation will improve our strategic and operational flexibility, increase the focus of our management team on our business operations, allow us to adopt the capital structure, investment policy and dividend policy best suited to our financial profile and business needs, provide us with our own equity to facilitate acquisitions and enable potential investors to invest directly in our business.

We may not achieve these and other anticipated benefits of the Separation for a variety of reasons, including:

- the Separation will require significant amounts of management’s time and effort, which may divert management’s attention from operating and growing our business;
- following the completion of this offering, we may be more susceptible to economic downturns and other adverse events than we were prior to the Separation;
- following the completion of this offering, our business will be less diversified than Johnson & Johnson’s businesses prior to the Separation;
- following the completion of this offering, the cost of capital for our business may be higher than Johnson & Johnson’s cost of capital prior to the Separation;
- following the completion of this offering, certain costs and liabilities that were otherwise less significant to Johnson & Johnson as a whole will be more significant to us as a standalone company;
- our business will experience a loss of corporate brand identity, historical market reputation, economies of scale, purchasing power and access to certain financial, managerial and professional resources from which we benefited prior to the Separation;
- to preserve the tax-free treatment for U.S. federal income tax purposes to Johnson & Johnson of certain steps of the Separation and the Distribution, if pursued, our ability to pursue certain strategic transactions may be restricted; and
- other actions required to separate the respective businesses could disrupt our operations.

If we fail to achieve some or all of the benefits expected to result from the Separation, or if the benefits are delayed, our business, results of operations or financial condition could be adversely affected.

The distribution of Johnson & Johnson’s remaining equity interest in our company may not occur.

Upon completion of this offering, Johnson & Johnson will continue to own 91.9% of the voting power of our shares of common stock eligible to vote in the election of our directors (or 90.8% if the underwriters exercise in full their option to purchase additional shares of our common stock from us to cover over-allotments). While Johnson & Johnson has informed us that, following the completion of this offering, it intends to effect the Distribution, Johnson & Johnson has no obligation to complete the Distribution. Whether Johnson & Johnson proceeds with the Distribution, in whole or in part, and the timing thereof, is in Johnson & Johnson’s sole discretion and may be subject to a number of conditions, including the receipt of any necessary regulatory or other approvals, the existence of satisfactory market conditions and the continuing effectiveness and validity of Johnson & Johnson’s private letter ruling from the IRS and favorable opinions of Johnson & Johnson’s U.S. tax advisors to the effect that the

Distribution will be tax-free to Johnson & Johnson and its shareholders. Even if Johnson & Johnson elects to pursue the Distribution, Johnson & Johnson has the right to abandon or change the structure of the Distribution if Johnson & Johnson determines, in its sole discretion, that the Distribution is not in the best interests of Johnson & Johnson or its shareholders.

Furthermore, if the Distribution does not occur, and Johnson & Johnson does not otherwise dispose of its shares of our common stock, the risks relating to Johnson & Johnson's control of us and the potential business conflicts of interest between Johnson & Johnson and us will continue to be relevant to our shareholders. See "—Risks Related to Our Relationship with Johnson & Johnson—Following the completion of this offering, Johnson & Johnson will continue to control the direction of our business, and the concentrated ownership of our common stock may prevent you and other shareholders from influencing significant decisions."

If Johnson & Johnson completes the Distribution in a transaction that is intended to be tax-free for U.S. federal income tax purposes, and there is later a determination that certain steps of the Separation or the Distribution are taxable because the facts, assumptions, representations or undertakings underlying the IRS private letter ruling or any tax opinions are incorrect or for any other reason, then Johnson & Johnson and its shareholders could incur significant U.S. federal income tax liabilities and we could incur significant liabilities through our indemnification obligations under the Tax Matters Agreement.

Johnson & Johnson has received a private letter ruling from the IRS substantially to the effect that, among other things, certain steps of the Separation together with the Distribution, if pursued, will qualify as a transaction that is tax-free for U.S. federal income tax purposes under Sections 355 and 368(a)(1)(D) of the U.S. Internal Revenue Code of 1986, as amended (the "Code"). The Distribution is conditioned on, among other things, the continuing effectiveness and validity of Johnson & Johnson's private letter ruling from the IRS and favorable opinions of Johnson & Johnson's U.S. tax advisors. The private letter ruling and opinions will rely on certain facts, assumptions, representations and undertakings from us and Johnson & Johnson regarding the past and future conduct of the companies' respective businesses and other matters. If any of these facts, assumptions, representations or undertakings are incorrect or not otherwise satisfied, Johnson & Johnson and its shareholders may not be able to rely on the ruling or the opinions of tax advisors and could be subject to significant tax liabilities. Notwithstanding the private letter ruling and opinions of tax advisors, the IRS could determine on audit that certain steps of the Separation or the Distribution are taxable if it determines that any of these facts, assumptions, representations or undertakings are not correct or have been violated or if it disagrees with the conclusions in the opinions that are not covered by the private letter ruling, or for other reasons, including as a result of certain significant changes in our stock ownership or the stock ownership of Johnson & Johnson following the completion of the Distribution.

If certain steps of the Separation or the Distribution are determined to be taxable for U.S. federal income tax purposes, then Johnson & Johnson or its shareholders could incur significant U.S. federal income tax liabilities and we could also incur significant liabilities under the Tax Matters Agreement. Under the Tax Matters Agreement, we will generally be required to indemnify Johnson & Johnson against taxes incurred by Johnson & Johnson arising from any breach of representations made by us (including those provided in connection with the private letter ruling from the IRS and opinions from tax advisors) or from certain other acts or omissions, in each case that result in certain steps of the Separation or the Distribution failing to meet the requirements under Sections 355 and 368(a)(1)(D) of the Code. See "Certain Relationships and Related Person Transactions—Agreements to be Entered into in Connection with the Separation—Tax Matters Agreement."

We may be affected by significant restrictions, including on our ability to engage in certain corporate transactions, for a two-year period following the completion of the Distribution, if pursued, in order to avoid triggering significant tax-related liabilities.

To preserve the tax-free treatment of certain steps of the Separation and the Distribution for U.S. federal income tax purposes, we will be restricted under the Tax Matters Agreement from taking certain actions that would prevent certain steps of the Separation and the Distribution from being tax-free for U.S. federal income tax purposes. Under the Tax Matters Agreement, for the two-year period following the completion of the Distribution, if pursued, we will be subject to specific restrictions on our ability to enter into acquisition, merger, liquidation, sale and stock redemption transactions with respect to our stock. These restrictions may limit our ability to pursue certain strategic

transactions or other transactions that we may believe to be in the best interests of our shareholders or that might increase the value of our business. These restrictions will not limit the acquisition of other businesses by us for cash consideration. In addition, under the Tax Matters Agreement, we will generally be required to indemnify Johnson & Johnson against certain tax liabilities that may result from the acquisition of our stock or assets, even if we do not participate in or otherwise facilitate the acquisition. Furthermore, we will be subject to specific restrictions on discontinuing the active conduct of our trade or business, the issuance or sale of stock or other securities (including securities convertible into our stock but excluding certain compensatory arrangements) and sales of assets outside the ordinary course of business. These restrictions may reduce our strategic and operating flexibility. See “Certain Relationships and Related Person Transactions—Agreements to be Entered into in Connection with the Separation—Tax Matters Agreement.”

Our rebranding strategy in connection with the Separation will involve substantial costs and may not produce the intended benefits if it is not favorably received by our consumers, customers or third-party partners. In addition, our continued use of legacy Johnson & Johnson branding, including the “Johnson’s” brand, could adversely affect our reputation.

We cannot predict with certainty the effect that the Separation will have on our brands and our reputation. Although we typically rely on product branding more than corporate branding for marketing purposes, we have historically been able to capitalize on Johnson & Johnson’s market reputation, performance and brand identity as part of our relationships with consumers, customers and third-party partners. In connection with the Separation, we have incurred, and will continue to incur, substantial costs to rebrand our company as “Kenvue” and change the branding and trade dress for certain of our products around the world. Successful promotion of this rebranding will depend on the effectiveness of our marketing efforts and our ability to continue to provide reliable products to consumers and customers during the course of our transition to becoming a standalone public company. We have invested, and will continue to invest, significant resources to promote our new branding, but we cannot predict with certainty how these marketing efforts will be received, and we cannot assure you that we will be able to achieve or maintain brand recognition or status under any new names and marks at a level that is comparable to the recognition and status we historically enjoyed as part of Johnson & Johnson. If our rebranding strategy does not produce the intended benefits, our ability to retain existing consumers, customers and third-party partners and continue to attract new consumers, customers and third-party partners could be impacted, which could adversely affect our business, results of operations or financial condition. See “—Risks Related to Our Business and Industry—If our marketing efforts are not successful, our business, results of operations or financial condition could be adversely affected.”

In addition, our continued use of legacy Johnson & Johnson branding could adversely affect our reputation. In connection with the Separation, Johnson & Johnson will transfer ownership of the intellectual property rights related to the “Johnson’s” brand to us, unless prohibited by law in a particular jurisdiction, in which case Johnson & Johnson will grant to us an irrevocable, exclusive (even as to Johnson & Johnson), sublicensable, non-assignable (subject to certain exceptions), royalty-free and fully paid up license to use the applicable intellectual property rights). We expect to continue to use the “Johnson’s” brand following the completion of this offering. Furthermore, pursuant to the Trademark Phase-Out License Agreement, Johnson & Johnson has granted to us a non-exclusive, non-sublicensable (subject to certain exceptions), non-assignable (subject to certain exceptions), royalty-free, fully paid up worldwide license to use certain intellectual property rights retained by Johnson & Johnson that we used in the conduct of our business prior to the Separation, including the “Johnson & Johnson” name and signature and other legacy Johnson & Johnson branding. This license permits us to make ongoing use of certain variations of the legacy Johnson & Johnson branding for terms of varying duration, ranging from one year to ten years following the Separation, based on our particular use of the legacy Johnson & Johnson branding. For example, the license to use legacy Johnson & Johnson branding on internal or external product packaging and labeling will terminate within five years from the completion of this offering, subject to extension for an additional three years if, at such termination date, we continue to make use of such legacy Johnson & Johnson branding despite commercially reasonable efforts to terminate use. See “Certain Relationships and Related Person Transactions—Agreements to be Entered into in Connection with the Separation—Trademark Agreements—Trademark Phase-Out License Agreement.”

As a result of this continued use of the legacy Johnson & Johnson branding, there is a risk that conduct or events adversely affecting Johnson & Johnson’s reputation could also adversely affect our reputation or the reputation of our brands. Moreover, the licenses to the legacy Johnson & Johnson branding include quality control

provisions obligating us and any sublicensees to remain in compliance with applicable law and quality standards. Failure by us or any sublicensees to comply with these obligations could potentially result in termination of the licenses, which could adversely affect our business, results of operations or financial condition.

We will incur significant charges in connection with the Separation and incremental costs as a standalone public company.

We expect the separation process to be complex, time-consuming and costly. We will need to establish or expand our own corporate functions, including facilities, insurance, logistics, quality, compliance, finance, human resources, benefits administration, procurement support, information technology, legal, corporate strategy, corporate governance, other professional services and general commercial support functions. We will also need to make investments or hire additional employees to operate without the same access to Johnson & Johnson's existing operational and administrative infrastructure. We expect to incur one-time costs to replicate, or outsource from other providers, these corporate functions to replace the corporate services that Johnson & Johnson historically provided to us prior to the Separation. Any failure or significant downtime in our own financial, administrative or other support systems, or in the Johnson & Johnson financial, administrative or other support systems during the transitional period during which Johnson & Johnson provides us with support, could adversely affect our business, results of operations or financial condition, such as by preventing us from paying our suppliers and employees, executing business combinations and foreign currency transactions, or performing administrative or other services on a timely basis. Due to the scope and complexity of the underlying projects related to the Separation, the amount of total costs could be materially higher than our estimate, and the timing of the incurrence of these costs is subject to change.

In particular, our day-to-day business operations, including a significant portion of the communications among our customers, manufacturers, suppliers and other third-party partners, rely on IT Systems. Johnson & Johnson's IT Systems are complex and we expect the transfer of IT Systems from Johnson & Johnson to us to be complex, time-consuming and costly. There is also a risk of data loss in the process of transferring IT Systems. As a result of our reliance on IT Systems, the cost of the information technology integration and transfer and any loss of key data could have an adverse effect on our business, results of operations or financial condition.

In addition, our combined financial statements include the assets, liabilities, net sales and expenses that management has determined are specifically or primarily identifiable to us, as well as direct and indirect costs that are attributable to our operations. Indirect costs are the costs of support functions that are provided on a centralized or geographic basis by Johnson & Johnson and its affiliates. Indirect costs have been allocated to us for the purposes of preparing our historical combined financial statements based on a specific identification basis or, when specific identification is not practicable, a proportional cost allocation method, primarily based on net sales, headcount or other allocation methodologies that are considered to be a reasonable reflection of the utilization of services provided or the benefit received by us during the periods presented, depending on the nature of the services received. The value of the assets and liabilities we assume in connection with the Separation could ultimately be materially different than these attributions, which could adversely affect our business, results of operations or financial condition.

The transfer of certain assets and liabilities from Johnson & Johnson to us contemplated by the Separation will not be complete prior to the completion of this offering.

We expect that the Separation will be substantially completed prior to the completion of this offering. However, the Separation Agreement will provide that, in order to ensure compliance with applicable law, to obtain necessary governmental approvals and other consents and for other business reasons, we and Johnson & Johnson will defer until after the completion of this offering certain transfers of assets and assumptions of liabilities of businesses in certain jurisdictions. For example, the assets and liabilities of our operations in China, Malaysia and Russia will not be transferred to us prior to the completion of this offering. See "Certain Relationships and Related Person Transactions—Agreements to be Entered into in Connection with the Separation—Separation Agreement—Deferred Markets."

The Separation Agreement will provide that we and Johnson & Johnson will use our respective reasonable best efforts to effect any transfer that is not completed prior to the completion of this offering as promptly following the completion of this offering as reasonably practicable and that, prior to such transfer, the net profits or losses from the operation of such business will, to the extent reasonably practicable and permitted by applicable law, be provided to us. Nevertheless, these arrangements may introduce additional complexities to our business. We cannot assure you that any transfer that is not completed prior to the completion of this offering will occur promptly following the completion of this offering, or at all, including if we are not able to obtain necessary governmental approvals or other consents or if there are any unanticipated developments or changes, including changes in laws or regulations, or that Johnson & Johnson will operate such businesses as we would have. Further, effecting the transfers could require more resources than expected, including out-of-pocket costs and expenses and internal management and employee time and resources, which could adversely affect our business, results of operations or financial condition. In the event transfers are significantly delayed or do not occur, we may not realize all of the anticipated benefits of the Separation, which could adversely affect our business, results of operations or financial condition.

The transfer of certain contracts and other assets and rights from Johnson & Johnson to us may require the consents or approvals of third parties and governmental authorities, and failure to obtain these consents or approvals could adversely affect our business, results of operation or financial condition.

The Separation Agreement provides for the transfer of certain contracts, permits, licenses and other assets and rights, in whole or in part, from Johnson & Johnson to us in connection with the Separation. The transfer of certain of these contracts, permits, licenses and other assets and rights may require consents or approvals of, or provide other rights to, third parties or governmental authorities. In addition, in some circumstances, we and Johnson & Johnson are joint beneficiaries of contracts, and we and Johnson & Johnson may need to obtain the consents of third parties in order to split or separate the existing contracts or the relevant portion of the existing contracts between us and Johnson & Johnson.

We expect that certain required consents or approvals will not be obtained prior to the completion of this offering, or at all. Some third parties may use consent or approval requirements or other rights in connection with the Separation to seek to terminate contracts, obtain more favorable pricing or other contractual terms from us or require us to provide assurance regarding our financial stability as a standalone public company by obtaining letters of credit or other forms of credit support. If we are unable to obtain required consents or approvals, we may not receive certain benefits, permits, assets, licenses and contractual commitments that are intended to be allocated to us as part of the Separation, and we may be required to seek alternative arrangements to obtain these benefits, permits, assets, licenses and contractual commitments, which may be more costly or of lower quality. The termination or modification of contracts or failure to complete the transfer of contracts, permits, licenses and other assets and rights to us on a timely basis, or at all, could adversely affect our business, results of operations or financial condition.

The assets that we acquire from Johnson & Johnson in the Separation may not be sufficient for us to operate as a standalone company, and we may experience difficulty in separating our assets from Johnson & Johnson.

Because we have not operated as a standalone company in the past, we may need to acquire assets in addition to those transferred by Johnson & Johnson to us in connection with the Separation. We may also face difficulty in separating our assets from Johnson & Johnson's assets and integrating newly acquired assets into our business. The Separation is complex in nature and unanticipated developments or changes, including changes to applicable laws or regulations (or interpretations thereof), required consents or approvals, or other challenges in executing the Separation, could delay or prevent the completion of certain aspects of the Separation, require more resources than expected (including out-of-pocket costs and expenses and internal management and employee time and resources) or cause the Separation to occur on terms or conditions that are different or less favorable to us than expected. Our business, results of operations or financial condition could be adversely affected if we have difficulty operating as a standalone company, fail to acquire assets that prove to be important to our operations or incur unexpected costs in separating our assets from Johnson & Johnson's assets or integrating newly acquired assets.

Risks Related to Our Relationship with Johnson & Johnson

Following the completion of this offering, Johnson & Johnson will continue to control the direction of our business, and the concentrated ownership of our common stock may prevent you and other shareholders from influencing significant decisions.

Upon completion of this offering, Johnson & Johnson will continue to own 91.9% of the total voting power of our outstanding shares of common stock (or 90.8% if the underwriters exercise in full their option to purchase additional shares of our common stock from us to cover over-allotments). Investors in this offering generally will not be able to affect the outcome of any matter submitted to our shareholders for approval as long as Johnson & Johnson or its successor-in-interest beneficially owns a majority of the total voting power of our outstanding shares of common stock. As long as Johnson & Johnson or its successor-in-interest beneficially owns a majority of the total voting power of our outstanding shares of common stock, it will generally be able to control, whether directly or indirectly through its ability to remove and elect directors, and subject to applicable law, all matters affecting us without the approval of other shareholders, including:

- determinations with respect to our business direction and policies, including the election and removal of directors and the appointment and removal of officers;
- determinations with respect to corporate transactions, such as mergers, business combinations or dispositions of assets;
- our financing and dividend policies;
- our compensation and benefit programs and other human resources policy decisions;
- termination of, changes to or determinations under our agreements with Johnson & Johnson relating to the Separation;
- determinations with respect to tax matters; and
- changes to any other agreements that may adversely affect us.

If Johnson & Johnson does not complete the Distribution or otherwise dispose of its remaining equity interest in our company, or if Johnson & Johnson purchases shares of our common stock in the open market following the completion of this offering, it could remain our controlling shareholder for an extended period of time or indefinitely. Even if Johnson & Johnson were to beneficially own less than a majority of the total voting power of our outstanding shares of common stock, Johnson & Johnson may be able to influence the outcome of corporate actions requiring shareholder approval for as long as it owns a significant portion of our common stock.

Johnson & Johnson's interests may not be the same as, or may conflict with, the interests of our other shareholders. Actions that Johnson & Johnson takes with respect to us, as a controlling or significant shareholder, may not be favorable to us or our other shareholders.

Following the completion of this offering, we will be a "controlled company" as defined under the corporate governance rules of the NYSE and, as a result, will qualify for exemptions from certain corporate governance requirements of the NYSE.

Upon completion of this offering, Johnson & Johnson will continue to own 91.9% of the voting power of our shares of common stock eligible to vote in the election of our directors (or 90.8% if the underwriters exercise in full their option to purchase additional shares of our common stock from us to cover over-allotments). As a result, we will be a "controlled company" as defined under the corporate governance rules of the NYSE and, therefore, will qualify for exemptions from certain corporate governance requirements of the NYSE, including:

- the requirement that the Board be composed of a majority of independent directors;

- the requirement that the Nominating, Governance & Sustainability Committee be composed entirely of independent directors with a written charter addressing the committee's purpose and responsibilities or, if no such committee exists, that our director nominees be selected or recommended by independent directors constituting a majority of the Board's independent directors in a vote in which only independent directors participate;
- the requirement that the Compensation & Human Capital Committee be composed entirely of independent directors with a written charter addressing the committee's purpose and responsibilities; and
- the requirement for an annual performance evaluation of the Nominating, Governance & Sustainability Committee and the Compensation & Human Capital Committee.

We do not currently intend to rely on any of these exemptions following the completion of this offering. However, we may elect to take advantage of one or more of these exemptions from time to time in the future. As a result, you may not have the same protections afforded to shareholders of companies that are subject to all of the corporate governance requirements of the NYSE.

Johnson & Johnson may fail to perform under the Transition Manufacturing Agreement, or we may fail to have replacement manufacturing arrangements in place when the Transition Manufacturing Agreement expires.

We expect that Johnson & Johnson will continue to provide us with certain manufacturing services pursuant to the Transition Manufacturing Agreement for a transitional period following the completion of this offering. These services will consist of supplying us with specified products, or components thereof, including Tylenol, Zyrtec, Motrin, Benadryl and other OTC products, for terms of varying duration following the completion of this offering. We will rely on Johnson & Johnson to satisfy its manufacturing obligations during the applicable term for each product subject to the Transition Manufacturing Agreement. Failure by Johnson & Johnson to perform these obligations, or any delay in or disruption to Johnson & Johnson's ability to perform these obligations, could adversely affect our ability to timely deliver quality products to consumers and customers in necessary quantities, hinder sales of the applicable products, damage our reputation or the reputation of our brands or otherwise adversely affect our business, results of operations or financial condition, potentially for an extended period of time. Furthermore, pursuant to the Transition Manufacturing Agreement, Johnson & Johnson will agree to perform the manufacturing services for us in a manner consistent with the past practice of our business. As a result, our operational flexibility to implement changes with respect to these services or the amounts we pay for them will be limited, and we may not be able to implement changes in a manner desirable to us.

The services that Johnson & Johnson will provide to us pursuant to the Transition Manufacturing Agreement are transitional in nature. Upon the expiration of the term for each product subject to the Transition Manufacturing Agreement, we will be required to transition the manufacturing services for such products to our own internal organization or to obtain alternative third-party sources to provide these services. Transitioning these services from Johnson & Johnson to us or one or more third parties will be a complex, time-consuming and costly process, and could increase the risk of manufacturing defects or quality control issues. Furthermore, to the extent we decide to engage one or more third parties to provide these services to us in the future, we could encounter additional risks associated with reliance on third parties. See "—Risks Related to Our Operations—We rely on third parties in many aspects of our business, including to manufacture certain of our products, which exposes us to additional risks that could adversely affect our business, results of operations or financial condition." If we do not have our own manufacturing operations, or comparable agreements with alternative third-party sources, in place when the Transition Manufacturing Agreement expires, our business, results of operations or financial condition could be adversely affected, including in the manner described in the preceding paragraph.

Johnson & Johnson may fail to perform under the Transition Services Agreement, or we may fail to have replacement systems and services in place when the Transition Services Agreement expires.

We expect that Johnson & Johnson will continue to provide us with services related to certain historically shared functions pursuant to the Transition Services Agreement for a transitional period following the completion of this offering. These services, which will include certain information technology, supply chain, human resources,

medical safety, finance, regulatory, sales and marketing, research and development, real estate, legal operations, government affairs, distribution and tax services, will be provided for terms of varying duration following the completion of this offering. We will rely on Johnson & Johnson to satisfy its obligations during the term of the Transition Services Agreement. Failure by Johnson & Johnson to perform these obligations, or any delay in or disruption to Johnson & Johnson's ability to perform these obligations, could increase our costs of procuring these services, result in system or service interruptions, divert our management's focus or otherwise adversely affect our business, results of operations or financial condition, potentially for an extended period of time. Furthermore, pursuant to the Transition Services Agreement, Johnson & Johnson will agree to perform the services for us in a manner consistent with the past practice of our business. As a result, our operational flexibility to implement changes with respect to these services or the amounts we pay for them will be limited, and we may not be able to implement changes in a manner desirable to us. In addition, we have historically received informal support from Johnson & Johnson, which may not be addressed in the Transition Services Agreement. The level of this informal support will diminish or be eliminated following the completion of this offering.

The services that Johnson & Johnson will provide to us pursuant to the Transition Services Agreement are transitional in nature. We are in the process of creating our own, or engaging alternative third-party sources to provide, systems and services to replicate or replace many of the systems and services that Johnson & Johnson currently provides to us. However, we may not be able to successfully replicate or replace these services or obtain the services at the same or better quality, at the same or lower costs or otherwise on the same or more favorable terms and conditions from third parties. For example, implementing our own information technology framework will be a complex, time-consuming and costly process, and could make us more vulnerable to cyberattacks, network disruptions or other information security or cybersecurity incidents. Furthermore, to the extent we decide to engage one or more third parties to provide these services to us in the future, we could encounter additional risks associated with reliance on third parties. See “—Risks Related to Our Operations—We rely on third parties in many aspects of our business, including to manufacture certain of our products, which exposes us to additional risks that could adversely affect our business, results of operations or financial condition.” If we do not have our own systems and services, or comparable agreements with alternative third party sources, in place when the Transition Services Agreement expires, our business, results of operations or financial condition could be adversely affected, including in the manner described in the preceding paragraph.

If Johnson & Johnson sells a controlling equity interest in our company to a third party in a private transaction, you may not realize any change-of-control premium on your shares of our common stock and we may become subject to the control of a currently unknown third party.

Upon completion of this offering, Johnson & Johnson will continue to own 91.9% of the total voting power of our outstanding shares of common stock (or 90.8% if the underwriters exercise in full their option to purchase additional shares of our common stock from us to cover over-allotments). Johnson & Johnson will have the ability, should it choose to do so, to sell some or all of its shares of our common stock in a privately negotiated transaction, which, if sufficient in size, could result in a change of control of us.

The ability of Johnson & Johnson to privately sell its shares of our common stock, with no requirement for a concurrent offer to be made to acquire all of the shares of our common stock that will be publicly traded following the completion of this offering, could prevent you from realizing any change-of-control premium on your shares of our common stock that may otherwise accrue to Johnson & Johnson on its private sale of shares of our common stock. In addition, if Johnson & Johnson privately sells its controlling equity interest in our company, we may become subject to the control of a currently unknown third party. The interests of this third party may not be the same as, or may conflict with, the interests of our other shareholders. Furthermore, if Johnson & Johnson sells a controlling equity interest in our company to a third party, our future indebtedness may be subject to acceleration, and our other commercial agreements and relationships, including any remaining agreements with Johnson & Johnson, could be impacted. The occurrence of any of these events could adversely affect our business, results of operations or financial condition.

Following the completion of this offering, certain of our executive officers and directors may have actual or potential conflicts of interest because of their equity interest in Johnson & Johnson. Also, certain of Johnson & Johnson's current executive officers are expected to become our directors, which may create conflicts of interest or the appearance of conflicts of interest.

Because of their current or former positions with Johnson & Johnson, certain of our executive officers and directors own equity interests in Johnson & Johnson. Continuing ownership of shares of Johnson & Johnson common stock and equity awards could create, or appear to create, actual or potential conflicts of interest if we and Johnson & Johnson face decisions that could have implications for both companies following the completion of this offering. In addition, certain of Johnson & Johnson's current executive officers are expected to become our directors, and this could create, or appear to create, actual or potential conflicts of interest when we and Johnson & Johnson encounter opportunities or face decisions that could have implications for both companies following the completion of this offering or in connection with the allocation of such directors' time between us and Johnson & Johnson. These actual or potential conflicts of interest could arise, for example, over matters such as the desirability of changes in our business and operations, funding and capital matters, regulatory matters, matters arising with respect to the Separation Agreement and other agreements with Johnson & Johnson relating to the Separation or otherwise, employee retention or recruiting or our dividend policy.

We expect that provisions relating to certain relationships and transactions in our amended and restated certificate of incorporation will address certain actual or potential conflicts of interest between us, on the one hand, and Johnson & Johnson and its directors, officers or employees who are our directors, officers or employees on the other hand. By becoming our shareholder, you will be deemed to have notice of, and consented to, these provisions of our amended and restated certificate of incorporation. For example, we are expected to renounce any interest or expectancy of ours in any corporate opportunities that are presented to our directors, officers or employees who are also directors, officers or employees of Johnson & Johnson, and such director, officer or employee will have no duty to communicate or present such corporate opportunity to us, in each case so long as such corporate opportunity was not expressly offered to such person solely in their capacity as our director or officer. Although these provisions are designed to resolve certain conflicts of interest between us and Johnson & Johnson fairly, we cannot assure you that any conflicts of interest will be so resolved. See "Description of Capital Stock—Conflicts of Interest; Corporate Opportunities."

Potential indemnification obligations to Johnson & Johnson in connection with the Separation could adversely affect our business, results of operations or financial condition.

The Separation Agreement will provide for indemnification obligations (for uncapped amounts, reduced by any insurance proceeds or other third-party proceeds that the party being indemnified receives) designed to make us financially responsible for substantially all liabilities, subject to certain exceptions, that may exist relating to our business activities, whether incurred prior to or following the completion of this offering. In addition, we will agree to indemnify Johnson & Johnson under certain additional circumstances pursuant to certain other agreements we will enter into with Johnson & Johnson in connection with the Separation. If we are required to indemnify Johnson & Johnson under the circumstances set forth in these agreements, we may be subject to substantial liabilities, which could adversely affect our business, results of operations or financial condition.

In connection with the Separation, Johnson & Johnson will indemnify us for certain liabilities. However, we cannot assure you that the indemnity will be sufficient to protect us against the full amount of such liabilities or that Johnson & Johnson's ability to satisfy its indemnification obligation will not be impaired in the future.

Pursuant to the Separation Agreement and certain other agreements we will enter into with Johnson & Johnson in connection with the Separation, Johnson & Johnson will agree to indemnify us for certain liabilities. However, third parties could also seek to hold us responsible for any of the liabilities that Johnson & Johnson has agreed to retain, including Talc-Related Liabilities, and we cannot assure you that the indemnity from Johnson & Johnson will be sufficient to protect us against the full amount of such liabilities, or that Johnson & Johnson will be able to fully satisfy its indemnification obligations. In addition, pursuant to the Separation Agreement, Johnson & Johnson's self-funded insurance policies will not be available to us, and Johnson & Johnson's third-party insurance policies may not be available to us, for liabilities associated with occurrences of indemnified liabilities prior to the Separation, and

in any event Johnson & Johnson's insurers may deny coverage to us for liabilities associated with certain occurrences of indemnified liabilities prior to the Separation. Moreover, even if we ultimately succeed in recovering from Johnson & Johnson or its insurance providers any amounts for which we are held liable, we may be temporarily required to bear these losses. The occurrence of any of these events could adversely affect our business, results of operations or financial condition.

Although under the Tax Matters Agreement the amount of our tax sharing payments to Johnson & Johnson following the completion of this offering will generally be determined based upon the amount of tax attributable to the Consumer Health Business for periods prior to the date of the Distribution, if pursued, we nevertheless will have joint and several liability with Johnson & Johnson for the consolidated U.S. federal income taxes of the Johnson & Johnson consolidated group.

We will be included in the U.S. federal consolidated group tax return, and certain other combined or similar group tax returns, with Johnson & Johnson through the date of the Distribution, if pursued. Under the Tax Matters Agreement, Johnson & Johnson will generally make all necessary tax payments to the relevant tax authorities with respect to Johnson & Johnson group tax returns, and we will make tax sharing payments to Johnson & Johnson, the amount of which will generally be determined based upon the amount of tax attributable to the Consumer Health Business.

For taxable periods that begin on or after the day after the date of the Distribution, we will no longer be included in any Johnson & Johnson group tax returns and we will file tax returns that include only us or our subsidiaries, as appropriate. We will not be required to make tax sharing payments to Johnson & Johnson for those taxable periods. Nevertheless, we have (and will continue to have following the completion of the Distribution, if pursued) joint and several liability with Johnson & Johnson to the IRS for the consolidated U.S. federal income taxes of the Johnson & Johnson consolidated group for the taxable periods in which we were part of the Johnson & Johnson consolidated group. See "Certain Relationships and Related Person Transactions—Agreements to be Entered into in Connection with the Separation—Tax Matters Agreement."

We may have received better terms from unaffiliated third parties than the terms we will receive in our agreements with Johnson & Johnson.

The agreements we will enter into with Johnson & Johnson in connection with the Separation, including the Separation Agreement, the Tax Matters Agreement, the Employee Matters Agreement, the Intellectual Property Agreement, the Trademark Agreements, the Transition Services Agreement, the Transition Manufacturing Agreement, the Registration Rights Agreement, the Reverse Transition Services Agreement and the Data Transfer and Sharing Agreement, were prepared in the context of our separation from Johnson & Johnson while we were still part of Johnson & Johnson. Accordingly, during the period in which these agreements were prepared, we did not have a separate or independent board of directors or a management team that was separate from or independent of Johnson & Johnson. The terms of these agreements, including the fees charged for services provided under these agreements, were primarily determined by Johnson & Johnson and, as a result, may not necessarily reflect terms that would have resulted from arm's-length negotiations between unaffiliated third parties or from arm's-length negotiations between Johnson & Johnson and an unaffiliated third party in another form of transaction, such as a buyer in a sale of a business transaction.

Risks Related to This Offering and Ownership of Our Common Stock

We cannot be certain that an active trading market for our common stock will develop or be sustained following the completion of this offering.

Prior to the completion of this offering, there has been no public market for our common stock. We cannot assure you that an active trading market for shares of our common stock will develop or be sustained following the completion of this offering. If an active trading market does not develop, you may have difficulty selling your shares of our common stock at an attractive price or at all. An inactive trading market could also impair our ability to raise capital by selling shares of our common stock, our ability to attract and motivate our employees through equity incentive awards and our ability to acquire businesses, brands, assets or technologies by using shares of our common

stock as consideration. Furthermore, the liquidity of the market for shares of our common stock may be constrained for as long as Johnson & Johnson continues to own a significant portion of our common stock.

The stock price of our common stock may fluctuate significantly.

We cannot predict the prices at which shares of our common stock may trade after this offering. The price for shares of our common stock in this offering was determined by negotiations among us, Johnson & Johnson and representatives of the underwriters, and it may not be indicative of prices that will prevail in the open market following the completion of this offering. Consequently, you may not be able to sell your shares of our common stock at or above the initial public offering price at the time that you would like to sell.

The market price of shares of our common stock may be highly volatile and fluctuate significantly due to a number of factors, some of which may be beyond our control, including:

- our quarterly or annual earnings or those of our competitors;
- variations in our quarterly dividends, if any, to shareholders;
- actual or anticipated fluctuations in our operating results or those of our competitors;
- publication of research reports about us, our competitors or our industry, changes in, or failure to meet, estimates made by securities analysts or ratings agencies of our financial and operating performance or lack of research reports by industry analysts or ceasing of analyst coverage;
- additions or departures of key management personnel;
- strategic actions or announcements by us or our competitors;
- adverse market reaction to any indebtedness we may incur or securities we may issue in the future;
- changes in accounting standards, policies, guidelines, interpretations or principles;
- changes to the regulatory and legal environment in which we operate;
- litigation or governmental investigations initiated against us;
- reputational issues, including reputational issues involving our competitors and their products, Johnson & Johnson and our third-party partners;
- actions by institutional shareholders;
- any ineffectiveness of our internal controls;
- whether, when and in what manner Johnson & Johnson completes the Distribution, and other announcements made or actions taken by Johnson & Johnson, whether in respect of the Distribution or otherwise;
- overall market fluctuations and domestic and worldwide economic and political conditions, including related to the COVID-19 pandemic; and
- other factors described in this “Risk Factors” section and elsewhere in this prospectus.

Stock markets in general have experienced volatility that has often been unrelated to the operating performance of a particular company. These broad market fluctuations may adversely affect the trading price of our common stock. If any of the forgoing events occur, it could cause our stock price to fall and may expose us to lawsuits, including securities class action litigation, that, even if unsuccessful, could result in substantial costs and divert our management’s attention and resources. You should consider an investment in shares of our common stock to be risky, and you should invest in shares of our common stock only if you can withstand a significant loss and wide fluctuations in the market value of your investment.

The Distribution, if pursued, or future sales by Johnson & Johnson or other holders of shares of our common stock, or the perception that the Distribution or such sales may occur, including following the expiration of the lock-up period, could cause the price of our common stock to decline.

Upon completion of this offering, Johnson & Johnson will own 91.9% of our outstanding shares of common stock (or 90.8% if the underwriters exercise in full their option to purchase additional shares of our common stock from us). These shares will be “restricted securities” as that term is defined in Rule 144 (“Rule 144”) under the Securities Act of 1933, as amended (the “Securities Act”). Subject to contractual restrictions, including the lock-up agreements described in the paragraph below, Johnson & Johnson will be entitled to sell these shares in the public market only if the sale of such shares is registered with the Securities and Exchange Commission (“SEC”) or if the sale of such shares qualifies for an exemption from registration under Rule 144 or any other applicable exemption under the Securities Act. We are unable to predict with certainty whether or when Johnson & Johnson will complete the Distribution or otherwise sell a substantial number of shares of our common stock. The distribution or sale by Johnson & Johnson of a substantial number of shares of our common stock following the completion of this offering, or a perception that such a distribution or sale could occur, could significantly reduce the prevailing market price of shares of our common stock. Upon completion of this offering, except as otherwise described in this prospectus, all of the shares of our common stock to be sold in this offering will be freely tradable without restriction or further registration under the Securities Act, assuming they are not held by our affiliates.

In connection with this offering, we, our executive officers, our directors and Johnson & Johnson have agreed with the underwriters that, except with the prior written consent of each of Goldman Sachs & Co. LLC and J.P. Morgan Securities LLC, we and they will not, subject to certain exceptions, during the period beginning on the date of this prospectus and continuing through the date that is 180 days after the date of this prospectus, offer, sell, contract to sell, pledge or otherwise dispose of or hedge, directly or indirectly, any shares of our common stock or securities convertible into or exchangeable or exercisable for any shares of our common stock. Goldman Sachs & Co. LLC and J.P. Morgan Securities LLC may, in their sole discretion and at any time without notice, release all or any portion of the shares of our common stock subject to lock-up agreements. When the lock-up period expires, we and our shareholders subject to lock-up agreements will be able to sell shares of our common stock in the public market. Sales of a substantial number of shares of our common stock upon expiration of the lock-up agreements, the perception that these sales may occur or early release of these lock-up agreements could cause the market price of shares of our common stock to decline or make it more difficult for you to sell your shares of our common stock at a time and price that you deem appropriate.

If we are unable to implement and maintain effective internal control over financial reporting in the future, investors could lose confidence in the accuracy and completeness of our financial reports and the market price of shares of our common stock could be adversely affected.

As a standalone public company, we will be required to maintain internal control over financial reporting and to report any material weaknesses in our internal control. In addition, beginning with our second annual report on Form 10-K, we expect that we will be required to furnish a report by management on the effectiveness of our internal control over financial reporting, pursuant to Section 404 of the Sarbanes-Oxley Act of 2002 (the “Sarbanes-Oxley Act”). Our independent registered public accounting firm will also be required to express an opinion as to the effectiveness of our internal control over financial reporting beginning with our second annual report on Form 10-K. At such time, our independent registered public accounting firm may issue a report that is adverse to the event it is not satisfied with the level at which our internal control over financial reporting is documented, designed or operating.

The process of designing, implementing and testing the internal control over financial reporting required to comply with this obligation is complex, time consuming and costly. If we identify material weaknesses in our internal control over financial reporting, if we are unable to comply with the requirements of Section 404 of the Sarbanes-Oxley Act in a timely manner or to assert that our internal control over financial reporting is effective, or if our independent registered public accounting firm is unable to express an opinion as to the effectiveness of our internal control over financial reporting, investors could lose confidence in the accuracy and completeness of our financial reports and the market price of shares of our common stock could be adversely affected. We could also

become subject to investigations by the NYSE, the SEC or other regulatory authorities, which could require additional financial and management resources.

The obligations associated with being a standalone public company will require significant resources and management attention.

Following the effectiveness of the registration statement of which this prospectus is a part, we will be directly subject to reporting and other obligations under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), the Sarbanes-Oxley Act, the Dodd-Frank Wall Street Reform and Consumer Protection Act and the rules and regulations of the SEC and the NYSE. As a standalone public company, we will be required to:

- prepare and distribute periodic reports, proxy statements and other shareholder communications in compliance with the federal securities laws and rules;
- have our own board of directors and committees thereof, which comply with federal securities laws and rules and applicable stock exchange requirements;
- maintain an internal audit function;
- institute our own financial reporting and disclosure compliance functions;
- establish an investor relations function; and
- establish internal policies, including those relating to trading in our securities and disclosure controls and procedures.

These reporting and other obligations will place significant demands on our management, diverting their time and attention from sales-generating activities to compliance activities, and require increased administrative and operational costs and expenses that we did not incur prior to the Separation, which could adversely affect our business, results of operations or financial condition.

You will experience immediate and substantial dilution following the completion of this offering, and your percentage ownership in us may be further diluted in the future.

The initial public offering price per share of our common stock will be substantially higher than our pro forma net tangible book value (deficit) per share of our common stock upon completion of this offering. As a result, you will pay a price per share of our common stock that substantially exceeds the per share book value of our tangible assets after subtracting our liabilities. Assuming an initial public offering price of \$21.50 per share of our common stock, which is the midpoint of the estimated public offering price range set forth on the cover page of this prospectus, after deducting the underwriting discounts and commissions and estimated offering expenses payable by us, you will incur immediate and substantial dilution in pro forma net tangible book deficit in an amount of \$25.81 per share of our common stock.

In the future, your percentage ownership in us may be further diluted if we issue additional shares of our common stock or convertible debt securities in connection with acquisitions, capital market transactions or other corporate purposes, including equity awards that we may grant to our directors, officers and employees. In connection with this offering, we intend to file a registration statement on Form S-8 to register the shares of our common stock that we expect to reserve for issuance under our proposed equity incentive plan. It is anticipated that the Compensation & Human Capital Committee will grant additional equity awards to our employees and directors following the completion of this offering, from time to time, under our proposed equity incentive plan. We cannot predict with certainty the size of future issuances of shares of our common stock or the effect, if any, that future issuances and sales of shares of our common stock will have on the market price of shares of our common stock. Any such issuance could result in substantial dilution to our existing shareholders.

In addition, following the completion of the Distribution, if pursued, our employees will have rights to purchase or receive shares of our common stock as a result of the conversion of their Johnson & Johnson stock options, restricted share units and performance share units into our stock options and restricted share units. The conversion of

these Johnson & Johnson awards into our awards is described in further detail in the sections of this prospectus entitled “The Offering” and “Executive and Director Compensation—Compensation Discussion and Analysis.” As of the date of this prospectus, the exact number of shares of our common stock that will be subject to the converted equity awards is not determinable, and, therefore, it is not possible to determine the extent to which your percentage ownership could be diluted as a result of the conversion.

The Board will be authorized, without further vote or action by our shareholders, to provide for the issuance from time to time of shares of our preferred stock in series and, as to each series, to fix the designation; the dividend rate and the preferences, if any, which dividends on that series will have compared to any other class or series of our capital stock; the voting rights, if any; the liquidation preferences, if any; the conversion privileges, if any, and the redemption price or prices and the other terms of redemption, if any, applicable to that series. The terms of one or more series of preferred stock could dilute the voting power or reduce the value of our common stock. For example, we could grant the holders of our preferred stock rights to elect directors in all events or on the occurrence of specified events or the right to veto specified transactions. In addition, the repurchase or redemption rights or liquidation preferences that we could assign to holders of our preferred stock could affect the residual value of our common stock. See “Description of Capital Stock—Preferred Stock.”

Following the completion of this offering, we expect to have debt obligations that could adversely affect our business, results of operations or financial condition.

In connection with the Separation, we have entered into certain financing arrangements, which include the Notes Offering, the Commercial Paper Program and the Revolving Credit Facility. In addition, we may incur additional indebtedness in the future. This indebtedness could have important, adverse consequences to us and our investors, including:

- requiring a substantial portion of our cash flow from operations to make interest payments;
- making it more difficult to satisfy other obligations;
- increasing the risk of a future credit ratings downgrade of our debt, which could increase future debt costs and limit the future availability of debt financing;
- increasing our vulnerability to general adverse economic and industry conditions;
- reducing the cash flow available to fund capital expenditures and other corporate purposes and to grow our business;
- limiting our ability to pay dividends;
- limiting our flexibility in planning for, or reacting to, changes in our business and industry; and
- limiting our ability to borrow additional funds as needed or take advantage of business opportunities as they arise, pay cash dividends or repurchase shares of our common stock.

The risks described above will increase with the amount of indebtedness we incur in the future. Furthermore, to the extent our indebtedness bears interest at variable rates, our ability to borrow additional funds may be reduced and the risks described above would intensify if these rates were to increase significantly, whether because of an increase in market interest rates or a decrease in our creditworthiness. In addition, our actual cash requirements in the future may be greater than expected. Our cash flow from operations may not be sufficient to service our outstanding debt or to repay the outstanding debt as it becomes due, and we may not be able to borrow money, sell assets or otherwise raise funds on acceptable terms, or at all, to service or refinance our debt.

We are a holding company and our only material assets are our equity interests in our subsidiaries. As a consequence, we depend on the ability of our subsidiaries to pay dividends and make other payments and distributions to us in order to meet our obligations.

We are a holding company with limited direct business operations, including conducting certain operational activities in anticipation of the planned separation of the Consumer Health Business. Our subsidiaries own substantially all of our assets and conduct substantially all of our operations. Dividends from our subsidiaries and permitted payments to us under arrangements with our subsidiaries are our principal sources of cash to meet our obligations. These obligations include operating expenses and interest and principal on current and any future borrowings. Our subsidiaries, including certain subsidiaries organized outside the United States, may not be able to, or may not be permitted to, pay dividends or make distributions to enable us to meet our obligations. Each subsidiary is a distinct legal entity and, under certain circumstances, legal, tax and contractual restrictions may limit our ability to obtain cash from our subsidiaries. If the cash we receive from our subsidiaries pursuant to dividends and other arrangements is insufficient to fund any of our obligations, or if a subsidiary is unable to pay future dividends or distributions to us to meet our obligations, we may be required to raise cash through, among other things, the incurrence of debt (including convertible or exchangeable debt), the sale of assets or the issuance of equity. Our liquidity and capital position are highly dependent on the performance of our subsidiaries and their ability to pay future dividends and distributions to us as anticipated. The evaluation of future dividend sources and our overall liquidity plans are subject to a variety of factors, including current and future market conditions, which are subject to change. Our inability to generate sufficient cash flows to satisfy our debt obligations, or to refinance our indebtedness on commercially reasonable terms or at all, could adversely affect our business, results of operations or financial condition and our ability to satisfy our obligations under our indebtedness or pay dividends to our common stock.

We cannot guarantee the payment of dividends on our common stock, or the timing or amount of any such dividends.

We initially expect to pay quarterly cash dividends of approximately \$0.20 per share of our common stock to holders of our common stock commencing the fiscal quarter ending October 1, 2023, subject to the discretion of the Board. Although we currently intend to pay a quarterly cash dividend to holders of our common stock, we have no obligation to do so, and our dividend policy may change at any time without notice to our shareholders. The payment of any dividends in the future to our shareholders, and the timing and amount thereof, will fall within the discretion of the Board. The Board's decisions regarding the payment of dividends will depend on many factors, such as our financial condition, earnings, capital requirements, debt service obligations, restrictive covenants in the agreements governing our indebtedness, general economic business conditions, industry practice, legal requirements and other factors that the Board may deem relevant. Our ability to pay dividends will depend on our ongoing ability to generate cash from operations and on our access to the capital markets. Furthermore, we are a holding company with limited direct business operations, including conducting certain operational activities in anticipation of the planned separation of the Consumer Health Business. As a result, our ability to pay dividends will also depend on the ability of our subsidiaries to pay dividends and make other payments and distributions to us. We cannot assure you that we will pay our anticipated dividend in the same amount or frequency, or at all, in the future. See "Dividend Policy."

If our estimates or judgments relating to our critical accounting policies are based on assumptions that change or prove to be incorrect, our results of operations could be adversely affected, resulting in a decrease in the market price of shares of our common stock.

The preparation of financial statements in conformity with U.S. GAAP requires us to make estimates and assumptions that affect the amounts reported in our combined financial statements. We base our estimates on historical experience and on various other assumptions that we believe to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets, liabilities, equity, net sales and expenses that are not readily apparent from other sources. If our assumptions change or if actual circumstances differ from our assumptions, our results of operations could be adversely affected and could fall below our publicly announced guidance or the expectations of securities analysts and investors, resulting in a decline in the market price of shares of our common stock.

Certain provisions in our amended and restated certificate of incorporation and our amended and restated bylaws, and of Delaware law, may prevent or delay an acquisition of us, which could decrease the trading price of our common stock.

Our amended and restated certificate of incorporation and our amended and restated bylaws will contain provisions that are intended to deter coercive takeover practices and inadequate takeover bids and to encourage prospective acquirers to negotiate with the Board rather than to attempt an unsolicited takeover not approved by the Board. These provisions include (1) the ability of our directors, and not shareholders, to fill vacancies on the Board (including those resulting from an enlargement of the Board), (2) restrictions on the ability of our shareholders to call a special meeting, (3) restrictions on the ability of our shareholders to act by written consent, (4) rules regarding how shareholders may present proposals or nominate directors for election at shareholder meetings and (5) authority of the Board to issue preferred stock without shareholder vote or action.

In addition, because we have not chosen to be exempt from Section 203 of the Delaware General Corporation Law (the “DGCL”), this provision could also delay or prevent a change of control that you may favor. Section 203 of the DGCL generally prohibits a Delaware corporation from engaging in a “business combination” with an “interested stockholder” for a period of three years following the time that such stockholder became an interested stockholder, subject to certain exceptions. See “Description of Capital Stock—Anti-Takeover Effects of Various Provisions of Delaware Law, Our Amended and Restated Certificate of Incorporation and Our Amended and Restated Bylaws—Delaware Anti-Takeover Statute.”

So long as Johnson & Johnson beneficially owns a majority of the total voting power of our outstanding capital stock, and therefore has the ability to direct the election of all the members of the Board, directors designated by Johnson & Johnson to serve on the Board would have the ability to authorize a party, including a potential transferee of Johnson & Johnson’s shares of our common stock, to become an interested stockholder such that the restrictions of Section 203 of the DGCL would not apply to such party.

We believe these provisions will protect our shareholders from coercive or otherwise unfair takeover tactics by requiring potential acquirers to negotiate with the Board and by providing the Board with more time to assess any acquisition proposal. These provisions are not intended to make us immune from takeovers. However, these provisions will apply even if the offer may be considered beneficial by some of our shareholders and could delay or prevent an acquisition that the Board determines is not in the best interests of us and our shareholders. These provisions may also prevent or discourage attempts to remove and replace incumbent directors.

Our amended and restated certificate of incorporation will provide that certain courts within the State of Delaware or the federal district courts of the United States will be the sole and exclusive forum for the resolution of certain types of actions and proceedings that may be initiated by our shareholders, which could discourage lawsuits against us or our directors, officers, employees or shareholders.

Our amended and restated certificate of incorporation will provide, in all cases to the fullest extent permitted by law, that, unless we consent in writing to the selection of an alternative forum, the Court of Chancery located within the State of Delaware (or, if such court does not have jurisdiction, the United States District Court for the District of Delaware) will be the sole and exclusive forum for (1) any derivative action or proceeding brought on our behalf, (2) any action asserting a claim of breach of a fiduciary duty owed by any of our directors, officers, employees or shareholders to us or our shareholders, (3) any action asserting a claim arising pursuant to any provision of our amended and restated certificate of incorporation or our amended and restated bylaws, (4) any action asserting a claim arising pursuant to any provision of the DGCL or as to which the DGCL confers jurisdiction on the Court of Chancery located within the State of Delaware or (5) any action asserting a claim governed by the internal affairs doctrine.

These exclusive forum provisions will not apply to claims arising under the Securities Act or the Exchange Act or any other claim for which the federal courts have exclusive jurisdiction. Unless we consent in writing to the selection of an alternative forum, the federal district courts of the United States will be the sole and exclusive forum for the resolution of any action asserting a claim arising under the Securities Act.

These exclusive forum provisions may impose additional costs on shareholders in pursuing any such claims, particularly if the shareholders do not reside in or near the State of Delaware, or limit a shareholder's ability to bring a claim in a judicial forum that such shareholder finds favorable for disputes with us or our directors, officers, employees or shareholders, which in each case may discourage such lawsuits with respect to such claims. It is possible that a court could find these exclusive forum provisions inapplicable or unenforceable with respect to one or more of the specified types of actions or proceedings, and we may incur additional costs associated with resolving such matters in other jurisdictions, which could divert our management's attention and otherwise adversely affect our business, results of operations or financial condition.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus contains forward-looking statements, which do not relate strictly to historical or current facts and which 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 and financial performance; impact of planned acquisitions and dispositions; our strategy for growth; product development activities; regulatory approvals; market position; expenditures; and the effects of the Separation and the Distribution, if pursued, on our business.

Because forward-looking statements are based on current beliefs, expectations and assumptions regarding future events, they are subject to risks, uncertainties and changes that are difficult to predict and many of which are outside of our control. You should realize that if underlying assumptions prove inaccurate, or known or unknown risks or uncertainties materialize, our actual results and financial condition could vary materially from expectations and projections expressed or implied in our forward-looking statements. Risks and uncertainties include:

- The impact of negative publicity and failed marketing efforts on our reputation and our brands;
- The competitive product markets in which we operate and the competitive pressures that we face;
- The potential that we may be unable to anticipate, understand and respond appropriately to market trends and rapidly changing consumer and customer preferences;
- The potential that we may be unable to successfully expand our global operations;
- The potential that we may face challenges in implementing our digital-first strategy across all aspects of our operations;
- The rapidly changing retail landscape, including our increasing dependence on key retailers in developed markets, changes in the policies of our retail trade customers and the emergence of e-commerce and other alternative retail channels;
- Challenges and uncertainties inherent in innovation and development of new and improved products and technologies on which our continued growth and success depend;
- The potential that the expected strategic benefits and opportunities from any planned or completed acquisition or divestiture may not be realized or may take longer to realize than expected;
- The impact of increases in the availability and acceptance of private-label brands and generic non-branded products;
- The threats of counterfeit products, infringement of our intellectual property and other unauthorized versions of our products;
- Difficulties and delays in manufacturing, internally, through third parties 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;
- Failure to effectively manage third-party relationships and the agreements under which our third-party partners operate;
- Interruptions and breaches of our information technology systems or those of a third party, which could result in reputational, competitive, operational or other business harm as well as financial costs and regulatory action;
- The potential for labor disputes, strikes, work stoppages and similar labor relations matters and the impact of minimum wage increases;

- Our ability to attract and retain talented, highly skilled employees and a diverse workforce and to implement succession plans for our senior management;
- 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 our products;
- Failure to accurately forecast demand for our products;
- Climate change, extreme weather and natural disasters, or legal, regulatory or market measures to address climate change, that could affect demand for our 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 our products and operations;
- The impact of increasing scrutiny and rapidly evolving expectations from stakeholders regarding ESG matters;
- The potential for insurance to be unavailable or insufficient to cover losses we may incur;
- The impact of significant product returns or refunds;
- Product reliability, safety and efficacy concerns, whether or not based on scientific or factual evidence, potentially resulting in governmental investigations, regulatory action (including the shutdown of manufacturing facilities), private claims and lawsuits, significant remediation and related costs, safety alerts, product shortages, declining sales, reputational damage and share price impact;
- Legal proceedings related to talc or talc-containing products, such as Johnson's Baby Powder, sold outside the United States and Canada and other risks and uncertainties related to talc or talc-containing products;
- The impact, including declining sales and reputational damage, of significant litigation or government action adverse to us, including product liability claims and allegations related to marketing practices;
- The impact of an adverse judgment or settlement and the adequacy of reserves related to legal proceedings, including product liability, personal injury claims, intellectual property claims, securities class actions, government investigations, employment matters and other legal proceedings;
- Challenges to our ability to establish, maintain, protect and enforce intellectual property rights for new and existing products and technologies in the United States and other important markets;
- Allegations that our products infringe the intellectual property rights of third parties, which could adversely affect our ability to sell the products in question and require a payment of a substantial amount for past infringement or continued use of those rights;
- Potential changes to applicable laws, regulations, policies and related interpretations affecting operations in the United States and around the world, including relating to the approval of new products, intellectual property rights, advertising and promotional activities, environmental, health and safety matters, sourcing of raw materials, privacy and data protection and anti-corruption and human rights;
- Changes in domestic and international tax laws and regulations, increased audit scrutiny by tax authorities around the world and exposures to additional tax liabilities potentially in excess of existing reserves;
- The issuance of new or revised accounting standards by the Financial Accounting Standards Board and regulations by the SEC;
- The risks associated with global operations on us and our customers and suppliers, including foreign governments in countries in which we operate;

- The impact of inflation and fluctuations in interest rates and currency exchange rates and the potential effect of such fluctuations on net sales, 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;
- The impact on global operations from financial instability, sovereign risk, possible imposition of governmental controls and restrictive economic policies, and unstable governments and legal systems in certain geographic markets;
- The impact of global public health crises and pandemics, including the COVID-19 pandemic;
- The impact of armed conflicts and terrorist attacks in the United States and other parts of the world, such as the ongoing Russia-Ukraine War, including social and economic disruptions and instability of financial and other markets;
- The impact of impairment of our goodwill and other intangible assets;
- Our ability to maintain satisfactory credit ratings;
- The effects of the Separation and the Distribution, if pursued, on our business;
- Our ability to achieve the expected benefits of and successfully execute the Separation, the Distribution and related transactions;
- Our status as a controlled company, and the possibility that Johnson & Johnson's interests or those of certain of our executive officers and directors may conflict with our interests and the interests of our other shareholders;
- Restrictions on our business, potential tax and indemnification liabilities and substantial charges in connection with the Separation, the Distribution and related transactions; and
- Failure of our rebranding efforts in connection with the Separation to achieve market acceptance, and the impact of our continued use of legacy Johnson & Johnson branding, including the "Johnson's" brand.

You should also carefully read the risk factors described in the section of this prospectus entitled "Risk Factors" for a description of the material risks that could, among other things, cause our actual results to differ materially from those expressed or implied in our forward-looking statements. You should understand that it is not possible to predict or identify all such factors and you should not consider the risks described above to be a complete statement of all potential risks and uncertainties. We do 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, except as required by law.

USE OF PROCEEDS

We estimate that the net proceeds to us from this offering will be approximately \$3,153 million (or approximately \$3,626 million if the underwriters exercise in full their option to purchase additional shares of our common stock from us to cover over-allotments) based on an assumed initial public offering price of \$21.50 per share of our common stock, which is the midpoint of the estimated public offering price range set forth on the cover page of this prospectus, after deducting the underwriting discounts and commissions and estimated offering expenses payable by us.

We will pay Johnson & Johnson, as partial consideration for the Consumer Health Business that Johnson & Johnson is transferring to us in connection with the Separation, all of our cash and cash equivalents, including (1) all of the net proceeds that we will receive from the sale of shares of our common stock in this offering, including any net proceeds that we will receive as a result of any exercise of the underwriters' option to purchase additional shares of our common stock from us to cover over-allotments, and (2) all of the net proceeds that we will receive from the Debt Financing Transactions, together with any interest accrued thereon following our receipt of such proceeds; provided that we expect to retain \$1.17 billion in cash and cash equivalents, after giving effect to the offering, the Debt Financing Transactions and the settlement or termination of certain intercompany accounts payable or accounts receivable between us and Johnson & Johnson, which we currently intend to use for general corporate purposes.

The foregoing represents our current intentions with respect to the allocation and use of the net proceeds of this offering. Pursuant to the Separation Agreement, Johnson & Johnson will have the sole and absolute discretion to determine the terms of, and whether to proceed with, this offering. See "Certain Relationships and Related Person Transactions—Agreements to be Entered into in Connection with the Separation—Separation Agreement—The Initial Public Offering." A change in Johnson & Johnson's present plans or the occurrence of unforeseen events or changed business conditions could result in application of the net proceeds of this offering in a manner other than as described in this prospectus.

Assuming no exercise of the underwriters' option to purchase additional shares of our common stock from us to cover over-allotments, each \$1.00 increase (decrease) in the assumed initial public offering price of \$21.50 per share of our common stock, which is the midpoint of the estimated public offering price range set forth on the cover page of this prospectus, would increase (decrease) the net proceeds to us from this offering by approximately \$147 million, assuming the number of shares of our common stock offered in this offering by us, as set forth on the cover page of this prospectus, remains the same and after deducting the underwriting discounts and commissions and estimated offering expenses payable by us. Similarly, an increase (decrease) of one million shares in the number of shares of our common stock sold in this offering by us would increase (decrease) the net proceeds to us from this offering by approximately \$21 million, assuming the initial public offering price of \$21.50 per share of our common stock, which is the midpoint of the estimated public offering price range set forth on the cover page of this prospectus, remains the same and after deducting the underwriting discounts and commissions and estimated offering expenses payable by us. However, we do not anticipate that any such increase or decrease would impact the amount of cash or cash equivalents that we will retain following our payment to Johnson & Johnson of consideration in connection with the Separation. The information discussed above is illustrative only and will adjust based on the actual initial public offering price and other terms of this offering determined at the time of the pricing of this offering.

DIVIDEND POLICY

We initially expect to pay quarterly cash dividends of approximately \$0.20 per share of our common stock to holders of our common stock commencing the fiscal quarter ending October 1, 2023, subject to the discretion of the Board.

The payment of any dividends in the future to our shareholders, and the timing and amount thereof, will fall within the discretion of the Board. The Board's decisions regarding the payment of dividends will depend on many factors, such as our financial condition, earnings, capital requirements, debt service obligations, restrictive covenants in the agreements governing our indebtedness, general economic business conditions, industry practice, legal requirements and other factors that the Board may deem relevant.

We cannot assure you that we will pay our anticipated dividend in the same amount or frequency, or at all, in the future. You should not purchase shares of our common stock with the expectation of receiving cash dividends. See "Risk Factors—Risks Related to This Offering and Ownership of Our Common Stock—We cannot guarantee the payment of dividends on our common stock, or the timing or amount of any such dividends" and "Risk Factors—Risks Related to This Offering and Ownership of Our Common Stock—We are a holding company and our only material assets are our equity interests in our subsidiaries. As a consequence, we depend on the ability of our subsidiaries to pay dividends and make other payments and distributions to us in order to meet our obligations."

CAPITALIZATION

The following table sets forth our cash and cash equivalents and capitalization as of January 1, 2023:

- on an actual basis as derived from our historical audited combined financial statements included elsewhere in this prospectus; and
- on an unaudited pro forma basis to give effect to (1) the Separation and related transactions as described in the section of this prospectus entitled “The Separation and Distribution Transactions—The Separation,” (2) the incurrence of indebtedness in an aggregate principal amount equal to approximately \$9 billion pursuant to the Debt Financing Transactions and the application of the net proceeds from the Debt Financing Transaction as described in the section of this prospectus entitled “Description of Certain Indebtedness” and (3) the sale by us of 151,204,000 shares of our common stock in this offering and the application of the net proceeds from this offering as described in the section of this prospectus entitled “Use of Proceeds,” based on an assumed initial public offering price of \$21.50 per share of our common stock, which is the midpoint of the estimated public offering price range set forth on the cover page of this prospectus, after deducting the underwriting discounts and commissions and estimated offering expenses payable by us.

The cash and cash equivalents and capitalization information in the following table may not necessarily reflect what our cash and cash equivalents and capitalization would have been had we been operating as a standalone company as of January 1, 2023. In addition, the cash and cash equivalents and capitalization information in the following table may not necessarily reflect what our cash and cash equivalents and capitalization may be in the future.

The pro forma information set forth in the table below is illustrative only and will adjust based on the actual initial public offering price and other terms of this offering determined at the time of the pricing of this offering.

We will not retain any proceeds from the sale of shares of our common stock in this offering. All of the net proceeds from this offering will be paid to Johnson & Johnson as partial consideration for the Consumer Health Business that Johnson & Johnson is transferring to us in connection with the Separation. As a result, we do not expect that there will be any further impact on our capitalization or equity balances giving effect to the offering proceeds.

The following table should be read in conjunction with the sections of this prospectus entitled “Summary Historical and Unaudited Pro Forma Combined Financial Data,” “Use of Proceeds,” “Unaudited Pro Forma Condensed Combined Financial Statements” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” as well as our historical audited combined financial statements included elsewhere in this prospectus.

(Dollars in Millions, except per share amounts)	As of January 1, 2023	
	Actual	Pro Forma ⁽¹⁾
Cash and cash equivalents ⁽²⁾	\$ 1,231	\$ 1,170
Debt:		
Revolving credit facility ⁽³⁾	—	—
Commercial paper ⁽⁴⁾	—	1,245
Senior notes ⁽⁵⁾	—	7,685
Total debt	\$ —	\$ 8,930
Shareholders' Equity:		
Common stock — par value \$0.01 per share (authorized 12,500,000,000 shares; issued 1,867,364,000 shares, pro forma)	—	9
Net investment from Parent	25,474	1
Additional paid-in capital	—	16,931
Accumulated other comprehensive loss	(5,453)	(5,453)
Total equity	\$ 20,021	\$ 10,997
Total capitalization	\$ 20,021	\$ 19,927

- (1) Assuming no exercise of the underwriters' option to purchase additional shares of our common stock from us to cover over-allotments, each \$1.00 increase (decrease) in the assumed initial public offering price of \$21.50 per share of our common stock, which is the midpoint of the estimated public offering price range set forth on the cover page of this prospectus, would increase (decrease) the net proceeds to us from this offering by approximately \$147 million, assuming the number of shares of our common stock offered in this offering by us, as set forth on the cover page of this prospectus, remains the same and after deducting the underwriting discounts and commissions and estimated offering expenses payable by us. Similarly, an increase (decrease) of one million shares in the number of shares of our common stock sold in this offering by us would increase (decrease) the net proceeds to us from this offering by approximately \$21 million, assuming the initial public offering price of \$21.50 per share of our common stock, which is the midpoint of the estimated public offering price range set forth on the cover page of this prospectus, remains the same and after deducting the underwriting discounts and commissions and estimated offering expenses payable by us. However, we do not anticipate that any such increase or decrease would impact the amount of cash or cash equivalents that we will retain following our payment to Johnson & Johnson of consideration in connection with the Separation. See "Use of Proceeds."
- (2) In connection with the Separation, we expect to retain \$1.17 billion in cash and cash equivalents.
- (3) On March 6, 2023, we entered into a credit agreement providing for a five-year senior unsecured revolving credit facility in an aggregate principal amount of \$4 billion, as further described in the section of this prospectus entitled "Description of Certain Indebtedness." We do not expect the Revolving Credit Facility to be drawn from or used in connection with this offering or the Separation.
- (4) On March 3, 2023, we entered into the Commercial Paper Program. The Board has authorized the issuance by us of up to \$4 billion in aggregate principal amount of commercial paper under the Commercial Paper Program, as further described in the section of this prospectus entitled "Description of Certain Indebtedness." After giving effect to the Separation and related transactions, we expect to have approximately \$1.25 billion of commercial paper outstanding.
- (5) On March 22, 2023, we completed a private placement issuance of senior unsecured notes in an aggregate principal amount of \$7.75 billion, as further described in the section of this prospectus entitled "Description of Certain Indebtedness." The actual net proceeds to us from that offering was approximately \$7.69 billion after deductions of discounts and commissions payable of \$60 million.

DILUTION

Our historical net tangible book value as of January 1, 2023 was approximately \$983 million. We do not present historical net tangible book value per share because it is not meaningful.

If you invest in shares of our common stock in this offering, your ownership interest will be diluted to the extent of the difference between the initial public offering price per share of our common stock and the pro forma net tangible book value (deficit) per share of our common stock after giving effect to the Separation, the Debt Financing Transactions and this offering. Pro forma net tangible book value (deficit) per share of our common stock represents:

- pro forma total assets less goodwill and other intangible assets after giving effect to the Separation;
- reduced by our pro forma total liabilities after giving effect to the Debt Financing Transactions; and
- divided by the number of shares of our common stock outstanding after giving effect to the Separation.

As of January 1, 2023, after giving effect to the Separation and the Debt Financing Transactions, our pro forma net tangible book deficit was approximately \$(8,041) million, or \$(4.69) per share of our common stock based on 1,716,160,000 shares of our common stock outstanding immediately prior to the completion of this offering. This represents an immediate dilution of \$25.81 per share of our common stock to new investors purchasing shares of our common stock in this offering. The following table illustrates this dilution per share of our common stock, assuming an initial public offering price of \$21.50 per share of our common stock, which is the midpoint of the estimated public offering price range set forth on the cover page of this prospectus, after deducting the underwriting discounts and commissions and estimated offering expenses payable by us:

Assumed initial public offering price per share of our common stock	\$	21.50
Pro forma net tangible book deficit per share of our common stock after giving effect to the Separation and the Debt Financing Transactions	\$	(4.69)
Increase in pro forma net tangible book deficit per share of our common stock attributable to new investors purchasing shares of our common stock in this offering		0.38
Pro forma net tangible book deficit per share of our common stock after giving effect to the Separation, the Debt Financing Transactions and this offering		(4.31)
Dilution in pro forma net tangible book deficit per share of our common stock to new investors purchasing shares of our common stock in this offering	\$	25.81

Each \$1.00 increase (decrease) in the assumed initial public offering price of \$21.50 per share of our common stock, which is the midpoint of the estimated public offering price range set forth on the cover page of this prospectus, would not impact the pro forma net tangible book deficit or the pro forma net tangible book deficit per share of our common stock, but it would increase (decrease) dilution in pro forma net tangible book deficit per share of our common stock to new investors purchasing shares of our common stock in this offering by \$1.00. The information discussed above is illustrative only and will adjust based on the actual initial public offering price and other terms of this offering determined at the time of the pricing of this offering.

If the underwriters exercise in full their option to purchase additional shares of our common stock from us to cover over-allotments, the pro forma net tangible book deficit per share of our common stock would be \$(4.25), and the dilution in pro forma net tangible book deficit per share of our common stock to new investors purchasing shares of our common stock in this offering would be \$25.75.

The following table summarizes, on a pro forma as-adjusted basis as of January 1, 2023, after giving effect to this offering, the difference between our existing shareholder and new investors purchasing shares of our common stock in this offering with respect to the number of shares of our common stock purchased from us, the total consideration paid to us for these shares or to be paid to us for these shares, and the average price per share of our common stock paid by our existing shareholder or to be paid by new investors purchasing shares of our common stock in this offering, at the assumed initial public offering price of \$21.50 per share of our common stock, which is

the midpoint of the estimated public offering price range set forth on the cover page of this prospectus, after deducting the underwriting discounts and commissions and estimated offering expenses payable by us:

	Shares Purchased		Total Consideration		Average Price Per Share
	Number	Percent	Dollars (in Millions)	Percent	
Existing shareholder ⁽¹⁾	1,716,160,000	91.9 %	\$ 10,997	77.2 %	\$ 6.41
New investors	151,204,000	8.1 %	3,251	22.8 %	2.30
Total	1,867,364,000	100.0 %	\$ 14,248	100.0 %	\$ 7.63

(1) Total consideration represents the pro forma book value of the net assets being transferred to us by Johnson & Johnson in connection with the Separation.

Each \$1.00 increase (decrease) in the assumed initial public offering price of \$21.50 per share of our common stock, which is the midpoint of the estimated public offering price range set forth on the cover page of this prospectus, would increase (decrease) the total consideration paid to us by new investors purchasing shares of our common stock in this offering by approximately \$151 million, or the percent of total consideration paid to us by new investors purchasing shares of our common stock in this offering by approximately 0.8%, assuming the number of shares of our common stock offered by us in this offering as set forth on the cover page of this prospectus remains the same and after deducting the underwriting discounts and commissions and estimated offering expenses payable by us. An increase (decrease) of one million shares in the number of shares of our common stock sold in this offering by us would increase (decrease) the total consideration paid to us by new investors purchasing shares of our common stock in this offering by approximately \$22 million, or the percent of total consideration paid to us by new investors purchasing shares of our common stock in this offering by approximately 0.1%, assuming the initial public offering price of \$21.50 per share of our common stock, which is the midpoint of the estimated public offering price range set forth on the cover page of this prospectus, remains the same and after deducting the underwriting discounts and commissions and estimated offering expenses payable by us. The information discussed above is illustrative only and will adjust based on the actual initial public offering price and other terms of this offering determined at the time of the pricing of this offering.

The above discussion and tables are based on an assumed number of shares of our common stock outstanding upon completion of this offering. In addition, we may choose to raise additional capital due to market conditions or strategic considerations even if we believe we have sufficient funds for our current or future operating plans. To the extent additional capital is raised through the sale of equity or convertible debt securities, the issuance of such securities could result in further dilution to our shareholders.

THE SEPARATION AND DISTRIBUTION TRANSACTIONS

The Separation

On November 12, 2021, Johnson & Johnson, our parent company, announced its intention to separate its Consumer Health Business. In connection with the Separation (as defined below) and prior to the completion of this offering, we will enter into the Separation Agreement and various other agreements with Johnson & Johnson, which, together with the Separation Agreement, provide for certain transactions to effect the transfer of the assets and liabilities of the Consumer Health Business to us and will result in the separation of our business from Johnson & Johnson. In addition, these agreements will collectively govern various interim and ongoing relationships between us and Johnson & Johnson following the completion of this offering. We refer to these transactions collectively as the “Separation.”

We expect the following to occur in connection with the Separation:

- *Separation Agreement*—We and Johnson & Johnson will enter into the Separation Agreement, which will set forth our agreements with Johnson & Johnson regarding the principal actions to be taken in connection with the Separation and govern, among other matters, (1) the allocation of assets and liabilities to us and Johnson & Johnson (including our indemnification obligations, for potentially uncapped amounts, for certain liabilities relating to our business activities, whether incurred prior to or following the completion of this offering) and (2) certain matters with respect to this offering and the Distribution.
- *Transfer of Assets and Liabilities*—Pursuant to the Separation Agreement, Johnson & Johnson will transfer the assets and liabilities comprising the Consumer Health Business to us. This internal reorganization may take the form of asset transfers, dividends, contributions and similar transactions and will involve the formation of new subsidiaries in numerous jurisdictions around the world to own and operate our business in such jurisdictions. In exchange for these assets, we will, as partial consideration, pay Johnson & Johnson all of our cash and cash equivalents, including:
 - all of the net proceeds that we will receive from the sale of shares of our common stock in this offering, including any net proceeds that we will receive as a result of any exercise of the underwriters’ option to purchase additional shares of our common stock from us to cover over-allotments; and
 - all of the net proceeds that we will receive from the Debt Financing Transactions, together with any interest accrued thereon following our receipt of such proceeds;

provided that we expect to retain \$1.17 billion in cash and cash equivalents, after giving effect to this offering, the Debt Financing Transactions and the settlement or termination of certain intercompany accounts payable or accounts receivable between us and Johnson & Johnson.

- *Tax Matters Agreement*—We and Johnson & Johnson will enter into a tax matters agreement that will govern our and Johnson & Johnson’s respective rights, responsibilities and obligations with respect to all tax matters, including tax liabilities (including responsibility and potential indemnification obligations for taxes attributable to our business and taxes arising, under certain circumstances, in connection with the Separation and the Distribution, if pursued), tax attributes, tax contests and tax returns (including our inclusion in the U.S. federal consolidated group tax return, and certain other combined or similar group tax returns, with Johnson & Johnson through the date of the Distribution, if pursued, and our continuing joint and several liability with Johnson & Johnson for such tax returns).
- *Employee Matters Agreement*—We and Johnson & Johnson will enter into an employee matters agreement that will address certain employment, compensation and benefits matters, including the allocation and treatment of certain assets and liabilities relating to our employees and compensation and benefit plans and programs in which our employees participate prior to the date of the Distribution, if pursued.

- *Intellectual Property Agreement*—We and Johnson & Johnson will enter into an intellectual property agreement that will govern our and Johnson & Johnson's respective rights, responsibilities and obligations with respect to intellectual property matters, excluding certain intellectual property matters with respect to trademarks, which will be governed by the trademark agreements described below.
- *Trademark Agreements*—We and Johnson & Johnson have entered into various trademark agreements that collectively govern our and Johnson & Johnson's respective rights, responsibilities and obligations with respect to intellectual property rights in trademarks.
- *Transition Services Agreement*—We and Johnson & Johnson will enter into a transition services agreement, pursuant to which Johnson & Johnson will provide to us certain services for terms of varying duration following the completion of this offering.
- *Transition Manufacturing Agreement*—We and Johnson & Johnson will enter into a transition manufacturing agreement, pursuant to which Johnson & Johnson will provide to us certain manufacturing services for terms of varying duration following the completion of this offering.
- *Registration Rights Agreement*—We and Johnson & Johnson will enter into a registration rights agreement, pursuant to which we will grant to Johnson & Johnson certain registration rights with respect to the shares of our common stock owned by Johnson & Johnson following the completion of this offering.
- *Reverse Transition Services Agreement*—We and Johnson & Johnson will enter into a reverse transition services agreement, pursuant to which we will provide to Johnson & Johnson certain services for terms of varying duration following the completion of this offering.
- *Data Transfer and Sharing Agreement*—We and Johnson & Johnson will enter into a data transfer and sharing agreement that will govern the implementation of the request, transfer, extraction, traceability, retention and deletion of certain data pertaining to business records and personal information.

See "Certain Relationships and Related Person Transactions—Agreements to be Entered into in Connection with the Separation" for a more detailed discussion of the agreements described above. These agreements will collectively govern various interim and ongoing relationships between us and Johnson & Johnson following the completion of this offering. All of the agreements relating to the Separation will be made in the context of a parent-subsidiary relationship and will be entered into in the overall context of our separation from Johnson & Johnson. The terms of these agreements may be more or less favorable to us than if they had been negotiated with unaffiliated third parties. See "Risk Factors—Risks Related to Our Relationship with Johnson & Johnson"—We may have received better terms from unaffiliated third parties than the terms we will receive in our agreements with Johnson & Johnson."

Debt Financing Transactions

In connection with the Separation, we expect to incur approximately \$9 billion of new debt pursuant to the Debt Financing Transactions. This new debt includes approximately \$7.75 billion of debt that we incurred in connection with the Notes Offering, which we completed on March 22, 2023, and is expected to include approximately \$1.25 billion of commercial paper outstanding under the Commercial Paper Program. We will pay Johnson & Johnson all of the net proceeds that we will receive from the Debt Financing Transactions, together with any interest accrued thereon following our receipt of such proceeds; provided that we expect to retain \$1.17 billion in cash and cash equivalents, after giving effect to this offering, the Debt Financing Transactions and the settlement or termination of certain intercompany accounts payable or accounts receivable between us and Johnson & Johnson. See "Description of Certain Indebtedness."

The Distribution

Upon completion of this offering, Johnson & Johnson will continue to own 91.9% of the voting power of our shares of common stock eligible to vote in the election of our directors (or 90.8% if the underwriters exercise in full their option to purchase additional shares of our common stock from us to cover over-allotments). Johnson &

Johnson has informed us that, following the completion of this offering, it intends to make a tax-free distribution to its shareholders of all or a portion of its remaining equity interest in our company, which may include one or more distributions effected as a dividend to all Johnson & Johnson shareholders, one or more distributions in exchange for Johnson & Johnson shares or other securities, or any combination thereof. We refer to these distributions collectively as the “Distribution.”

Johnson & Johnson has agreed not to effect the Distribution for a period of 180 days after the date of this prospectus without the prior written consent of each of Goldman Sachs & Co. LLC and J.P. Morgan Securities LLC. See “Underwriting.” While, as of the date of this prospectus, Johnson & Johnson intends to effect the Distribution, Johnson & Johnson has no obligation to pursue or consummate any further dispositions of its equity interest in our company, including through the Distribution, by any specified date or at all. If pursued, the Distribution may be subject to a number of conditions, including the receipt of any necessary regulatory or other approvals, the existence of satisfactory market conditions and the continuing effectiveness and validity of Johnson & Johnson’s private letter ruling from the IRS and favorable opinions of Johnson & Johnson’s U.S. tax advisors to the effect that the Distribution will be tax-free to Johnson & Johnson and its shareholders. The conditions to the Distribution may not be satisfied, Johnson & Johnson may decide not to consummate the Distribution even if the conditions are satisfied or Johnson & Johnson may decide to waive one or more of the conditions and consummate the Distribution even if all of the conditions are not satisfied.

Upon completion of the Distribution, if pursued, we will no longer qualify as a “controlled company” as defined under the corporate governance rules of the NYSE, and, to the extent we have not done so already, we will be required to fully implement the corporate governance requirements of the NYSE within the transition periods specified in the rules of the NYSE. See “Management—Controlled Company Exemption.”

SUMMARY HISTORICAL FINANCIAL INFORMATION

The following table sets forth our summary of historical financial information for the periods indicated.

The summary historical combined statement of operations data for the fiscal years ended January 1, 2023, January 2, 2022 and January 3, 2021 have been derived from our audited combined financial statements included elsewhere in this prospectus. The historical combined statement of operations data for the fiscal year ended December 29, 2019 has been derived from combined financial information not included in this prospectus. In the opinion of management, the historical combined statement of operations data for the fiscal year ended December 29, 2019 included in this prospectus include all normal and recurring adjustments that we consider necessary for a fair statement of the financial position and operating results for this period.

Johnson & Johnson provides significant support functions to us. The combined financial statements reflect an allocation of these costs. Indirect costs have been allocated to us for the purposes of preparing the combined financial statements based on a specific identification basis or, when specific identification is not practicable, a proportional cost allocation method, primarily net sales, headcount or other allocation methodologies that are considered to be a reasonable reflection of the utilization of services provided or benefit received by us during the periods presented, depending on the nature of the services received. Management believes these cost allocations are a reasonable reflection of the utilization of services provided to, or the benefit derived by, us during the periods presented. The allocations may not, however, be indicative of the actual expenses that would have been incurred had we operated as a standalone public company.

You should read the summary historical financial information data set forth below in conjunction with the sections entitled “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and our combined financial statements included elsewhere in this prospectus.

Organic growth, Adjusted gross profit, Adjusted operating income, Adjusted EBITDA and Adjusted net income are non-GAAP financial measures. Management believes that these non-GAAP financial measures, together with the U.S. GAAP measures used by management, reflect how we measure our business internally and set operational goals and incentives. These non-GAAP financial measures should be considered supplements to, not substitutes for, superior to, the corresponding financial measures calculated in accordance with U.S. GAAP. For additional information about these non-GAAP measures, see “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Non-GAAP Information.”

Organic Growth

The following tables present a reconciliation of the change in U.S. GAAP net sales to Organic growth for 2022, 2021 and 2020 compared to the applicable prior years:

(Dollars in Millions)	2022 vs. 2021					
	Reported net sales change		Impact of foreign currency	Acquisitions and divestitures	Organic growth	
	Amount	Percent	Amount	Amount	Amount	Percent
Self Care	\$ 387	6.9 %	\$ 226	\$ —	\$ 613	10.0 %
Skin Health and Beauty	(191)	(4.2)	173	39	21	0.3 %
Essential Health	(300)	(6.2)	218	14	(68)	(1.4) %
Total	\$ (104)	(0.7) %	\$ 617	\$ 53	\$ 566	3.4 %

(Dollars in Millions)	2021 vs. 2020					
	Reported net sales change		Impact of foreign currency	Acquisitions and divestitures	Organic growth	
	Amount	Percent	Amount	Amount	Amount	Percent
Self Care	\$ 408	7.8 %	\$ (126)	\$ —	\$ 282	5.4 %
Skin Health and Beauty	91	2.0	(46)	80	125	2.0 %
Essential Health	88	1.8	(36)	49	101	2.1 %
Total	\$ 587	4.1 %	\$ (208)	\$ 129	\$ 508	3.6 %

(Dollars in Millions)	2020 vs. 2019					
	Reported net sales change		Impact of foreign currency	Acquisitions and divestitures	Organic growth	
	Amount	Percent	Amount	Amount	Amount	Percent
Self Care	\$ 415	8.6 %	\$ 45	\$ —	\$ 460	9.2 %
Skin Health and Beauty	(158)	(3.4)	49	(21)	(130)	(2.0 %)
Essential Health	(114)	(2.3)	175	30	91	1.9 %
Total	\$ 143	1.0 %	\$ 269	\$ 9	\$ 421	2.8 %

Adjusted Gross Profit

The reconciliation of gross profit, a U.S. GAAP measure, to Adjusted gross profit is presented below:

(Dollars in Millions)	Fiscal Year			
	2022	2021	2020	2019
Gross profit	\$ 8,285	\$ 8,419	\$ 7,848	\$ 7,562
Adjustments to components of Cost of sales:				
Restructuring expense	55	48	34	9
Amortization of intangible assets	348	414	415	14
Adjusted gross profit (non-GAAP)	\$ 8,688	\$ 8,881	\$ 8,297	\$ 8,035

Adjusted EBITDA

The reconciliation of net income (loss), a U.S. GAAP measure, to Adjusted EBITDA is presented below:

(Dollars in Millions)	Fiscal Year			
	2022	2021	2020	2019
Net income (loss)	\$ 2,087	\$ 2,031	\$ (879)	\$ 1,435
Interest	—	—	—	—
Provision (benefit) for taxes	550	894	(137)	885
Depreciation and amortization	644	731	746	909
EBITDA (non-GAAP)	\$ 3,281	\$ 3,656	\$ (270)	\$ 2,829
Adjustments:				
Talc legal settlement and defense costs	—	154	4,029	416
Restructuring expense	100	117	66	22
Impairment of intangible assets	12	—	—	1
Unrealized loss (gain) on securities	—	(18)	—	(1)
Separation-related costs	213	—	—	—
VAT legal resolution ⁽¹⁾	—	(74)	—	—
Gains on divestments	—	(25)	(50)	(1)
Gain on previously held equity investment in Dr. Ci:Labo	—	—	—	(5)
Adjusted EBITDA (non-GAAP)	\$ 3,606	\$ 3,810	\$ 3,775	\$ 3,101

- (1) As a result of a 2021 ruling by the Supreme Federal Court of Brazil related to the methodology to calculate Brazilian Federal Social Contributions on Gross Revenues, we were entitled to claim one-time tax credits for taxes paid in prior years, which we recognized in 2021.

Adjusted Net Income

The reconciliation of net income (loss), a U.S. GAAP measure, to Adjusted net income (loss) is presented below:

(Dollars in Millions)	Fiscal Year			
	2022	2021	2020	2019
Net income (loss)	\$ 2,087	\$ 2,031	\$ (879)	\$ 1,435
Adjustments:				
Talc legal settlement and defense costs	—	154	4,029	16
Restructuring expense	100	117	66	22
Amortization and impairment of intangible assets ⁽¹⁾	360	414	415	95
Unrealized loss (gain) on securities	—	(18)	—	(1)
Separation-related costs	213	—	—	—
VAT legal resolution ⁽²⁾	—	(74)	—	—
Gains on divestments	—	(25)	(50)	(1)
Gain on previously held equity investment in Dr. Ci:Labo	—	—	—	(275)
Tax Adjustments:				
Tax impact on special item adjustments	(171)	112	(1,047)	(88)
Tax legislation and other tax related	—	—	169	34
Adjusted net income (non-GAAP)	\$ 2,589	\$ 2,711	\$ 2,703	\$ 2,557

- (1) Amortization and impairment of intangible assets is inclusive of amortization on trademarks of \$187 million, \$213 million, \$197 million and \$184 million for 2022, 2021, 2020 and 2019, respectively.
- (2) As a result of a 2021 ruling by the Supreme Federal Court of Brazil related to the methodology to calculate Brazilian Federal Social Contributions on Gross Revenues, we were entitled to claim one-time tax credits for taxes paid in prior years, which we recognized in 2021.

Adjusted Operating Income

The reconciliation of Income (loss) before taxes, a U.S. GAAP measure, to Adjusted operating income is presented below:

(Dollars in Millions)	Fiscal Year				Change		
	2022	2021	2020	2019	2021 to 2022	2020 to 2021	2019 to 2020
	Amount	Amount	Amount	Amount	Amount	Amount	Amount
Segment Net Sales							
Self Care	\$ 6,030	\$ 5,643	\$ 5,235	\$ 4,820	\$ 387	\$ 408	\$ 15
Skin Health and Beauty	4,350	4,541	4,450	4,608	(191)	91	(58)
Essential Health	4,570	4,870	4,782	4,896	(300)	88	(14)
Total segment net sales	\$ 14,950	\$ 15,054	\$ 14,467	\$ 14,324	\$ (104)	\$ 587	\$ 143
Segment Adjusted Operating Income							
Self Care	\$ 2,088	\$ 1,952	\$ 1,858	\$ 1,501	\$ 136	\$ 94	\$ 57
Skin Health and Beauty	708	878	889	956	(170)	(11)	(67)
Essential Health	1,111	1,224	1,250	1,051	(113)	(26)	(99)
Total adjusted operating income	\$ 3,907	\$ 4,054	\$ 3,997	\$ 3,508	\$ (147)	\$ 57	\$ 489
Depreciation and amortization	(644)	(731)	(746)	(709)			
Restructuring expense	(100)	(116)	(82)	(77)			
Other (income) expense, net, operating	23	(15)	(3,871)	(618)			
General corporate/unallocated expenses	(298)	(272)	(277)	(258)			
Separation-related costs	(213)	—	—	—			
Operating income (loss)	\$ 2,675	\$ 2,920	\$ (979)	\$ 1,846			
Other expense (income), net	38	(5)	37	(274)			
Income (loss) before taxes	\$ 2,637	\$ 2,925	\$ (1,016)	\$ 2,120			

UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL STATEMENTS

The following unaudited pro forma condensed combined financial statements give effect to the Separation and related adjustments in accordance with Article 11 of the SEC's Regulation S-X, as amended. The Separation and related transactions are described in the section of this prospectus entitled "The Separation and Distribution Transactions—The Separation."

The unaudited pro forma condensed combined financial statements have been derived from our historical audited combined statement of operations for the fiscal year ended January 1, 2023 and our historical audited combined balance sheet at January 1, 2023. The pro forma adjustments to the unaudited pro forma condensed combined statement of operations for the fiscal year ended January 1, 2023 assume that the Separation and related transactions occurred as of January 3, 2022, which was the first day of the 2022 fiscal year. The unaudited pro forma condensed combined balance sheet gives effect to the Separation and related transactions as if they had occurred on January 1, 2023, our latest balance sheet date.

The unaudited pro forma condensed combined financial statements have been prepared to include transaction accounting and autonomous entity adjustments to reflect the financial condition and results of operations as if we were a separate standalone entity. In addition, management's adjustments, presented in the accompanying notes to the unaudited pro forma condensed combined financial statements, provide supplemental information to understand the synergies and dis-synergies that are expected to result from the Separation, primarily comprising incremental costs that we expect to incur as a standalone company.

Transaction accounting adjustments include the following:

- differences between our historical combined balance sheet prepared on a carve-out basis and assets and liabilities expected to be contributed by Johnson & Johnson to us;
- the effect of our anticipated post-Separation capital structure, including (1) the incurrence of indebtedness in an aggregate principal amount equal to approximately \$9 billion pursuant to the Debt Financing Transactions and the application of the net proceeds from the Debt Financing Transactions as described in the section of this prospectus entitled "Description of Certain Indebtedness" and (2) the sale by us of 151,204,000 shares of our common stock in this offering and the application of the net proceeds from this offering as described in the section of this prospectus entitled "Use of Proceeds," based on an assumed initial public offering price of \$21.50 per share of our common stock, which is the midpoint of the estimated public offering price range set forth on the cover page of this prospectus, after deducting the underwriting discounts and commissions and estimated offering expenses payable by us; and
- other adjustments as described in the accompanying notes to the unaudited pro forma condensed combined financial statements.

Autonomous entity adjustments include the following:

- the impact of the transactions contemplated by the agreements described under "Certain Relationships and Related Person Transactions—Agreements to be Entered into in Connection with the Separation";
- the one-time expenses supported by contractual agreements associated with the Separation and related transactions; and
- other adjustments as described in the accompanying notes to the unaudited pro forma condensed combined financial statements.

The unaudited pro forma condensed combined financial information is based upon available information and assumptions that we believe are reasonable and supportable. The unaudited pro forma condensed combined financial information is for illustrative and informational purposes only. The unaudited pro forma condensed combined financial information may not necessarily reflect what our financial condition, results of operations or cash flows would have been had we been a standalone company during the periods presented, or what our financial condition, results of operations and cash flows may be in the future. In addition, the unaudited pro forma condensed combined

financial information has been derived from our historical combined financial statements, which have been prepared from Johnson & Johnson's historical accounting records. All of the allocations and estimates in our historical combined financial statements are based on assumptions that management believes are reasonable. The historical combined financial statements may not necessarily reflect what our financial condition, results of operations or cash flows would have been had we been a standalone company during the periods presented, or what our financial condition, results of operations and cash flows may be in the future.

The unaudited pro forma condensed combined financial information reported below should be read in conjunction with the section of this prospectus entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the historical combined financial statements included elsewhere in this prospectus.

Consumer Health Business

Unaudited Pro Forma Condensed Combined Statement of Operations

Fiscal year ended January 1, 2023					
(Dollars in Millions, except per share amounts)	Historical	Transaction Accounting Adjustments		Autonomous Entity Adjustments	Pro Forma
		Financing / Capitalization Adjustments	Separation Adjustments		
Net sales	\$ 14,950				\$ 14,950
Cost of sales	6,665			65 (l), (m)	6,730
Gross profit	8,285			(65)	8,220
Selling, general, and administrative expenses	5,633		54 (f)	80 (l), (m)	5,767
Other (income) expense, net, operating	(23)				(23)
Operating income (loss)	2,675		(54)	(145)	2,476
Other (income) expense, net	38	458 (a)	71 (h)		567
Income (loss) before taxes	2,637	(458)	(125)	(145)	1,909
Provision (benefit) for taxes	550	(24) (a)	(36) (g), (h)	(36) (n)	454
Net income (loss)	\$ 2,087	\$ (434)	\$ (89)	\$ (109)	\$ 1,455
Pro forma basic and diluted income per share					\$ 0.78 (d)
Pro forma basic and diluted shares of common stock outstanding					1,867,364,000 (e)

See accompanying Notes to Unaudited Pro Forma Condensed Combined Financial Statements.

Consumer Health Business

Unaudited Pro Forma Condensed Combined Balance Sheet

As of January 1, 2023					
(Dollars in Millions, except per share amounts)	Historical	Transaction Accounting Adjustments		Autonomous Entity Adjustments	Pro Forma ⁽¹⁾
		Financing / Capitalization Adjustments	Separation Adjustments		
Assets					
Current assets					
Cash and cash equivalents	\$ 1,231	\$ (61) (a),(c)	\$	\$	\$ 1,170
Trade receivables, less allowances for credit losses (\$35)	2,122		(88) (h)		2,034
Inventories	2,226		(37) (h)		2,189
Prepaid expenses and other receivables	175		(9) (h), (k)		166
Other current assets	123				123
Total current assets	5,877	(61)	(134)		5,682
Property, plant and equipment, net	1,820		2 (d), (h)		1,822
Intangible assets, net	9,853				9,853
Goodwill	9,185				9,185
Deferred taxes on income	147		(2) (h), (j), (k)		145
Other assets	434		(b), (d), (e), (h), (k)		434
Total assets	\$ 27,316	\$ (61)	\$ 103	\$	\$ 27,358
Liabilities and equity					
Current liabilities					
Accounts payable	1,829		(8) (h)		1,821
Accrued liabilities	906		(d), (f), (h), (42) (k)		864
Accrued rebates, returns and promotions	862				862
Accrued taxes on income	329		(29) (h), (j)		300
Loans and notes payable	—				—
Total current liabilities	3,926		(79)		3,847
Long-term debt	—	8,930 (a)			8,930
Employee related obligations	214		55 (b)		269
Deferred taxes on income	2,428	182 (a)	59 (j), (k)		2,669
Other liabilities	727		(81) (d), (h),(k)		646
Total liabilities	7,295	9,112	(46)		16,361
Commitments and contingencies					
Equity					
Common stock – par value \$0.01 per share (authorized 12,500,000,000 shares; outstanding 1,867,364,000 shares on a pro forma basis)	—	19 (c)			19
Net investment from Parent	25,474		(25,474) (i)		—
Additional paid-in capital	—	(9,192) (a) (c)	25,623 (b), (d), (e), (f), (h), (i), (j), (k)		16,431
Accumulated other comprehensive loss	(5,453)				(5,453)
Total equity	20,021	(9,173)	149		10,997
Total liabilities and equity	\$ 27,316	\$ (61)	\$ 103	\$	\$ 27,358

(1) Excludes the impact associated with the sale of shares of common stock in this offering. See Note (c) to our unaudited pro forma condensed combined financial statements for additional information.

See accompanying Notes to Unaudited Pro Forma Condensed Combined Financial Statements.

Consumer Health Business

Notes to Unaudited Pro Forma Condensed Combined Financial Statements

Transaction Accounting Adjustments

- (a) Reflects approximately \$9 billion of borrowings in connection with the Separation pursuant to the Debt Financing Transactions, offset by debt issuance costs of \$70 million. This new debt includes approximately \$7.75 billion of debt that we incurred in connection with the Notes Offering, which we completed on March 22, 2023, and is expected to include approximately \$1.25 billion of commercial paper outstanding under the Commercial Paper Program. We will pay Johnson & Johnson, as partial consideration for the Consumer Health Business that Johnson & Johnson is transferring to us in connection with the Separation, all of the net proceeds that we will receive from the Debt Financing Transactions, together with any interest accrued thereon following our receipt of such proceeds; provided that after giving effect to this offering, the Debt Financing Transactions and the settlement or termination of certain intercompany accounts payable or accounts receivable between us and Johnson & Johnson, we expect to retain \$1.17 billion in cash and cash equivalents. The borrowings will have weighted average interest rate of approximately 5.08%. The terms of indebtedness under the Commercial Paper Program have not been finalized, and the pro forma adjustments may change accordingly.

(Dollars in Millions)	Fiscal year ended January 1, 2023
Interest expense on total debt ⁽¹⁾	\$ 447
Amortization of debt issuance costs	\$ 11
Total interest expense from debt	\$ 458
Tax effect of the total interest expense	\$ 24

- (1) The approximate weighted average interest rate is determined after giving effect to interest rate swaps, which we entered into in October 2022 and November 2022 and subsequently early terminated on a negotiated basis in connection with the Notes Offering. See Note 12, "Fair Value Measurements," to our audited combined financial statements included elsewhere in this prospectus.

A 1/8% variance in the weighted average interest rate on debt would change the interest expense by approximately \$11 million for the fiscal year ended January 1, 2023.

The adjustment also reflects a \$182 million increase to Deferred taxes on income, liabilities, primarily for a valuation allowance because it is more likely than not that certain future GILTI (as defined in "Management's Discussion and Analysis of Financial Condition and Results of Operations—Critical Accounting Policies and Estimates—Income Taxes") foreign tax credits will not be realizable due to interest expense.

We have entered into the \$4 billion Revolving Credit Facility mainly to support our post-Separation operations and cash flow needs. The unaudited pro forma condensed combined financial statements do not give effect to the Revolving Credit Facility because no amount is expected to be drawn from or used in connection with this offering or the Separation.

- (b) Reflects additional retirement and non-pension postretirement benefit plan assets and obligations that will be transferred to us prior to the Separation, including estimated Other assets of \$147 million and estimated Employee related obligations of \$55 million as of January 1, 2023. These additional plans are excluded from our audited combined balance sheet as of January 1, 2023 as we were not the plan sponsor for the related benefits. Certain benefit plan expenses associated with these additional plans are included in our historical condensed combined statements of operations. Actual transferred amounts could be different from these estimates and would depend on several factors, including the economic environment and strategic and investment decisions made following the Separation. Additionally, upon the Distribution Date, Johnson & Johnson equity awards held by our employees will generally convert into equivalent Kenvue equity awards with adjustments to the number of awards and option exercise prices to preserve the

award's value (the "Converted Awards"). We expect to incur incremental stock compensation costs in connection with the Converted Awards and any equity awards issued to Kenvue employees after the Distribution. However, no adjustment has been made to the unaudited pro forma condensed combined statement of operations for such costs as they cannot be reasonably estimated and will depend on several factors, including the Distribution Date and volatility in, and the prevailing prices of, shares of Kenvue and Johnson & Johnson common stock.

- (c) Reflects the receipt of approximately \$3,153 million of net proceeds associated with the sale of shares of common stock in this offering at the assumed initial public offering price of \$21.50 per share, which is the midpoint of the estimated public offering price range set forth on the cover page of this prospectus, after deducting the underwriting discounts and commissions and estimated offering expenses payable by us. We will pay Johnson & Johnson, as partial consideration for the Consumer Health Business that Johnson & Johnson is transferring to us in connection with the Separation, all of the net proceeds that we will receive from the sale of shares of our common stock in this offering, including any net proceeds that we will receive as a result of any exercise of the underwriters' option to purchase additional shares of our common stock from us to cover over-allotments; provided that we expect to retain \$1.17 billion in cash and cash equivalents, after giving effect to this offering, the Debt Financing Transactions and the settlement or termination of certain intercompany accounts payable or accounts receivable between us and Johnson & Johnson. In addition, we estimate that we will incur a total of \$98 million of direct offering-related costs in connection with this offering that are expected to be paid in cash, and we have reflected this amount as a reduction of the offering proceeds and as an offset against Additional paid-in capital.
- (d) Reflects the net increase of \$5 million of property, plant and equipment that will be transferred in connection with the Separation, which is reflected in Property, plant and equipment, net, and in Additional paid-in capital. The adjustment is comprised of a decrease of \$9 million of property, plant and equipment, net that will be transferred from us to Johnson & Johnson offset by an increase of \$14 million of property, plant and equipment, net that will be transferred from Johnson & Johnson to us. The related impact on depreciation expense is not expected to be material.

The pro forma condensed combined balance sheet reflects \$98 million in Other assets, \$21 million in Accrued liabilities and \$157 million in Other liabilities, with respect to (1) additional right-of-use assets and related lease liability for real estate leases expected to be executed in connection with the Separation that had not yet commenced as of January 1, 2023 and (2) certain accruals under Johnson & Johnson's self-insurance program that will be assumed by us upon the Separation. The related expenses were included in the historical combined statements of operations as part of allocations from Johnson & Johnson.
- (e) Reflects the addition of certain investments that will be transferred to us prior to the Separation. Included in the unaudited pro forma condensed combined balance sheet is an increase of \$17 million to Other assets and to Additional paid-in capital.
- (f) Reflects \$25 million of accrued liabilities for retention bonuses estimated to be accrued as of the completion of this offering, and an additional impact of \$54 million on results of operations has been reflected in the unaudited pro forma condensed combined statement of operations for the fiscal year ended January 1, 2023.
- (g) Reflects the tax effects of the transaction accounting adjustments at the applicable statutory income tax rates and includes the related additional use of foreign tax credit effects in the following year.
- (h) Reflects adjustments related to our businesses in certain jurisdictions where we and Johnson & Johnson will defer until after the completion of this offering the transfer of assets and assumption of liabilities (each, a "Deferred Local Business"). In addition, we and Johnson & Johnson will agree to use our reasonable best efforts to take all actions to permit and effect the transfer of each Deferred Local Business as promptly following the completion of this offering as reasonably practicable. The adjustments relate to the impact of the Separation Agreement and net economic benefit arrangements that we and Johnson & Johnson intend to enter into prior to the completion of this offering, pursuant to which, among other things, Johnson &

Johnson will hold and operate the Deferred Local Businesses on our behalf and transfer the net profits or net losses from the operation of each such Deferred Local Business to us. Specifically, approximately \$71 million, net, for the fiscal year ended January 1, 2023, related to certain Deferred Local Businesses to be reimbursed to Johnson & Johnson not recognized in the historical financial statements prepared on a carve-out basis will be recognized as Other expense (income), net. Additionally, assets and liabilities of certain Deferred Local Businesses (comprising Trade receivables of \$88 million, Inventories of \$37 million, Prepaid expenses and other receivables of \$3 million, Property, plant and equipment, net of \$3 million, Deferred taxes on income, assets of \$6 million, Other assets of \$3 million, Accounts payable of \$8 million, Accrued liabilities of \$77 million, Accrued taxes on income of \$31 million, Other liabilities of \$1 million and Additional paid-in capital of \$23 million) included in our historical audited combined balance sheet at January 1, 2023 but retained by Johnson & Johnson for the operation of such Deferred Local Businesses were excluded from our unaudited pro forma condensed combined balance sheet. See “Certain Relationships and Related Person Transactions—Agreements to be Entered into in Connection with the Separation—Separation Agreement—Deferred Markets.”

- (i) Reflects the reclassification of Johnson & Johnson’s net investment in us to common stock and Additional paid-in capital.
- (j) Reflects income tax adjustments in connection with adjustments made to pretax assets and liabilities including a \$2 million increase to Accrued taxes on income due to the removal of certain state tax attributes generated from 2021 Talc-Related Liabilities and a \$1 million increase to Deferred taxes on income, assets and a \$4 million decrease to Deferred taxes on income, liabilities related to retirement plan assets and liabilities, accrued retention bonus, accrued self-insurance and shared investment assets.
- (k) Reflects adjustments to income tax balances expected to be maintained by us or retained by Johnson & Johnson in connection with the Separation, pursuant to the Tax Matters Agreement, including a \$3 million increase to Deferred taxes on income, assets and a \$37 million increase to Deferred taxes on income, liabilities related to net operating losses and tax credit carryforwards and a \$22 million decrease to Other assets, a \$26 million increase to Deferred taxes on income, liabilities and a \$237 million decrease to Other liabilities all related to income tax unrecognized tax benefits. The pro forma condensed combined balance sheet also reflects a \$6 million decrease to Prepaid expenses and other receivables and a net \$11 million decrease to Accrued liabilities, with respect to the value added tax balances expected to be transferred or indemnified between us and Johnson & Johnson.

Autonomous Entity Adjustments

- (l) Reflects the effects of agreements we and Johnson & Johnson will enter into in connection with the Separation. Included in the unaudited pro forma condensed combined statement of operations for the fiscal year ended January 1, 2023 are adjustments to Selling, general, and administrative expenses of \$21 million and to Cost of sales of \$31 million reflecting:
 - incremental costs, representing the markup for the services to be provided between Johnson & Johnson and us pursuant to the Transition Services Agreement and the Transition Manufacturing Agreement; and
 - compensation in accordance with the Employee Matters Agreement.
- (m) These pro forma adjustments include additional charges from contracts with vendors related to the stand-up of Kenvue as a standalone public company, which are expected to be incurred in relation to the Separation and related transactions. These charges primarily relate to legal, advisor fees, system implementation, business separation and other costs. These adjustments are comprised of non-recurring expenses of \$34 million in Cost of sales and of \$59 million in Selling, general, and administrative expenses for the fiscal year ended January 1, 2023. Actual charges that will be incurred could be different from these estimates

and would depend on several factors, including variable vendor rate contracts and strategic decisions made following the Separation.

- (n) Reflects the tax effects of the autonomous entity adjustments at the applicable statutory income tax rates.

Pro Forma Earnings Per Share

- (o) Pro forma basic income per share and pro forma basic common shares outstanding is based on the number of shares of our common stock expected to be outstanding upon the completion of this offering and does not include any impact for the conversion of Johnson & Johnson equity awards held by our employees that will occur on the Distribution Date as the Distribution is not certain to occur as of the time of this offering. For additional information regarding the conversion of Johnson & Johnson equity awards to Kenvue equity awards upon the Distribution Date, see “The Offering” and “Certain Relationships and Related Person Transactions—Agreements to be Entered into in Connection with the Separation—Employee Matters—Agreement—Johnson & Johnson Equity Awards.”

Management Adjustments

We expect to incur incremental costs as a standalone public company related to certain expenses previously allocated from Johnson & Johnson. Our historical combined financial statements include allocations for certain costs of support functions that are provided on a centralized or geographic basis by Johnson & Johnson and its affiliates, which include facilities, insurance, logistics, quality, compliance, finance, human resources, benefits administration, procurement support, information technology, legal, corporate strategy, corporate governance, other professional services and general commercial support functions. We will also incur new costs relating to our public reporting and compliance obligations as a standalone public company.

These incremental costs are based on our expected organization structure and expected cost structure as a standalone company, adjusted for the allocated costs recorded within our historical combined financial statements, which vary by year. In order to determine synergies and dis-synergies, we prepared a detailed assessment of the resources and associated costs required as a baseline to stand up the Company as a standalone company. With respect to expected headcount increases, internal resources were matched to job roles to meet the anticipated baseline. In addition to internal resources, third-party support costs in each function were considered, which included business support functions and corporate overhead charges previously shared with Johnson & Johnson. This process was used by all functions resulting in incremental costs when compared to the cost allocations from Johnson & Johnson included in our historical combined financial statements.

Any shortfall of required resource needs will be filled through external hiring or will be supported by Johnson & Johnson through a new transition services agreement. From a timeframe standpoint, these incremental costs will begin to materialize on the date of this prospectus. Management believes the resource transfers and costs which were used as the basis for the management adjustments below are reasonable and representative of the baseline to stand up the Company as a standalone company. Both the resource and vendor cost baseline would be impacted by additional costs and investments that we may incur as we pursue our growth strategies. In addition, other adverse effects and limitations, including those discussed in the section of this prospectus entitled “Risk Factors,” may impact actual costs incurred.

Primarily as a result of the above items, the management adjustments presented below, which are incremental to the autonomous entity pro forma adjustments, show additional incremental expenses compared to the allocated expenses from Johnson & Johnson included in our historical combined statements of operations, related to dis-synergies resulting from the contemplated organizational structure. Management believes the presentation of these adjustments is necessary to enhance an understanding of the pro forma effects of the transaction. The pro forma financial information below reflects all adjustments that are, in the opinion of management, necessary to provide a fair statement of the pro forma financial information, aligned with the assessments described above. If we decide to increase or reduce resources or invest more heavily in certain areas in the future, that will be part of our future decisions and has not been included in the Management adjustments below. The tax effect has been determined by applying the applicable statutory tax rates to the aforementioned adjustments for the periods presented. These

management adjustments include forward-looking statements. See “Cautionary Note Regarding Forward-Looking Statements.”

(Dollars in Millions, except per share amounts)	Fiscal Year Ended January 1, 2023		
	Pro forma net income	Pro forma basic income per share	Pro forma diluted income per share
Pro forma as shown above	\$ 1,455	\$ 0.78	\$ 0.78
Management adjustments			
Cost of products sold ⁽¹⁾	127		
Selling, general and administrative expense ⁽²⁾	244		
Total Management adjustments	371		
Tax effect of Management adjustments ⁽³⁾	(84)		
Total Management adjustments	287		
Pro forma net income after Management adjustments	\$ 1,168	\$ 0.63	\$ 0.63
Weighted average common and diluted shares		1,867,364,000	1,867,364,000

- (1) Reflects an increase of \$40 million in employee- and vendor-related costs within the manufacturing and supply chain functions and an increase of estimated non-recurring Separation-related expenses of \$87 million. Employee costs were based on standalone function estimates as a standalone public company and leveraged estimated salary information based on location, title and responsibilities of each employee. Non-employee costs (third-party vendor support costs) were based on pricing estimates obtained from current vendors.
- (2) Reflects dis-synergies of \$72 million resulting from incremental administrative and operational costs to support Kenvue as a standalone public company and estimated non-recurring Separation-related expenses of \$172 million, which primarily reflect marketing and technology related costs that are expected to be incurred following the Separation.
- (3) Reflects the tax effect of Management adjustments at the applicable statutory income tax rates.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion of our results of operations and financial condition together with our audited historical combined financial statements (together with the notes thereto, the "combined financial statements") included elsewhere in this prospectus as well as the sections of this prospectus entitled "Unaudited Pro Forma Condensed Combined Financial Statements" and "Business."

This discussion contains forward-looking statements that involve risks and uncertainties. The forward-looking statements are not historical facts, but rather are based on current expectations, estimates, assumptions and projections about our industry, business and future financial results. Our actual results could differ materially from the results contemplated by these forward-looking statements due to a number of factors, including those discussed in the sections of this prospectus entitled "Risk Factors" and "Cautionary Note Regarding Forward-Looking Statements."

The combined financial statements included in this prospectus have been prepared from Johnson & Johnson's historical accounting records and are derived from the consolidated financial statements of Johnson & Johnson to present the Consumer Health Business as if it had been operating on a standalone basis. The combined financial statements reflect our financial position, results of operations and cash flows as we were historically managed, in conformity with generally accepted accounting principles in the United States ("U.S. GAAP"). The combined financial statements include the assets, liabilities, net sales and expenses that management has determined are specifically or primarily identifiable to us, as well as direct and indirect costs that are attributable to our operations. Indirect costs are the costs of support functions that are provided on a centralized or geographic basis by Johnson & Johnson and its affiliates, which include facilities, insurance, logistics, quality, compliance, finance, human resources, benefits administration, procurement support, information technology, legal, corporate strategy, corporate governance, other professional services and general commercial support functions. Indirect costs have been allocated to us for the purposes of preparing the combined financial statements based on a specific identification basis or, when specific identification is not practicable, a proportional cost allocation method, primarily based on net sales, headcount or other allocation methodologies that are considered to be a reasonable reflection of the utilization of services provided or the benefit received by us during the periods presented, depending on the nature of the services received. The financial information discussed below and included in this prospectus may not necessarily reflect what our financial condition, results of operations or cash flows would have been had we been a standalone company during the periods presented, including changes that will occur in our operations and capital structure as a result of this offering and the Separation, or what our financial condition, results of operations and cash flows may be in the future.

We follow the concept of a fiscal year, which ends on the Sunday nearest to the end of the month of December. Normally each fiscal year consists of 52 weeks, but every five or six years the fiscal year consists of 53 weeks, and therefore includes additional shipping days, as was the case in fiscal year 2020, and will be the case again in fiscal year 2026. Unless otherwise indicated or where the context otherwise requires, all references to "2022," "2021" and "2020" in this "Management's Discussion and Analysis of Financial Condition and Results of Operations" section relate to the fiscal years ended January 1, 2023, January 2, 2022 and January 3, 2021, respectively.

Overview

Company Overview

We are the world's largest pure-play consumer health company by revenue with \$15.0 billion in net sales in 2022. We combine the power of science with meaningful human insights and digital-first capabilities, which we believe empowers approximately 1.2 billion people to live healthier lives every day. Our differentiated portfolio of iconic brands—including Tylenol, Neutrogena, Listerine, Johnson's, Band-Aid, Aveeno, Zyrtec and Nicorette—is built for moments that uniquely matter to our consumers and, we believe, drives positive health outcomes around the world.

We are a global leader at the intersection of healthcare and consumer goods, with a portfolio of iconic brands, operating in some of the most attractive categories in consumer health from both a growth and profitability

perspective. Our consumer health portfolio includes self care, skin care and beauty, and essential personal care products, which reflect categories that we believe allow consumers across the world to realize the extraordinary power of everyday care.

Our portfolio of brands is widely recognized and represents a combination of global and regional brands, many of which hold leading positions in their respective categories. Ten of our brands had approximately \$400 million or more in net sales in 2022, and we currently hold seven #1 brand positions across major categories globally, in addition to many #1 brand positions locally across our four regions. Our global footprint is also well balanced geographically with approximately half of our net sales generated outside North America in 2022. The breadth and scale of our portfolio allows us to dynamically capitalize on and respond to current trends impacting our categories and geographic markets. Our breadth and scale also provide us with a strong platform to broaden and enhance our portfolio in the future.

Our global scale and brand portfolio are complemented by our well-developed capabilities and accelerated through our digital-first approach, allowing us to deliver better consumer health experiences. Our marketing organization leverages our e-commerce, precision marketing and broader digital capabilities to develop unique consumer insights and further enhance the relevance of our brands. Our R&D organization leverages these consumer insights and places human empathy at the heart of our product development process. We combine that perspective with deep, multi-disciplinary scientific expertise, and engagement with healthcare professionals, to drive innovative new products, solutions and experiences.

Our marketing and innovation capabilities are further complemented by our end-to-end, digitally connected supply chain ecosystem which is designed to optimize the flexibility and agility of our route-to-market. Our sourcing, manufacturing and demand planning capabilities are continuously optimized to meet evolving market dynamics. We also aim to leverage our flexible distribution network, consumer health thought leadership and data-driven customer partnerships to continue to drive joint value creation for us and our retail customers. Underpinned by our comprehensive ESG strategy, our core capabilities are supported by our commitment to building a resilient and sustainable business that creates value for all our stakeholders over the long term.

Our Business Segments

We operate our business through the following three reportable business segments:

- *Self Care.* Our Self Care product categories include: Cough, Cold and Allergy; Pain Care; and Other Self Care (Digestive Health, Smoking Cessation and Other). Major brands in the segment include Tylenol, Nicorette and Zyrtec.
- *Skin Health and Beauty.* Our Skin Health and Beauty product categories include: Face and Body Care and Hair, Sun and Other. Major brands in the segment include Neutrogena, Aveeno and OGX.
- *Essential Health.* Our Essential Health product categories include: Oral Care, Baby Care and Other Essential Health (Women's Health and Wound Care). Major brands in the segment include Listerine, Johnson's, Band-Aid and Stayfree.

For additional information about our three reportable business segments, see "Business—Our Brands and Product Portfolio" and Note 15, "Segments of Business and Geographic Areas," to our audited combined financial statements included elsewhere in this prospectus.

Separation from Johnson & Johnson

On November 12, 2021, Johnson & Johnson, our parent company, announced its intention to separate its Consumer Health Business. We were incorporated in Delaware on February 23, 2022 in connection with the Separation and were formed to ultimately hold, directly or indirectly, and conduct certain operational activities in anticipation of the planned separation of, the Consumer Health Business. We are incurring certain costs in connection with our establishment as a standalone public company (the "Separation-related costs"). We expect the Separation-related costs will continue through at least fiscal year 2024. For additional information about the

Separation, see “The Separation and Distribution Transactions—The Separation” and “Certain Relationships and Related Person Transactions—Agreements to be Entered into in Connection with the Separation.”

Relationship with Johnson & Johnson

In connection with the Separation and prior to the completion of this offering, we will enter into the Separation Agreement and various other agreements with Johnson & Johnson for the purpose of effecting the Separation. These agreements will provide a framework for our relationship with Johnson & Johnson and govern various interim and ongoing relationships between us and Johnson & Johnson following the completion of this offering. These agreements with Johnson & Johnson are described in the section of this prospectus entitled “Certain Relationships and Related Person Transactions—Agreements to be Entered into in Connection with the Separation.”

Key Factors Affecting Our Results

We believe that our performance and future success depend on a number of factors that present significant opportunities for us but also pose risks and challenges, including those discussed below and in the section of this prospectus entitled “Risk Factors.”

Our Brands and Product Portfolio

We have a world class, global portfolio of iconic and modern brands that has been built over the last 135 years and is trusted by generations of consumers. We have a balanced, resilient business profile with leading brands across categories and geographic markets. Our portfolio of brands is widely recognized and represents a combination of global and regional brands, many of which hold leading positions in their respective categories. Our brands are built for moments that uniquely matter, which helps create deep bonds between consumers and our brands.

Our ability to compete successfully depends on the strength of these brands. The vast majority of our net sales are derived from products bearing proprietary trademarks and trade names, and these trademarks and trade names convey that the products we sell are “brand name” products. Developing and maintaining the reputation of our brands is a critical component of our relationship with consumers, customers, manufacturers, suppliers, distributors and other third-party partners, including healthcare professionals, influencers and other individuals with whom we have relationships. We recognize that our reputation and our brands could be damaged by negative publicity, whether or not valid, related to our company, our brands, our products, our supply chain, our ingredients, our packaging, our ESG practices, our employees or any other aspect of our business.

We believe consumers, customers and third-party partners value and trust the reputation, reliability and status of our brands and the quality, performance and functionality of our products, and we believe there are significant opportunities to further increase our category and brand penetration by continuing to deepen our brand relevance and salience across our portfolio.

Shifting Consumer Preferences

Consumer preferences and expectations for consumer health products continue to evolve, with a heightened focus on preventative care and science-backed solutions. While the focus on consumer health was already on the rise before the COVID-19 pandemic, this focus has further accelerated since the start of the pandemic. Consumers are also shifting the paradigm of beauty towards health. Other recent trends that have affected consumer preferences include an aging population, premiumization (where consumers switch their purchases to premium alternatives), a growing middle class in emerging markets and the rise of digital ecosystems that create new opportunities for personalized health solutions. We expect these trends to continue and that consumers will continue to seek solutions that meet their health goals, creating growth opportunities across our product portfolio.

Consumer preferences and purchasing patterns are difficult to predict and may fluctuate rapidly. Our success is dependent on our ability to anticipate, understand and respond appropriately to market trends and changing consumer preferences more quickly than our competitors. Accordingly, we increasingly leverage our digital capabilities and data analytics to gain new commercial insights and develop targeted marketing and advertising initiatives to reach consumers. Moreover, market trends and consumer preferences and purchasing patterns may vary

by geographic region, and we seek to complement our portfolio of iconic global brands with strong regional brands that are uniquely tailored to local preferences and trends.

Innovation

Our ability to quickly develop new products and technologies and to adapt and market our products on an ongoing basis to meet evolving consumer preferences is an essential component of our business strategy. Several of our products have a long history of life-enhancing, first-to-market innovations. In many situations, we have driven the innovation and clinical compendium of entire categories. By leveraging world-class R&D capabilities and a team of approximately 1,500 R&D professionals, we have a multi-disciplinary and differentiated approach to innovation. Our robust R&D capabilities have enabled us to launch more than 100 new product innovations each year since 2020. In addition, product innovations launched during the preceding three-year period have accounted for approximately \$1.5 billion of our net sales each year since 2020.

We have a successful track record of driving innovation across our categories with a science-based approach centered around human empathy and leveraging our long-standing relationships with healthcare professionals and academic institutions. Nonetheless, developing new products and technologies is a complex, time-consuming and costly process, and a new product may not achieve a successful launch or may not generate sufficient consumer interest and sales to become a profitable product. In order to remain competitive within the product markets we currently service, enter new product markets and expand into adjacent categories, channels of distribution or geographies, we must continue to invest in innovation and develop, promote and bring to market new high-quality products.

Expansion of e-Commerce and Digital Capabilities

Over the last several years, our digital acceleration has transformed our ability to deliver better consumer health experiences. Today, we apply a digital-first mindset to all aspects of our operations, including R&D, supply chain, go-to-market and marketing, by prioritizing digital investments across our three segments, and we intend to continue to accelerate our implementation of this strategy in the future. Effective implementation of our digital-first strategy, including effective integration of our digital and physical channels, is integral to the continued growth of our business but involves significant operational changes. We have gradually increased our investment focus into enhancing our digital capabilities, including data science, data analytics, Artificial Intelligence, machine learning and natural language processing.

Our pursuit of this strategy has led us in recent years to promote new services, including e-commerce and DTC services, and introduce innovative new products and connected health offerings beyond the traditional services and products we have historically provided to our consumers and customers. For example, our e-commerce business represented 13% of our net sales in 2022 and grew at a CAGR of 20% from 2020 to 2022. Our investments in our digital capabilities are improving data quality and access, fostering innovation, driving e-commerce success and enabling us to manage our supply chain more effectively while enhancing our marketing and commercial capabilities. However, expanding our service and product offerings through digital initiatives will also create additional risks and uncertainties associated with conducting business digitally, including the speed with which technology changes, technical failures, information security or cybersecurity incidents, consumer privacy and data protection concerns, ethical concerns, changes in state tax regimes and government regulation of internet activities.

Geographic Expansion

We have a global footprint through which we sell and distribute our broad product portfolio in more than 165 countries across our four regions. In recent years, we have grown, and we intend to continue to grow, our business by expanding our global operations. Given our global scale, including in the United States and China, we are well positioned to work with our retail partners to meet increasing consumer health demands and develop new product adjacencies for evolving consumer needs globally. In addition to prioritizing expansion in our existing markets where we have identified the most attractive opportunities, we also intend to invest in other sizable, growing and underpenetrated geographic markets throughout the world.

We expect competition to intensify in the geographic markets where we plan to expand our operations. Local companies based in markets outside the United States may have substantial competitive advantages because of their greater understanding of, and focus on, those local markets. Meanwhile, some of our multinational competitors may develop and grow in certain geographic markets more quickly than we will. Our ability to successfully expand our business globally will depend on a number of factors, including our marketing efforts and consumer acceptance of our products.

Increased Competition

Our products are sold in a highly competitive global marketplace, which, in recent years, has experienced increased retail trade concentration, the emergence of retail buying alliances, the rapid growth of e-commerce and the integration of traditional and digital operations at key retail trade customers. For 2021 and 2020, one of our customers accounted for approximately 14% of our total net sales and our top ten customers represented approximately 43% of our total net sales. For 2022, one of our customers accounted for approximately 13% of our total net sales and our top ten customers represented approximately 42% of our total net sales. Nonetheless, as a result of these trends, we are increasingly dependent on certain large-format retail trade customers in each of our business segments and some of these retail trade customers have significant bargaining strength.

We face substantial competition in each of our business segments and product lines and across all geographic markets in which we operate. We compete with companies of all sizes on the basis of cost-effectiveness, product performance, real or perceived product advantages, intellectual property rights, advertising and promotional activities, brand recognition and loyalty, consumer convenience, pricing and geographic reach. Our competitors include multinational corporations, smaller companies that often operate on a regional basis, retailers' private-label brands and generic non-branded products. Many of these competitors have benefited from the substantial growth in e-commerce and focus extensively on DTC or other non-traditional, digital business models. Competitive factors impacting our business also include market dynamics and evolving consumer preferences, brand image, a broad product portfolio, new product innovations and product development, pricing that is attractive to consumers, cost inputs and the ability to attract and retain talented employees. We expect that the continued attractiveness of the categories and geographic markets in which we operate will encourage the entry of new competitors of all sizes, which could increase these and other competitive pressures in the future.

Sourcing, Manufacturing and Supply Chain Management

Our ability to meet the needs of our consumers and customers depends on the proper functioning of our manufacturing and supplier operations. Our manufacturing operations require the timely delivery of sufficient amounts of complex, high-quality components and materials. We have built our supply chain network to deploy resources across the globe where they are most needed. Our extensive distribution network and sales organization enable us to establish strategic partnerships with key suppliers and retailers across multiple markets and channels, where we further leverage our scale to drive flexible manufacturing capacity and supply chain optimization. We believe this approach builds and supports our resilience across economic cycles and allows us to prioritize or expand our geographic focus based on our strategic priorities. Nonetheless, we have in the past faced, and may in the future face, unanticipated interruptions and delays in manufacturing through our internal and external supply chain. For example, since 2021 and continuing throughout 2022, we have experienced, and we continue to experience, higher than expected inflation, including escalating transportation, commodity and other supply chain costs and disruptions that have adversely affected, and continue to adversely affect, our results of operations. Manufacturing or supplier disruptions could result in product shortages, declining sales, reputational damage or significant costs.

Supply Chain Optimization Initiatives

Since 2019, we have taken significant steps to meet consumer demand and mitigate supply chain constraints. We have redesigned our manufacturing and distribution network, optimizing both in-house and external manufacturing and distribution footprints, to improve lead time and reliability across the globe. We selectively invested in specific technologies and expanded our capacity in different geographic markets with the intent to increase competitiveness by improving cost, speed, compliance and customer service. A series of different initiatives were deployed including (1) improving inter-region agility through end-to-end collaboration and shipping

optimization, (2) distribution network redesign to manage the surge of e-commerce volume and mitigate constraints, (3) product offering optimization that eliminated a significant number of small external manufacturers and discontinued unprofitable SKUs and (4) investments in technology and digital capabilities that modernized our supply chain operations and enabled inventory optimization, which improved profitability, quality control and shipping container loading and utilization while reducing consumer complaints. As a result, our historical results of operations reflect savings delivered through these end-to-end supply chain optimization initiatives.

Macroeconomic Trends

Macroeconomic factors affect consumer spending patterns and thereby our results of operations. These factors include general economic conditions, inflation, consumer confidence, employment rates, business conditions, the availability of credit, interest rates, tax rates and fuel and energy costs. Factors that impact consumer discretionary spending, which remains volatile globally, continue to create a complex and challenging retail environment for us and our third-party partners. We intend to continue to evaluate and adjust our operating strategies and cost management opportunities to help mitigate any impacts on our results of operations resulting from broader macroeconomic conditions and policy changes, while remaining focused on the long-term growth of our business.

Foreign Currency Exposure

We report our combined financial results in U.S. dollars but have significant non-U.S. operations. A large portion of our business is conducted in currencies other than U.S. dollars, and generally the applicable local currency is our functional currency in that locality. As a result, we face foreign currency exposure on the translation into U.S. dollars of our results of operations in numerous jurisdictions primarily in the European Union, the United Kingdom, Japan, China, Canada, Brazil and India. In addition, as we continue to expand our global operations, our exposure to foreign currency risk could become more significant, particularly if the recent strengthening of the U.S. Dollar continues in the future.

Where possible, we manage foreign currency exposure through a variety of methods. We may adopt natural hedging strategies whereby favorable and unfavorable foreign currency impacts to our foreign currency-denominated operating expenses are mitigated to a certain extent by the natural, opposite impact on our foreign currency-denominated net sales. During 2022, in anticipation of operating as a standalone entity, we started to use derivative financial instruments to mitigate our foreign currency exposure and not for trading or speculative purposes. For example, we hedged a portion of forecasted foreign currency revenue and forecasted inventory purchases. Nonetheless, it is not practical for us to mitigate all of our foreign currency exposure, nor are we able to accurately predict the possible impact of future foreign currency exchange rate fluctuations on our results of operations, due to our constantly changing exposure to various foreign currencies, difficulty in predicting fluctuations in foreign currency exchange rates relative to the U.S. Dollar and the significant number of foreign currencies involved.

Acquisitions and Divestitures

We actively refine our portfolio through acquisitions towards high growth, high margin businesses as well as divestitures of assets that we do not believe are well integrated into our product portfolio and strategic direction. We have demonstrated an ability to successfully integrate and scale acquired businesses to further build upon our market leadership across our product portfolio. During 2021 and 2020, in separate transactions, we divested several brands globally in line with our strategy. We did not complete any significant acquisitions or divestitures in 2022.

We intend to continue to pursue a disciplined and prudent approach to acquisitions and partnership opportunities that accelerate growth within our business. We believe our strong balance sheet will allow us to strategically make acquisitions and divestitures while maintaining our disciplined approach to capital allocation. However, the pursuit of acquisitions and divestitures of businesses, brands, assets and technologies involves numerous potential risks.

Impacts of the COVID-19 Pandemic

In March 2020, the World Health Organization declared the outbreak of COVID-19 a global pandemic and recommended containment and mitigation measures worldwide. We have assessed certain accounting matters that generally require consideration of forecasted financial information in context with the information reasonably available to us and the unknown future impacts of the COVID-19 pandemic.

Our net sales in our Self Care segment and within certain product categories in our Essential Health segment were accelerated by changes in consumer behavior during the COVID-19 pandemic, which helped to offset the adverse impact on our net sales from the remainder of the business, primarily Skin Health and Beauty products and the Baby Care and Women's Health products within our Essential Health segment, due to lockdown-driven lost usage occasions, including the inability of consumers to purchase our products due to financial hardship, government actions imposing travel or movement restrictions, shifts in demand and consumption away from more discretionary or higher-priced products to lower-priced products and consumer pantry-loading activity. However, as governments began lifting restrictions, this negative trend began to level off and stabilize in the fourth quarter of 2021 while momentum in Self Care and Essential Health products continued due to a rising focus on consumer health. The extent to which the COVID-19 pandemic will continue to impact our business and financial results will depend on many factors that cannot be predicted with certainty, including the duration of the outbreak and the impact of new variants. Any resurgence in the spread of COVID-19 or its variants could result in the imposition of new governmental directives and the implementation of prolonged restrictive measures that could further disrupt our operations.

We have considered various internal and external factors in assessing the potential impact of the COVID-19 pandemic on our business and financial results based upon information available at this time, as follows:

- *Operating Model.* We have an agile business model across the consumer health industry with flexibility designed into our manufacturing, R&D and commercial capabilities.
- *Supply Chain.* We continue to leverage our global manufacturing footprint while closely monitoring and maintaining critical inventory at major distribution centers away from high-risk areas to ensure adequate and effective distribution.
- *Business Continuity.* The robust, active business continuity plans across our network were instrumental in preparing us for the COVID-19 pandemic and enabling us to continue to meet the majority of consumer needs without significant interruption.
- *Workforce.* We put procedures in place to protect our essential workforce in manufacturing, distribution, commercial and research operations while ensuring appropriate remote working protocols were established for other employees.
- *Liquidity.* We expect to have an investment grade credit rating as we seek access to the financial capital markets in the foreseeable future.
- *Legislation.* We will continue to assess and evaluate the ongoing global legislative efforts to combat the impact of the COVID-19 pandemic on the categories and geographic markets in which we participate. Currently, the laws and regulations enacted in response to the COVID-19 pandemic are not expected to have a material impact on our operations.

The impact of the COVID-19 pandemic on our results of operations, including changes in our segment net sales and segment profits, is discussed in further detail below. See “—Annual Results of Operations.”

Legal Proceedings

The Company and Johnson & Johnson are involved in various lawsuits and claims relating to intellectual property, commercial contracts, product liability, labeling, marketing, advertising, pricing, foreign exchange controls, antitrust and trade regulation, labor and employment, pension, indemnification, data privacy and security, environmental, health and safety and tax matters; governmental investigations; and other legal proceedings that arise

from time to time in the ordinary course of their business. See Note 13, “Commitments and Contingencies,” to our audited combined financial statements included elsewhere in this prospectus for additional information regarding our current legal proceedings.

A significant number of personal injury claims alleging that talc causes cancer have been made against Johnson & Johnson Consumer Inc. (“Old JJCI”) and Johnson & Johnson arising out of the use of body powders containing talc, primarily Johnson’s Baby Powder. In talc cases that previously have gone to trial, the defendants have obtained a number of favorable verdicts, but there also have been verdicts against the defendants, many of which have been reversed on appeal.

In October 2021, Old JJCI implemented a corporate restructuring that resulted in the transfer to a subsidiary of Johnson & Johnson of all liabilities of Old JJCI related in any way to injury or damage, or alleged injury or damage, sustained or incurred in the purchase or use of, or exposure to, talc, including talc contained in any product sold in the United States or Canada, or to the risk of, or responsibility for, any such damage or injury, including such liabilities based on the contamination, or alleged contamination, of talc, including talc contained in any product sold in the United States and Canada, with asbestos or any other material (the “Talc-Related Liabilities”). The transfer of the Talc-Related Liabilities to Johnson & Johnson was settled through Net investment from Parent. Pursuant to the Separation Agreement, Johnson & Johnson will retain the Talc-Related Liabilities and, as a result, will agree to indemnify us for the Talc-Related Liabilities and any costs associated with resolving such claims. Such claims represent the vast majority of claims relating to harm arising out of, based upon or resulting from, directly or indirectly, the presence of or exposure to talc or talc-containing products. We will, however, remain responsible for all liabilities on account of or relating to harm arising out of, based upon or resulting from, directly or indirectly, the presence of or exposure to talc or talc-containing products sold outside the United States or Canada.

As such, our financial statements no longer reflect the impact of the Talc-Related Liabilities or any costs associated with resolving such claims subsequent to the October 2021 corporate restructuring.

Other Information

Baby Powder Transition

On August 11, 2022, we announced the commercial decision to transition to an all cornstarch-based baby powder portfolio. As a result of this transition, talc-based Johnson’s Baby Powder will be discontinued globally in 2023. Talc-based Johnson’s Baby Powder was previously discontinued during 2020 in certain markets including the United States and Canada. We do not expect the impact of this change to be material.

Russia-Ukraine War

Although the long-term implications of the Russia-Ukraine War are difficult to predict at this time, the financial impact of the conflict to us during 2021 was not material. For 2021 and 2022, our Ukrainian business represented 0.3% and 0.1%, respectively, of our net sales and 0.2% and 0.1%, respectively, of our assets. For 2021 and 2022, our Russian business represented 1.8% and 1.4%, respectively, of our net sales and 0.7% and 0.4%, respectively, of our assets.

In March 2022, we suspended supply of all of our products into Russia other than our OTC medicines within our Self Care segment, which we continued to supply throughout 2022. We also suspended all advertising in Russia, all clinical trials in Russia and any additional investment in Russia. We will continue to monitor the geopolitical situation in Russia and to evaluate our activities and future operations in Russia.

Deferred Markets

In order to ensure compliance with applicable law, to obtain necessary governmental approvals and other consents and for other business reasons, we do not expect the transfer of certain assets and liabilities of businesses in certain non-U.S. jurisdictions, including China, Malaysia and Russia, to be completed prior to the completion of this offering. The combined financial statements included in this prospectus include businesses in all jurisdictions in which we expect to operate following the completion of this offering, including any Deferred Local Business (as

defined in “Certain Relationships and Related Person Transactions—Agreements to be Entered into in Connection with the Separation—Separation Agreement—Deferred Markets”). Although in most jurisdictions we do not expect a material impact to our results of operations or financial position, we have made certain adjustments in the unaudited pro forma condensed combined financial statements included in this prospectus to account for certain delayed transfers to us. See “Unaudited Pro Forma Condensed Combined Financial Statements.” For more information regarding Deferred Local Businesses, see “Risk Factors—Risks Related to the Separation and the Distribution—The transfer of certain assets and liabilities from Johnson & Johnson to us contemplated by the Separation will not be complete prior to the completion of this offering” and “Certain Relationships and Related Person Transactions—Agreements to be Entered into in Connection with the Separation—Separation Agreement—Deferred Markets.”

How We Assess the Performance of Our Business

Net Sales

Our net sales are derived from the sale of our products to third parties, including retailers, distributors, wholesalers and end consumers, net of certain costs that consist of discounts, returns, allowances and incentives. Our net sales can fluctuate as a result of changes in volume, price, product mix and foreign currency exchange rates. Our net sales also include an immaterial amount of alliance and service revenue derived from the licensing and co-promotion of products. Our net sales can be impacted by shifts in the timing of shipments to certain retailers, which may impact comparability of our results on a year-over-year basis.

Cost of Sales

Cost of sales primarily includes all costs directly related to generating net sales. This includes direct and indirect costs for manufacturing and packaging costs to operate equipment, depreciation and amortization of manufacturing facilities and equipment, amortization of intangible assets, employee compensation and the lower of cost or net realizable value adjustments to inventories. Cost of sales typically varies between periods as a result of changes in product mix, volume, foreign currency exchange rates and inflation.

Gross Profit

Gross profit is our net sales less cost of sales.

Selling, General and Administrative Expenses

Selling, general and administrative expenses (“SG&A”) primarily include costs associated with advertising and promotion, selling, marketing, office facilities, shared services, employee compensation, distribution, research and development and other administrative and corporate costs.

Other (Income) Expense, Net, Operating

Other (income) expense, net, operating primarily includes litigation expenses and settlements, gains and losses on asset disposals, royalty income, impairment of long-lived assets and other miscellaneous operating income and expenses.

Operating Income (Loss)

Operating income (loss) is our gross profit less SG&A and Other (income) expense, net, operating and represents our pre-tax income before the effects of non-operating income (loss) and expenses.

Other Expense (Income), Net

Other expense (income), net primarily includes currency gains and losses, interest, gains and losses from disposals of businesses and investments and other miscellaneous non-operating income and expenses.

Provision (Benefit) for Taxes

Provision (benefit) for taxes is calculated on a separate return methodology, based on amounts refundable or payable for the current year, and includes the results of any difference between U.S. GAAP accounting and tax reporting, recorded as deferred tax assets or liabilities.

Organic Growth

We assess our net sales performance by measuring Organic growth, a non-GAAP financial measure, which measures the period-over-period change in net sales excluding the impact of changes in foreign currency exchange rates and the impact of acquisitions and divestitures. See “—Non-GAAP Information—Organic Growth.”

Segment Adjusted Operating Income

We use segment Adjusted operating income to evaluate the performance of our three business segments: Self Care, Skin Health and Beauty and Essential Health. We define segment Adjusted operating income as U.S. GAAP operating income (loss) excluding depreciation and amortization, restructuring expense, Separation-related costs, other expense, net, operating and general corporate/unallocated expenses that are not part of our measurement of segment performance. See “—Non-GAAP Information—Adjusted Operating Income.”

Annual Results of Operations

Consolidated Results

Our results for 2022, 2021 and 2020 were as follows:

	Fiscal Year			Change			
	2022	2021	2020	2021 to 2022		2020 to 2021	
				Amount	Percent	Amount	Percent
(Dollars in Millions)							
Net sales	\$ 14,950	\$ 15,054	\$ 14,467	\$ (104)	(0.7)%	\$ 587	4.0%
Cost of sales	6,665	6,635	6,619	30	0.5	16	0.2
Gross profit	8,285	8,419	7,848	(134)	(1.6)	571	7.3%
Selling, general and administrative expenses	5,633	5,484	4,956	149	2.7	528	10.6
Other (income) expense, net, operating	(23)	15	3,871	(38)	*	(3,856)	(99.6)
Operating income (loss)	2,675	2,920	(979)	(245)	(8.4)	3,899	*
Other expense (income), net	38	(5)	37	43	*	(42)	*
Income (loss) before taxes	2,637	2,925	(1,016)	(288)	(9.8)	3,941	*
Provision (benefit) for taxes	550	894	(137)	(344)	(38.5)	1,031	*
Net income (loss)	\$ 2,087	\$ 2,031	\$ (879)	\$ 56	2.8 %	\$ 2,910	*

* Calculation not meaningful (>100%).

Segment Net Sales and Segment Adjusted Operating Income

The table below presents segment net sales, segment net sales as a percentage of total net sales and the year-over-year changes in segment net sales for 2022, 2021 and 2020. The following table also presents segment Adjusted operating income and the year-over-year changes in segment Adjusted operating income for 2022, 2021 and 2020. See Note 15, “Segments of Business and Geographic Areas,” to our audited combined financial

statements included elsewhere in this prospectus for further details regarding segment net sales and segment Adjusted operating income.

(Dollars in Millions)	Fiscal Year						Change			
	2022		2021		2020		2021 to 2022		2020 to 2021	
	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent
Segment Net Sales										
Self Care	\$ 6,030	40.3 %	\$ 5,643	37.5 %	\$ 5,235	36.2 %	\$ 387	6.9 %	\$ 408	7.8 %
Skin Health and Beauty	4,350	29.1	4,541	30.2	4,450	30.8	(191)	(4.2)	91	2.0
Essential Health	4,570	30.6	4,870	32.4	4,782	33.1	(300)	(6.2)	88	1.8
Total segment net sales	\$ 14,950	100 %	\$ 15,054	100 %	\$ 14,467	100 %	\$ (104)	(0.7)%	\$ 587	4.1 %
Segment Adjusted Operating Income										
Self Care	\$ 2,088		\$ 1,952		\$ 1,858		\$ 136	7.0 %	\$ 94	5.1 %
Skin Health and Beauty	708		878		889		(170)	(19.4)	(11)	(1.2)
Essential Health	1,111		1,224		1,250		(113)	(9.2)	(26)	(2.1)
Total adjusted operating income	\$ 3,907		\$ 4,054		\$ 3,997		\$ (147)	(3.6)%	\$ 57	1.4 %
Depreciation and amortization	(644)		(731)		(746)					
Restructuring expense	(100)		(116)		(82)					
Other (income) expense, net, operating	23		(15)		(3,871)					
General corporate/unallocated expenses	(298)		(272)		(277)					
Separation-related costs	(213)		—		—					
Operating income (loss)	\$ 2,675		\$ 2,920		\$ (979)					
Other expense (income), net	38		(5)		37					
Income (loss) before taxes	\$ 2,637		\$ 2,925		\$ (1,016)					

2022 Compared with 2021

Net Sales

Net sales were \$15.0 billion and \$15.1 billion for 2022 and 2021, respectively, a decrease of \$104 million, or 0.7%. Of the \$104 million decrease, \$617 million related to unfavorable currency impacts primarily driven by weakening of the Euro, British Pound, Japanese Yen and Chinese Yuan against the U.S. Dollar and \$53 million of sales related to divestitures, offset by \$566 million related to organic growth in net sales. Of the \$566 million related to organic growth in net sales, \$473 million was generated outside the United States, and \$93 million was generated in the United States primarily driven by the Self Care segment. The \$566 million related to organic growth in net sales was primarily attributable to (1) price actions, (2) increased demand for Cough, Cold and Allergy and pediatric Pain Care products due to greater instances of respiratory illness associated with reduced COVID-19 restrictions and social distancing and (3) increased demand for Women's Health products (within Other Essential Health), primarily due to product innovation and strategic investment in marketing. This increase was partially offset by a decline in net sales in the United States primarily in the Skin Health and Beauty and Essential Health segments, as discussed below.

Cost of Sales

Cost of sales were \$6.7 billion and \$6.6 billion for 2022 and 2021, respectively, an increase of \$30 million, or 0.5%. Cost of sales as a percentage of net sales was 44.6% and 44.1% for 2022 and 2021, respectively, an increase of 0.5%. The increase of Cost of sales was primarily driven by \$306 million increase in costs offset by \$276 million of favorable currency impacts. The cost increase relative to organic growth in net sales was driven by higher costs of key ingredients, freight and packaging material, partially offset by the realization of benefits associated with our supply chain optimization initiatives.

Selling, General and Administrative Expenses

SG&A expenses were \$5.6 billion and \$5.5 billion for 2022 and 2021, respectively, an increase of \$149 million, or 2.7%. SG&A as a percentage of net sales was 37.7% and 36.4% for 2022 and 2021, respectively, an increase of 1.3%. The increase was primarily attributable to (1) Separation-related costs of \$213 million, (2) an increase in other SG&A expenses of \$88 million due to higher selling and distribution costs as well as the impact of commodity inflation on freight and packaging costs, (3) an increase in advertising and promotion expenses of \$40 million and (4) an increase in R&D costs of \$28 million driven by continued strategic spend on select brands, products and digital capabilities. These cost increases were partially offset by favorable currency impacts of \$220 million.

Other (Income) Expense, Net, Operating

Other (income) expense, net, operating was \$(23) million and \$15 million for 2022 and 2021, respectively, a \$38 million decrease in expense, primarily driven by the recognition in 2021 of talc litigation expense (which did not recur in 2022) and other litigation expense. This decrease was partially offset by lower royalty income as a result of the transfer to Royalty A&M LLC, an indirect wholly owned subsidiary of Johnson & Johnson, of the rights of Old JJCI and its affiliates to receive four streams of royalties payable from certain third parties in connection with the Old JJCI corporate restructuring starting in October 2021. See “Certain Relationships and Related Person Transactions—Other Agreements with Johnson & Johnson—Royalty Monetization Agreements.”

See Note 10, “Other (income) expense, net, operating and Other expense (income), net,” and Note 13, “Commitments and Contingencies,” to our audited combined financial statements included elsewhere in this prospectus for additional information.

Other Expense (Income), Net

Other expense (income), net was \$38 million and \$(5) million for 2022 and 2021, respectively, an increase in expense of \$43 million, primarily driven by (1) higher foreign currency losses in 2022 and (2) a lower gain related to disposal of businesses compared to 2021. See Note 10, “Other (income) expense, net, operating and Other expense (income), net,” to our audited combined financial statements included elsewhere in this prospectus for additional information.

Provision for Taxes

Provision for taxes was \$550 million and \$894 million for 2022 and 2021, respectively, a decrease in income tax expense of \$344 million. The \$344 million decrease in income tax expense was primarily due to a lower effective tax rate in 2022 resulting from the ability to claim certain deductions and additional foreign tax credits that were limited in 2021 as a result of the talc litigation settlement.

See Note 11, “Income Taxes,” to our audited combined financial statements included elsewhere in this prospectus for further details regarding income taxes.

Self Care Segment

Self Care Segment Net Sales

The Self Care segment net sales were \$6.0 billion and \$5.6 billion for 2022 and 2021, respectively, an increase of \$387 million, or 6.9%. Of the increase of \$613 million was due to organic growth in net sales, offset by a decrease of \$226 million due to unfavorable currency impacts. The organic growth in net sales of \$613 million was primarily attributable to (1) price actions and (2) increased demand for Cough, Cold and Allergy and pediatric Pain Care products due to greater instances of respiratory illness associated with reduced COVID-19 restrictions and social distancing.

Self Care Segment Adjusted Operating Income

The Self Care segment Adjusted operating income was \$2.1 billion and \$2.0 billion for 2022 and 2021, respectively, an increase of \$136 million, or 7.0%. This increase was primarily driven by (1) organic growth in net

sales and (2) favorable product mix driven by demand for Pain Care products due to greater instances of fever. The increase was partially offset by higher costs of key ingredients, freight and packaging material and unfavorable currency impacts.

Skin Health and Beauty Segment

Skin Health and Beauty Segment Net Sales

The Skin Health and Beauty segment net sales were \$4.4 billion and \$4.5 billion for 2022 and 2021, respectively, a decrease of \$191 million, or 4.2%. Of the decrease, \$173 million was due to unfavorable currency impacts and \$39 million was due to divestitures, offset by \$21 million growth in organic net sales. The organic growth in net sales of \$21 million was primarily attributable to (1) price actions and (2) strong performance of new products. This increase was offset by supply constraints primarily as a result of a silicone shortage.

Skin Health and Beauty Segment Adjusted Operating Income

The Skin Health and Beauty segment Adjusted operating income was \$708 million and \$878 million for 2022 and 2021, respectively, a decrease of \$170 million, or 19.4%. The decrease was primarily attributable to (1) a decrease corresponding to net sales largely driven by supply chain constraints, (2) the impact of higher costs of key ingredients, freight and packaging material, (3) the impact of divested brands and (4) unfavorable currency impacts on net sales, partially offset by price actions.

Essential Health Segment

Essential Health Segment Net Sales

The Essential Health segment net sales were \$4.6 billion and \$4.9 billion for 2022 and 2021, respectively, a decrease of \$300 million, or 6.2%. Of the decrease, \$218 million was due to unfavorable currency impacts, \$68 million was due to a decline in organic sales and \$14 million was due to divestitures. The organic decline in net sales of \$68 million was primarily attributable to (1) a decline in Oral Care net sales driven by the discontinuation of certain SKUs and demand returning to a level comparable to before the COVID-19 pandemic, (2) a decline in Baby Care net sales driven by supply chain constraints as a result of raw material shortages and (3) our suspension of the supply of certain personal care products in Russia since March 2022. The decrease was partially offset by (1) price actions and (2) increased demand for Women's Health products (within Other Essential Health) due to product innovation and strategic investment in marketing.

Essential Health Segment Adjusted Operating Income

The Essential Health segment Adjusted operating income was \$1.1 billion and \$1.2 billion for 2022 and 2021, respectively, a decrease of \$113 million, or 9.2%. The decrease was primarily attributable to (1) a decrease corresponding to net sales, (2) our suspension of the supply of certain personal care products in Russia since March 2022, (3) divestitures of certain brands and (4) higher costs of key ingredients, freight and packaging material partially offset by price actions.

2021 Compared with 2020

Net Sales

Net sales were \$15.1 billion and \$14.5 billion for 2021 and 2020, respectively, an increase of \$587 million, or 4.1%. Of the increase, \$508 million related to organic growth in net sales and \$208 million related to favorable currency impacts primarily driven by the Euro and the Canadian Dollar, offset by a decrease of \$129 million as a result of divestitures. Of the \$508 million related to organic growth in net sales, \$193 million was generated in the United States and \$315 million was generated in all other regions. The \$508 million related to organic growth in net sales was primarily attributable to (1) growth in the e-commerce channel, (2) increased sales in Pain Care due to consumers seeking to relieve COVID-19 symptoms and alleviate side effects of the COVID-19 vaccine and (3) increased allergy incidences positively impacting purchases in Cough, Cold and Allergy. This increase was partially offset by the negative impact of additional shipping days in 2020.

Cost of Sales

Cost of sales were \$6.6 billion and \$6.6 billion for 2021 and 2020, respectively, an increase of \$16 million, or 0.2%. Cost of sales as a percentage of net sales was 44.1% and 45.8% for 2021 and 2020, respectively, a decrease of 1.7%. The increase of Cost of sales was primarily driven by \$86 million of unfavorable currency impacts offset by a decrease of \$70 million in costs. The cost decrease relative to organic growth in net sales was driven by (1) favorable product mix resulting from our increased focus on higher margin product sales, (2) economies of scale in Self Care products from higher sales volume, (3) supply chain optimization initiatives primarily in the Skin Health and Beauty segment, as well as the Baby Care product category and Women's Health products (within the Essential Health segment) and (4) lower cost of sales related to lower year-over-year restructuring spend, partially offset by an increase in cost of sales primarily due to the impact of commodity inflation on freight and packaging costs.

Selling, General and Administrative Expenses

SG&A expenses were \$5.5 billion and \$5.0 billion for 2021 and 2020, respectively, an increase of \$528 million, or 10.7%. SG&A as a percentage of net sales was 36.4% and 34.3% for 2021 and 2020, respectively, an increase of 2.2%. The increase was primarily attributable to (1) an increase in advertising and promotion expenses of \$318 million, (2) an increase in other SG&A expenses of \$122 million due to higher selling and distribution costs as well as the impact of commodity inflation on freight and packaging costs, (3) an unfavorable currency impact of \$55 million and (4) an increase in R&D costs of \$33 million driven by strategic spend on select brands, products and digital capabilities. Overall, recovery from the impact of the COVID-19 pandemic and lifting of lockdown restrictions resulted in retail store re-openings, higher usage occasions and higher net sales, which in turn drove normalized SG&A spending in 2021 compared to 2020.

Other (Income) Expense, Net, Operating

Other (income) expense, net, operating was \$15 million and \$3.9 billion for 2021 and 2020, respectively, a decrease of \$3.9 billion, primarily driven by talc litigation expense recognized in 2020. See Note 10, "Other (income) expense, net, operating and Other expense (income), net," and Note 13, "Commitments and Contingencies," to our audited combined financial statements included elsewhere in this prospectus for additional information.

Other Expense (Income), Net

Other expense (income), net was \$(5) million and \$37 million for 2021 and 2020, respectively, a decrease in expense of \$(42) million, primarily driven by (1) lower foreign currency losses and higher gain on disposal of businesses in 2021 and (2) higher loss on equity investments in 2020. See Note 10, "Other (income) expense, net, operating and Other (income) expense, net," to our audited combined financial statements included elsewhere in this prospectus for additional information.

Provision (Benefit) for Taxes

Provision (benefit) for taxes was \$894 million and \$(137) million in 2021 and 2020, respectively, an increase in income tax expense of \$1.0 billion, which was primarily due to (1) an increase in 2021 U.S. pretax book income due to higher talc litigation expense recognized in 2020 and (2) a loss of certain tax deductions and foreign tax credits resulting from talc litigation settlement payments made in 2021. This increase was partially offset by a one-time income tax expense recognized in 2020 for increases in unrecognized tax benefits related to the final settlement of IRS audits for the 2010, 2011 and 2012 fiscal years.

See Note 11, "Income Taxes," to our audited combined financial statements included elsewhere in this prospectus for further details regarding income taxes.

Self Care Segment

Self Care Segment Net Sales

The Self Care segment net sales were \$5.6 billion and \$5.2 billion for 2021 and 2020, respectively, an increase of \$408 million, or 7.8%. Of the \$408 million increase, \$282 million was due to organic growth in net sales and \$126 million was due to favorable currency impacts. The organic growth in net sales of \$282 million was driven by increased net sales of (1) Pain Care products due to consumers seeking to relieve COVID-19 symptoms and alleviate side effects of the COVID-19 vaccine, (2) Digestive Health products (within Other Self Care) due to favorable volume and price impacts, (3) Smoking Cessation products (within Other Self Care) due to favorable volume and price impacts as a result of increased smoking cessation rates and (4) allergy products in Cough, Cold and Allergy as consumers returned to outdoor activities due to recovery from the COVID-19 pandemic. Self Care products also continued to grow sales on e-commerce channels as consumers increasingly shifted their spending online. This increase was partially offset by the negative impact of additional shipping days in 2020.

Self Care Segment Adjusted Operating Income

The Self Care segment Adjusted operating income was \$2.0 billion and \$1.9 billion for 2021 and 2020, respectively, an increase of \$94 million, or 5.1%. The increase was primarily attributable to (1) an increase corresponding to organic growth in net sales, (2) economies of scale from higher net sales of Pain Care products due to consumers seeking to relieve COVID-19 symptoms and alleviate side effects of the COVID-19 vaccine, (3) supply chain efficiencies driven by our supply chain optimization initiatives and (4) favorable product mix driven by increased demand in higher margin allergy products in Cough, Cold and Allergy as consumers returned to outdoor activities due to recovery from the COVID-19 pandemic. This increase was offset by higher strategic R&D spending on certain brands and higher other SG&A spending that normalized in 2021 due to recovery from the COVID-19 pandemic.

Skin Health and Beauty Segment

Skin Health and Beauty Segment Net Sales

The Skin Health and Beauty segment net sales were \$4.5 billion and \$4.5 billion for 2021 and 2020, respectively, an increase of \$91 million, or 2.0%. Of the increase, \$125 million was due to organic growth in net sales and \$46 million was due to favorable currency impacts, offset by a decrease of \$80 million as a result of divestitures. The organic growth in net sales of \$125 million was driven by higher sales volumes primarily in the Face and Body Care product category due to (1) lifting of COVID-19 pandemic lockdowns, which drove higher usage occasions, (2) growth in e-commerce channels and (3) new product innovation. This increase was partially offset by the negative impact of additional shipping days in 2020.

Skin Health and Beauty Segment Adjusted Operating Income

The Skin Health and Beauty segment Adjusted operating income was \$878 million and \$889 million for 2021 and 2020, respectively, a decrease of \$11 million, or 1.2%. The decrease was due to higher SG&A spend for enhanced focus on the skin health category, offsetting organic growth in net sales and margin improvements driven by our supply chain optimization initiatives.

Essential Health Segment

Essential Health Segment Net Sales

The Essential Health segment net sales were \$4.9 billion and \$4.8 billion for 2021 and 2020, respectively, an increase of \$88 million, or 1.8%. Of the increase, \$101 million was due to organic growth in net sales and \$36 million relates to favorable currency impacts offset by a decrease of \$49 million as a result of divestitures. The organic growth in net sales of \$101 million was primarily attributable to (1) growth in Baby Care driven by limited demand in 2020 due to reduced outdoor exposure as a result of the COVID-19 pandemic, e-commerce strength, product innovations, positive price impacts and market share gains, (2) growth in Women's Health (within Other Essential Health) primarily driven by volume and price impacts due to new product innovations and increased brand

awareness and (3) growth in Oral Care primarily due to increased household penetration. This increase was partially offset by the negative impact of additional shipping days in 2020.

Essential Health Segment Adjusted Operating Income

The Essential Health segment Adjusted operating income was \$1.2 billion and \$1.3 billion for 2021 and 2020, respectively, a decrease of \$26 million, or 2.1%. The decrease was primarily attributable to an increase in advertising and promotion expenses due to strategic investment in internet advertising, e-commerce and digital capabilities and the impact of commodity inflation on freight and packaging costs, offset by organic growth in net sales.

Non-GAAP Information

We use certain non-GAAP financial measures to supplement the financial measures prepared in accordance with U.S. GAAP. These include (1) Organic growth, (2) Adjusted gross profit, (3) Adjusted operating income, (4) Adjusted EBITDA and (5) Adjusted net income. Management believes that these non-GAAP financial measures, together with the U.S. GAAP measures used by management, reflect how we measure our business internally and set operational goals and incentives. In particular, we believe that these non-GAAP financial measures are useful in evaluating current performance and focusing management on our underlying operational results. Also, we anticipate that our senior management's annual compensation will be based in part on these non-GAAP measures. As a result, we use these non-GAAP financial measures both to assess our actual financial performance from one period to another and to forecast future results.

There are limitations to the use of the non-GAAP financial measures presented in this prospectus. These non-GAAP financial measures are not prepared in accordance with U.S. GAAP nor do they have any standardized meaning under U.S. GAAP. In addition, other companies may use similarly titled non-GAAP financial measures that are calculated differently from the way we calculate such measures. Accordingly, our non-GAAP financial measures may not be comparable to such similarly titled non-GAAP financial measures used by other companies. We caution you not to place undue reliance on these non-GAAP financial measures, but instead to consider them with the most directly comparable U.S. GAAP measure. These non-GAAP financial measures have limitations as analytical tools and should not be considered in isolation. These non-GAAP financial measures should be considered supplements to, not substitutes for, and superior to, the corresponding financial measures calculated in accordance with U.S. GAAP.

The non-GAAP measures as presented below have been prepared as if our operations had been conducted independently from Johnson & Johnson, and therefore they include certain Johnson & Johnson corporate and shared costs allocated to us. Management believes the cost allocations are a reasonable reflection of the utilization of services provided to, or the benefit derived by, us during the periods presented, though the allocations may not be indicative of the actual costs that would have been incurred or are expected to be incurred, if we were to operate as a standalone company.

Organic Growth

We define Organic growth, a non-GAAP measure, as a period-over-period change in net sales excluding the impact of foreign currency exchange rates and the impact of acquisitions and divestitures. We use Organic growth to assess our performance on a consistent basis by removing the impact of certain items that we believe do not directly reflect our underlying operations.

The following tables present a reconciliation of the change in U.S. GAAP net sales to Organic growth for 2022 and 2021 compared to the applicable prior years:

(Dollars in Millions)	2022 vs. 2021					
	Reported net sales change		Impact of foreign currency	Acquisitions and divestitures	Organic growth	
	Amount	Percent	Amount	Amount	Amount	Percent
Self Care	\$ 387	6.9 %	\$ 226	\$ —	\$ 613	10.0 %
Skin Health and Beauty	(191)	(4.2)	173	39	21	0.3 %
Essential Health	(300)	(6.2)	218	14	(68)	(1.1) %
Total	\$ (104)	(0.7) %	\$ 617	\$ 53	\$ 566	3.8 %

(Dollars in Millions)	2021 vs. 2020					
	Reported net sales change		Impact of foreign currency	Acquisitions and divestitures	Organic growth	
	Amount	Percent	Amount	Amount	Amount	Percent
Self Care	\$ 408	7.8 %	\$ (126)	\$ —	\$ 282	5.0 %
Skin Health and Beauty	91	2.0	(46)	80	125	2.3 %
Essential Health	88	1.8	(36)	49	101	2.1 %
Total	\$ 587	4.1 %	\$ (208)	\$ 129	\$ 508	3.4 %

Adjusted Gross Profit

We define Adjusted gross profit, a non-GAAP measure, as U.S. GAAP gross profit adjusted for restructuring expense and amortization of intangible assets recorded as a component of Cost of sales in the Company's Combined Statements of Operations. The reconciliation of gross profit, a U.S. GAAP measure, Adjusted gross profit is presented below:

(Dollars in Millions)	Fiscal Year		
	2022	2021	2020
Gross profit	\$ 8,285	\$ 8,419	\$ 7,848
Adjustments to components of Cost of sales:			
Restructuring expense	55	48	54
Amortization of intangible assets	348	414	255
Adjusted gross profit (non-GAAP)	\$ 8,688	\$ 8,881	\$ 8,157

Adjusted Operating Income

We define Adjusted operating income, a non-GAAP measure, as U.S. GAAP operating income (loss) excluding restructuring expense, Separation-related costs, depreciation and amortization, other (income) expense, net, operating and general corporate/unallocated expenses that are not part of our measurement of segment performance. Management uses Adjusted operating income to assess segment financial performance.

For the fourth quarter of 2022, we updated the methodology of allocation for certain selling expenses to align with segment financial results as measured by our management, including the Chief Operating Decision Maker. All prior periods have been recast to conform to the current presentation. Total adjusted operating income did not change as a result of this change.

For the fourth quarter of 2022, we updated methodology to no longer allocate for non-recurring Separation-related costs to align with segment financial results as measured by our management, including the Chief Operating

Decision Maker. This change only impacted Adjusted operating income in 2022 given there were no non-recurring Separation-related costs in any other period presented.

See Note 15, “Segments of Business and Geographic Areas,” to our audited combined financial statements included elsewhere in this prospectus for additional information.

Adjusted EBITDA

EBITDA, a non-GAAP measure, is defined as net income (loss) adjusted for interest, provision (benefit) for taxes, and depreciation and amortization. We define Adjusted EBITDA, a non-GAAP measure, as EBITDA adjusted for talc legal settlement and defense costs, restructuring expense, impairment of intangible assets, unrealized loss (gain) on securities, Separation-related costs, VAT legal resolution, gains and losses on divestments and the effects of changes in the fair value of contingent consideration. Adjusted EBITDA is used to show our unleveraged, pre-tax operating results and reflects our financial performance based on operational factors. The reconciliation of net income (loss), a U.S. GAAP measure, to Adjusted EBITDA is presented below:

(Dollars in Millions)	Fiscal Year		
	2022	2021	2020
Net income (loss)	\$ 2,087	\$ 2,031	\$ (879)
Interest	—	—	—
Provision (benefit) for taxes	550	894	(37)
Depreciation and amortization	644	731	46
EBITDA (non-GAAP)	\$ 3,281	\$ 3,656	\$ (80)
Adjustments:			
Talc legal settlement and defense costs	—	154	429
Restructuring expense	100	117	66
Impairment of intangible assets	12	—	—
Unrealized loss (gain) on securities	—	(18)	—
Separation-related costs	213	—	—
VAT legal resolution ⁽¹⁾	—	(74)	—
Gains on divestments	—	(25)	(30)
Adjusted EBITDA (non-GAAP)	\$ 3,606	\$ 3,810	\$ 3,775

(1) As a result of a 2021 ruling by the Supreme Federal Court of Brazil related to the methodology to calculate Brazilian Federal Social Contributions on Gross Revenues, we were entitled to certain one-time tax credits for taxes paid in prior years, which we recognized in 2021.

Adjusted Net Income

We define Adjusted net income, a non-GAAP measure, as U.S. GAAP net income (loss) adjusted for talc legal settlement and defense costs, restructuring expense, amortization and impairment of intangible assets, unrealized loss (gain) on securities, Separation-related costs, VAT legal resolution, gains and losses on divestments and the effects of changes in the fair value of contingent consideration and their related tax impacts.

Adjusted net income excludes the impact of items that may obscure trends in our underlying performance. Management uses Adjusted net income for strategic decision making, forecasting future results and evaluating

current performance. The reconciliation of net income (loss), a U.S. GAAP measure, to Adjusted net income (loss) is presented below:

(Dollars in Millions)	Fiscal Year		
	2022	2021	2020
Net income (loss)	\$ 2,087	\$ 2,031	\$ (879)
Adjustments:			
Talc legal settlement and defense costs	—	154	4,329
Restructuring expense	100	117	66
Amortization and impairment of intangible assets ⁽¹⁾	360	414	5
Unrealized loss (gain) on securities	—	(18)	—
Separation-related costs	213	—	—
VAT legal resolution ⁽²⁾	—	(74)	—
Gains on divestments	—	(25)	(30)
Tax Adjustments:			
Tax impact on special item adjustments	(171)	112	(1,47)
Tax legislation and other tax related	—	—	69
Adjusted net income (non-GAAP)	\$ 2,589	\$ 2,711	\$ 2,03

- (1) Amortization and impairment of intangible assets is inclusive of amortization on trademarks of \$187 million, \$213 million and \$197 million for 2022, 2021 and 2020, respectively.
- (2) As a result of a 2021 ruling by the Supreme Federal Court of Brazil related to the methodology to calculate Brazilian Federal Social Contributions on Gross Revenues, we were entitled to claim one-time tax credits for taxes paid in prior years, which we recognized in 2021.

Liquidity and Capital Resources

Historically, we have generated annual cash flow from operating activities. However, our working capital requirements and capital expenditures have historically been satisfied as part of Johnson & Johnson's corporate-wide cash management and centralized funding programs, and a substantial portion of our cash has been transferred to Johnson & Johnson. This arrangement is not reflective of the manner in which we would have financed our operations had we been a standalone public company during the periods presented.

The cash and cash equivalents held by Johnson & Johnson at the corporate level are not specifically identifiable to us and, therefore, have not been reflected on our combined balance sheets included elsewhere in this prospectus. Cash and cash equivalents on the combined balance sheets represent balances in accounts specifically identifiable to the Consumer Health Business. Johnson & Johnson's third-party long-term debt and the related interest expense have not been allocated to us for any of the periods presented as we were not the legal obligor of such debt.

Annual Cash Flows

Summarized cash flow information for 2022, 2021 and 2020 is as follows:

(Dollars in Millions)	2022	2021	2020	Change			
				2021 to 2022		2020 to 2021	
				Amount	Percent	Amount	Percent
Net income (loss)	\$ 2,087	\$ 2,031	\$ (879)	\$ 56	2.8 %	\$ 2,910	*
Net operating changes in assets and liabilities, net of effects from acquisitions and divestitures	(513)	(3,132)	4,242	2,619	(83.6)	(7,374)	*
Net cash flows from operating activities	2,525	334	3,397	2,191	*	(3,063)	(90)%
Net cash used in investing activities	(390)	(171)	(83)	(219)	*	(88)	*
Net cash used in financing activities	(1,583)	—	(3,457)	(1,583)	*	3,457	*

* Calculation not meaningful (>100%).

Operating Activities

Net cash flows from operating activities was \$2.5 billion and \$334 million for 2022 and 2021, respectively, an increase of \$2.2 billion. The increase was primarily attributable to \$3.2 billion of payments made in 2021 for Talc-Related Liabilities (which did not recur in 2022). This was offset by changes in working capital as summarized below:

- An increase in inventories due to increased demand, the rebuilding of inventory levels following a supply shortage and higher costs of inventory.
- An increase in trade receivables related to lower sales.
- A decrease in accounts payable, accrued and other liabilities (excluding Talc-Related Liabilities) related to improved payment terms, which started in 2021 and maintained in 2022, and a decrease in advertising spend.

See Note 13, “Commitments and Contingencies,” to our audited combined financial statements included elsewhere in this prospectus for additional information on Talc-Related Liabilities.

Net cash flows from operating activities was \$334 million and \$3.4 billion for 2021 and 2020, respectively, a decrease of \$3.1 billion. The decrease was primarily attributable to \$3.2 billion of payments made in 2021 for Talc-Related Liabilities. This was offset by changes in working capital as summarized below:

- An increase in trade receivables due to a slight extension in payment terms for certain regions as well as lower collections compared to the prior year which included an additional week in the fiscal year.
- An increase in inventories due to increases in freight and commodity costs.
- An increase in accounts payable, accrued and other liabilities (excluding Talc-Related Liabilities) related to improvements from timing of payments in the ordinary course of business.

See Note 13, “Commitments and Contingencies,” to our audited combined financial statements included elsewhere in this prospectus for additional information on Talc-Related Liabilities.

Investing Activities

Net cash used in investing activities was \$390 million, \$171 million and \$83 million in 2022, 2021 and 2020, respectively. The increase in cash used in investing activities from 2021 to 2022 was primarily driven by higher purchases of property, plant and equipment, offset by lower proceeds from the sale of equity investments in 2022 and higher proceeds from divestitures in 2021. The increase in cash used in investing activities from 2020 to 2021 was primarily driven by higher purchases of property, plant and equipment in 2021, offset by proceeds from the sale of equity investments in 2021 and higher proceeds from divestitures in 2020.

Financing Activities

Net cash used in financing activities was \$1.6 billion in 2022, negligible in 2021 and \$3.5 billion in 2020. The financing activities cash flows primarily reflect net transfers to Johnson & Johnson of \$1.6 billion in 2022 and \$3.5 billion in 2020. Net transfers to Johnson & Johnson were driven by cash pooling and general financing activities and offset by indirect cost allocations from Johnson & Johnson. For further details regarding net transfers to Johnson & Johnson, see Note 9, "Related Parties," to our audited combined financial statements included elsewhere in this prospectus.

Future Sources of Liquidity

Following the Separation, our capital structure and sources of liquidity will change from our historical capital structure because we will no longer participate in Johnson & Johnson's corporate-wide cash management and centralized funding programs. Our ability to fund our operating needs will depend on our ability to continue to generate positive cash flow from operations, and on our ability to obtain debt financing on acceptable terms or to issue additional equity or equity-linked securities not anticipated in this prospectus. Based upon our history of generating positive cash flows, we believe our existing cash and cash generated from operations will be sufficient to service our current obligations for at least the next 12 months. We believe that our cash balances and funds provided by operating activities, along with expected borrowing capacity and access to capital markets, taken as a whole, provide (1) adequate liquidity to meet all of our current and long-term obligations when due, including third-party debt that we expect to incur in connection with the Separation, (2) adequate liquidity to fund capital expenditures and (3) flexibility to meet investment opportunities that may arise. However, we cannot assure you that we will be able to obtain additional debt or equity financing on acceptable terms in the future.

In connection with the Separation, we expect to incur approximately \$9 billion of new debt pursuant to the Debt Financing Transactions. This new debt includes approximately \$7.75 billion of debt that we incurred in connection with the Notes Offering, which we completed on March 22, 2023, and is expected to include approximately \$1.25 billion of commercial paper outstanding under the Commercial Paper Program. We will pay Johnson & Johnson all of the net proceeds that we will receive from this new debt, together with any interest accrued thereon following our receipt of such proceeds, as partial consideration for the Consumer Health Business that Johnson & Johnson is transferring to us in connection with the Separation; provided that we expect to retain \$1.17 billion in cash and cash equivalents, after giving effect to this offering, the Debt Financing Transactions and the settlement or termination of certain intercompany accounts payable or accounts receivable between us and Johnson & Johnson. We expect to use our cash and cash equivalents, funds provided by operating activities and our future ability to refinance or secure additional financing to repay or refinance, as applicable, any debt obligations owed under the Debt Financing Transactions and the Revolving Credit Facility.

The debt incurred in connection with the Debt Financing Transactions imposes certain restrictions on our business and may adversely impact our financial condition, results of operations or cash flows. We currently estimate the debt will have a weighted average interest rate of approximately 5.08%.

On March 6, 2023, we entered into a credit agreement providing for the Revolving Credit Facility, a five-year senior unsecured revolving credit facility with an aggregate principal amount of \$4 billion. We do not expect the Revolving Credit Facility to be drawn from or used in connection with this offering of the Separation. The Revolving Credit Facility contains representations and warranties, covenants and events of default that are customary for this type of financing, including covenants restricting the incurrence of liens and the entry into certain merger transactions.

We expect to utilize our cash flows to continue to invest in our brands, digital capabilities, talent and growth strategies, to repay our indebtedness over time and for general corporate purposes.

Other Future Cash Requirements

We expect our other future cash requirements will relate to working capital, capital expenditures, restructuring and integration, benefit obligations, interest expense and debt service obligations, litigation costs and the return of capital to shareholders, including through the payment of any dividend. In addition, we may use cash to enter into business development transactions, such as licensing arrangements or strategic acquisitions.

In addition to our working capital requirements, as of January 1, 2023, we expect our primary cash requirements for 2023 to include capital expenditures. In addition to lease payments (see Note 1, “Description of the Company and Summary of Significant Accounting Policies,” to our audited combined financial statements included elsewhere in this prospectus for further details), we made payments of \$375 million for property, plant and equipment in 2022.

Future Litigation

In the ordinary course of business, we are involved in litigation, claims, government inquiries, investigations, charges and proceedings. See Note 13, “Commitments and Contingencies,” to our audited combined financial statements included elsewhere in this prospectus for further details regarding certain matters that are currently pending. Our ability to successfully resolve pending and future litigation may adversely impact our financial condition, results of operations or cash flows.

Off-Balance Sheet Arrangements

We did not have during the periods presented, and we do not currently have, any off-balance sheet arrangements (as defined under the rules and regulations of the SEC) or any relationships with unconsolidated entities that have or are reasonably likely to have a material current or future effect on our financial condition, changes in financial condition, net sales or expenses, results of operations, liquidity, cash requirements or capital resources.

Quantitative and Qualitative Disclosures About Market Risk

Foreign Currency Risk

We operate on a global basis and are exposed to the risk that our business, results of operations or financial condition could be adversely affected by changes in foreign currency exchange rates, including as a result of the recent strengthening of the U.S. Dollar or fluctuations in foreign currency rates in numerous jurisdictions, particularly the European Union, the United Kingdom, Japan, China, Canada, Brazil and India. We are primarily exposed to foreign exchange risk with respect to future intercompany products and third-party purchases of materials denominated in a foreign currency. We manage the impact of foreign exchange rate movements on our earnings, cash flows and fair values of assets and liabilities through operational means and through the use of various financial instruments, including derivative instruments such as forward foreign exchange contracts. Gains or losses on these contracts are generally offset by the gains or losses on the underlying transactions.

To protect gross margins from fluctuations in foreign currency exchange rates, affiliates of Johnson & Johnson that support the Consumer Health Business enter into forward foreign currency exchange contracts on behalf of the Consumer Health Business to hedge a portion of forecasted foreign currency net sales and forecasted inventory purchases. Additionally, during 2022, in anticipation of operating as a standalone entity, we started entering into forward foreign currency exchange contracts to hedge a portion of forecasted foreign currency revenue and forecasted inventory purchases.

Inflation Risk

Inflationary pressures have recently increased, and may continue to increase, the costs of raw materials, packaging components and other inputs for our products. Since 2021 and continuing throughout 2022, we have experienced, and we continue to experience, higher than expected inflation, including escalating transportation, commodity and other supply chain costs and disruptions that have affected, and continue to affect, our results of

operations. We have partially offset the impact of inflation largely through price increases, in addition to continued supply chain optimization initiatives. See “—Key Factors Affecting Our Results—Supply Chain Optimization Initiatives.”

However, if our costs continue to be subject to significant inflationary pressures, we may not be able to offset such higher costs through price increases which could adversely affect our business, results of operations or financial condition.

Interest Rate Risk

Our cash equivalents and marketable securities are subject to market risk due to changes in interest rates. Fixed rate securities may have their market value adversely affected due to a rise in interest rates, while floating rate securities may produce less income than expected if interest rates fall. Holding other estimates constant, a hypothetical 1% increase or decrease in interest rates would not have had a material impact on the value of our cash and cash equivalents as of January 1, 2023.

In connection with the Separation, we expect to incur approximately \$9 billion of new debt pursuant to the Debt Financing Transactions. This new debt includes approximately \$7.75 billion of debt that we incurred in connection with the Notes Offering, which we completed on March 22, 2023, and is expected to include approximately \$1.25 billion of commercial paper outstanding under the Commercial Paper Program. Our interest expense for these borrowings and for any new debt we may incur in the future, including under the Revolving Credit Facility, could be exposed to changes in interest rates. Interest rate risk is highly sensitive due to many factors, including the monetary and tax policies of the United States and other countries, market and economic factors and other factors beyond our control.

In October 2022 and November 2022, we entered into forward interest rate swap agreements in contemplation of securing long-term financing for the Separation or for other long-term financing purposes in the event the Separation does not occur. In connection with the Notes Offering, the interest rate swap contracts were early terminated on a negotiated basis. See Note 12, “Fair Value Measurements,” to our audited combined financial statements included elsewhere in this prospectus for additional information.

Commodity Price Risk

We are exposed to commodity and other price risk, including from essential oils, resins, pulp, tropical oils, lubricants, tallow, corn, poultry, soybeans and silicon; packaging components, including corrugate; and other inputs, including energy, labor, transportation (such as trucks, containers and ocean freight) and logistics services. We use various strategies, including the use of commodity hedging contracts, to manage cost exposures on certain material purchases with the objective of obtaining more predictable costs for these commodities.

Credit Risk

We are exposed to potential credit losses in the event of nonperformance by counterparties to our receivables, including our customers. Concentrations of credit risk arising from receivables from customers are limited due to the diversity of our customers. For 2021 and 2020, one of our customers accounted for approximately 14% of our total net sales and our top ten customers represented approximately 43% of our total net sales. For 2022, one of our customers accounted for approximately 13% of our total net sales and our top ten customers represented approximately 42% of our total net sales. We perform credit evaluations of our customers’ financial conditions and may also obtain collateral or other security as appropriate. Notwithstanding these efforts, current adverse macroeconomic factors across the global economy may increase the difficulty in collecting receivables.

Critical Accounting Policies and Estimates

Critical accounting policies and estimates are those policies and estimates that are most important and material to the preparation of our combined financial statements, and which require management’s most subjective and complex judgments due to the need to select policies from among alternatives available and to make estimates about matters that are inherently uncertain. We base our estimates on historical experience and other factors that we

believe to be reasonable under the circumstances. On an ongoing basis, we review our estimates to ensure that these estimates appropriately reflect changes in our business and new information as it becomes available. If historical experience and other factors we use to make these estimates do not reasonably reflect future activity, our business, results of operations or financial condition could be adversely affected.

Revenue Recognition

Our revenue contracts represent a single performance obligation to sell our products to customers. Revenue from the sale of products to customers is recognized at a single point in time when ownership, risks and rewards transfer, which can be on the date of shipment or the date of receipt by the customer depending on the terms of the contract. Net sales exclude taxes collected by us on behalf of governmental authorities and include the shipping and handling fees charged to customers.

The nature of our business gives rise to several types of variable consideration including trade promotions, comprised of coupons, product listing allowances, cooperative advertising arrangements, volume-based incentive programs, as well as discounts to customers, rebates, sales incentives and product returns, which are estimated at the time of the sale using the “expected value” method or the “most likely amount” method based on the form of variable consideration. Trade promotions, discounts to customers, rebates and sales incentives are issued to customers at the point of sale and are estimated based on contractual terms, historical experience, trend analysis and projected market conditions in the various markets served. Revenue is recognized net of provisions for discounts and trade promotions. The potential of our estimates to vary differs by product, customer type and geographic location. Historically, adjustments to these estimates to reflect updated expectations or actual results have not been material to our overall business.

See Note 15, “Segments of Business and Geographic Areas,” to our audited combined financial statements included elsewhere in this prospectus for further disaggregation of net sales.

Income Taxes

The tax amounts in the combined financial statements have been calculated based on a separate return methodology and presented as if our operations were reported by separate taxpayers in the jurisdictions in which we operate. Following the Separation, our operating footprint as well as tax return elections and assertions are expected to be different and therefore, our hypothetical income taxes, as presented in the combined financial statements, are not expected to be indicative of our future income taxes. Certain current income tax liabilities related to our activities included in Johnson & Johnson’s income tax returns are assumed to be immediately settled with Johnson & Johnson through the Net Parent investment account in the combined balance sheet and reflected in the combined statement of cash flows as a financing activity.

Income taxes are recorded based on amounts refundable or payable for the current year and include the results of any differences between U.S. GAAP accounting and tax reporting, recorded as deferred tax assets or liabilities. We estimate deferred tax assets and liabilities based on enacted tax regulations and rates. Future changes in tax laws and rates may affect recorded deferred tax assets and liabilities.

Federal, state and foreign income tax payables and receivables are recognized in the combined balance sheet for entities that file separate income tax returns and make direct payments to taxing authorities. Federal, state and foreign income tax payables and receivables for entities that file a combined, consolidated or group income tax return with Johnson & Johnson are deemed settled with Johnson & Johnson and are included in the Net Parent investment account.

Management establishes valuation allowances on deferred tax assets when it is determined “more likely than not” that some portion or all of the deferred tax assets may not be realized. Management considers positive and negative evidence in evaluating our ability to realize our deferred tax assets, including our historical results and forecasts of future ability to realize our deferred tax assets, including forecasts of future taxable income on a jurisdiction-by-jurisdiction basis.

We have unrecognized tax benefits for uncertain tax positions. We follow U.S. GAAP, which prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. The estimates for these positions are regularly assessed based upon all available information. These estimates may be revised in the future and such changes may have a material additional expense or benefit to our financial results or our effective tax rate.

In the United States, the Tax Cuts and Jobs Act of 2017 (“TCJA”) includes provisions for a tax on global intangible low-taxed income (“GILTI”). GILTI is described as the excess of a U.S. shareholder’s total net foreign income over a deemed return on tangible assets, as provided by the TCJA. In January 2018, the Financial Accounting Standards Board issued guidance that allowed companies to elect as an accounting policy whether to record the tax effects of GILTI in the period the tax liability is generated (i.e., “period cost”) or to provide for deferred tax assets and liabilities related to basis differences that exist at the balance sheet date and are expected to affect the amount of GILTI inclusion in future years upon reversal (i.e., “deferred method”). We have elected to account for GILTI under the deferred method. The deferred tax amounts recorded are based on the evaluation of temporary differences that are expected to reverse as GILTI is incurred in future periods.

On August 16, 2022, the United States enacted the Inflation Reduction Act of 2022 (“IR Act”), which, among other things, introduces a 15% minimum tax based on adjusted financial statement income of certain large corporations with a three-year average adjusted financial statement income in excess of \$1 billion, an excise tax on corporate stock buybacks and several tax incentives to promote clean energy. We are continuing to evaluate the IR Act and its potential impact on future periods, and at this time we do not expect the IR Act to have a material impact on our combined financial statements.

On December 15, 2022, the E.U. Member States formally adopted the European Union’s Pillar Two Directive, which generally provides for a minimum effective tax rate of 15%, as established by the OECD Pillar Two Framework that was supported by over 130 countries worldwide. The E.U. effective dates are January 1, 2024 and January 1, 2025 for different aspects of the directive. Including the number of countries in the European Union moving forward with Pillar Two legislation, a significant number of additional countries are in the process of implementing legislation to align with the OECD Pillar Two Framework. The global implementation of the minimum tax could have a material impact on our combined financial statements in future periods.

We have recorded deferred tax liabilities on all undistributed earnings prior to December 31, 2017 and certain undistributed earnings arising after December 31, 2017 from our subsidiaries organized outside the United States. We have not recorded deferred taxes on any other undistributed earnings arising after December 31, 2017 from our subsidiaries organized outside the United States, where the earnings are considered to be indefinitely reinvested. We intend to continue to reinvest these earnings in those operations outside the United States. If we decide at a later date to repatriate these earnings to the United States, we would be required to provide for the net tax effects on these amounts. We estimate that the tax effect of this repatriation would be approximately \$114 million under currently enacted tax laws and regulations and at current currency exchange rates. This amount does not include the possible benefit of U.S. foreign tax credits, which may substantially offset this cost.

We will enter into a tax matters agreement with Johnson & Johnson in connection with the Separation. See “Certain Relationships and Related Person Transactions—Agreements to be Entered into in Connection with the Separation—Tax Matters Agreement.”

See Note 1, “Description of the Company and Summary of Significant Accounting Policies,” and Note 11, “Income Taxes,” to our audited combined financial statements included elsewhere in this prospectus for further information regarding income taxes.

Legal Contingencies

We record accruals for loss contingencies including legal proceedings and product liability claims as these arise in the normal course of business. The accruals are recorded when it is probable that a liability will be incurred, and the amount of the loss can be reasonably estimated. Amounts accrued for legal contingencies often result from a complex series of judgments about future events and uncertainties that rely heavily on estimates and assumptions including timing of related payments. The ability to make such estimates and judgments can be affected by various

factors including, among other things, whether damages sought in the proceedings are unsubstantiated or indeterminate; scientific and legal discovery has not commenced or is not complete; proceedings are in early stages; matters present legal uncertainties; there are significant facts in dispute; procedural or jurisdictional issues; the uncertainty and unpredictability of the number of potential claims; ability to achieve comprehensive multi-party settlements; complexity of related cross-claims and counterclaims; and/or there are numerous parties involved. To the extent adverse awards, judgments or verdicts have been rendered against us or Johnson & Johnson, we do not record an accrual until a loss is determined to be probable and can be reasonably estimated.

See Note 1, "Description of the Company and Summary of Significant Accounting Policies," and Note 13, "Commitments and Contingencies," to our audited combined financial statements included elsewhere in this prospectus for further information regarding product liability and legal proceedings.

Goodwill and Intangible Assets

We assess goodwill and intangible assets with indefinite lives at least annually for impairment, or more frequently if impairment indicators exist. Factors considered for the annual impairment test or if indicators of impairment exist include:

- macroeconomic industry and market conditions;
- a significant adverse shift in the operating environment or the manner in which an asset is used; or
- pending litigation.

Intangible assets that have finite useful lives continue to be amortized over their useful lives and are reviewed for impairment if impairment indicators exist. Our evaluation is based on an assessment of potential indicators of impairment, such as:

- an adverse change in legal factors or in the business climate that could affect the value of an asset;
- an adverse change in the extent or manner in which an asset is used or is expected to be used; or
- current or forecasted reductions in net sales, operating income, or cash flows associated with the use of an asset.

No indicators of impairment were present for 2021 and 2020. During 2022, we recognized an intangible impairment of \$12 million in Other (income) expense, net, operating in our audited combined statements of operations related to certain trademarks deemed as irrecoverable.

During 2022, we reallocated goodwill to align with the new operating segments determined in 2022: (1) Self Care, (2) Skin Health and Beauty and (3) Essential Health, which are also our reporting units. As a result of this realignment, goodwill was reassigned to each of the reporting units using a relative fair value approach. We estimate the fair values of a reporting unit using a discounted cash flow model. Following the change in reporting units, we performed a quantitative impairment test on each of the reporting units which resulted in no impairment to goodwill. We performed our annual goodwill impairment analysis during the fourth quarter of 2022 and concluded there was no impairment to goodwill.

See Note 1, "Description of the Company and Summary of Significant Accounting Policies," and Note 4, "Intangible Assets and Goodwill," to our audited combined financial statements included elsewhere in this prospectus for further information regarding goodwill and intangible assets.

BUSINESS

Company Overview

We are the world's largest pure-play consumer health company by revenue with \$15.0 billion in net sales in 2022. We combine the power of science with meaningful human insights and digital-first capabilities, which we believe empowers approximately 1.2 billion people to live healthier lives every day. Our differentiated portfolio of iconic brands—including Tylenol, Neutrogena, Listerine, Johnson's, Band-Aid, Aveeno, Zyrtec and Nicorette—is built for moments that uniquely matter to our consumers and, we believe, drives positive health outcomes around the world.

We are a global leader at the intersection of healthcare and consumer goods, with a portfolio of iconic brands, operating in some of the most attractive categories in consumer health from both a growth and profitability perspective. Our consumer health portfolio includes self care, skin care and beauty and essential personal care products, which reflect categories that we believe allow consumers across the world to realize the extraordinary power of everyday care. We hold leadership positions across a \$369 billion consumer health market that we expect to grow at a compounded annual growth rate ("CAGR") of 3% to 4% globally through 2025.

We are well positioned to capitalize on this large market opportunity through our holistic approach to delivering consumer health solutions. This approach starts with our distinctive understanding of various consumer needs, which allows us to apply our consumer insights across multiple categories and brands. These comprehensive solutions are backed by science and recommended by healthcare professionals, which further reinforces our consumers' connections to our brands.

Our portfolio of brands is widely recognized and represents a combination of global and regional brands, many of which hold leading positions in their respective categories. Ten of our brands had approximately \$400 million or more in net sales in 2022, and we currently hold seven #1 brand positions across five major categories globally, in addition to many #1 brand positions locally across our four regions. In 2022, our net sales were well balanced and scaled across three segments: Self Care (40%), Skin Health and Beauty (29%) and Essential Health (31%).

Our global footprint is also well balanced geographically with approximately half of our net sales generated outside North America in 2022. The breadth and scale of our portfolio allows us to dynamically capitalize on and respond to current trends impacting our categories and geographic markets. Our breadth and scale also provide us with a strong platform to broaden and enhance our portfolio in the future.

Our global scale and brand portfolio are complemented by our well-developed capabilities and accelerated through our digital-first approach, allowing us to deliver better consumer health experiences. Our marketing organization leverages our e-commerce, precision marketing and broader digital capabilities to develop unique consumer insights and further enhance the relevance of our brands. Our R&D organization leverages these consumer insights and places human empathy at the heart of our product development process. We combine that perspective with deep, multi-disciplinary scientific expertise, and engagement with healthcare professionals, to drive innovative new products, solutions and experiences.

Our marketing and innovation capabilities are further complemented by our end-to-end, digitally connected supply chain ecosystem which is designed to optimize the flexibility and agility of our route-to-market. Our sourcing, manufacturing and demand planning capabilities are continuously optimized to meet evolving market dynamics. We also aim to leverage our flexible distribution network, consumer health thought leadership and data-driven customer partnerships to continue to drive joint value creation for us and our retail customers. Underpinned by our comprehensive ESG strategy, our core capabilities are supported by our commitment to building a resilient and sustainable business that creates value for all our stakeholders over the long term.

The strength of our business has created a compelling financial profile characterized by net sales growth and strong profitability. From 2020 to 2022, our net sales increased from \$14.5 billion to \$15.0 billion, representing a CAGR of 1.7%, our net income (loss) increased from \$(879) million to \$2.1 billion, our Adjusted EBITDA decreased from \$3.8 billion to \$3.6 billion and our Adjusted net income decreased from \$2.7 billion to \$2.6 billion. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Non-GAAP

Information” for information regarding our use of Adjusted EBITDA and Adjusted net income, which are non-GAAP financial measures, and for a reconciliation of each of Adjusted EBITDA and Adjusted net income to its most directly comparable financial measure calculated in accordance with U.S. GAAP.

Our Industry

We have a differentiated business profile focused exclusively on consumer health, with a portfolio that includes self care, skin care and beauty and essential personal care products. This broad portfolio allows us to provide holistic consumer health solutions to our consumers across a spectrum of need states and usage occasions, while holding leading positions across numerous large and attractive categories globally.

The \$369 billion consumer health market in which we operate grew at a CAGR of 4.8% from 2019 to 2022, according to data from Euromonitor and Nicholas Hall. We believe this total addressable consumer health market will continue to grow at a CAGR of 3% to 4% globally through 2025, supported by various secular trends expected to favor our industry.

Several trends are re-shaping consumer health and contributing to sustainable long-term growth potential. Specifically, we see the following trends unfolding:

- *Increasingly empowered consumers focused on their health.* Consumers are increasingly adopting a holistic approach across the consumer health continuum, understanding that overall well-being is a foundational element of a balanced and longer life. Consumer preferences and expectations for consumer health products continue to evolve, with a heightened focus on preventative care and science-backed solutions. While the focus on consumer health was already on the rise before the COVID-19 pandemic, this focus has further accelerated since the start of the pandemic. We see momentum in the OTC category, while dermocosmetics continue to outpace the broader skin care and beauty category, shifting the paradigm of beauty towards health. We believe this trend is expected to continue and that consumers will continue to seek solutions that meet their health goals.
- *Global healthcare systems embracing proactive and preventive health and wellness.* As demand for healthcare rises, both developed countries and emerging markets will experience increased strain on health services and fiscal budgets. In OECD countries, health spending constituted an average of 15% of all government expenditure in 2019. Effective consumer health solutions provide an alternative to help meet some of these demands. These solutions are expected to experience increasing demand and government support in the future. One example of this trend is the “Healthy China 2030” strategic plan. The plan broadly aspires to provide equitable, systematic and sustainable services for the population of China throughout their lives, most notably from a self care perspective. Worldwide, we believe that improving health literacy and education can have empowering effects on peoples’ lives. We also believe that consumer health brands can have an impact in alleviating global healthcare crises with products that can be a first line of defense against preventable ailments and other health issues, significantly reducing overall healthcare system costs.
- *Traditional retailers increasing focus on health and wellness.* As a result of increasing demand for consumer health products, traditional retailers have shifted their focus and allocated more shelf space to consumer health categories. According to a third-party report, 38% of consumers surveyed as of May 2021 believe offering a wide variety of OTC healthcare products is the most important factor for retailers to be considered a trusted health source. As a partner to consumers on their health journey, retailers have health and wellness at the core of their growth ambitions and have already experienced increased foot traffic in outlets with health-focused offerings. In addition, many traditional retailers have also designed their own in-house health-oriented service platforms to capitalize on this momentum. We expect this trend will accelerate in the medium term as additional traditional retailers realize the benefits of focusing on health and wellness as consumers continue to incorporate these products in their everyday lives.
- *Digital ecosystems creating new opportunities and personalized solutions.* The overall consumer health sector is becoming increasingly digitally oriented. Technology and data help personalize solutions through consumer insights and offer new ways to interact with consumers through a true omnichannel approach,

including social media, mobile apps, telehealth, connected devices and other channels. E-commerce adoption in the consumer health sector has continued growing since the start of the COVID-19 pandemic as consumers across multiple generations are increasingly demanding omnichannel options and purchasing consumer health products through e-commerce or DTC channels.

- *Premiumization reflecting shifting purchase drivers among consumers.* Premiumization trends have been observed in consumer categories for decades resulting from demographic shifts and evolving consumer preferences, as well as the more recent impact of social media. The skin care category exemplifies this shift, particularly in China where it is buoyed by urbanization and e-commerce access, and in the United States as mass and premium categories increasingly converge online and offline, reflecting consumers' willingness to invest in better health and beauty outcomes and experiences. Consumers are increasingly prioritizing the effectiveness of their products and seeking science-based solutions across all price points. We believe these trends will align with broader demand for consumer health in the future as consumers continue to pursue these benefits proactively.
- *Aging population.* According to the World Health Organization, the world's population over 60 years old will nearly double between 2015 and 2050. This aging population will require significant public and private efforts to ensure that health and social systems are equipped to handle this demographic shift. More than ever before, we expect that consumer health and personal care companies will be relied upon to continue developing products that meet the needs of an aging population. We also expect that the demand for early preventative solutions, self care and anti-aging products will continue to increase as more consumers, from Baby Boomers and Generation X to Millennials and Generation Z, learn and appreciate the benefits of focusing on their health sooner.
- *Growing middle-class in emerging markets.* Over the next 15 years, the number of middle-class consumers globally is expected to rise significantly, particularly in Asia. We are witnessing the rise of a new middle class across multiple emerging markets, comprising households with an income level comparable to that of developed economies. According to Euromonitor, between 2019 and 2030, the number of households with annual disposable income of \$45,000 to \$100,000 on a purchasing power parity basis across emerging markets is expected to rise by 5% to 6% per year on average, significantly exceeding the average annual growth of 1.2% expected for the total number of households in the same period. We believe this trend will continue to drive incremental demand for consumer health and personal care products across multiple geographic markets.

Further details on the consumer health categories we operate in through each of our three business segments are summarized below:

- The Self Care subcategories in which we have products comprise a \$114 billion global market as of calendar year 2022, which grew at a CAGR of 5.1% from 2019 to 2022 according to Nicholas Hall. The Nicholas Hall subcategories in which we have Self Care products include: Analgesics, Gastrointestinals, Dermatologicals, Lifestyle CHC, Cough & Cold, Allergy, Eye Care and Smoking Control. Vitamins, minerals & supplements are excluded.
- The Skin Health and Beauty subcategories in which we have products comprise a \$217 billion global market as of calendar year 2022, which grew at a CAGR of 4.5% from 2019 to 2022 according to Euromonitor. The Euromonitor subcategories in which we have Skin Health and Beauty products include: Conditioners and Treatments, Hair Loss Treatments, Shampoos, Medicated Shampoos, Skin Care and Adult Sun Care.
- The Essential Health subcategories in which we have products comprise a \$38 billion global market as of calendar year 2022, which grew at a CAGR of 6.2% from 2019 to 2022 according to Euromonitor. The Euromonitor subcategories in which we have Essential Health products include: Baby and Child Specific Products (excluding Wipes), Mouthwash/Dental Rinses, Sanitary Protection (excluding the United States, Canada and China) and Wound Care.

Within our three business segments, we sell products that are regulated by the FDA as drugs, cosmetics or medical devices. For additional information about the regulation of these products, see “—Government Regulations—Drug Products,” “—Government Regulations—Cosmetics” and “—Government Regulations—Medical Devices.”

Our Competitive Strengths

We believe our business is differentiated by the following set of competitive strengths. Although we believe these competitive strengths will contribute to the growth and success of our company, our business is subject to risks that may prevent us from achieving our business objectives or otherwise adversely affect our business, results of operations or financial condition. See “Prospectus Summary—Summary of Risk Factors” and “Risk Factors” for a discussion of these risks, which you should consider carefully before making an investment decision to purchase shares of our common stock.

Leading portfolio of category-defining and trusted brands

We have a world class, global portfolio of iconic and modern brands that has been built over the last 135 years and is trusted by generations of consumers. Our curated and purposeful portfolio of brands enables us to deliver holistic consumer health solutions to our consumers across multiple categories. Our brands are widely recognized and include household names such as Tylenol, Listerine, Neutrogena, Aveeno, Johnson’s and Band-Aid. At a time when consumers are increasingly health-conscious, we believe our brands empower approximately 1.2 billion people to live their healthiest lives every day. Operating across a number of categories and geographies around the globe, our comprehensive portfolio combines global and regional brands, many of which hold leading positions in our three segments. Among them, ten brands had approximately \$400 million or more in net sales in 2022. We currently hold seven #1 brand positions across major categories globally, in addition to many #1 brand positions locally across our four regions. In addition, in June 2022, Band-Aid was named the #1 most trusted brand in the United States across all categories by Morning Consult. Although some of our brands and products currently hold leading market positions, they nonetheless may possess a relatively small share of a highly fragmented market or may face a competing product that possesses a larger market share on a global or regional basis. While operating in competitive markets, we believe the strength of our brand recognition is a key differentiator that allows us to maintain and gain mindshare among consumers around the world.

Our top 10 brands globally by net sales in 2022 include:



Deep connection with consumers built upon trust and human empathy

Our brands are built for moments that uniquely matter, which helps create deep bonds with our consumers. Whether for the first baby bath, the first cut and bruises, a pain or sniffle or the onset of menstruation, our iconic brands are there, introduced by people consumers love and trust. We believe these moments of vulnerability when our brands are first introduced create an emotional connection to our products and a deep association of care and well-being that fosters lifelong loyalty to our brands. Although consumer preferences and purchasing patterns are difficult to predict, we strive to meet evolving consumer values, including growing interests in sustainability and inclusivity, which further deepens consumers’ trust in and loyalty to our brands. We recognize that developing and maintaining the reputation of our brands is a critical component of our relationship with consumers, customers and other third-party partners, and the failure to maintain the value of our brands could impact our brand loyalty with these parties.

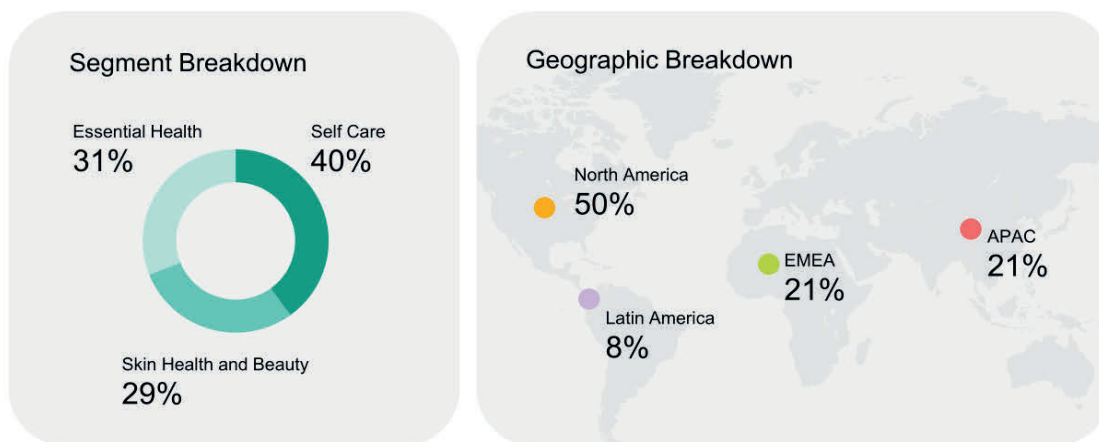
Products recommended by healthcare professionals and experts

We believe our relationships with healthcare professionals and experts and health organizations complement our ability to articulate our science-backed solutions in ways that meet the needs and preferences of our consumers. Several of our brands have a long history of recommendations by healthcare professionals and are the #1 most recommended brand by healthcare professionals in their respective categories. For example, Tylenol is the #1 doctor recommended adult pain medication in the United States, Neutrogena is the #1 dermatologist recommended OTC sunscreen and acne brand in the United States and Listerine is the #1 dentist recommended mouthwash in the United States, based on surveys conducted by third parties of select healthcare practitioners in the United States from 2020 to 2022. We also maintain several relationships with established health organizations, including the American Heart Association, the American Academy of Dermatology and the Arthritis Foundation.

Balanced and resilient business profile across categories and geographies

We have a balanced, resilient business profile with iconic brands across categories and geographic markets. In 2022, our net sales were well balanced across three segments, all focused on consumer health: Self Care (40%), Skin Health and Beauty (29%) and Essential Health (31%). Within each of these segments, our portfolio of iconic brands operates within some of the most attractive categories in the consumer health industry from both a growth and profitability perspective. This balance across categories and geographic markets has also provided resilience across economic cycles, as exemplified during the COVID-19 pandemic, where increased demand for certain of our Self Care and Essential Health products balanced the reduced demand from lost usage occasions due to lockdowns and other factors affecting our Skin Health and Beauty segment. Furthermore, our portfolio, fueled by the power of our global brands and complemented by strong regional brands that are uniquely tailored to local preferences and trends, represents a well-balanced footprint between North America and other regions. While North America is our largest geographic region, approximately half of our net sales in 2022 were generated in other regions. The breadth and scale of our portfolio allows us to both dynamically capitalize on and respond to current trends impacting our categories and geographic markets, and provides us a strong platform to broaden and develop our portfolio in the future.

Segment and Geographic Net Sales Breakdown



Note: As of 2022

Consumer-focused innovation backed by science

Product innovation is deeply rooted in our DNA and strongly manifested in our culture. Since their inception, the goal of our brands has been to make a positive and enduring impact on the daily health of our consumers through advancements in science and technology. Several of our products also have a long history of life-enhancing, first-to-market innovations, such as our Band-Aid product which was first launched in 1921 and created the adhesive

bandage category. In some situations, we have driven the innovation and clinical research compendium of entire categories. For example, since 2009, we have generated more than 90% of all industry-sponsored research on baby skin development and baby skin care globally. In addition, we are a leader in mouthwash research, with Listerine having been studied and published in hundreds of peer-reviewed publications spanning back more than a century.

By leveraging leading R&D capabilities and a team of approximately 1,500 R&D professionals, we have a multi-disciplinary and differentiated approach to innovation. We leverage our extensive capabilities and consumer insights, derived through human empathy, to develop innovative new products and solutions that meet the specific needs of our consumers while enhancing their overall standard of care. Further, this approach is supported by rigorous scientific application based on our vast clinical research capabilities and long-standing relationships with healthcare professionals and academic institutions. Our robust R&D capabilities have enabled us to launch more than 100 new product innovations each year since 2020. In addition, product innovations launched during the preceding three-year period have accounted for approximately \$1.5 billion of our net sales each year since 2020.

Digital-first mindset

Over the last several years, our digital acceleration has transformed our ability to deliver better consumer health experiences. Today, we apply a digital-first mindset to all aspects of our operations, including R&D, supply chain, go-to-market and marketing, by prioritizing digital investments across our three segments. We have also significantly shifted our capital allocation priorities, and gradually increased our investment focus, into enhancing our digital capabilities. In 2022, 71% of our marketing spend was allocated to digital investments. These investments are improving data quality and access, fostering innovation, driving e-commerce success and enabling us to manage our supply chain more effectively while enhancing our marketing and commercial capabilities. By harnessing billions of consumer data points, we create a personalized approach to health, consistent with data use and privacy requirements. Through technology-enabled solutions driven by Artificial Intelligence and data analytics, we drive scientific discovery with strategically located labs around the globe. This is further supported by data-driven customer partnerships and advanced business-to-business-to-consumer capabilities that enable us to win with customers and improve the efficiency of our marketing spend.

Operational excellence and flexibility driven by global reach, scale and a purpose-built supply chain

With a global team of more than 22,000 employees, presence in more than 165 countries and 25 in-house manufacturing sites, we are the world's largest pure-play consumer health company by revenue. Although as a standalone company we will no longer benefit from Johnson & Johnson's size and scale, we believe the scale and global footprint of our operations provides significant economies of scale, negotiating power with customers and suppliers and operational efficiencies across the globe.

Although the COVID-19 pandemic and the current volatility in the cost and availability of raw materials and other inputs for our products have tested our resilience, our supply chain has responded well overall. We continue to refine our network and enhance our product resiliency through reformulation, increased dual sourcing and inventory strategies. Within this context, reliability and resiliency remain our priority as we build a fit-for-purpose supply chain that ensures we deliver our products to our consumers and customers whenever and wherever they need them.

Our supply chain network is purpose-built to deploy resources across the globe where they are most needed. Our extensive distribution network and sales organization enable us to establish strategic partnerships with key suppliers and retailers across multiple markets and channels, where we further leverage our scale to drive flexible manufacturing capacity and supply chain optimization. We believe this approach builds and supports our resilience across economic cycles and allows us to prioritize or expand our geographic focus based on our strategic priorities.

Proven leadership team supported by a diverse employee base and agile philosophy

Our senior leadership team consists of seasoned professionals with deep industry expertise at the intersection of consumer goods and healthcare, with average experience of approximately 18 years. This leadership team has a significant track record of successfully delivering results, and has effectively transformed our business since taking the helm in 2019 by launching a strategic transformation that we believe positions us for success as a standalone public company. In addition, our senior leadership team is global and diverse, represented by 9 different nationalities

and over 58% women. This robust group helps bring our employees together on a worldwide basis, with approximately 75% of our workforce located outside of North America.

We have built a world-class and diverse team that truly reflects the consumers and customers we serve. Through an agile structure focused on the ability to respond quickly to changes in market and consumer dynamics, we increasingly operate our organization based on three main agility principles: (1) consumer and customer obsession, (2) small, cross-functional empowered and accountable teams and (3) servant and inclusive leadership. We believe that our blend of talent, experience, diversity and agile, inclusive culture is a key competitive strength that will support our continued growth.

Robust financial profile with strong profitability

We have an attractive financial profile with momentum across all three segments, following a deliberate strategy adopted in 2019 aimed at expanding profitability and accelerating growth. The key elements of this strategy involved organizational re-design, portfolio repositioning and capability building. Since then, we have tailored our portfolio by reducing the number of SKUs by 21% through 2022 and increasing media ROI, defined as incremental retail sales divided by cost of media, at a CAGR of 13% through 2021. Since the beginning of 2016, we have also actively refined our portfolio by completing 10 acquisitions and 15 divestitures.

Net sales grew from \$14.5 billion in 2020 to \$15.0 billion in 2022, representing a CAGR of 1.7%. Net income (loss) grew from \$(879) million in 2020 to \$2.1 billion in 2022. Adjusted net income and Adjusted EBITDA decreased from \$2.7 billion to \$2.6 billion and from \$3.8 billion to \$3.6 billion from 2020 to 2022, respectively.

Our Growth Strategies

Our leading competitive positions across attractive consumer health categories and our strong global presence provide us with multiple avenues to drive continued long-term growth. We plan to deliver this growth by capturing additional category and brand penetration through growing brand relevance and salience, increasing product availability in existing and new channels and delivering a consistent cadence of innovation. In addition, we also intend to selectively expand into new product adjacencies and geographic markets, while also thoughtfully and prudently evaluating acquisitions to enhance our core portfolio and capabilities.

Grow brand relevance and salience

We believe there are significant opportunities to further increase our category and brand penetration by continuing to deepen our brand relevance and salience across our portfolio. This begins with our marketing expertise that is built upon a combination of human empathy, science that improves health outcomes and a digital-first approach to promoting the relevance and salience of our brands. Our digital-first approach to marketing generates unique consumer insights, which we leverage to continuously evolve our brand messaging. We believe this consumer-centric approach drives brand relevance and ultimately increases category and brand penetration.

Over the last several years, our consumer-centric marketing campaigns have received considerable consumer acclaim and increased our category and brand penetration throughout our portfolio. For example, our Neutrogena SkinU campaign, where we utilized TikTok to feature our consumer health scientists as the stars of the content, resulted in more than 300 million social media impressions and contributed to a 660% increase in Neutrogena's social media followers from August to December 2021.

Based on our success to date, we believe there is a significant opportunity to further increase brand relevance and salience across our portfolio, such as in the mouthwash category with our Listerine brand, where household penetration is still relatively modest. We believe there are further opportunities to increase our penetration with our Tylenol brand among older generations, and with our Nicorette brand among people who are trying to quit smoking.

Increase product availability through our omnichannel strategy

Our omnichannel strategy starts with a deep understanding of how consumers are shopping in a rapidly evolving retail landscape, where we work closely with our retail partners, both online and offline, to ensure product availability at the right place, the right time and with the right value proposition, allowing us to drive category and

brand growth. Our omnichannel approach is highly targeted to our most attractive core geographic markets, which we define as fast-growing markets where we are well positioned to win.

We have an opportunity to further expand product availability in our core geographic markets, such as North America and China, with our existing retail customers through leveraging our thought leadership in consumer health, scientific expertise and focus on joint value creation. As our traditional retail customers continue increasing their focus on consumer health, our portfolio is particularly well positioned to capture this incremental shelf space through our holistic approach to delivering consumer health solutions. Additional retail partnerships represent another opportunity to expand offline retail category penetration for our leading brands in our largest geographic markets. Examples of these partnerships include our sun care partnership with Walgreens and our data collaboration through the Walmart Luminate portal. We also have an opportunity to increase our presence in the fast-growing pharmacy channel globally, where we have a strong existing footprint to expand upon, particularly in EMEA, India and China. We also intend to expand our presence in online-to-offline services in APAC.

We also plan to continue accelerating our omnichannel strategy by driving our e-commerce sales, which represented 13% of our net sales in 2022 and grew at a CAGR of 20% from 2020 to 2022. We plan to further increase our e-commerce sales through additional product availability and innovation online, driving brand awareness through targeted advertisement placements and leveraging our go-to-market capabilities to continuously improve delivery times. The DTC channel, which enables greater direct consumer engagement, is another component of our omnichannel strategy. For example, Dr. Ci:Labo, our dermocosmetic skin care brand, sold 63% of sales in Japan direct to consumer in 2022.

Deliver a consistent cadence of innovation

We have a successful track record of driving innovation across our categories with a science-based approach centered around human empathy and leveraging our long-standing relationships with healthcare professionals and academic institutions. We expect that our future innovation pipeline will be increasingly related to connected health solutions, including digital diagnostics and therapeutics, enhancing product accessibility to all consumers, expanding usage occasions through scientific claims, driving novel scientific breakthroughs and premiumization.

One example of our connected health solutions leverages the Nicorette brand to create a nicotine replacement therapy ecosystem, which provides behavioral support to people who are trying to quit smoking through a mouth spray connected to a mobile app. This innovation provides people with the ability to set goals, track their progress against a personalized quit plan and review money saved from quitting smoking. We also believe there are opportunities to increase product accessibility, such as through our Tylenol Dissolve Packs, which increase the comfort and convenience of taking medication for our consumers.

We are increasing the usage occasions of our products through scientific support. For example, although rinse is not intended to replace brushing and flossing, a study sponsored by Johnson & Johnson Consumer Inc. on the comparative effects of various oral hygiene routines on the prevention and reduction of plaque, gingivitis and gingival bleeding demonstrated that oral hygiene regimens that include the use of Listerine result in greater reduction of plaque above the gumline relative to flossing, as measured by sustained plaque reduction after a dental cleaning, and also reduce gingivitis and gingival bleeding. The claims described in this prospectus relating to the efficacy of our products are not subject to approval by the FDA or comparable authorities in other jurisdictions.

Expand product portfolio into product adjacencies and extend geographic footprint

We plan to leverage our world-class R&D capabilities and cross-category insights to launch new products in adjacent categories in our core geographic markets where we see significant growth potential, and where we are best positioned to win. We believe our consumer and shopper insights indicate that our portfolio resonates in a broad set of new product categories based on identified incremental pockets of demand and consumption occasions. We can address this opportunity through new brand introductions or brand extensions across different or adjacent categories.

Given our global scale, including in the United States and China, we are well positioned to work with our retail partners to meet increasing consumer health demands and develop new product adjacencies for evolving consumer needs globally. In addition to prioritizing expansion in our existing markets where we have identified the most

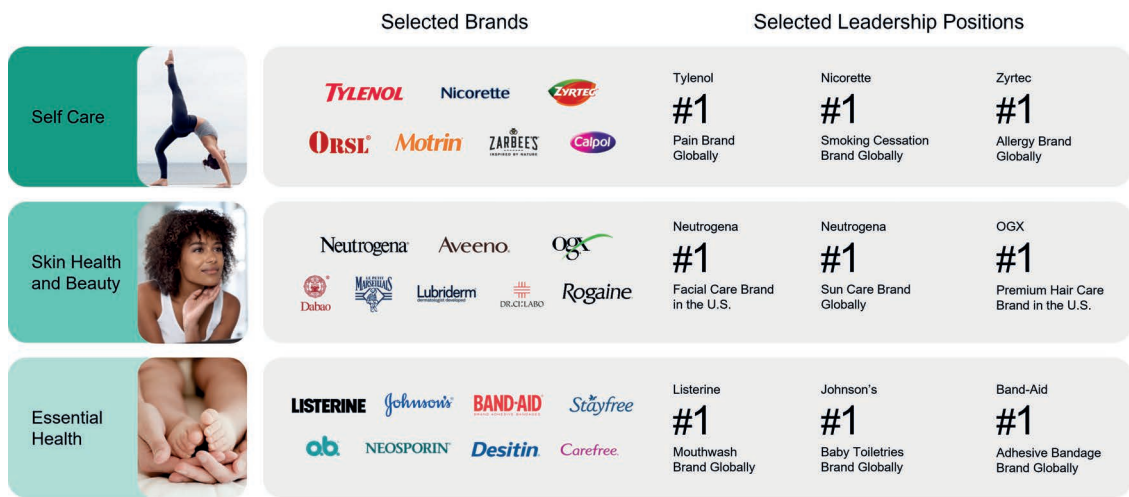
attractive opportunities, we also intend to invest in other sizable, growing and underpenetrated geographic markets throughout the world. For example, since 2018, we have launched the Aveeno brand in multiple new geographic markets, including Indonesia, Malaysia and the Philippines.

Continually evaluate acquisitions that enhance our core product portfolio and capabilities

We intend to supplement our capital expenditure and R&D investments with a disciplined and prudent approach to acquisitions and partnership opportunities that accelerate growth within our business. We believe that our global scale and exclusive focus on consumer health as a standalone company will allow us to evaluate a more targeted set of acquisition opportunities and make us a highly attractive strategic partner. We plan to strategically and actively monitor the market for value-enhancing opportunities, such as adding differentiated product offerings and capabilities, strengthening our competitive positioning, increasing our portfolio depth and growing our addressable markets. We have also demonstrated an ability to successfully integrate and scale acquired businesses to further build upon our market leadership across our product portfolio. We believe our strong balance sheet will allow us to thoughtfully pursue acquisitions while maintaining our disciplined approach to capital allocation.

Our Brands and Product Portfolio

We have a world-class portfolio of iconic, trusted brands that are leaders in their respective categories, and include some of the most recognizable household names across our industry. Our overall strategy focuses on operating our portfolio in a highly targeted manner, allowing us to focus on the most attractive categories and geographic markets. We organize our portfolio into three reported segments: Self Care, Skin Health and Beauty and Essential Health.



Each of our reported segments is focused on driving financial performance by leveraging specific category expertise and capabilities while also benefiting from our scale to collaborate across the organization, including in brand management and marketing, R&D and innovation, insights and analytics and digital commerce.

Self Care

The Self Care subcategories in which we have products comprise a \$114 billion global market as of calendar year 2022, which grew at a CAGR of 5.1% from 2019 to 2022 according to Nicholas Hall, as described above under “—Our Industry.” While sales in our Self Care categories were accelerated by changes in consumer behavior during the COVID-19 pandemic, we had double-digit growth rates in the self care market globally and across our four regions in 2022. This performance was driven by our strategic prioritization of key categories in attractive geographic markets where we have the greatest opportunity to drive growth.

Our Self Care portfolio is anchored on iconic brands that have been serving consumers for generations. We are focused on critical Self Care categories and prioritize the specific geographic markets with the strongest growth potential and where we are well positioned to win. In 2019, we established pain, allergy and smoking cessation as our highest priorities, and North America and APAC as our core geographic markets. This is supported by 2022 sales data, which show that the United States was the country with the largest self care market and APAC was the region with the second largest self care market, each with significant opportunity in key need states. We also selectively prioritize other geographic markets and need states where we believe there is a large potential opportunity, such as in EMEA, where Nicorette is the leading brand in the large and growing smoking cessation category.

Our Self Care strategy is driving brand leadership throughout our portfolio. For example, Tylenol is the #1 pain care brand globally, Nicorette is the #1 smoking cessation brand globally and Zyrtec is the #1 allergy brand globally. In addition, our allergy brand portfolio is #1 in the category globally, and we have the #1 market share in China among multinational companies in the Self Care categories where we participate.

Our Self Care segment generated \$6.0 billion in net sales and \$2.1 billion in segment Adjusted operating income (a 34.6% segment Adjusted operating income margin) in 2022 and has grown net sales at a 7.3% CAGR from 2020 to 2022. Over this time, we have grown net sales by twice the Self Care category growth rate in North America. From 2019 to 2022, we were the fastest growing multinational company by revenue in the Self Care categories where we participated in APAC with a CAGR of 7.4%, and the second-fastest growing multinational company by revenue in the Self Care categories where we participated in the United States with a CAGR of 8.0%.

We also have a strong foundation for future growth across our portfolio. We believe we are particularly well positioned to shape the future of our categories through delivering on connected health offerings, including digital diagnostics and telemedicine, expanding our personalized solutions and increasing our natural product offerings.

From this strong foundation, we have built a portfolio of iconic brands, supported by trends that help deliver overall platform growth. Some of our key brands include:



Tylenol is the #1 global Pain brand and the #2 global Self Care brand, with the #1 U.S. household penetration. Tylenol has been caring for families since 1955 when its first product, Children's Elixir, was launched. Although the Tylenol story started with just one product, it has evolved to include a full suite of pain relief, cold and flu, sleep and pediatric products. Studies sponsored by Johnson & Johnson Consumer Inc. and by third parties have shown that these products help relieve, among other things, headache and muscle pain, arthritis pain, sinus and nasal congestion, fever and pain with sleeplessness. We are continuously looking for ways to expand Tylenol's brand leadership, particularly through our digital and connected health offerings. For example, in 2022 we launched the Tylenol SmartCheck Digital Ear Scope, which empowers consumers to work with their healthcare providers to check for ear infections remotely, avoiding costly and time-consuming in-person visits.



Nicorette is the global leader in smoking cessation by market share and is the #1 recommended smoking cessation brand by both doctors and pharmacists according to surveys conducted by third parties of select doctors and pharmacists across EMEA from 2018 to 2022. We own the Nicorette brand and manufacture, market and distribute Nicorette products outside the United States, and we license the Nicorette brand to Haleon to market and distribute Nicorette products in the United States. We have pioneered Nicotine Replacement Therapy innovation and quitter support for over 40 years. Smoking remains a global health emergency, as a leading cause of preventable death. Our mission, built on human empathy, is to help the more than one billion smokers worldwide as of 2020 achieve total freedom from both tobacco and nicotine. Throughout our history, we have engaged with healthcare professionals to help save the lives and improve the health of millions of smokers. For example, in 2021 we

launched Nicorette QuickMist SmartTrack, which is a fast craving-relief spray linked to a behavioral support app that seeks to help consumers in their quit journey.



Zyrtec is the #1 allergy brand globally and the #1 recommended allergy brand by both doctors and pediatricians. Allergies afflict a significant portion of the world's population across many age groups and geographic markets. Climate change has already had a major impact on allergies, adding over 20 days to the allergy season between 1990 and 2018 in North America and increasing pollen concentration by over 21% over this period. This is expected to grow the allergy category in the United States over time. Our marketing model is built to meet the variability of the allergy season, and we leverage our precision marketing capabilities to target the most afflicted consumers throughout the year. We also use our data analytics capabilities to identify timing for seasonal allergies and respond by more effectively launching media during the critical times of the year for each geographic market, which enables consumers to more effectively manage their allergies. We have also developed a connected health solution called our AllergyCast App, which allows users to receive personalized allergy forecasts for pollen, weather and air quality which update based on the user's location.

Other Selected Self Care Brands



Our Self Care portfolio includes additional brands that hold regional leadership positions in key markets. Some of these brands include: ORSL, the #1 doctor-prescribed ready-to-drink electrolyte and energy brand in India, which we acquired in 2014; Motrin, a leading pain relief brand with an established presence in the United States and the #1 Pediatric Pain Care brand in China; Zarbee's, a fast-growing brand we acquired in 2018, which expanded our product offerings and geographic footprint of nature-inspired solutions; and Calpol, the #1 Pediatric Analgesics brand in the United Kingdom.

Skin Health and Beauty

The Skin Health and Beauty subcategories in which we have products comprise a \$217 billion global market as of calendar year 2022, which grew at a CAGR of 4.5% from 2019 to 2022 according to Euromonitor, as described above under "—Our Industry." This growth has been fueled by expandable consumption, premiumization and the acceleration of digital and e-commerce as consumers increasingly shift their health and beauty spending online.

Our leadership position in our Skin Health and Beauty segment is driven by our mission to deliver health in the service of beauty. Our portfolio of category-leading skin and hair care brands leverages our unique perspective as a leader in healthcare to provide differentiated, science-backed products recommended by healthcare professionals that deliver healthy-looking, beautiful skin and hair. Our portfolio is built from a scaled position of highly penetrated and high-share brands in North America led by two leading global brands, Neutrogena and Aveeno. Over the last several years, we have been purposefully augmenting our portfolio through acquisitions towards high growth and margin segments. For example, we acquired the Dr. Ci:Labo brand to increase scale and penetration in China, the country with the world's largest dermocosmetic facial care market in 2022. In addition, our acquisition of the OGX brand enabled our entry into the premium hair care category, driving further opportunities for growth.

Today, our category leadership starts in North America where we hold a number of leadership positions in the categories and channels where we compete. Our Neutrogena brand is the #1 facial care brand in the United States, our Aveeno brand is the #1 body care brand in Canada excluding adult bar soaps, and our OGX brand is the #1

premium hair care brand in the United States. We also have a significant opportunity in APAC, where we leverage a mix of both our global brands, such as Neutrogena and Aveeno, and our local brands to penetrate a region that comprised 33% of global skin health sales in 2022. For example, Dr. Ci:Labo is the #2 dermocosmetic brand in Japan.

Our Skin Health and Beauty segment generated \$4.4 billion in net sales and \$708 million in segment Adjusted operating income (a 16.3% segment Adjusted operating income margin) in 2022. Net sales have declined at a (1.1)% CAGR from 2020 to 2022, adversely impacted by lost usage occasions due to lockdowns during the COVID-19 pandemic.

From 2020 to 2022, our global Skin Health and Beauty e-commerce sales grew 27% and are growing approximately twice as fast as the overall category as of 2022, and we plan to continue accelerating our e-commerce growth. Innovation also continues to play a critical role in driving growth in our priority brands. We leverage our scientific expertise and consumer insights to deliver on unmet consumer needs in fast-growing need states from acne to aging to sensitive skin. We also intend to continue building and leveraging digital and data capabilities to deliver personalized consumer experiences, and we expect diversity, inclusion and sustainability to be essential to our continued success and relevance.

Our largest brands help anchor our portfolio and will support our overall segment growth. Some of our key brands include:

Neutrogena

Neutrogena is the #1 facial care brand in the United States and the #3 facial care brand globally. In the facial cleansing category, Neutrogena is the #3 brand in the United States among Hispanics and the #2 brand in the United States among Millennials. It is also the #1 most reviewed brand in the skin care category on Amazon in 2022. The brand brings 60 years of expertise and dermatologist recommendations to address the specific needs of today's consumers. Through the brand, we uniquely understand the connection between our consumers' skin and their experiences and deliver science-based solutions that we believe help our consumers live life to the fullest. Neutrogena's heritage comes from facial cleansing, which is the foundation of every skin care routine, and we continue to be highly relevant to young and diverse consumers. We expect that the brand will drive future growth in high-value, high-growth categories such as facial cleansing, facial moisture treatment, acne and sun care by building on our track record of successful new product innovation that delivers prestige-like experiences, efficacy and sustainability.

Aveeno

Aveeno is the #4 body care brand in the United States, the #1 body care brand in Canada excluding adult bar soaps and the #4 body care brand globally. Through the Aveeno brand, we are focused on addressing the rising incidence of skin sensitivity impacting more than 70% of consumers in the United States as of 2016 with solutions across different consumer price points. We are also focused on increasing sustainability in our Aveeno portfolio by creating body wash refill pouches which are expected to reduce plastic substantially as compared to our existing bottle packaging. Our Aveeno brand is also leading efforts to advance skin health equity and beauty inclusivity through social programs, creative campaigns and relationships with dermatologists and healthcare experts.



We acquired OGX in 2016 to spearhead the premiumization of our hair care portfolio, and OGX is the #1 premium hair care brand in the United States. OGX provides salon-quality hair care in the convenience of consumers' homes. Through OGX, we are highly attuned to our consumers' needs and have built a collection of products that addresses all hair types, textures and goals. We are committed to building the most accessible and inclusive brand possible, and we are focused on ingredient transparency to deepen trust with our consumers. OGX

has also accelerated our fast-cycle innovation capabilities, allowing us to rapidly capture opportunities, particularly with Millennial consumers. Through OTC, we are also focused on diverse hair care needs and unmet needs in scalp care which creates significant future innovation opportunities.

Other Selected Skin Health and Beauty Brands



Our Skin Health and Beauty portfolio also includes leading regional brands which all have leadership positions in their respective key markets: Le Petit Marseillais is the #1 body wash brand in France and has been voted the hygiene brand most committed to sustainability according to a survey conducted by a third party of French consumers in March 2022, and Lubriderm is the #2 body care brand in Latin America in the mass channel. Other brands include Dr. Ci:Labo, the #2 dermatocosmetic brand in Japan, and Rogaine, the #1 hair growth brand in the United States excluding DTC brands.

Essential Health

The Essential Health subcategories in which we have products comprise a \$38 billion global market as of calendar year 2022, which grew at a CAGR of 6.2% from 2019 to 2022 according to Euromonitor, as described above under “—Our Industry.” Through our Essential Health portfolio, we participate in a wide range of large and growing product categories, including Oral Care, Baby Care and Other Essential Health (including Women’s Health and Wound Care). Our Essential Health portfolio is well distributed across all regions with a presence in more than 100 geographic markets, bringing scale and balance to our portfolio.

Our Essential Health business has been raising the standard of essential care over the last 135 years. Our iconic brands are global leaders in consumer health and are widely recognized. Our products deliver beloved experiences and positive outcomes for consumers at every stage of life. In 2019, we positioned the Essential Health portfolio for continued success by driving growth and improvements in profitability. Our vision included accelerating our core business through brand renovations, driving additional scientific claims, and a focus on physical availability. We also increased our emphasis on precision marketing and e-commerce, co-creating with our retail customers and premiumizing our portfolio in core markets with high-efficacy solutions.

Today, we have the #1 global brand in the mouthwash category with Listerine, and the #1 and #2 global brands in the baby toiletries category with Johnson’s Baby and Aveeno Baby, respectively. We also have the #1 global adhesive bandage brand with Band-Aid. Our brand leadership is further reinforced by healthcare professionals, with four of our global brands receiving the most #1 professional recommendations in their respective categories.

Our Essential Health segment generated \$4.6 billion in net sales and \$1.1 billion in segment Adjusted operating income (a 24.3% segment Adjusted operating income margin) in 2022, and net sales have declined at a (2.2)% CAGR from 2020 to 2022. Since 2019, we have undertaken a rigorous approach to portfolio management and divested approximately \$100 million of annual net sales, based on our 2019 net sales, and foregone an additional approximately \$100 million of net sales from SKU rationalizations.

Our Essential Health portfolio seeks to accelerate growth going forward through innovation driven by product quality, differentiation and premiumization. In addition, we seek to expand our offerings and operations via strategic portfolio management, driving e-commerce and shaping the future of our categories through emphasizing transparency, inclusivity and scientific leadership.

Our largest brands help anchor our portfolio and will support our overall segment growth. Some of our key brands include:

LISTERINE

Listerine is the #1 mouthwash brand globally and the #1 dentist recommended mouthwash brand in the United States, and, as of 2021, Listerine held the #1 brand equity position in certain key markets, including the United States, Canada, Brazil and Spain. With the help of science, we enable consumers to take simple, yet impactful steps each day to improve their oral health so they can live healthier, more vibrant lives. Created in 1879, Listerine was originally used as an antiseptic in surgeries, establishing it as a powerhouse of germ killing. Known for its “feel it working” tingling sensation, Listerine is beloved by consumers in over 100 countries. Listerine is a well-researched mouthwash for improving oral health, having been studied and published in hundreds of peer-reviewed publications spanning back more than a century. The safety and efficacy of Listerine’s fixed combination of four essential oil formulation has been demonstrated in clinical trials sponsored by Johnson & Johnson Consumer Inc. and third parties. The importance of oral health was accelerated during the COVID-19 pandemic. We have built off this momentum with new support, based on a study sponsored by Johnson & Johnson Consumer Inc., demonstrating that, although not intended to replace brushing and flossing, Listerine is five times more effective than flossing for plaque reduction above the gumline, as measured by sustained plaque reduction after a dental cleaning. This finding has contributed to a significant increase in purchase intent according to a third party study we commissioned. Listerine still has a significant household penetration opportunity, as the overall United States mouthwash category penetration rate was only 50% as of December 2022, while in APAC, category penetration was only 29% in Japan and 15% in China, each as of 2022. We believe our future growth will be driven by a continuing shift in consumer perspectives toward oral health as a core tenet of total body health, which we intend to capitalize on through brand marketing and expanding usage occasions globally.



Johnson's is the #1 global baby toiletries brand, including the #1 baby toiletries brand used in U.S. hospitals for a baby's first bath, and is currently used in approximately 150 countries around the world. From our deep understanding of a baby's needs across all stages of development to our breakthrough science in baby skin care, we aspire to create a world where every baby can grow and thrive. Johnson's is a cornerstone of our Essential Health portfolio, and, since 2009, Johnson's generated more than 90% of all industry-sponsored research on baby skin development and baby skin care globally. Johnson's provides safe and gentle formulas that have been shown in studies sponsored by Johnson & Johnson Consumer Inc. to improve hygiene, skin health and sensory experience. We are further leveraging our leadership to help raise the standard in baby toiletries with digital product transparency that provides parents and caretakers with the assurance of ingredient transparency and through triple safety testing with a pediatrician, dermatologist and ophthalmologist. Johnson's is also focused on sustainability, with goals to increase the use of recyclable packaging for products. Moving forward, the Johnson's brand will continue to be committed to delivering science-based solutions that nurture every baby's developing skin and hair.



Band-Aid is the #1 adhesive bandage brand globally, the #1 most trusted brand in the United States across all categories and the #1 doctor recommended adhesive bandage brand in the United States. The Band-Aid brand has a mission to put the ability to heal in every hand by combining the power of science with the comfort of a loving touch. Since the first Band-Aid products were launched in 1921, Band-Aid has become a staple in many households, with over one billion bandages sold worldwide. Every piece of material and every ingredient in our Band-Aid adhesive bandages is chosen with safety as our top concern. Our brand is further supported by years of research, based on studies sponsored by Johnson & Johnson Consumer Inc., that demonstrates that a covered wound heals faster than an uncovered wound. We have led bandage innovation for over 100 years, most recently launching Ourtone, which reflects the diversity of the communities we serve and was designed to complement a variety of

brown skin tones for more inclusive wound care. We also have significant opportunities to drive future growth through leveraging new and emerging technologies to deliver superior healing.



Stayfree is the leading brand in our global sanitary protection category portfolio and has the historical distinction of being the first beltless napkin. We have a global footprint and strong leadership outside North America (following our sale of this brand in North America), with leadership positions in Brazil, India and Argentina. Stayfree has driven innovation in the category by improving the comfort and absorbency of our products while also advancing our sustainability. We are also highly committed to breaking taboos around menstruation and supporting girls and young women. We are helping to combat stigma around menstruation and ensure access to necessary information and products. In India, we have launched the #ItsJustAPeriod campaign to encourage families to adopt a positive and open approach towards menstruation, help them understand that conversations are essential and provide an ice-breaker to freely initiate important period conversations with their daughters or sisters. We expect to grow the Stayfree brand going forward by introducing new features, health claims and sustainable packaging upgrades.

Other Selected Essential Health Brands



NEOSPORIN

Desitin

Carefree.

Our Essential Health portfolio also includes additional brands that hold regional leadership positions in key markets. Some of these brands include: o.b., tampons, the original applicator-free tampon and #1 tampon brand in Germany; Neosporin Antibiotic Ointment, the #1 antibiotic brand globally in the category; Desitin Diaper Rash, the #1 pediatrician recommended brand in the Diaper Rash category in the United States; and Carefree, the first-ever panty liner and #1 liners brand in Brazil.

Global Reach and Scale

We sell and distribute our broad product portfolio in more than 165 countries across our four regions. We operate through a flexible distribution network, leveraging both direct sales forces and independent distributors with significant global reach and an omnichannel approach. Our global commercial footprint is comprised of over 22,000 employees covering 52 markets where we distribute our products directly, and which contributed over 90% of our net sales from 2020 to 2022. We have a strong position across our priority markets with 98% retail penetration in 2022, and we maintain a strong global presence in e-commerce, which accounted for 13% of our 2022 net sales and grew at a CAGR of 20% from 2020 to 2022.

Operating as a global organization with local level sales agility, we drive our go-to-market execution through each of our four regions.

North America

Our North America region comprises the United States, Canada and third-party distribution to Puerto Rico and the Caribbean. The region delivered net sales of \$7.4 billion in 2022, representing 50% of our total net sales. The North America region is supported by approximately 5,400 employees.

The North America region is defined by a well-established consumer health market and retailer network. Key trends supporting further North America market growth include an aging consumer base with broader healthcare needs, combined with a new generation of consumers demanding greater authenticity, transparency, sustainability and purpose in their brand choices. In addition to a growing shift to e-commerce and omnichannel execution since the COVID-19 pandemic began, consumer mindsets have evolved from a passive approach to healthcare to a more proactive focus on prevention and healthy living.



ATTORNEY OR PARTY WITHOUT ATTORNEY (Name, State Bar number, and address): Julia E. Romano (SBN 260857) King & Spalding LLP 633 W. 5th Street, Suite 1600 Los Angeles, CA 90071 TELEPHONE NO.: 213-443-4355 FAX NO. (Optional): 213-443-4310 E-MAIL ADDRESS (Optional): jromano@kslaw.com ATTORNEY FOR (Name): Specially Appearing Def. Johnson & Johnson Holdco (NA) Inc.		FOR COURT USE ONLY
SUPERIOR COURT OF CALIFORNIA, COUNTY OF ALAMEDA STREET ADDRESS: 1225 Fallon Street MAILING ADDRESS: CITY AND ZIP CODE: Oakland, 94612 BRANCH NAME: Rene C. Davidson Courthouse		
PLAINTIFF/PETITIONER: MEREDITH EGLI DEFENDANT/RESPONDENT: JOHNSON & JOHNSON, ET AL.		
NOTICE OF ENTRY OF JUDGMENT OR ORDER (Check one): ☒ UNLIMITED CASE (Amount demanded exceeded \$25,000) ☐ LIMITED CASE (Amount demanded was \$25,000 or less)		CASE NUMBER: RG20075272

TO ALL PARTIES :

1. A judgment, decree, or order was entered in this action on (date): October 26, 2023
2. A copy of the judgment, decree, or order is attached to this notice.

Date: November 6, 2023

Julia E. Romano
(TYPE OR PRINT NAME OF ☒ ATTORNEY ☐ PARTY WITHOUT ATTORNEY)


(SIGNATURE)

ELECTRONICALLY FILED - 2024 Feb 16 3:03 PM - RICHLAND - COMMON PLEAS - CASE#2023CP4004072

PLAINTIFF/PETITIONER: MEREDITH EGLI
 DEFENDANT/RESPONDENT: JOHNSON & JOHNSON, ET AL.

CASE NUMBER:
 RG20075272

**PROOF OF SERVICE BY FIRST-CLASS MAIL
 NOTICE OF ENTRY OF JUDGMENT OR ORDER**

(NOTE: You cannot serve the Notice of Entry of Judgment or Order if you are a party in the action. The person who served the notice must complete this proof of service.)

1. I am at least 18 years old and **not a party to this action**. I am a resident of or employed in the county where the mailing took place, and my residence or business address is (*specify*):

2. I served a copy of the *Notice of Entry of Judgment or Order* by enclosing it in a sealed envelope with postage fully prepaid and (*check one*):

- a. ☐ deposited the sealed envelope with the United States Postal Service.
 b. ☐ placed the sealed envelope for collection and processing for mailing, following this business's usual practices, with which I am readily familiar. On the same day correspondence is placed for collection and mailing, it is deposited in the ordinary course of business with the United States Postal Service.

3. The *Notice of Entry of Judgment or Order* was mailed:

- a. on (*date*):
 b. from (*city and state*):

4. The envelope was addressed and mailed as follows:

a. Name of person served:

Street address:

City:

State and zip code:

c. Name of person served:

Street address:

City:

State and zip code:

b. Name of person served:

Street address:

City:

State and zip code:

d. Name of person served:

Street address:

City:

State and zip code:

☐ Names and addresses of additional persons served are attached. (*You may use form POS-030(P).*)

5. Number of pages attached _____.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Date: _____

 (TYPE OR PRINT NAME OF DECLARANT)

_____
 (SIGNATURE OF DECLARANT)

SUPERIOR COURT OF CALIFORNIA, COUNTY OF ALAMEDA

Rene C. Davidson Courthouse

ELECTRONICALLY FILED - 2024 Feb 16 3:03 PM - RICHLAND - COMMON PLEAS - CASE#2023CP4004072

Meredith Egli
Plaintiff/Petitioner(s)
VS.
Johnson & Johnson et al
Defendant/Respondent
(s)

No. RG20075272

Date: 10/26/2023

Time: 3:00 PM

Dept: 18

Judge: Patrick McKinney

ORDER re: Hearing on Motion to
Quash Service of
Summons for Lack of
Personal Jurisdiction
(JOHNSON & JOHNSON
Res. #947468659856)

The Motion to Quash Service of Summons filed by Johnson & Johnson, JOHNSON & JOHNSON CONSUMER INC., as successor-in-interest, parent, alter ego, and equitable trustee of JOHNSON & JOHNSON CONSUMER INC. and JOHNSON & JOHNSON BABY PRODUCTS COMPANY (New JJCI), Johnson & Johnson Consumer, Inc. on 06/05/2023 is Granted.

This Ruling addresses nine (9) Motions to Quash Service of Summons ("Motions to Quash") brought by defendant Johnson & Johnson Holdco (NA) Inc.'s (note that Holdco's corporate name may have subsequently changed, but the Court will continue to refer to this corporation as "Holdco") in the following nine asbestos torts actions:

- (1) Eagles v. Arvinmeritor, Inc. 22CV018294;
- (2) Segedie v. Colgate-Palmolive Co., 22CV019385;
- (3) Diaz v. Avon Products, Inc., 22CV022885
- (4) Sorum v. Albertsons Companies, Inc., 23CV031203
- (5) Yerkes v. Avon Products, Inc., 23CV032102
- (6) Hofmaister v. Johnson & Johnson, 23CV033743
- (7) Leavitt v. Johnson & Johnson, RG 17-882401
- (8) Barkley v. Johnson & Johnson, RG 20-066950
- (9) Egli v. Johnson & Johnson, RG 20-075272

Holdco's nine Motions to Quash are GRANTED.

The background facts are as follows. Holdco is a wholly-owned subsidiary of defendant Johnson

ORDER re: Hearing on Motion to Quash Service of Summons for Lack of
Personal Jurisdiction (JOHNSON & JOHNSON Res.
#947468659856)

Page 1 of 4

RoA_01279

SUPERIOR COURT OF CALIFORNIA, COUNTY OF ALAMEDA

Rene C. Davidson Courthouse

& Johnson, the parent corporation of a large number of related corporations. In or around 1979, Johnson & Johnson placed responsibility for manufacture, distribution and sale of a number of Johnson & Johnson brand consumer products, including as relevant here Johnsons' Baby Powder containing talc, into a subsidiary corporation most recently known as Johnson & Johnson Consumer, Inc. ("Old Consumer"). As of approximately 2021, Old Consumer's consumer talc liabilities had rendered an otherwise profitable Old Consumer unprofitable as of 2020. (See *In Re LTL Management, LLC* (3d Cir. 2023) 64 F.4th 84, 93-94.) As a result, Johnson and Johnson and Old Consumer developed a scheme to attempt to liquidate Old Consumer's potential talc liabilities into a single liability in a fixed amount.

In 2021, Old Consumer underwent a Texas law divisional merger in which Old Consumer was extinguished as a corporate entity and two new corporate entities were created: Holdco and LTL Management, LLC ("LTL"). Holdco received all or nearly all of Old Consumer's profitable consumer product assets, while LTL received all of Old Consumer's unliquidated consumer talc liabilities and assets worth about \$367.1 million and also \$6 million in cash. (Id. at 95-96.) As the assets placed in LTL would not fully finance Old Consumer's estimated talc liabilities, LTL also received payment rights in a 2021 Funding Agreement pursuant to which Holdco and Johnson & Johnson jointly and severally agreed to fund LTL's talc liabilities up to the then current value of Holdco, calculated to be \$61.5 billion. (Id. at 96-97.)

Following the divisional merger, LTL filed for bankruptcy protection, seeking to liquidate through bankruptcy proceedings its potential talc liabilities by establishing a trust fund in the total amount of \$8.9 billion, an amount proposed by LTL. (*In re LTL Management, LLC* (Bk Ct. N.J. Dist. 2023) 652 BR 433, 440.)

The Third Circuit Court of Appeals dismissed LTL's initial bankruptcy action, finding that at the time of the bankruptcy LTL was not in financial distress because LTL had asset streams of more than \$61 billion pursuant to the 2021 Funding Agreement to pay these liabilities, an amount far exceeding reasonable estimates of total talc liabilities. (Id. at 106-110.)

After the initial bankruptcy action was dismissed, Johnson & Johnson, Holdco and LTL tried again. Johnson & Johnson and Holdco unilaterally withdrew the 2021 Funding Agreement and entered into a second Funding Agreement (the "2023 Funding Agreement"), under which, as this Court understands it, Johnson & Johnson had a lesser obligation to back-stop funding of LTL's talc liabilities and whereby Holdco was now only obligated to fund LTL up to the amount slightly less than \$30 billion, Holdco's value as of the 2023 Funding Agreement because Holdco had transferred some of the assets it received out of the Old Consumer divisional merger to new or different Johnson & Johnson subsidiaries without receiving in return equal value to the assets transferred. LTL then filed for bankruptcy protection a second time (the "Second BK Action"). (652 BR at 446.)

The New Jersey bankruptcy court, having received evidence from LTL's valuation expert that reasonable estimates of LTL's total talc liabilities were \$11 billion to a "worse case scenario" of \$21 billion, found that LTL's asset streams under the 2023 Funding Agreement were still greater and, thus, LTL was not in financial distress; and the New Jersey bankruptcy court dismissed the

SUPERIOR COURT OF CALIFORNIA, COUNTY OF ALAMEDA

Rene C. Davidson Courthouse

Second BK Action.

Neither party has presented evidence that LTL has filed a third bankruptcy action or that Johnson & Johnson and Holdco have unilaterally withdrawn or modified the 2023 Funding Agreement in order to reduce LTL's ability to pay the pending talc claims at issue in the above-referenced nine actions. Plaintiffs have named each of Johnson & Johnson, Holdco and LTL as defendants in each of the above nine actions.

ANALYSIS OF SECOND SUPPLEMENTAL BRIEFING

Plaintiffs' recently submitted briefing argues that the two Funding Agreements create successor liability over Holdco as intentional assumptions of these liabilities, citing to *Fisher v. Allis-Chalmers Corp. Product Liability Trust* (2002) 95 Cal.App.4th 1182, 1188 and *CenterPoint Energy, Inc. v. Sup.Ct.* (2007) 1101, 1120. However, *Fisher* is clearly distinguishable from the present circumstances because the alleged successor in interest in *Fisher* entered into a contract pursuant to which it assumed the at-issue liabilities. Here, Holdco never assumed any talc liabilities assigned to LTL, and instead agreed to fund those liabilities to the extent that the assets assigned to LTL are insufficient to resolve all future talc liabilities.

CenterPoint is a case involving what appears to be another Texas law divisional merger, or something similar, pursuant to which one of the successor corporations received all of the predecessor's regulated energy company assets, while the other successor received all the unregulated energy company assets. The *CenterPoint* divisional merger was necessitated by a then recently enacted Texas law that required splitting of regulated and unregulated energy company assets into different corporate entities. The California lawsuit involved claims of unlawful manipulating of natural gas prices conducted in the unregulated market. The Court of Appeal held that defendant *CenterPoint*, the holder of the regulated assets, was not a mere continuation of the predecessor corporation because *CenterPoint* received only the assets and liabilities of the regulated business operations and none of the assets or liabilities of the unregulated business operations.

CenterPoint's holding could arguably be distinguished from the present circumstances because the entire point of the 2021 Old Consumer divisional merger was to place the talc liabilities in LTL; allow the profitable portions of the Old Consumer business to go forward as Holdco without the talc liabilities; and then to liquidate the talc liabilities through bankruptcy proceedings. Notwithstanding the Johnson & Johnson corporate entities' intentions, plaintiffs herein have not made any evidentiary showing or cited to any finding by a court that the proposed liquidation of talc liabilities in bankruptcy was for the purpose of defrauding talc claimants. Similarly, Johnson & Johnson and LTL are parties to all of the nine pending actions, and the plaintiffs have made no showing that LTL does not presently have the assets to pay any or all of the judgments the plaintiffs might each obtain against it as the holder of the Johnson & Johnson talc liabilities. Although there is certainly reason for plaintiffs to believe, based on the past machinations, that at some time in the future Johnson & Johnson and Holdco might seek to defraud talc claimants, either by unilaterally terminating or revising the 2023 Funding Agreement or by further divestment from Holdco of the assets it would need to fund LTL's talc

SUPERIOR COURT OF CALIFORNIA, COUNTY OF ALAMEDA

Rene C. Davidson Courthouse

liabilities without adequate compensation to Holdco, it does not appear that any such fraud acts have yet occurred.

Because none of the respective plaintiffs have shown that they do not have adequate remedies against LTL, indisputably the entity that came out of the 2021 divisional merger with possession of the Johnson & Johnson talc liabilities, except for those allegedly un-transferred liabilities still in the possession of Johnson & Johnson, the Court finds that Holdco is not a proper party to the actions at this time.

Wherefore, the Court GRANTS all of Holdco's Motions to Quash.

Nevertheless, if in the future plaintiffs develop evidence supporting a finding of Johnson & Johnson's, LTL's, Holdco's or any other Johnson & Johnson corporate entities' intent to defraud plaintiffs by making any judgments against LTL uncollectable in full, the Court would certainly be receptive to entertaining motion practice to bring Holdco back into any actions then pending or subject to judgment enforcement proceedings.

Dated : 10/26/2023



Patrick McKinney / Judge

PROOF OF SERVICE

I, the undersigned, declare: I am a citizen of the United States, over 18 years of age and not a party to the within action. I am employed in the County of Los Angeles, State of California my business address is 633 W. 5th Street, Suite 1600, Los Angeles, CA 90071.

On the date specified below, I served a copy of the foregoing document described as:

NOTICE OF ENTRY OF JUDGEMENT OR ORDER

on the interested parties in this action as follows:

[X] BY ELECTRONIC SERVICE VIA FILE & SERVEXPRESS: File & ServeXpress for service on all counsel of record by electronic service pursuant to the Order Authorizing Electronic Service and pursuant to California Code of Civil Procedure § 1010.6 and California Rules of Court 2.251. The transmission was reported as complete without error.

I declare under penalty of perjury under the laws of the State of California that the above is true and correct.

Executed on November 6, 2023 in Berkeley, California.


Brigitte S. Price

King & Spalding LLP
633 West Fifth Street
Suite 1600
Los Angeles, CA 90071

The Honorable David Whedbee
Date of Hearing: August 25, 2023

IN THE SUPERIOR COURT OF THE STATE OF WASHINGTON
FOR THE COUNTY OF KING

JACK LaSALLE and DIANNE LaSALLE,
husband and wife,

Plaintiffs,

vs.

AMERICAN INTERNATIONAL INDUSTRIES, sued individually, as alter-ego of, and as successor-in-interest to PINAUD, INC., ED PINAUD, INC., d/b/a ED. PINAUD, THE NESLEMUR COMPANY, formerly known as the NESTLE-LE MUR COMPANY; **ARYZ CORP.; BARRETT'S MINERALS INC; BAYER CONSUMER CARE HOLDINGS LLC**, sued individually, as alter-ego of, and as successor-in-interest to SCHOLL, INC.; **BRENNTAG NORTH AMERICA, INC.**, sued individually, as alter-ego of, and as successor-in-interest to MINERAL AND PIGMENT SOLUTIONS, INC. and as successor-in-interest to WHITTAKER, CLARK & DANIELS, INC.; **BRENNTAG SPECIALTIES, LLC**, individually and as successor-in-interest, parent, alter ego, and equitable trustee to BRENNTAG SPECIALTIES, INC. (formerly known as MINERAL AND PIGMENT SOLUTIONS, INC.) sued individually, as alter-ego of, and as successor-in-interest to WHITTAKER, CLARK & DANIELS, INC.; **CHARLES MATHIEU, INC.; CHATTEM,**

No. 23-2-08165-0 SEA

ORDER GRANTING DEFENDANTS
JOHNSON & JOHNSON HOLDCO
(NA) INC., AND KENVUE, INC.'S
MOTION TO DISMISS

ORDER GRANTING DEFENDANTS' MOTION TO
DISMISS - 1

JUDGE DAVID WHEDBEE
King County Superior Court
516 - Third Avenue, E-201
Seattle, WA 98104

INC., a subsidiary of SANOFI-AVENTIS U.S. LLC, sued individually, as alter-ego of, and as successor-in-interest to THE GOLD BOND STERILIZING POWDER COMPANY a/k/a THE GOLD BOND COMPANY; **COSTCO WHOLESALE CORPORATION; ERX CORP.; GLAMOUR INDUSTRIES CO.** (formerly known as BETTY K. DEVELOPMENT CO.; **JOHNSON & JOHNSON; KENVUE INC.**, individually and as successor-in-interest to JOHNSON & JOHNSON BABY PRODUCTS COMPANY ("Old JJCI"); **JOHNSON & JOHNSON CONSUMER INC.**, individually, and as successor-in-interest, parent, alter ego, and equitable trustee of JOHNSON & JOHNSON CONSUMER INC. and JOHNSON & JOHNSON BABY PRODUCTS COMPANY ("New JJCI"); **MERCK & CO., INC.**, sued individually, as alter-ego of, and as successor-in-interest to SCHOLL, INC., **PFIZER INC.; PTI ROYSTON, LLC**, a/k/a PHARMA TECH INDUSTRIES; **PTI UNION, LLC**, a/k/a PHARMA TECH INDUSTRIES; **RAZY PROPERTIES, INC.; REBGRO CORPORATION; SAFEWAY INC., SPECIALTY MINERALS INC.**, and **SRYZ CORP.**

Defendants.

This MATTER has come before the Court upon Defendants' Johnson & Johnson Holdco (NA) Inc. ("Holdco") and Kenvue, Inc.'s ("Kenvue") Motion to Dismiss, and the Court has reviewed and considered the submissions and argument by the parties on August 25, 2023, specifically including the following:

1. Defendants Johnson & Johnson Holdco and Kenvue, Inc.'s Motion to Dismiss, including any supporting materials;
2. Plaintiffs' response to Defendants Johnson & Johnson Holdco and Kenvue, Inc.'s Motion to Dismiss, including any supporting materials;
3. Defendants' Reply and any supporting materials; and
4. The parties supplemental briefing filed on September 1, 2023.

ORDER GRANTING DEFENDANTS' MOTION TO DISMISS - 2

JUDGE DAVID WHEDBEE
King County Superior Court
516 – Third Avenue, E-201
Seattle, WA 98104

The Court is fully advised and makes the following findings and conclusions:

1. Plaintiff Jack LaSalle used asbestos-containing talcum powder products sold by Johnson & Johnson Consumer Inc. (“Old JJCI”), during a period of alleged exposure from 1955 to 2022. In July 2022, Plaintiff was diagnosed with pleural mesothelioma attributed to this exposure.
2. Defendant Holdco, Inc. (“Holdco”) is the new entity, incorporated in Texas in 2021, that sprang from a “divisional merger” at Old JJCI whereby “the original entity does not survive the merger,” and “it allocates its property, liabilities, and obligations among the new entities according to a plan of merger and, on implementation, its separate existence ends.” *In re LTL Mgmt., LLC*, 64 F.4th 84, 95 (3d Cir. 2023).¹
3. Holdco is also known as the New JJCI. The parties do not dispute that under this “divisional merger,” the Old JJCI ceased to exist; the Holdco (“New JJCI”) came into existence as a creature of Texas law as the entity that acquired the productive business assets of the Old JJCI; and LTL Management (“LTL”) is the entity to which the Old JJCI transferred its talc-related tort liabilities. *LTL Mgmt., LLC*, 64 F.4th at 95-96.
4. Kenvue, a New JJCI subsidiary, did not come into existence until 2022. Kenvue has

¹ At oral argument, Plaintiff at times claimed that the defense relied on *LTL Management* as “extrinsic evidence,” which the Court could not view in a light most favorable to Defendants, the moving parties. The Court cites *LTL Management* for some undisputed background about the nature of the relevant corporate entities here and their restructuring under Texas law. *See* Tex. Bus. Orgs. Code Ann. §§ 10.001 *et seq.* Both parties cite *LTL Management* for this relevant background, including the Third Circuit’s rejection of LTL’s Chapter 11 bankruptcy filing as not made in good faith because LTL, as the successor-in-interest to Old JJCI, was not in financial distress. *See* 64 F.4th at 106-110. The Court may consider the Third Circuit’s conclusions about the bankruptcy court’s findings as a matter of comity. *See Chonah v. Coastal Villages Pollock, LLC*, 5 Wn. App.2d 139, 152, 425 P.3d 895, 902 (2018). The Court does not consider the Third Circuit opinion to be “evidence,” and likewise does not take judicial notice of any records in that case. *See Spokane Rsch. & Def. Fund v. Cty. of Spokane*, 155 Wn.2d 89, 98, 117 P.3d 1117, 1122 (2005). The only extrinsic evidence considered here were the 2021 and 2023 Funding Agreements that both parties submitted, and both agreements are undisputed in relevant part.

ORDER GRANTING DEFENDANTS’ MOTION TO
DISMISS - 3

JUDGE DAVID WHEDBEE
King County Superior Court
516 – Third Avenue, E-201
Seattle, WA 98104

1 never sold talc products in the United States and Canada, according to its Securities
2 and Exchange Commission filings, and will discontinue selling any talc-containing
3 products elsewhere by the close of 2023.

- 4 5. Defendants stress that Plaintiffs cannot sue Old JJCI because it no longer exists;
5 Plaintiffs cannot sue Holdco ("New JJCI") because it is undisputed that LTL
6 acquired all the talc-related liabilities; and Plaintiffs cannot sue Kenvue because it
7 never produced any talc-containing products in the United States during Plaintiff's
8 period of alleged exposure.
- 9 6. Plaintiffs did not originally sue LTL, although it undisputedly possesses its
10 predecessor-in-interest's talc-related liabilities as discussed above. At oral
11 argument, Plaintiffs' counsel represented that Plaintiffs did not name LTL because
12 of the concern that LTL attempted to file bankruptcy (unsuccessfully) and could
13 attempt to do so again, triggering an automatic stay. Plaintiffs' Complaint also
14 makes no specific allegations about any corporate restructuring, or the past or
15 current interrelationships between these entities. At most, the Complaint names
16 Defendant Old JJCI "individually and as successor-in-interest to Johnson & Johnson
17 Baby Products Company," and Defendant New JJCI "individually, successor-in-
18 interest, parent, alter ego, and equitable trustee to Johnson & Johnson Baby Products
19 Company." *See* Dkt. 1.
- 20 7. "The general rule in Washington is that a corporation purchasing the assets of
21 another corporation does not, by reason of the purchase of assets, become liable for
22 the debts and liabilities of the selling corporation, except where: (1) the purchaser
23 expressly or impliedly agrees to assume liability; (2) the purchase is a de facto
24 merger or consolidation; (3) the purchaser is a mere continuation of the seller; or (4)
25 the transfer of assets is for the fraudulent purpose of escaping liability." *Hall v.*
26 *Armstrong Cork, Inc.*, 103 Wn.2d 258, 261–62, 692 P.2d 787, 789–90 (1984). "The

ORDER GRANTING DEFENDANTS' MOTION TO
DISMISS - 4

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Seattle, WA 98104

basis of this traditional corporate law doctrine is that a sale of corporate assets transfers an interest separable from the corporate entity and does not result in a transfer of unbargained-for liabilities from the seller to the purchaser.” *Id.* at 262.

The Purchaser (Holdco) Did Not Expressly or Impliedly Assume Liability for Talc-Related Death or Injury Claims.

8. The 2021 and 2023 Funding Agreements did not expressly allocate any tort liability to Holdco. It is undisputed that at the time of the divisional merger, the Old JJCI ceased to exist; Holdco (aka New JJCI) succeeded the Old JJCI as the entity that acquired the productive business assets; and LTL became the successor entity that carried the talc-related tort liabilities. The divisional merger and related Funding Agreements thus expressly disclaimed the successor liability Plaintiffs argue are at play. This theory is unavailing. *See Martin v. Dematic*, 178 Wn. App. 646, 657, 315 P.3d 1126, 1132 (2013) (expressly “excluded liabilities” do not transfer to successor as “assumed liabilities”), *rev'd on other grounds*, 182 Wn.2d 281, 340 P.3d 834 (2014).
9. As both parties note, the Third Circuit observed that under the Funding Agreements LTL had the right “outside of bankruptcy, . . . to cause New Consumer and J&J [aka Holdco], jointly and severally, to pay it cash up to the value of New Consumer for purposes of satisfying any talc-related costs as well as normal course expenses. . . . The value of the payment right could not drop below a floor defined as the value of New Consumer measured as of the time of the divisional merger, estimated by LTL at \$61.5 billion, and was subject to increase as the value of New Consumer increased after it.” *LTL Mgmt.*, 64 F.4th at 96–97.
10. The Court finds that 2021 and 2023 Funding Agreements provided just that: funding arrangements that were triggered only if and when LTL’s own funds were depleted and could not pay any judgments/settlements. This is different than assuming

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1 liability because, with the incipient fund of approximately \$61.5 billion that can be
2 supplemented, it may never come to pass that LTL cannot cover all talc-related
3 liability. *LTL Mgmt.*, 64 F.4th at 106-107 (where LTL could not show financial
4 distress Chapter 11 bankruptcy filing improper).

5 11. The Funding Agreements here function as indemnification, not impliedly assumed
6 liability. *See Simons v. Tri-State Const. Co.*, 33 Wn. App. 315, 316-317, 655 P.2d
7 703, 705 (1982) (“contractor’s obligation to indemnify and hold harmless the city
8 from claims, losses and damages arising from the work . . . does not impose liability
9 on the contractor”).

10 12. Plaintiffs have made now showing on the undisputed facts that Holdco assumed any
11 liabilities, impliedly or otherwise.

12 13. Kenvue did not come into existence into existence until 2022, and has never sold
13 talc products in the United States and Canada. Plaintiffs likewise have made no
14 showing that Kenvue expressly or impliedly assumed any liabilities from the now
15 defunct Old JJCI.

16 **There Was No Mere Continuation of Old JJCI’s Business Related to Talc-**
17 **Related Products.**

18 14. Holdco and Kenvue did not continue the Old JJCI operation of productive business
19 assets in any material way because Holdco and Kenvue never sold the talc products
20 that allegedly harmed Plaintiff. And Plaintiffs have not pleaded any commonality of
21 officers, directors, and stockholders so as to support this exception to the general
22 rule that the transfer of corporate ownership does not include the transfer of
23 liabilities. Again, this claim is a nonstarter because it is undisputed that the Old JJCI
24 transferred its liabilities to LTL.

25 **The Fraudulent-Purpose Exception Does Not Apply.**

26 15. “Good faith, or the lack thereof, ultimately rests upon the intent of the parties

involved in the transaction. Transferring assets to another corporation to hinder or delay creditors is by definition a fraudulent transfer.” *Eagle Pac. Ins. Co. v. Christensen Motor Yacht Corp.*, 135 Wn.2d 894, 909–10, 959 P.2d 1052, 1059 (1998).

16. The Court does not read the *LTL Management* to hold that LTL failed to file for Chapter 11 bankruptcy protection “in good faith” because LTL, or even the Old JJCI, intended to delay or hinder creditors. *LTL Management* reversed the bankruptcy court’s finding of good faith because the bankruptcy court erroneously concluded LTL was in financial distress, overlooking the substantial assets the divisional merger allocated to LTL to pay tort claims—at least \$61.5 billion. *See* 64 F.4th at 106-107. The Third Circuit did not disagree with the bankruptcy court’s opinion that the filing served a “valid bankruptcy purpose” because:

it sought to resolve talc liability by creating a trust for the benefit of claimants under § 524(g) of the Bankruptcy Code. At a high level, that provision allows a debtor satisfying certain conditions to establish, in a plan of reorganization, a trust for the benefit of current and future claimants against which an injunction channels all asbestos litigation. The Court highlighted what it viewed as several benefits of claims administration through a § 524(g) trust, compared to mass asbestos litigation in trial courts, including the possibility it could resolve claims more efficiently (from both a cost and time perspective), ensure more balanced recoveries among claimants, and preserve funds for future claimants.

LTL Mgmt., 64 F.4th at 98.

17. The bankruptcy filing was at best premature, and at worst unwarranted because LTL was flush with cash reserves to shoulder any financial burden from mass talc-related litigation. But the purpose of the divisional merger, which is the salient issue here, was expressly to anticipate creditor claims, not to evade them. For this reason, Plaintiffs’ fraudulent-purpose theory of successor liability lacks merit.

Product-line Theory of Successor Liability Is Inapplicable.

18. “The product line exception requires three factors to be established in order to find

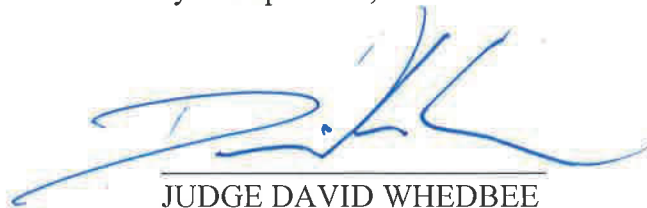
1 liability. First, the transferee must acquire substantially all of the transferor's assets,
2 leaving no more than a corporate shell remaining. Secondly, the transferee must hold
3 itself out to the public as a continuation of the transferor, and must do so by producing
4 the same product line under a similar name. Finally, the transferee corporation must
5 benefit from the goodwill of the transferor." *George v. Parke-Davis*, 107 Wn.2d 584,
6 588, 733 P.2d 507, 510 (1987). "A key premise of the product line exception is that
7 successor liability is only appropriate when the successor corporation by its
8 acquisition actually played some role in curtailing or destroying the claimants'
9 remedies." *Hall*, 103 Wn.2d at 265–266.

10 19. Here, as mentioned, the divisional merger did not transfer all the assets, leaving only
11 a corporate shell. Rather, instead of "curtailing or destroying the claimants' remedies,"
12 the divisional merger created LTL to pay Old JJCI's talc-related tort liabilities. This
13 theory fails.

14 20. For the foregoing reasons, the Court finds that Plaintiffs failed to plead sufficient facts
15 and otherwise made no showing that Holdco, or Kenvue, carry any successor liability.
16

17 IT HEREBY ORDERS, ADJUDGES, AND DECREES that Defendants Johnson &
18 Johnson Holdco and Kenvue, Inc.'s Motion to Dismiss is GRANTED. Defendants Johnson &
19 Johnson Holdco (NA) Inc. and Kenvue, Inc. are hereby dismissed without prejudice.
20

21 DONE IN COURT this 12th day of September, 2023.
22

23 
24 JUDGE DAVID WHEDBEE
25
26

ORDER GRANTING DEFENDANTS' MOTION TO
DISMISS - 8

JUDGE DAVID WHEDBEE
King County Superior Court
516 – Third Avenue, E-201
Seattle, WA 98104

STATE OF SOUTH CAROLINA	)	IN THE COURT OF COMMON PLEAS
	)	
COUNTY OF RICHLAND	)	CIVIL ACTION NO. 2023-CP-40-04072
	)	
MICHAEL L. PERRY AND LONNIE L. LONG,	)	<i>In Re:</i>
	)	Asbestos Personal Injury Litigation
	)	Coordinated Docket
Plaintiffs,	)	
	)	
vs.	)	<u>DEFENDANTS JOHNSON & JOHNSON,</u>
	)	<u>INC. AND LLT MANAGEMENT, LLC'S</u>
AMERICAN INTERNATIONAL INDUSTRIES, ET AL.,	)	<u>MOTION FOR PARTIAL SUMMARY</u>
	)	<u>JUDGMENT</u>
	)	
Defendants.	)	

Pursuant to Rule 56 of the South Carolina Rules of Civil Procedure, Defendants Johnson & Johnson, Inc. and LLT Management, LLC, formerly known as LTL Management, LLC, (collectively, "Defendants") hereby move this Court for an Order granting summary judgment to Defendants on Plaintiffs Michael L. Perry and Lonnie L. Long's (collectively, "Plaintiffs") claims for negligence *per se*, fraud, fraudulent misrepresentation, conspiracy, and loss of consortium.¹ In support thereof, Defendants state as follows:

INTRODUCTION

Plaintiffs filed suit against numerous parties. As to Defendants, they allege Mr. Perry sustained personal injuries from exposure to asbestos-containing products designed, manufactured, marketed, distributed, and sold by Johnson & Johnson. (Second Am. Compl. ¶¶ 30, 96). Relevant to this Motion, the Complaint sets forth causes of action for negligence *per se*,

¹ On February 16, 2024, Defendants Janssen Pharmaceuticals, Inc.; Johnson & Johnson Holdco, Inc. (NA); and Kenvue, Inc. filed a motion to dismiss the claims asserted against them based on Plaintiffs' failure to state a claim upon which relief can be granted. None of these entities could be liable for Plaintiffs' claims as a matter of law and they should be dismissed for the reasons detailed in the motion to dismiss. That motion remains pending for the Court's consideration and those arguments are incorporated by reference and reasserted herein in full.

fraud, fraudulent misrepresentation, fraudulent misrepresentation and conspiracy/concert action, and loss of consortium.² There are no genuine issues of material fact on any of these claims because Plaintiffs have presented no evidence that Defendants owed Mr. Perry a legal duty; that Defendants made a misrepresentation upon which Mr. Perry relied; that Defendants committed an overt act with the purpose of injuring Mr. Perry; or that the Plaintiffs' marriage is legally valid. As such, Defendants are entitled to judgment as a matter of law on those claims.

LEGAL STANDARD

A motion for summary judgment should be granted where “there is no genuine issue as to any material fact and that the moving party is entitled to a judgment as a matter of law.” Rule 56(c), SCRCP. A party opposing a motion for summary judgment must “‘do more than simply show that there is some metaphysical doubt as to the material facts’ but ‘must come forward with specific facts showing that there is a genuine issue for trial.’” *Hedgepath v. AT&T Co.*, 348 S.C. 340, 354, 559 S.E.2d 327, 335 (Ct. App. 2001) (quoting *Baughman v. AT&T Co.*, 306 S.C. 101, 115, 410 S.E.2d 537, 545 (1991)). “[W]hen plain, palpable, and indisputable facts exist on which reasonable minds cannot differ, summary judgment should be granted.” *Id.* at 355, 559 S.E.2d at 336. Reliance on self-serving allegations in a pleading is insufficient to overcome a motion for summary judgment. *See* Rule 56(e), SCRCP.

As the South Carolina Supreme Court recently made clear, “the ‘mere scintilla’ standard is not the correct standard for decision under Rule 56(c).” *Kitchen Planners, LLC v. Friedman*, 440 S.C. 456, 460, 892 S.E.2d 297, 300 (2023). Rather, the proper standard is the “genuine issue of

² The operative complaint also asserts claims for: (1) product liability: negligence; (2) product liability: strict liability - S.C. Code Ann. § 15-73-10, et seq.; and (3) product liability: breach of implied warranties - S.C. Code Ann. § 36-2-314.

material fact” standard, which requires the non-movant to show a “reasonable inference” that can be drawn from the evidence presented. *Id.* at 460-61, 892 S.E.2d at 300.

ARGUMENT

I. Plaintiffs’ negligence *per se* claim should be dismissed because Plaintiffs identify no statute or regulation that Defendants violated.

Plaintiffs’ claim for negligence *per se* is based on Defendants’ alleged violation of unspecified “federal and state regulations relating to asbestos exposure.” (Second Am. Compl. ¶ 170). This is insufficient to establish a viable claim for negligence *per se*.

Negligence *per se* is negligence arising from the defendant's violation of a statute. *Trivelas v. S.C. Dep't of Transp.*, 348 S.C. 125, 134, 558 S.E.2d 271, 275 (Ct. App. 2001) (citing *Coleman v. Shaw*, 281 S.C. 107, 314 S.E.2d 154 (Ct. App. 1984); 28 Words & Phases Negligence Per Se 683 (1955) (citing *Boylston v. Armour & Co.*, 196 S.C. 1, 12 S.E.2d 34 (1940))). The South Carolina Supreme Court has explained the elements of negligence *per se* as follows:

In order to show that the defendant owes him a duty of care arising from a statute, the plaintiff must show two things: (1) that the essential purpose of the statute is to protect from the kind of harm the plaintiff has suffered; and (2) that he is a member of the class of persons the statute is intended to protect.

If the plaintiff makes this showing, he has proven the first element of a claim for negligence: viz., that the defendant owes him a duty of care. If he then shows that the defendant violated the statute, he has proven the second element of a negligence cause of action: viz., that the defendant, by act or omission, failed to exercise due care. This constitutes proof of negligence *per se*.

Whitlaw v. Kroger Co., 306 S.C. 51, 53-54, 410 S.E.2d 251, 252-53 (1991) (quoting *Rayfield v. S.C. Dep't of Corr.*, 297 S.C. 95, 103, 374 S.E.2d 910, 914 (Ct. App. 1988)). “The finding of a statutory violation, however, does not end the inquiry. . . . Plaintiff must then show the causal connection between defendant’s negligence and plaintiff’s injury before plaintiff is entitled to damages.” *Id.* at 54, 410 S.E.2d at 253.

Accordingly, to prove negligence *per se*, Plaintiffs must prove: (1) Defendants owed a statutory duty to Mr. Perry, (2) Defendants breached that duty, and (3) Defendants' breach is causally connected to Mr. Perry's injury. *See id.*

Yet Plaintiffs have failed to identify which, if any, statutes or regulations that Defendants allegedly violated. Plaintiffs' failure to allege violation of any specific statute dooms their claim.

Even if Plaintiffs could point to a particular statute or regulation in support of their claim, Plaintiffs have failed to present any evidence demonstrating- that the essential purpose of the statute or regulation is to protect from the kind of harm Mr. Perry has suffered **and** that Mr. Perry is a member of the class of persons the regulation is intended to protect. *See id.* at 53, 410 S.E.2d at 252 (quoting *Rayfield*, 297 S.C. at 103, 374 S.E.2d at 914). Plaintiffs' negligence per se claim fails for this additional reason.

Plaintiffs failed to plead facts supporting even the most basic elements of their negligence per se claim and have produced no supporting evidence. The Court should grant summary judgment on this claim.

II. Plaintiffs' fraud and fraudulent misrepresentation claims fail because Plaintiffs have not pled these claims with sufficient particularity and there is no evidence supporting these claims.

Plaintiffs allege Defendants "made false statements and concealed evidence that it possessed regarding the presence of asbestos in the talc in Johnson's Baby Powder[.]" (Second Am. Compl. ¶ 41). Plaintiffs generally contend "the Defendants and/or their 'alternate entities' falsely represented facts, including the dangers of asbestos exposure to [Mr. Perry], while Defendants each had actual knowledge of said dangers of asbestos exposure . . . [and] each knew of the falsity of their representations and/or made the representations in reckless disregard of their truth or falsity." (*Id.* ¶ 177). Specific to Defendants, Plaintiffs allege they "made false

representations regarding the asbestos content of their talc products . . . that Plaintiff relied on to his detriment and which caused the development of his mesothelioma.” (*Id.* ¶ 243).

Plaintiffs have no evidence to sufficiently support these allegations. *See Foxfire Village, Inc. v. Black & Veatch, Inc.*, 304 S.C. 366, 374, 404 S.E.2d 912, 917 (Ct. App. 1991). To successfully establish their fraud claim, Plaintiffs must prove:

by clear, cogent, and convincing evidence: (1) a representation of fact; (2) its falsity; (3) its materiality; (4) either knowledge of its falsity or a reckless disregard of its truth or falsity; (5) intent that the representation be acted upon; (6) the hearer’s ignorance of its falsity; (7) the hearer’s reliance on its truth; (8) the hearer’s right to rely thereon; and (9) the hearer’s consequent and proximate injury.

Schellman v. Roettger, 373 S.C. 379, 382, 645 S.E.2d 239, 241 (2007) (citing *Kahn Constr. Co. v. S.C. Nat’l Bank of Charleston*, 275 S.C. 381, 384, 271 S.E.2d 414, 415 (1980)). Critically, “[t]he failure to prove any element of fraud or misrepresentation is fatal to the claim.” *Id.* (citing *Kahn Constr.*, 275 S.C. at 384, 271 S.E.2d at 415).

In South Carolina, a plaintiff alleging fraud must do so with particularity. Rule 9(b), SCRCP; *see Gentry v. Yonce*, 337 S.C. 1, 7, 522 S.E.2d 137, 140 (1999) (“The particularity requirement is a means for courts to summarily dispose of frivolous lawsuits based on fraud.”), *overruled in part on other grounds by Proctor v. Whitlark & Whitlark Co.*, 414 S.C. 318, 778 S.E.2d 888 (2015). The plaintiff must establish with sufficient particularity the facts establishing **each element** of fraud, including what representations were made, when the representations were made, who made the representations, and to whom the representations were made. *See* Rule 9, SCRCP, note (“All parts of Rules 9(a) through 9(g) confirm to the Federal Rules”); *United States ex rel. Wilson v. Kellogg Brown & Root, Inc.*, 525 F.3d 370, 379 (4th Cir. 2008) (explaining that to meet the particularity standard a plaintiff “must, at a minimum, describe ‘the time, place, and contents of the false representations, as well as the identity of the person making the

misrepresentation and what he obtained thereby” (quoting *Harrison v. Westinghouse Savannah River Co.*, 176 F.3d 776, 784 (4th Cir. 1999))).

In *Simon v. Baker Motor Co. of Charleston, Inc.*, for example, the District of South Carolina found the plaintiff did not satisfy the particularity requirement because the plaintiff failed to “identify when, where, and in what manner each of the [alleged fraudulent] representations were made, nor [did] he identify the [person] who made the statements.” No. 2:22-cv-03460, 2023 WL 3984810, at *5 (D.S.C. June 13, 2023). Under the federal counterpart of Rule 9(b), SCRCPP, the district court concluded each of the plaintiff’s failures justified dismissal of the claim. *Id.*

The same lack of particularity plagues Plaintiffs’ fraud claims here. Plaintiffs allege “Johnson’s Baby Powder was a critical cornerstone product from J&J, referenced as the company’s ‘golden egg’ and ‘sacred cow.’” (Second Am. Compl. ¶ 244). Although Plaintiffs attached *internal* Johnson & Johnson documents to their Complaint, such materials did not reflect Defendants’ representations to any consumer generally, much less to Mr. Perry specifically. (See *id.* at Exs. 1-5). Still, even assuming the statements set forth in the materials were directly conveyed to consumers, Plaintiffs have not identified with particularity the time, place, and contents of *any representations made to Mr. Perry*. See *Kellogg Brown & Root*, 525 F.3d at 379; *Simon*, 2023 WL 3984810, at *5.

More importantly, there is no evidence Mr. Perry relied on any particular representation by Defendants (or any other producer of talc-based products for that matter) in deciding to purchase or use talcum-powder products. Mr. Perry testified that he first used Johnson’s Baby Powder when he was five years old in 1974. (Dep. of Michael Perry Vol I 35:19-25, excerpts attached as **Exhibit A**). He further testified that Johnson & Johnson was a “family brand,” explaining: “We always used it. We all touched it. We all trusted it. And that’s what—you know, that as part of our

culture.” (Ex. A- Dep. of Michael Perry, Vol I 88:1-6.) He testified he first learned to use Johnson’s Baby Powder from his mother, who used it daily. (Ex. A- Dep. of Michael Perry, Vol III 470:18-22.) Again, there is no evidence that he relied on any alleged misrepresentations **by Defendants.**

Therefore, Plaintiffs have not sufficiently pled fraud with the particularity required by Rule 9, SCRCP and have not produced evidence sufficient to establish a genuine issue of material fact on Plaintiffs’ claims for fraud or fraudulent misrepresentation. *See Schnellmann*, 373 S.C. at 382, 645 S.E.2d at 241 (citing *Kahn Constr.*, 275 S.C. at 384, 271 S.E.2d at 415). The Court should grant summary judgment to Defendants on these claims.

III. Plaintiffs’ civil conspiracy claim fails because it is insufficiently pled and there is no evidence of a conspiracy or an overt act by Defendants in furtherance of the alleged conspiracy.

Plaintiffs broadly allege Johnson & Johnson engaged in a civil conspiracy to commit fraudulent misrepresentation. (Second Am. Compl. ¶¶ 180-242). This claim fails because there is no evidence supporting the existence of a conspiracy or an overt act in furtherance of said conspiracy.

To establish the conspiracy claim, Plaintiffs must prove: “(1) the combination or agreement of two or more persons, (2) to commit an unlawful act or a lawful act by unlawful means, (3) together with the commission of an overt act in furtherance of the agreement, and (4) damages proximately resulting to the plaintiff.” *Paradis v. Charleston Cnty. Sch. Dist.*, 433 S.C. 562, 574, 861 S.E.2d 774, 780 (2021). Because “civil conspiracy is an intentional tort, an intent to harm . . . remains an inherent part of the analysis.” *Id.* at 574 n.9, 861 S.E.2d at 780 n.9.³

³ “Since one cannot agree, expressly or tacitly, to commit a wrong about which they have no knowledge, in order for civil conspiracy to arise, the parties must be aware of the harm or wrongful conduct at the beginning of the combination or agreement. Thus, civil conspiracy is an intentional

Specifically, “a plaintiff must prove the defendant acted ‘for the purpose of injuring the plaintiff.’” *Skydive Myrtle Beach, Inc. v. Horry Cnty.*, 426 S.C. 175, 185, 826 S.E.2d 585, 590 (2019) (quoting *City of Hartsville v. S.C. Mun. Ins. & Risk Fin. Fund*, 382 S.C. 535, 546, 677 S.E.2d 574, 579 (2009)). Where “the only wrongful acts alleged [are] those for which damages [have] already been sought the plaintiff’s repetition of the same acts as the prior claims [is] insufficient to salvage the claim.” *Paradis*, 433 S.C. at 573, 861 S.E.2d at 779.

Here, not only have Plaintiffs failed to establish the underlying tort of false misrepresentation, as detailed above, they have also failed to establish Defendants participated in a civil conspiracy. Plaintiffs generally allege:

Defendants and [the Cosmetic, Toiletry & Fragrance Association (“CTFA”)] conspired and/or acted in concert with each other and/or with other entities through agreement and consciously parallel behavior:

- (a) to withhold from users of their products—and from persons who they knew and should have known would be exposed thereto—information regarding the health risks of inhaling and/or ingesting asbestos and other carcinogens contained in talc and talcum powder products;
- (b) to eliminate, suppress or prevent investigation into the health hazards of exposure to asbestos and other carcinogens in talc and talcum powder products;
- (c) to ensure that asbestos-containing talc and talcum powder products became widely used in commerce, irrespective of the potential and actual risk of harm to the users and consumers from the asbestos and other carcinogens therein; and
- (d) to falsely represent that talc and talcum powder products, including those of defendants, were safe and healthful for use by consumers.

(*Id.* ¶ 229). Plaintiffs have not alleged how Defendants were specifically involved in this purported conspiracy. Nor have Plaintiffs presented **any** evidence of an overt act by Defendants in furtherance of this purported conspiracy committed **with the purpose of injuring Mr. Perry** (or

tort requiring a specific intent to accomplish the contemplated wrong.” 16 Am. Jur. 2d *Conspiracy* § 53 (2024) (footnotes omitted).

even pled facts supporting any such act for that matter). This defect is fatal to Plaintiffs' claim and entitles Defendants to judgment as a matter of law. And if Plaintiffs intend to rely on allegations within their other causes of action to support their civil conspiracy claim, such reliance is wholly improper and "insufficient to salvage the claim." *Paradis*, 433 S.C. at 573, 861 S.E.2d at 779.

Therefore, Plaintiffs' claim for civil conspiracy also fails as a matter of law and Defendants are entitled to summary judgment.

IV. Plaintiffs' loss of consortium claim fails as a matter of law because there is no evidence of a legal marriage.

Finally, Plaintiffs allege that due to Mr. Perry's injuries, he "has been unable to perform his spousal duties and the work and service usually performed in the care, maintenance and management of the family home" such that Mr. Long has "suffered loss of consortium[.] (Second Am. Compl. ¶¶ 296-97). The South Carolina Code permits any person to "maintain an action for damages arising from an intentional or tortious violation of the right to the companionship, aid, society and services of his or her *spouse*." S.C. Code Ann. § 15-75-20 (emphasis added). Although Mr. Perry testified he and Mr. Long were married in Ontario, Canada, and despite Defendants' requests for proof of marriage, Plaintiffs have presented no evidence (*i.e.*, a marriage license) indicating their marriage is legally valid. Without such evidence, there is insufficient support for Mr. Long's spousal status, and Defendants are entitled to judgment as a matter of law.

CONCLUSION

For the reasons set forth above, Defendants respectfully moves this Court for an Order granting summary judgment in its favor on Plaintiffs' claims for negligence *per se*, fraud, fraudulent misrepresentation, fraudulent misrepresentation and conspiracy/concert action, and loss of consortium. See Rule 56, SCRCp.

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Columbia, South Carolina

June 11, 2024

Exhibit A

(Deposition of Michael Perry Vol I 35:19-25, Excerpts)

Michael L. Perry, Volume I
October 10, 2023

Page 34 1 Market Pavilion Hotel, I took great pride -- I 2 took great pride of being part of the top-five 3 Leading Hotels of America, having that 4 designation, or being number one in the Relais & 5 Ch teaux brand. And I lived and breathed it. 6 You know, the H in hotel always meant 7 to me hospitality. And I just had a tough time 8 ever walking away from that and not being able 9 to put my touch on what hospitality means and 10 what it really -- to live and breathe and glow 11 of the hospitality, and that's just who I am. 12 Q Let's shift gears, talk about the 13 reasons why we're here, talk about the different 14 ways you were exposed to asbestos; okay? 15 A Okay. 16 Q Just the roadmap for you and 17 everybody's else's benefit, we're going to start 18 with talc. Then we're going to go into brakes. 19 Then we're going to go into some work that was 20 done while you were working at various hotels; 21 okay? 22 A Okay. 23 Q So starting with talc, Michael, did 24 you ever use talc powder in your life? 25 A I did.	Page 36 1 Q Were you ever around other family 2 members when you were growing up that also used 3 talc on their bodies? 4 A Absolutely. 5 Q Who? 6 A My mother and my father. 7 Q Would you ever be in physical close 8 proximity to either your mother or your father 9 growing up when they would apply talc powder to 10 their body? 11 A Always with my mother, absolutely. 12 Q Were you also about five when 13 you first remember being around your mom when 14 she would apply talc powder? 15 A Absolutely. 16 Q When is the last time -- big-picture 17 question. When is the last time in terms of a 18 year you remember putting any kind of talc 19 powder anywhere on your body? 20 A It would have been 2019. 21 Q Why do you remember it in 2019? 22 A 2019, Lonnie and I sold the farm, and 23 we had our forever retirement home built. So 24 our needing to go outside in the elements, take 25 care of the horses, the cows, all that stuff was
Page 35 1 Q All right. Can you tell us the 2 different ways that you remember using talc 3 powder in your life? 4 A Different ways? 5 Q Yeah. 6 A I used talc on my body, my neck, my 7 armpits, my torso, my genitalia, feet, and legs. 8 So it was a full-body use of talc on my body. 9 Q Why did you use talcum powder in your 10 armpits? 11 A I'm allergic to deodorant. So I, you 12 know, being self-aware, would make sure that I 13 always had that product to make sure that I was 14 always fresh. 15 Q Some of those questions about your 16 age and the years are going to be difficult, but 17 let's try and get through them; okay? 18 A Uh-huh. 19 Q That being said, how old about were 20 you when you have your first memory of using 21 talc powder on yourself? 22 A Around five years old. 23 Q You were born in 1969, so that puts 24 us in about '74? 25 A '74, uh-huh.	Page 37 1 no longer part of our daily ritual. So I really 2 stopped needing to use those products because I 3 was inside so much at that time. 4 Q Okay. Beginning -- strike that. 5 Beginning from the time that 6 you first remember using talc powder on yourself 7 in 1974 through 2019, has there ever been any 8 stretch of time where you did not use powder on 9 yourself? 10 A No. 11 Q As part of this whole process, have 12 you spent a lot of time really thinking long and 13 hard about the different brands of powder that 14 you used or that your family members used 15 throughout your life? 16 A Yes. 17 Q Have I also asked you to spend a lot 18 of time thinking about any work you did on cars 19 with your father? 20 A Yes. 21 Q Okay. And in that same vein, have 22 you also spent some time thinking about work 23 that was done around you while you were employed 24 at various hotels? 25 A Yes.

Michael L. Perry, Volume I
October 10, 2023

Page 86 1 A From Avon. 2 Q Okay. What about the powders that 3 were not Avon; do you know where she bought any 4 of those? 5 A Either they came to her as gifts or 6 she'd buy them at the Walmart or the grocery 7 store or the pharmacy. 8 Q Did you ever go with your mother when 9 she would purchase any of these powders she 10 used? 11 A Yes. So part of our weekly 12 responsibilities was to help Mom at the grocery 13 store. And so I would watch Mom either pull 14 those products off the shelf itself, or I would 15 go and get them and put them in the cart. 16 Q If someone were to ask you which 17 products that your mom used you have a specific 18 recollection of picking up a bottle and putting 19 that in the cart, would you ever be able to do 20 that? 21 A I could. 22 Q Okay. Tell us which ones. 23 A The Johnson & Johnson baby powder, 24 Johnson & Johnson Shower to Shower -- 25 Q Uh-huh.	Page 88 1 family. And Johnson & Johnson, we were -- that 2 was a family brand. We always used it. We all 3 touched it. We all trusted it. And that's 4 what -- you know, that was part of our culture. 5 That was my culture clear up until 2019, was 6 using these products. 7 DEFENSE COUNSEL: Objection; 8 nonresponsive. 9 BY ATTORNEY GROSS: 10 Q Okay. So this is -- you and your 11 family were very brand-loyal to Johnson's baby 12 powder. You've already told us some ways you 13 would have use it. For example, you used it 14 when you would play sports; right? 15 A That's correct. 16 Q Okay. What are some other ways that 17 you remember using Johnson's baby powder? And 18 why did you use them for that reason? 19 A Other reasons of using Johnson & 20 Johnson. 21 Q Uh-huh. 22 A It really was -- 23 Q It's a hard question. 24 A If I was on the sailboat and I had to 25 jump into the engine room, I would put the talc
Page 87 1 A -- would be the two that I would 2 specifically pull off the cart. If -- in my 3 later years, Gold Bond. Mom did not like the 4 idea sometimes that I spent my own money, so she 5 would spring for something like that. So the 6 Gold Bond or making sure that I had Johnson & 7 Johnson products. 8 Q All right. Shifting gears again. 9 A Okay. 10 Q All right. This is probably the 11 last -- no. I lied. Ignore that last part. 12 Anytime a lawyer says it's their last question 13 or the last section, they're lying. So I just 14 did it myself. 15 Let me talk to you a little bit more 16 in detail about the products you used; okay? 17 Let's start with Johnson's baby powder. You've 18 already told us that that was one of the powders 19 you remember using basically your entire life; 20 is that correct? 21 A That's correct. 22 Q What do you remember about Johnson's 23 baby powder and why you used it? 24 A Johnson & Johnson was -- we were -- 25 first off, we were a very, very brand-loyal	Page 89 1 onto my hands because I needed to have dry hands 2 as I was working on the different parts of the 3 motor. I would have it on my face. I was 4 trying to keep the moisture from coming down 5 into my eyes. And so I would smear this all 6 over my face, all over my hands so I would have 7 dry hands while I was working on the engine or 8 anything that had electronics that I needed to 9 stay dry for. 10 Q You told us when we first started 11 talking that you were allergic to deodorant; 12 right? 13 A I am. 14 Q Was Johnson's baby powder one of the 15 powders you used to stay fresh -- 16 A It was. 17 Q -- because you were allergic to 18 deodorant? 19 A It was. 20 Q Okay. Would you also use Johnson's 21 baby powder when you were out on the farm with 22 Lonnie? 23 A I would. 24 Q Tell us a little bit about that. 25 A So when we would go out and work with

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Page 468 1 under -- do you know if she used it through 2 middle school, your years in middle school? 3 A Yes. 4 Q Okay. Based on your testimony thus 5 far, you don't -- I understand you don't know 6 how many -- how much Cotillion product your mom 7 bought each year? 8 A I do not. 9 Q And the way she purchased it was Avon 10 lady came to the house and she probably looked 11 through a catalog. And would she fill out an 12 order form, and it would arrive sometime later? 13 Is that...? 14 A Correct. 15 Q It sounds like you don't know how 16 much it cost in those 1970's years; right? 17 A No. 18 Q Could you describe the smell of 19 Cotillion? 20 A It's been a long, long, long time. 21 You know, once again, Mom's, Mom's palate was 22 very floral, botanic type of fragrances. I -- 23 but to pin a descriptor from 45 years ago, I 24 couldn't do that. 25 Q I understand. Would your sister have	Page 470 1 mine, if not the exact same. There was 2 some rotation of fragrances from day to 3 day. 4 But that would have been something 5 that would have been applied on a daily 6 basis. 7 BY ATTORNEY ELLIOTT: 8 Q Okay. And that's what -- I 9 understand where you're coming from. And is 10 this accurate for me to understand, that 11 Cotillion was one of the fragranced powders she 12 used and she used a fragranced powder every day, 13 and Cotillion was just one of those she may have 14 used. You're not sure how often she used 15 Cotillion versus another fragranced powder; is 16 that fair? 17 A Correct. 18 Q But she used -- and I'm not trying 19 to -- but she used the J&J product every day and 20 then there would be a fragranced powder on top 21 of the J&J powder? 22 A Correct. 23 Q Now I'm with you. Forgive me. I 24 want to -- was Skin So Soft powder, Birds of 25 Paradise powder, Soft Musk, and then I think you
Page 469 1 been familiar with your mother's use of 2 Cotillion? 3 A I can't speak and put words into my 4 sister's mouth. I -- my sister being the 5 incredibly athletic masculine athlete, this 6 is -- I don't even know if today she even wears 7 perfume or any type of fragrance. So I couldn't 8 put words into her mouth. 9 Q Understood. Where does she lived? 10 A Indianapolis. 11 Q Is her last name still Perry? 12 A It is. 13 Q Okay. With regard to Cotillion, did 14 you see your mom apply it to herself? 15 A I did. 16 Q And how often did you see her using 17 it, the best you can recall? 18 A It would have been every morning as 19 we are getting ready for our day. 20 Q So she used Cotillion every day, is 21 your recollection? 22 ATTORNEY GROSS: Object to form. 23 THE WITNESS: It would have been one 24 of the fragrances she would have used. 25 Her, her regiment was very similar to	Page 471 1 said Chanel, and then maybe another one? 2 A Timeless. 3 Q Timeless. And what other fragranced 4 powders would have been in that rotation? 5 A Topaz. 6 Q Anything else. Sorry. 7 A Did he mention Birds of Paradise? We 8 mentioned -- 9 Q You did. 10 A Okay. There may be one that I'm 11 missing, but that -- I believe that we've hit 12 the heights of those. 13 Q I just found my note. And you had 14 mentioned the Avon products, the Topaz, the 15 White Linen, the Chanel 5, and the Cashmere 16 Bouquet. And that would have been the universe 17 of fragranced powders? 18 A And then add your Birds of Paradise 19 in there. 20 Q Oh, I've got the Avons: Cotillion, 21 Skin So Soft, Birds of Paradise, and Soft Musk. 22 ATTORNEY GROSS: Object to form, 23 because he just said two more. 24 BY ATTORNEY ELLIOTT: 25 Q I'm a little confused. I'm just

STATE OF SOUTH CAROLINA	)	IN THE COURT OF COMMON PLEAS
	)	
COUNTY OF RICHLAND	)	FOR THE FIFTH JUDICIAL CIRCUIT
	)	
MICHAEL L. PERRY and	)	C/A NO. 2023-CP-40-04072
LONNIE L. LONG,	)	
	)	<i>In Re:</i>
Plaintiffs,	)	Asbestos Personal Injury Litigation
	)	Coordinated Docket
v.	)	
	)	
AMERICAN INTERNATIONAL	)	
INDUSTRIES, et al.	)	
	)	
Defendants.	)	

PLAINTIFFS' RESPONSE IN OPPOSITION TO DEFENDANTS JOHNSON & JOHNSON HOLDCO (NA) INC. AND KENVUE, INC.'S MOTION TO DISMISS

Plaintiffs Michael L. Perry and Lonnie L. Long oppose J&J Defendants'¹ motion to dismiss Plaintiffs' Second Amended Complaint ("Plaintiffs' Complaint") based on a failure to state a claim. Plaintiffs' Complaint, however, sufficiently alleges causes of action against J&J Defendants based on recognized successor liability theories. J&J Defendants are liable for Plaintiffs' injuries because they are (1) the mere continuation (also known as "de facto merger") of Johnson & Johnson Consumer Inc. ("Old JJCI") and/or (2) successors based on fraud and blurred corporate entities theory. J&J Defendants waste this Court's time with disingenuous arguments that have most recently been rejected by juries asked to find LLT Management LLC liable for Old JJCI's talc liabilities² and courts faced with similar arguments.³

¹ J&J Defendants include Johnson & Johnson Holdco (NA) Inc. ("New JJCI/Holdco") and Kenvue, Inc. ("Kenvue"). Janssen Pharmaceuticals, Inc. has since been dismissed without prejudice.

² See, e.g., **Ex. 1**, Special Verdict Form from *Lee v. Johnson & Johnson, et al.*, 6/4/24 (showing the jury in that case found J&J 99.9% liable for Ms. Lee's exposures to Johnson's Baby Powder and LLT Management LLC 0.1% liable for her injuries); **Ex. 2**, Verdict Form and Special Interrogatory, *Garcia v. Avon Products, Inc., et al.*, 4/19/24 (finding Holdco and Kenvue to be the "mere continuation" and "product-line successors" of Old JJCI, and allocating liabilities to Johnson & Johnson, Holdco, and Kenvue; allocating no liabilities to LLT Management LLC).

³ **Ex. 3**, Order in *Garcia/Salcedo* in Cook County, Illinois, 2/26/2024; **Ex. 4**, New Jersey (Middlesex Cty.) Hearing Transcript 5/24/2023; **Ex. 5**, New Jersey Order 6/1/2023 at 3; **Ex. 6**, Louisiana Hearing Transcript/Order 9/29/2023

INTRODUCTION

Michael L. Perry is suffering from mesothelioma—a rare and fatal cancer caused by exposure to asbestos. He was exposed to asbestos fibers through his use of and his family’s use of cosmetic talcum powder products containing asbestos, including Johnson’s Baby Powder (“JBP”) and Shower to Shower talcum powder—products made and sold by Johnson & Johnson (“J&J”) directly or through its subsidiaries. J&J is liable for pre-1979 exposures to its asbestos-containing JBP. Until October 2021, Johnson & Johnson Consumer, Inc. (“Old JJCI”) was liable for post-1979 exposures to asbestos-containing JBP. Through a series of corporate maneuvers, sham bankruptcies, and internal reorganization/restructuring, J&J dissolved Old JJCI by creating short-lived holding companies in Texas. J&J moved Old JJCI’s consumer products business and assets into first New JJCI/Holdco, then Janssen and/or a subsidiary of Janssen, and finally Kenvue, and it moved Old JJCI’s talc liabilities into LLT Management LLC, formerly known as LTL Management LLC (“LLT” or “LTL”). As a result of these transactions, Plaintiffs bring this lawsuit against New JJCI/Holdco and Kenvue as they are a mere continuation of Old JJCI, liable as successors based on a consolidation and/or merger, and/or liable as successors based on fraud. Plaintiffs’ Complaint contains numerous fact-rich paragraphs explaining the basis for their claims against New JJCI/Holdco and Kenvue. J&J Defendants’ motion to dismiss should be dismissed as it is, factually and legally, meritless.

STATEMENT OF FACTS

A. Background.

On July 7, 2023, Michael L. Perry was diagnosed with mesothelioma—a painful and fatal

at 4:15-22; **Ex. 7**, Pennsylvania Order 10/20/2023; **Ex. 8**, New Jersey (Atlantic Cty.) Order 9/27/2023; **Ex. 9**, Order Denying J&J Defendants’ Motion to Dismiss, 4/10/24.

cancer caused by exposure to, and inhalation of, asbestos fibers.⁴ From birth until 2018, Mr. Perry was exposed to asbestos fibers “through his personal use, and his family’s use, of asbestos-containing body talc products throughout his life,” including JBP.⁵ Mr. Perry used and was exposed to asbestos-containing JBP in South Carolina and other states.⁶ The talc used to make JBP contained asbestos fibers,⁷ Mr. Perry inhaled those fibers when he used and/or was exposed to JBP,⁸ and his inhalation and exposure to those asbestos fibers caused (or was a substantial factor in causing) his mesothelioma.⁹ Since at least 1998, Mr. Perry has lived in South Carolina.¹⁰ He was diagnosed with, and continues to be treated for, mesothelioma in South Carolina.¹¹ On August 4, 2023, Plaintiffs brought this lawsuit against, in relevant part, J&J, New JJCI/Holdco, and Kenvue.¹² Since then, Plaintiffs have amended their Complaint twice to include relevant details and/or defendant-specific information.¹³

B. J&J Defendants are liable as successors to Old JJCI.

Johnson & Johnson alone made and sold JBP from the 1890s to 1978.¹⁴ From 1979 to 2021, subsidiaries under Johnson & Johnson’s direction¹⁵ sold JBP (collectively “Old JJCI”).¹⁶

1. Johnson & Johnson’s two attempts to avoid liability through bankruptcy.

In October 2021, Johnson & Johnson devised and implemented a plan with the objective of eliminating (or substantially reducing) its liability for the harm caused to its harmed consumers,

⁴ Plaintiffs’ Second Amended Complaint (“Plaintiffs’ Complaint”), 2/1/24, at ¶¶ 60, 122, 123, 129, 131.

⁵ Plaintiffs’ Complaint, at ¶¶ 9, 13, 60.

⁶ Plaintiffs’ Complaint, at ¶¶ 60, 95, 96, 97, 98, 101, 103, 126.

⁷ Plaintiffs’ Complaint, at ¶ 39.

⁸ Plaintiffs’ Complaint, at ¶¶ 122, 123, 126, 131.

⁹ Plaintiffs’ Complaint, at ¶¶ 95, 96, 97, 98, 101, 103, 123, 126.

¹⁰ Plaintiffs’ Complaint, at ¶ 59; **Ex. 10**, Plaintiffs’ Responses to Defendants’ Standard Interrogatories, 9/13/23, at ROG Answer No. 2, p. 2.

¹¹ **Ex. 11**, List of Providers and Facilities.

¹² Plaintiffs’ Original Complaint filed 8/4/23.

¹³ Plaintiffs’ First Amended Complaint filed 11/30/23; Plaintiffs’ Second Amended Complaint filed 2/1/24.

¹⁴ Plaintiffs’ Complaint, at ¶ 30.

¹⁵ Plaintiffs’ Complaint, at ¶ 31.

¹⁶ Plaintiffs’ Complaint, at ¶ 36.

including Mr. Perry.¹⁷ Defendants admitted they did it to (a) “allocate the talc liabilities,”¹⁸ (b) “stop litigation completely,”¹⁹ and (c) prevent an “outflow of revenue.”²⁰

On October 12, 2021, through a series of intercompany transactions (called the “Texas Two Step”), Johnson & Johnson split Old JJCI into (a) LTL Management (now known as LLT Management, LLC) (“LTL”)²¹ holding all the talc liabilities (per Johnson & Johnson), no productive assets and no ongoing business and (b) Johnson & Johnson Consumer Inc. (“New JJCI”), holding the productive business assets.²²

Two days after its creation, LTL declared Chapter 11 bankruptcy.²³ In an unprecedented move, LTL requested a bankruptcy stay of litigation to apply not only to LTL but also to Johnson & Johnson, New JJCI, and various other parties.²⁴ In November 2021, the request was granted.²⁵ But in early 2023, the Third Circuit reversed the Bankruptcy Court, holding LTL’s bankruptcy was filed in bad faith.²⁶ On April 4, 2023, the Bankruptcy Court formally dismissed the case.²⁷ LTL re-filed a second bankruptcy a few hours later, on April 4, 2023.²⁸ Ultimately, the Bankruptcy Court held that LTL filed the second bankruptcy in bad faith.²⁹ On August 11, 2023, the second bankruptcy attempt was formally dismissed, ending all litigation stays.³⁰

¹⁷ Plaintiffs’ Complaint, at ¶ 36.

¹⁸ **Ex. 12**, Kenvue (Mongon) depo. 8/14/2023 at 22:6-11; **Ex. 13**, Kenvue (Ruh) depo. 8/16/2023 at 38:18-20.

¹⁹ **Ex. 12**, Kenvue (Mongon) depo. 8/14/2023 at 146:20-25.

²⁰ **Ex. 13**, Kenvue (Ruh) depo. 8/16/2023 at 39:23-40:14, 40:16-24.

²¹ LTL Management changed its name to LLT Management in December 2023, however, for purposes of this motion Plaintiff refers to LLT Management LLC as “LTL” or “LLT.”

²² Plaintiffs’ Complaint, at; *In re LTL Management, LLC*, 64 F.4th 84, 95-96 (3d Cir. 2023) (describing the transactions).

²³ Plaintiffs’ Complaint, at ¶¶ 36-38.

²⁴ Plaintiffs’ Complaint, at ¶¶ 36-38; *In re LTL Management, LLC*, 64 F.4th 84, 97 (3d Cir. 2023).

²⁵ Plaintiffs’ Complaint, at ¶¶ 36-38.

²⁶ Plaintiffs’ Complaint, at ¶¶ 36-38; *In re LTL Management, LLC*, 64 F.4th 84, 111 (3d Cir. 2023).

²⁷ Plaintiffs’ Complaint, at ¶¶ 36-38; *In re LTL Management, LLC*, 652 B.R. 433, 439 (Bankr. D.N.J. 2023).

²⁸ Plaintiffs’ Complaint, at ¶¶ 36-38; *In re LTL Management, LLC*, 652 B.R. 433, 439 (Bankr. D.N.J. 2023).

²⁹ Plaintiffs’ Complaint, at ¶¶ 36-38; *In re LTL Management, LLC*, 652 B.R. 433, 437 (Bankr. D.N.J. 2023) (“... the Court GRANTS the motions seeking dismissal of the within bankruptcy proceeding as having been filed in bad faith...”).

³⁰ Plaintiffs’ Complaint, at ¶¶ 36-38.

2. After the October 2021 divisional merger, defendant New JJCI/Holdco continued Old JJCI's business.

The “Texas Two Step” created New JJCI on October 12, 2021.³¹ New JJCI “continue[d] to operate Johnson & Johnson’s Consumer Health business” in the U.S. “without interruption.”³² The “manufacturing, marketing, and distribution assets that Old JJCI used to make baby powder went to New JJCI.”³³ New JJCI maintained and continued (a) Old JJCI’s business contracts (manufacturing, licensing, supply, vendor, etc.),³⁴ (b) the same ownership (Johnson & Johnson as grandparent, Janssen Pharmaceuticals as parent),³⁵ (c) the same management,³⁶ (d) the same employees in the same positions,³⁷ (e) the same operating locations,³⁸ (f) the same business operations³⁹ and (g) making the same products, including JBP.⁴⁰ New JJCI changed its name to Johnson & Johnson Holdco (NA) Inc. (“New JJCI/Holdco”) in December 2022.⁴¹

3. After the April 2023 spinoff, Kenvue continued the same business.

In early 2023, Johnson & Johnson spun off its consumer business segment (through a series of transactions designed to avoid tax liability) to defendant Kenvue, Inc. (“Kenvue”).⁴²

- New JJCI/Holdco formed a subsidiary, Johnson & Johnson Consumer, Inc. (“New JJCI 3.0”) in June 2022.⁴³
- New JJCI/Holdco transferred New JJCI 3.0 to defendant Janssen Pharmaceuticals (“Janssen”) in February 2023.⁴⁴
- Janssen transferred “New JJCI 3.0” to a holding company, JNTL Holdings 2, Inc.⁴⁵
- JNTL Holdings 2, Inc. (parent of JJCI 3.0) and other entities were ultimately transferred

³¹ Plaintiffs’ Complaint, at ¶¶ 36-38.

³² Plaintiffs’ Complaint, at ¶¶ 36-38.

³³ Plaintiffs’ Complaint, at ¶¶ 36-38.

³⁴ Plaintiffs’ Complaint, at ¶¶ 36-38.

³⁵ Plaintiffs’ Complaint, at ¶¶ 36-38.

³⁶ Plaintiffs’ Complaint, at ¶¶ 36-38.

³⁷ Plaintiffs’ Complaint, at ¶¶ 36-38.

³⁸ Plaintiffs’ Complaint, at ¶¶ 36-38.

³⁹ Plaintiffs’ Complaint, at ¶¶ 36-38.

⁴⁰ Plaintiffs’ Complaint, at ¶¶ 36-38.

⁴¹ Plaintiffs’ Complaint, at ¶¶ 36-38.

⁴² Ex. 16, Donald McGraw Declaration 9/18/2023 at ¶¶ 5, 7-8, 11.

⁴³ Ex. 16, Donald McGraw Declaration 9/18/2023 at ¶ 7(b).

⁴⁴ Ex. 16, Donald McGraw Declaration 9/18/2023 at ¶ 7(f).

⁴⁵ Ex. 16, Donald McGraw Declaration 9/18/2023 at ¶ 7(h).

to Johnson & Johnson by early April 2023.⁴⁶

- Johnson & Johnson spun off these entities to Kenvue in April 2023.⁴⁷

Kenvue “absolutely” held “itself out” as “essentially the same company that was operating the Consumer Health Division inside of Johnson & Johnson.”⁴⁸ “The Consumer Health Business of Johnson & Johnson is now in Kenvue.”⁴⁹ Kenvue SEC filings present itself as the same company that sold JBP for decades.⁵⁰ Kenvue maintained the (a) same business contracts, permits, licensing, etc., as Old JJCI and New JJCI/Holdco, (b) same ownership (both before and after an August 2023 “stock swap”), (c) same management, (d) same employees, (e) same operating locations, (f) same business operations and (g) same products, including JBP.⁵¹

4. Facts impacting successor liability.

a. Johnson & Johnson’s intermingled resources and employees.

Johnson & Johnson’s business used to consist of three segments: Consumer, Pharmaceutical, and Medical Devices.⁵² The consumer segment comprised numerous legal entities, Old JJCI being only one.⁵³ While over 10,000 employees worked in the consumer segment, Old JJCI employed about 3,000.⁵⁴ Executives testified that they conducted business by segment, sharing employees and resources without regard for the legal entities:

- *Mr. Mongon (President of the consumer segment and then Kenvue):* They operated the business segment, not “through the lens of legal entities;”⁵⁵
- *Mr. Ruh (CFO of the consumer segment and then Kenvue):* He did not know “what legal entities were under my purview” because it operated by segment;⁵⁶

⁴⁶ Ex. 16, Donald McGraw Declaration 9/18/2023 at ¶ 7(i)-(m).

⁴⁷ Ex. 16, Donald McGraw Declaration 9/18/2023 at ¶¶ 5, 7(n), 8

⁴⁸ Plaintiffs’ Complaint, at ¶¶ 36-38.

⁴⁹ Plaintiffs’ Complaint, at ¶¶ 36-38.

⁵⁰ Ex. 18, Kenvue, Inc. SEC Form S-1 1/4/2023 at i (stating Kenvue “historically operated as part of Johnson & Johnson.”), *id.* at 4 (referring to a brand portfolio built over 135 years despite Kenvue only existing for months).

⁵¹ Plaintiffs’ Complaint, at ¶¶ 36-38.

⁵² *E.g.*, Ex. 20, Johnson & Johnson Form 10k for the year 2018 at 1.

⁵³ Ex. 12, Kenvue (Mongon) depo. 8/14/2023 at 30:1-24.

⁵⁴ Ex. 17, Kenvue SEC S-4 8/3/2023 at 175.

⁵⁵ Ex. 12, Kenvue (Mongon) depo. 8/14/2023 at 30:17-24.

⁵⁶ Ex. 13, Kenvue (Ruh) depo. 8/16/2023 at 11:15-12:6, 42:24-43:5, 50:6-7, 50:21-23, 51:1-5.

- *Dr. Kuffner (Medical Officer of the consumer segment)*: They oversaw and monitored products sold across all legal subsidiary entities of the segment;⁵⁷
- *Ms. Goodridge (President of Old JJCI and New JJCI)*: She worked for the consumer segment, which consisted of multiple legal entities.⁵⁸

The officers and directors of Old JJCI and New JJCI were “all employees of Johnson & Johnson.”⁵⁹

Ms. Goodridge simultaneously held positions as president of (a) a unit of Johnson & Johnson’s consumer segment and (b) Old JJCI.⁶⁰ She never participated in any board meetings for Old JJCI.⁶¹

Ms. Goodridge explained that the president of Old JJCI was not an “operational role” but instead a “corporate officer role” consisting of signing legal transactions.⁶²

b. Johnson & Johnson’s pervasive control.

Johnson & Johnson dictated the October 2021 “Texas Two Step.” The president of the Consumer segment (and then Kenvue) testified that “the Law Department of Johnson & Johnson” handled the decisions of “Project Plato” in October 2021.⁶³ Ms. Goodridge, president of Old JJCI, confirmed that Johnson & Johnson (the parent) controlled the creation of LTL and New JJCI. Ms. Goodridge testified that (a) Johnson & Johnson made his president of the other newly-created entities in the transactions and instructed him to sign the instruments,⁶⁴ (b) Johnson & Johnson established the entities,⁶⁵ (c) she only spoke with Johnson & Johnson attorneys (and no business person)⁶⁶ and (d) she could identify no business purpose for the transactions.⁶⁷

⁵⁷ **Ex. 22**, J&J/LTL (Kuffner) depo. 11/9/2023 at 343:2-344:4, 347:5-18, 348:17-351:19, 380:2-381:4.

⁵⁸ **Ex. 15**, JJCI (Goodridge) depo. 12/20/2021 at 290:4-22, 291:11-20, 292:21-293:8, 375:16-376:4; *see also* **Ex. 14**, Trans. of JJCI (Goodridge) 2/14/2022 at 268:14-269:2.

⁵⁹ **Ex. 15**, JJCI (Goodridge) depo. 12/20/2021 at 289:9-18.

⁶⁰ **Ex. 14**, Transcript of JJCI (Goodridge) 2/14/2022 at 266:23-267:3, 270:10-17; **Ex. 15**, JJCI (Goodridge) depo. 12/20/2021 at 258:9-25, 261:9-12, 261:16-24.

⁶¹ **Ex. 15**, JJCI (Goodridge) depo. 12/20/2021 at 355:20-25.

⁶² **Ex. 14**, Transcript of JJCI (Goodridge) 2/14/2022 at 270:18-271:10.

⁶³ **Ex. 12**, Kenvue (Mongon) depo. 8/14/2023 at 24:7-10.

⁶⁴ **Ex. 14**, Trans. of JJCI (Goodridge) 2/14/2022 at 202, 205, 207, 208, 210, 213, 220; **Ex. 21**, Certificates 10/12/2021; **Ex. 15**, JJCI (Goodridge) depo. 12/20/2021 at 25, 37 (she was told she was president in October 2021).

⁶⁵ **Ex. 14**, Transcript of JJCI (Goodridge) 2/14/2022 at 210:20-23.

⁶⁶ **Ex. 14**, Transcript of JJCI (Goodridge) 2/14/2022 at 209:20-23, 220:9-13, 221:9-20; **Ex. 15**, JJCI (Goodridge) depo. 12/20/2021 at 48:9-22, 49:10-16, 50:19-51:9, 61:6-24, 190:2-9.

⁶⁷ **Ex. 14**, Transcript of JJCI (Goodridge) 2/14/2022 at 217:23-218:9.

Johnson & Johnson dictated the April 2023 Kenvue spinoff. Kenvue's CEO and CFO confirmed that Johnson & Johnson made all decisions; the Kenvue Board had no say.⁶⁸ The "entire transaction was under the control and direction of Johnson & Johnson."⁶⁹

c. Texas has no interest in the issues presented.

The remaining defendants are headquartered and incorporated in the following states:

Defendant	Entity name	Years	PPB	Incorp.
Johnson & Johnson	Johnson & Johnson	1887 to present	New Jersey	New Jersey ⁷⁰
No longer exists	"Old JJCI"	1979 to 10/12/21	New Jersey	New Jersey ⁷¹
No longer exists	Chenango, Curahee	10/12/21 ⁷² (2 hours)	N/A	Texas ⁷³
New JJCI/Holdco	New JJCI/Holdco	10/12/21 to present	New Jersey	New Jersey ⁷⁴
Janssen Pharmaceuticals	Janssen Pharmaceuticals	1978 to the present	New Jersey	Pennsylvania ⁷⁵
Kenvue	Kenvue	Feb. 2022 to present	New Jersey	Delaware ⁷⁶
LLT Management	LLT Management	10/12/21 to present ⁷⁷	New Jersey	N. Carolina ⁷⁸

In a two-hour span on the morning of October 12, 2021, Old JJCI (NJ) merged into Chenango Zero (TX), then it became Currahee Holding Company (TX), and then it became New JJCI (NJ).⁷⁹ Chenango and Currahee held no board meetings.⁸⁰

⁶⁸ Ex. 12, Kenvue (Mongon) 8/14/2023 at 47:13-48:8; Ex. 13, Kenvue (Ruh) 8/16/2023 at 45:23-46:5, 62:21-63:25.

⁶⁹ Ex. 13, Kenvue (Ruh) 8/16/2023 at 63:9-18.

⁷⁰ Ex. 20, Johnson & Johnson Form 10k 2018; *see also* Ex. 15, JJCI (Goodridge) 12/20/2021 at 330:24-331:3.

⁷¹ Ex. 19, Old JJCI Annual Report (filed in NC) 4/5/2021 (listing NJ as state of incorporation and headquarters).

⁷² Ex. 15, JJCI (Goodridge) depo. 12/20/2021 at 186:14-187:20; *see also* Ex. 21(a)-(e), Certificates 10/12/2021.

⁷³ Ex. 21(a)-(e), Certificates 10/12/2021.

⁷⁴ Ex. 23, New JJCI/Holdco Report (filed in NC) 4/5/2023.

⁷⁵ Ex. 24, Janssen Pharmaceuticals Annual Report (filed in NC) 3/28/2023.

⁷⁶ Ex. 18, Kenvue, Inc. SEC Form S-1 1/4/2023 at cover, 14.

⁷⁷ Ex. 25, LTL Management LLC Articles of Formation (NC) 10/12/2021.

⁷⁸ Ex. 15, JJCI (Goodridge) depo. 12/20/2021 at 203:6-18.

⁷⁹ Ex. 15, JJCI (Goodridge) depo. 12/20/2021 at 186:14-187:20; *see also* Ex. 21(a)-(e), Certificates 10/12/2021.

⁸⁰ Ex. 15, JJCI (Goodridge) depo. 12/20/2021 at 355:5-19.

ARGUMENT

A. Standard of Review.

Courts must “construe the complaint in a light most favorable to the nonmovant and determine if the ‘facts alleged and the inferences reasonable deducible from the pleadings would entitle the plaintiff to relief on any theory of the case.’” *Rydde v. Morris*, 381 S.C. 643, 646, 675 S.E.2d 431 (2009). It is improper for a court to grant a motion to dismiss if the facts and inferences establish that the nonmovant is entitled to relief on any theory. *Id.*

B. J&J Defendants incorrectly conclude, “Texas law applies.”

J&J Defendants boldly state in their motion to dismiss (1) Texas law applies to the issues it raises, and (2) under Texas law, they cannot be held liable for Old JJCI’s liabilities.⁸¹ But “[u]nder South Carolina choice of law principles, the substantive law governing a tort action is determined by the state in which the injury occurred[.]” *Rogers v. Lee*, 414 S.C. 225, 230, 777 S.E.2d 402 (2015). Here, Mr. Perry used and was exposed to asbestos-containing JBP in South Carolina.⁸² Since at least 1998, Mr. Perry has lived in South Carolina.⁸³ Mr. Perry was diagnosed with and continues to be treated for, mesothelioma in South Carolina.⁸⁴ This is a tort action, and the issues implicated sound in tort. As such, South Carolina’s substantive law applies to the issue of successor liability.

C. Plaintiffs have sufficiently pleaded causes of action against J&J Defendants as successors to Old JJCI under three recognized theories: mere continuation/de facto merger, fraudulent transfer, and blurred corporate identities.

1. South Carolina Successor Liability Law.

“In South Carolina, in the absence of a statute, a successor or purchasing company

⁸¹ J&J Defendants’ Motion to Dismiss, at p. 5-6.

⁸² Plaintiffs’ Complaint, at ¶¶ 60, 95, 96, 97, 98, 101, 103, 126.

⁸³ **Ex. 10**, Plaintiffs’ Responses to Defendants’ Standard Interrogatories, 9/13/23, at ROG Answer No. 2, p. 2.

⁸⁴ **Ex. 11**, List of Providers and Facilities.

ordinarily is not liable for the debts of a predecessor or selling company[.]” *Simmons v. Mark Lift Industries, Inc.*, 366 S.C. 308, 315, 622 S.E.2d 213 (2005). Liability is imposed on a successor, however, when (1) “there [is] an agreement to assume such debts;” (2) “the circumstances surrounding the transaction [] warrant[s] a finding that there was a consolidation” of two corporations; (3) the successor is a mere continuation of the predecessor; or (4) the transfer was entered into fraudulently to escape creditors’ claims. *Brown v. American Ry. Exp. Co.*, 128 S.C. 428, 123 S.E. 97, 98-99 (1924).

Under the “mere continuation” or “de facto merger” exception, a successor is liable for a predecessor’s debts when there is common ownership and common directors and officers. *Nationwide Mutual Insurance Company v. Eagle Window & Door, Inc.*, 424 S.C. 256, 269, 818 S.E.2d 447 (2018). Control is also relevant. *Id.* And even where there is an imperfect showing of common ownership, common directors and officers, and control, liability may be imposed “where a corporate sale is driven by a desire to escape the predecessor’s liabilities and obligations.” *Id.* at 269-70.

Additionally, South Carolina recognizes flexible concepts supporting the imposition of liability where “the companies’ interests, entities, and activities blur the identity of the various companies.” *Mid-South Mgt. Co. Inc. v. Sherwood Development Corp.*, 374 S.C. 588, 604-605, 649 S.E.2d 135 (2007). For example, in *Kincaid v. Landing Development Corporation*, the Court of Appeals “found a sibling company liable for the obligation of another sibling company due to the evidence revealing an ‘amalgamation of corporate interests, entities, and activities so as to blur the legal distinction between the corporations and their activities.’” *Id.* (citing *Kincaid v. Landing Dev. Corp.*, 289 S.C. 89, 96, 344 S.E.2d 869 (Ct. App. 1986)) (cleaned up).

2. J&J Defendants are liable as successors under the mere continuation/de facto merger, fraudulent transfer, and blurred corporate identities exceptions to non-

liability.

(a) Mere Continuation and De Facto Merger.

Plaintiffs' Complaint includes facts about (1) J&J's corporate history; (2) J&J Defendants' corporate histories; (3) the circumstances surrounding J&J's and J&J Defendants' divisive merger, sham bankruptcies, and continuation of Old JJCI's consumer products business; (4) identifies specific theories of successor liability under which J&J Defendants are liable as successors; and (5) supports those successor liability theories with specific facts. This is shown by the chart below:

Factors in analysis	Specific allegations in Plaintiffs' Complaint
Continuity in management and personnel	Old JJCI and the J&J Defendants maintain continuity in leadership and management, and Kenvue admits it is a mere continuation of Old JJCI. ⁸⁵ Examples supporting this fact include, - Per its own public SEC filings, Kenvue's "senior leadership team ... effectively transformed our business since taking the helm in 2019..." (i.e., the same management started with Old JJCI and continued the same positions/roles in New JJCI, New JJCI (Holdco), Janssen and Kenvue). ⁸⁶ -Mr. Mongon went from acting as the president of Old JJCI to the president of New JJCI, culminating in his position as the president of Kenvue. ⁸⁷ -All (or virtually all) of the employees of Old JJCI continued working for the New J&J Defendants (culminating in defendant Kenvue). ⁸⁸ -Old JJCI and J&J Defendants (culminating in Kenvue) maintained continuity in ownership as a result of a stock swap in which owners of shares of Johnson & Johnson became owners of Kenvue. ⁸⁹
Continuity in operating locations	Old JJCI and the New J&J Defendants (culminating in defendant Kenvue, as described above) maintain continuity in operating business locations. ⁹⁰ Examples of this fact include, -J&J Defendants had/have the same headquarters of Old JJCI in Skillman, New Jersey and Kenvue operates from the same manufacturing, marketing, and research sites as Old JJCI. ⁹¹
Continuity in business operations	J&J Defendants continue the same corporate entity <i>and</i> enterprise. -To ensure no interruption in day-to-day business operations from Old JJCI to the New J&J Defendants (culminating in Kenvue), a "Separation Agreement" provided for and/or included (a) the transfer of contracts, permits, licenses and other rights previously held by Old

⁸⁵ Plaintiffs' Complaint, at ¶ 38.

⁸⁶ Plaintiffs' Complaint, at ¶ 38(c).

⁸⁷ Plaintiffs' Complaint, at ¶ 38(c).

⁸⁸ Plaintiffs' Complaint, at ¶ 38(d).

⁸⁹ Plaintiffs' Complaint, at ¶ 38(e).

⁹⁰ Plaintiffs' Complaint, at ¶ 38(f).

⁹¹ Plaintiffs' Complaint, at ¶ 38(f).

	JJCI, (b) a Transition Manufacturing Agreement and (c) a Transition Services Agreement. Contracts with raw material and other suppliers, contract manufacturers and customers were transferred. The information technology systems of Old JJCI were transferred to Kenvue.⁹² -Old JJCI's instrumental directors, management, and key employees continue through J&J Defendants (culminating in Kenvue).⁹³ -Old JJCI's business purpose is continued through J&J Defendants (culminating in Kenvue).⁹⁴ -Old JJCI's customer base is continued through J&J Defendants (culminating in Kenvue).⁹⁵
Continuity of shareholders	Old JJCI's shareholder interest is the same/continued through J&J Defendants (culminating in Kenvue). -Old JJCI and the New J&J Defendants (culminating in Kenvue) maintained continuity in ownership as a result of a stock swap in which owners of shares of Johnson & Johnson became owners of Kenvue.⁹⁶ -Kenvue acknowledged and admitted in a public SEC filing that it may be held accountable for the harm caused by the talc-containing products made and sold by Old JJCI. Kenvue admitted that "it is also possible that various parties will seek to bring and will be successful in bringing claims against us, including by raising allegations that we are liable for the Talc-Related Liabilities."⁹⁷ Kenvue also acknowledged that it is "responsible for all liabilities on account of or relating to harm arising out of, based upon, or resulting from, directly or indirectly, the presence of or exposure to talc or talc-containing products sold outside the United States or Canada."⁹⁸
Pervasive control/Blurred corporate identity	Johnson & Johnson and Old JJCI intermingled and disregarded their separate corporate status.⁹⁹ Johnson & Johnson exercised pervasive control over Old JJCI and its sibling companies, including New JJCI/Holdco, Janssen, and Kenvue.¹⁰⁰ Johnson & Johnson and Old JJCI, New JJCI/Holdco, and Kenvue do not operate as separate companies as their assets, personnel, directors, and activities are entirely blurred and intermingled.¹⁰¹
Purpose of asset transfer	The purpose of the transfer of Old JJCI's assets and consumer products business to J&J Defendants was to isolate the talc liabilities of Old JJCI into a newly invented company (LLT Management LLC) and force the aggregate resolution of present and future talc/asbestos liabilities that would foreclose jury trials and reduce exposure to

⁹² Plaintiffs' Complaint, at ¶ 38(g).

⁹³ Plaintiffs' Complaint, at ¶¶ 38(a)-(d).

⁹⁴ Plaintiffs' Complaint, at ¶ 38(h).

⁹⁵ Plaintiffs' Complaint, at ¶ 38(i).

⁹⁶ Plaintiffs' Complaint, at ¶ 38(e).

⁹⁷ Plaintiffs' Complaint, at ¶ 38(l).

⁹⁸ Plaintiffs' Complaint, at ¶ 38(l).

⁹⁹ Plaintiffs' Complaint, at ¶ 34.

¹⁰⁰ Plaintiffs' Complaint, at ¶¶ 35, 36-38.

¹⁰¹ Plaintiffs' Complaint, at ¶¶ 30-38.

	damages owed to injured third parties. ¹⁰²

Based on the chart above, Plaintiffs' Complaint and the additional evidence Plaintiffs cite show that J&J Defendants are liable as successors for the causes of action alleged in their Complaint under the mere continuation or "de facto" merger exceptions to non-liability.

(b) Fraudulent Transfer and Blurred Identity.

Plaintiffs' Complaint also supports finding J&J Defendants liable as successors based on fraud and the use of the corporate form to escape liability. South Carolina recognizes this exception when a predecessor's assets are specifically transferred or moved to place the predecessor's assets out of the reach of creditors and/or third parties. *Nationwide Mutual Insurance Company*, 424 S.C. at 256. Additionally, J&J and J&J Defendants have intermingled and blurred corporate interests, entities, and activities such that there is no legal distinction between the corporations involved in the consumer products business.¹⁰³ *Mid-South Mgt. Co. Inc. v. Sherwood Development Corp.*, 374 S.C. at 604-605.

In *Schmoll v. AcandS, Inc.*, Raymark Industries transferred its assets to Raytech—a company owned by Raymark Industries' shareholders—through asset transfers and corporate restructurings. 703 F. Supp. 868, 872-73 (D. Or. 1988). As a result of the transfers and corporate restructurings, Raymark Industries was left with "staggering asbestos liabilities, unprofitable operations, unsecured notes, and stock which could not be sold in large blocks without a deep discount." *Id.* at 873. Meanwhile, Raytech received Raymark Industries valuable assets. *Id.* This left present and future asbestos tort claimants with little chance of compensation. *Id.* Based on this context and statements made by those involved, the court concluded, "the elaborate transfer of assets was designed to escape liability[.]" and held Raytech liable as a successor of Raymark

¹⁰² Plaintiffs' Complaint, at ¶ 36.

¹⁰³ Plaintiffs' Complaint, at ¶¶ 30-38.

Industries *Id.*

Like *Schmoll*, J&J and J&J Defendants have engaged in an elaborate corporate fiction to avoid liabilities associated with and from JBP.¹⁰⁴ This is a fact J&J Defendants can hardly disclaim. J&J has been “transparent” about using the bankruptcy process as a vehicle “to address the company’s growing talc-related liability exposures and costs in defending the tens of thousands of pending ovarian cancer claims and hundreds of mesothelioma cases, as well as future claims.” *In re LTL Management, LLC*, 637 B.R. 396, 407 (Bankr. D.N.J. 2022), *rev’d and remanded*, 58 F.4th 738, *rev’d and remanded*, 64 F.4th 84 (3d Cir. 2023). The corporate restructure was “designed to allow ‘New JJCI to continue to operate Johnson & Johnson’s Consumer Health business in the United States without interruption[.]’” *Id.* Despite being amply solvent (an understatement), J&J sought to use the bankruptcy system to limit and redefine the rights of the people its products harmed.¹⁰⁵ While it sought refuge in the bankruptcy system for talc-based liabilities, J&J and J&J Defendants continued to make, sell, and profit from the same talc-based products.¹⁰⁶

While J&J Defendants harp on talc-based JBP sales ending in 2020, it remains a fact that talc-based JBP remains available in the United States and overseas.¹⁰⁷ J&J Defendants’ nonsensical argument that their continued production of Johnson’s Baby Powder (but with

¹⁰⁴ *In re LTL Management, LLC*, 64 F.4th at 106 (noting a steady growth in J&J’s consumer health business and recognizing that New JJCI/Holdco “had access to Old Consumer’s cash-flowing brands and products along with the profits they produced”); **Ex. 26**, J&J Project Plato approval memo 10/11/2021 at 21791, 21793; **Ex. 12**, Kenvue (Mongon) depo. 8/14/2023 at 121:15-24; **Ex. 15**, JJCI (Goodridge) depo. 12/20/2021 at 325:9-21 (admitting the business continued operating without interruption).

¹⁰⁵ *In re LTL Management, LLC*, 64 F.4th at 111; *In re LTL Management, LLC*, 652 B.R. 433, 437 (Bankr. D.N.J. 2023); **Ex. 26**, J&J Project Plato approval memo 10/11/2021; **Ex. 15**, JJCI (Goodridge) depo. 12/20/2021 at 312:8-9.

¹⁰⁶ *In re LTL Management, LLC*, 64 F.4th at 106 (noting a steady growth in J&J’s consumer health business and recognizing that New JJCI/Holdco “had access to Old Consumer’s cash-flowing brands and products along with the profits they produced”); **Ex. 26**, J&J Project Plato approval memo 10/11/2021 at 21791, 21793; **Ex. 12**, Kenvue (Mongon) depo. 8/14/2023 at 121:15-24; **Ex. 15**, JJCI (Goodridge) depo. 12/20/2021 at 325:9-21 (admitting the business continued operating without interruption).

¹⁰⁷ A search of Amazon.com and similar websites demonstrates the availability of talc-based Johnson’s baby powder in the U.S. It is undisputed that J&J Defendants did not discontinue talc-based sales worldwide until sometime in 2023, two years after Old JJCI had been dissolved.

cornstarch) shields them from liability under mere continuation or fraud exceptions is, in essence, to say each formula for the same product is a wholly separate and distinct product line, and its continuation of the same business under common ownership, common directors, officers, and shareholders is of no consequence. Over the years, J&J has offered the public many variations of talc-based and non-talc-based baby powder, but they all have remained under the same Johnson's Baby Powder product line.¹⁰⁸ Ultimately, J&J Defendants continued Old JJCI's JBP product line and consumer products business (whatever the formula of those products); they continued to profit from those sales and use the assets they obtained from Old JJCI while remaining wholly shielded from any liabilities associated with the same product. Here, even more so than the defendants in *Schmoll*, J&J and J&J Defendants' conduct, both before the Texas Two Step and after, shows J&J and J&J Defendants' purpose was and is to avoid and eliminate liability.

Additionally, like the companies in *Kincaid v. Landing Development Corporation*, here too, J&J and J&J Defendants have common shareholders, common officers and directors, and a blurred corporate distinction amongst the entities involved in the consumer products business. This is demonstrated by the chart above and by the facts alleged in Plaintiffs' Complaint.¹⁰⁹

D. An Illinois jury recently found J&J Defendants liable as successors of Old JJCI, and at least six other courts have denied J&J Defendants' motions about successor liability.

Recently, an Illinois jury, examining substantially similar exposure facts and identical facts as to the relationships between Johnson & Johnson and the J&J Defendants, found the J&J Defendants liable for Teresa Garcia's development of mesothelioma and subsequent death as

¹⁰⁸ **Ex. 27**, Draft of J&J's Product List for the FDA, 12/5/11 (listing Johnson's Baby Powder as a single product, despite offering many powder variations); **Ex. 28**, Product List, undated (listing all baby powders under the same category: "baby powder").

¹⁰⁹ Plaintiffs' Complaint, at ¶¶ 30-38.

successors to Old JJCI.¹¹⁰

Courts evaluating the same factual record consistently find that successor liability exceptions apply to J&J Defendants. First, an Illinois court denied Defendants' identical motion for summary judgment, finding successor liability exists under the mere continuation exception and/or fraud exception.¹¹¹ Second, Judge Viscomi in New Jersey considered the same facts and arguments of J&J Defendants and denied their motions to dismiss as to the mere continuation and other theories.¹¹² Third, a Louisiana court found that a plaintiff made "factual allegations sufficient to assert a cause of action under Louisiana's Successor Liability Doctrine" against J&J Defendants.¹¹³ Fourth, a Pennsylvania court found the same.¹¹⁴ Fifth, a separate New Jersey court held that (a) Texas law did not apply and (b) the facts alleged (the same as proven above) satisfied the successor liability exceptions.¹¹⁵ And finally, a New York court held that (a) Texas law did not apply and (b) plaintiff alleged sufficient facts to plead successor liability.¹¹⁶ Like the courts above, the Plaintiffs here ask the Court to deny J&J Defendants' motion as their Complaint adequately pleads causes of actions against J&J Defendants.

CONCLUSION

For the reasons stated above, Plaintiffs ask this Court to deny J&J Defendants' motion to dismiss for failure to state a claim.

¹¹⁰ **Ex. 2**, Garcia Verdict Form & Judgment Order, 4/19/24.

¹¹¹ **Ex. 3**, Order in *Garcia/Salcedo* in Cook County, Illinois, 2/26/2024.

¹¹² **Ex. 4**, New Jersey (Middlesex Cty.) Hearing Transcript 5/24/2023; **Ex. 5**, New Jersey Order 6/1/2023 at 3.

¹¹³ **Ex. 6**, Louisiana Hearing Transcript/Order 9/29/2023 at 4:15-22.

¹¹⁴ **Ex. 7**, Pennsylvania Order 10/20/2023.

¹¹⁵ **Ex. 8**, New Jersey (Atlantic Cty.) Order 9/27/2023.

¹¹⁶ **Ex. 9**, Order Denying J&J Defendants' Motion to Dismiss, 4/10/24.

Respectfully submitted,

/s/ Charles W. Branham

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ATTORNEYS FOR PLAINTIFF

June 28, 2024

Dallas, TX

EXHIBIT 1

Verified Correct Copy of Original 6/4/2024

IN THE CIRCUIT COURT OF THE STATE OF OREGON
FOR THE COUNTY OF MULTNOMAH

FILED MULTNOMAH CO CIRCUIT CT
'24 JUN 4 AM 10:00

KYUNG H. LEE and
JOE J. LEE,

Plaintiffs,

vs.

JOHNSON & JOHNSON, et al.

Defendants.

NO. 23CV40369

SPECIAL VERDICT FORM

At least the same nine jurors must agree to your answer for each and every one of the following questions that you answer.

We the jury find as follows:

Negligence

Question 1: Was defendant negligent in one or more of the ways plaintiffs claim?

Johnson & Johnson

Yes ☒ No ☐

LLT Management LLC

Yes ☒ No ☐

If you answer Yes as to either defendant, go to Question 2 for that defendant. If you answer No as to both defendants, go to Question 3.

Question 2: Was defendant's negligence a cause of Kyung Lee's mesothelioma?

Johnson & Johnson

Yes ☒ No ☐

LLT Management LLC

Yes ☒ No ☐

Go to Question 3.

Defective Product Liability

Question 3: Did the defendant sell a product in a condition that was defective and unreasonably dangerous to the ultimate consumer in one or more of the ways plaintiffs claim?

Johnson & Johnson

Yes ☒ No ☐

LLT Management LLC

Yes ☒ No ☐

If you answer Yes as to either defendant, go to Question 4 for that defendant. If you answered No as to both defendants in Question 3, but Yes as to either defendant in Question 2, go to Question 5. Otherwise, sign the verdict form and answer no additional questions.

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Question 4: Was the product's defect a cause of Kyung Lee's mesothelioma?

Johnson & Johnson

Yes ☒ No ☐

LLT Management LLC

Yes ☒ No ☐

If you answered Yes as to either defendant for either Question 2 or Question 4, go to Question 5 for that defendant. Otherwise, sign the verdict form and answer no additional questions.

Compensatory Damages

Question 5: What are Kyung Lee's non-economic damages?

\$ 47,700,000

Go to Question 6.

Question 6: What are Joe Lee's non-economic damages?

\$ 12,300,000

Go to Question 7.

Apportionment of Fault

Only answer Question 7 if you have found Johnson & Johnson at fault (answered Yes to either Question 2 or Question 4) **and** have also found LLT Management LLC at fault (answered Yes to either Question 2 or Question 4). Otherwise, go to the instructions before Question 8.

Question 7: What is the percentage of each party's fault? (The total must equal 100%)

99.9 % Johnson & Johnson

0.1 % LLT Management, LLC

Punitive Damages

Only answer Question 8 if you have answered Yes to either Question 2 or Question 4 for Johnson & Johnson. Otherwise, sign the verdict form and answer no additional questions.

Question 8: Did Plaintiffs prove with clear and convincing evidence that punitive damages should be assessed against Johnson & Johnson for the conduct that harmed plaintiffs?

Yes ✓ No

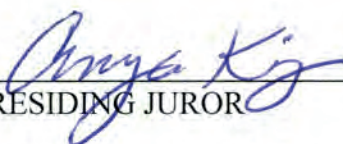
If you answer Yes to question 8, go to question 9. If you answer No to question 8, sign the verdict form and answer no additional questions.

Question 9: What is the amount of punitive damages, if any, you assess against Johnson & Johnson?

\$ 200,000,000

Please have the Presiding Juror sign and date the form.

Dated: 3 June 2024


PRESIDING JUROR

After this verdict has been signed and dated, please notify the court clerk that you are ready to present your verdict in the courtroom.

EXHIBIT 2

VERDICT FORM A

226-4505 SAICEDO ✓ AVON
 We, the jury, find for Stephanie Salcedo, as Administrator of the Estate of Theresa Garcia, deceased, against the following defendant or defendants:

Johnson & Johnson

Yes ☒ No ☐

LLT Management LLC

Yes ☐ No ☒

Johnson & Johnson Holdco (NA) Inc. (Successor)

Yes ☒ No ☐

Kenvue, Inc. (Successor)

Yes ☒ No ☐

We assess the total amount of damages suffered by the Estate of Theresa Garcia, deceased, is

\$ 45,000,000, itemized as follows:

As to Count I, the Wrongful Death of Theresa Garcia, we itemize damages as follows:

- a. Past and future loss of society to Stephanie Salcedo \$ \$1,000,000
- b. Past and future grief, sorrow, and mental suffering of Stephanie Salcedo \$ 1,000,000
- c. Past and future loss of society to Vanessa Garcia \$ 1,000,000
- d. Past and future grief, sorrow, and mental suffering of Vanessa Garcia \$ 1,000,000
- e. Past and future loss of society to Jazmine Cerda \$ 1,000,000
- f. Past and future grief, sorrow, and mental suffering of Jazmine Cerda \$ 1,000,000
- g. Past and future loss of society to Ed Cerda, Jr. \$ 1,000,000
- h. Past and future grief, sorrow, and mental suffering of Ed Cerda, Jr. \$ 1,000,000
- i. Past and future loss of society to Caressa Garcia \$ 1,000,000
- j. Past and future grief, sorrow, and mental suffering of Caressa Garcia \$ 1,000,000
- k. Past and future loss of society of Anyssa Cerda \$ 1,000,000
- l. Past and future grief, sorrow, and mental suffering of Anyssa Cerda \$ 1,000,000

As to Count II, the Survival Action on behalf of Theresa Garcia, we itemize damages as follows:

- a. Shortened life expectancy of Theresa Garcia \$ 30,000,000
- b. Pain and suffering of Theresa Garcia \$ 1,000,000
- c. Loss of a normal life sustained by Theresa Garcia \$ 500,000
- d. Emotional distress experienced by Theresa Garcia \$ 1,000,000
- e. Disfigurement of Theresa Garcia \$ 500,000

Assuming that 100% represents the total combined legal responsibility of all entities that proximately caused Theresa Garcia's injury and death, we find the percentage of legal responsibility attributable to each as follows:

- a. Johnson & Johnson 15 %
- b. LLT Management LLC 0 %
- c. Johnson & Johnson Holdco (NA) Inc. 15 %
- d. Kenvue, Inc. 70 %

TOTAL 100%

Foreperson

Joseph William Aronowitz

Lily Speer

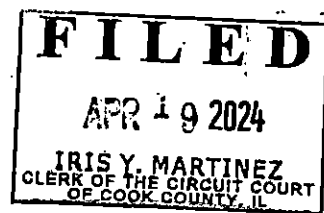
[Signature]

Dannella Broom

Calif

Heather Wetzel

[Signature]



Judge Patrick J. Sherlock

APR 19 2024

Circuit Court - 1942

226-4505 Salcedo v AVON

If you find against defendant Johnson & Johnson Holdco (NA) Inc. (Successor) or defendant Kenvue, Inc. (Successor) then you must answer the below special interrogatory.

Special Interrogatory #1:

Did you find that defendant Johnson & Johnson Holdco (NA) Inc. (Successor) or defendant Kenvue, Inc. (Successor) is merely the continuation of the predecessor corporation (Johnson & Johnson Consumer, Inc.)?

YES

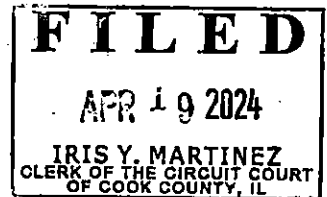
✓

NO

Judge Patrick J. Sherlock

APR 19 2024

Circuit Court - 1942



226 4505

SALCE DO

AVON

If you find against defendant Johnson & Johnson Holdco (NA) Inc. (Successor) or defendant Kenvue, Inc. (Successor) then you must answer the below special interrogatory.

Special Interrogatory #2

Did you find that defendant Johnson & Johnson Holdco (NA) Inc. (Successor) or defendant Kenvue, Inc. (Successor) continued the same product line as the predecessor corporation (Johnson & Johnson Consumer, Inc.)?

YES

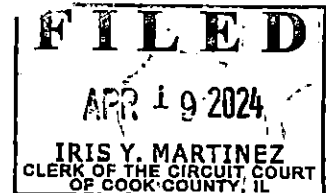
✓

NO

Judge Patrick J. Sherlock

APR 19 2024

Circuit Court - 1942



22C-4505

SALCEDO

v

AUCON

If you find against defendant Johnson & Johnson Holdco (NA) Inc. (Successor) or defendant Kenvue, Inc. (Successor) then you must answer the below special interrogatory.

Special Interrogatory #3

Did you find that the transaction establishing defendant Johnson & Johnson Holdco (NA) Inc. (Successor) or defendant Kenvue, Inc. (Successor) was entered fraudulently to escape the liabilities of the predecessor corporation (Johnson & Johnson Consumer, Inc.)?

YES _____

NO _____

Judge Patrick J. Sherlock

APR 19 2024

Circuit Court - 1942

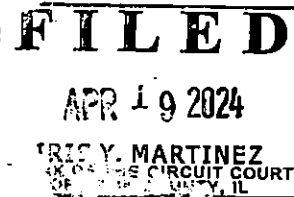


EXHIBIT 3

IN THE CIRCUIT COURT OF COOK COUNTY, ILLINOIS

Stephanie Salgado, individually and as
 Administrator of the Estate of Theresa
 Garcia, Deceased

v.

Avon Products, Inc., et. al.

No. 2020 L 004505

ORDER

① Johnson & Johnson Holdco, Janssen Pharmaceuticals
 and Kervue's motion to dismiss is denied. ^{for reasons} on the record
~~New Jersey law applied to the issue of successor~~
~~liability.~~

② Johnson & Johnson Holdco, Janssen Pharmaceuticals and
 Kervue's motion for summary judgment is denied. ^{for reasons} on the record
~~New Jersey law applied as to the issue of~~
~~successor liability.~~

Attorney No.: 60075
 Name: Vogelzang Law
 Att. for: Plaintiff
 Address: 401 N Michigan Ave
 City/State/Zip: Chicago IL 60611
 Telephone: 312-584-1034

ENTERED:

Judge Patrick J. Sherlock

FEB 26 2024

Dated: _____

Circuit Court-1942

Judge

Judge's No.

IRIS Y. MARTINEZ, CLERK OF THE CIRCUIT COURT OF COOK COUNTY, ILLINOIS

RoA_01334

EXHIBIT 4

SUPERIOR COURT OF NEW JERSEY
LAW DIVISION, CIVIL PART
MIDDLESEX COUNTY
DOCKET NO.
A.D.# _____

1
2 KIMBERLY NARANJO,)
3) TRANSCRIPT
4 Plaintiff,) OF
5)
6 vs.) MOTIONS
7)
8 JOHNSON & JOHNSON, ET AL.,) DOCKET NO. L-6108-21AS
9)
10 Defendant.)
11)
12 WALTER PRESSLER, ET AL.,) DOCKET NO. L-1944-23
13 JUSTIN BERGERON, ET AL.,) L-2089-23
14 MABLE DUMAS, ET AL.,) L-2090-23
15 GEORGES EL-RAMADI, ET AL.,) L-2092-23
16 LUCILA CRUZ, ET AL.,) L-2093-23
17 GEORGE BOYLE,) L-2094-23
18 SUSAN DROLET,) L-2095-23
19 MARISA MAGEE,) L-2268-23
20 CONNIE SIMS,) L-3923-20
21 ROALIA GAGLIARDI, ET AL.,) L-3805-18
22)
23 Plaintiffs,)
24)
25 vs.)
26) VOLUME 1 OF 2
27 KENVUE, ET AL.,)
28)
29 Defendant.)

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Date: May 24, 2023
Volume 1 of 2

BEFORE:

HONORABLE ANA C. VISCOMI, J.S.C.

TRANSCRIPT ORDERED BY:

CHRISTOPHER M. PLACITELLA, ESQ. (Cohen, Placitella & Roth)

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I N D E X

PROCEEDING

PAGE

Conference and Motions

4

1 THE COURT: Good morning, everyone.

2 MR. GARDE: Good morning, Your Honor.

3 MS. BOYLE: Good morning, Your Honor.

4 THE COURT: Thank you. For the record, my
5 name is Judge Ana Viscomi. We are here on Wednesday,
6 May 24th, 2023, in connection with the matters of
7 JUSTIN BERGERON V. KENVUE INCORPORATED, ET AL., docket
8 number 2089-23; MABLE DUMAS V. KENVUE, ET AL., docket
9 number 2090-23; GEORGES EL-RAMADI V. KENVUE, ET AL.,
10 docket number 2092-23; LUCILA CRUZ V. KENVUE, ET AL.,
11 docket number 2093-23; GEORGE BOYLE V. KENVUE, ET AL.,
12 docket number 2094-23; SUSAN DROLET V. KENVUE, ET AL.,
13 docket number 2095-23; MARISA MAGEE V. KENVUE, ET AL.,
14 docket number 2268-23; WALTER PRESSLER V. KENVUE, ET
15 AL., docket number 1944-23; CONNIE SIMS V. KENVUE, ET
16 AL., docket number 3923-20; ROALIA GAGLIARDI, ET AL. V.
17 KENVUE, ET AL., docket number 3805-18; and CHRISTINE
18 WOODFIN V. KENVUE, ET AL., docket number 18-- 1912-23.

19 My understanding is that, perhaps, with
20 regard to the last two of GAGLIARDI and WOODFIN that
21 their motions to amend the complaint to add Kenvue may
22 not have been filed yet. But regardless, this is the
23 groups that listed here today.

24 We are here by authority and under the
25 restrictions in place over the bankruptcy matter before

1 the Honorable Michael B. Kaplan of the United States
2 Bankruptcy Judge per his order of April 25, 2023, which
3 memorialized a ruling placed on the record on or about
4 April 20, 2023.

5 Before the Court are three motions,
6 defendant's motions to dismiss these complaints,
7 defendant's motion to quash the subpoenas on several
8 individuals, and defendant's motion for a stay. May I
9 have appearances, please, on behalf of the moving
10 parties?

11 MR. GARDE: Your Honor, before we start that,
12 just for purposes of the record, there's another case
13 called NARANJO, which is the --

14 THE COURT: Yes. My apologies. Thank you,
15 Mr. Garde.

16 MR. GARDE: Which is L-6108-23--

17 THE COURT: No. NARANJO. My apologies.

18 MR. GARDE: Okay.

19 THE COURT: What was that docket number,
20 Counsel?

21 MR. GARDE: 6108-21. I'm sorry.

22 THE COURT: Thank you so much. My apologies.
23 And, now, on behalf of the moving parties?

24 MR. GARDE: Good morning, Your Honor. If
25 Your Honor please, John Garde of McCarter & English on

1 behalf of the defendant, Johnson & Johnson. With me,
2 Your Honor, are Morton Dubin and Kristen Fournier from
3 King & Spalding, who Your Honor has admitted pro hac
4 vice for purposes of a whole series of these motions.

5 THE COURT: Thank you. And on behalf of
6 plaintiffs?

7 MR. PLACITELLA: Good morning, Your Honor.
8 Christopher Placitella on behalf of various plaintiffs,
9 including the lead plaintiff in these motions, Justin
10 Bergeron and Kimberly Naranjo.

11 THE COURT: Thank you. Further on behalf of
12 the plaintiffs?

13 MR. MAIMON: Thank you, Your Honor. Good
14 morning. Moshe Maimon and my partner Amber Long will
15 be joining us, on behalf of the Sims and Gagliardi
16 plaintiffs.

17 THE COURT: Thank you. Any further
18 appearances here in the courtroom on behalf of the
19 plaintiffs?

20 MR. BOYLE: Good morning, Your Honor. Erin
21 Boyle on behalf of Walter Pressler and Marisa Magee.

22 THE COURT: Thank you. Any further
23 appearances by anyone present in the courtroom today?
24 And anyone on -- viewing by Zoom entering an appearance
25 today on behalf of the defendants? On behalf of the

1 plaintiffs? Okay. Okay. So, hearing no one, let us
2 get to the motions but, before we do, so, as you're all
3 aware, by virtue of Judge Kaplan's order, there have
4 been a series of motions that are being filed before
5 this Court to amend complaints by the plaintiffs and it
6 is anticipated by the Court that this Court's ruling
7 with regard to these motions will guide those future
8 motions so, that there would be no need for oral
9 argument, unless something is raised in any papers that
10 are filed that warrant the need for oral argument,
11 which the Court would entertain, of course, but that
12 otherwise, the Court could consider those motions
13 opposed and I would expect that in consultation,
14 perhaps, with plaintiff's Counsel, defense Counsel,
15 we'll draft some short form opposition, even the letter
16 to memorialize that it is relying upon oppositions or
17 the motions to dismiss these complaints as part of an
18 opposition to amend. Mr. Garde?

19 MR. GARDE: That is certainly, I think, the
20 parties' intentions on both sides and we will come up
21 with some way to memorialize that for the record in the
22 future tranches of cases where these motions are filed
23 and, also, in some order that results from whatever
24 Your Honor's -- whatever Your Honor's ruling is. But
25 that's certainly correct from the defendant's

1 persuasive.

2 MR. DUBIN: Yes. Because --

3 THE COURT: I'll let the defendant -- the
4 plaintiffs argue that and then you can bring it up on
5 reply.

6 MR. DUBIN: Sure. I mean, if there's --

7 THE COURT: But the other argument --

8 MR. DUBIN: Sorry.

9 THE COURT: -- I want to touch upon, if you
10 don't mind, was that was, well, the product is still
11 being manufactured and that's where you were going
12 next, right?

13 MR. DUBIN: Correct. The foreign sales
14 argument.

15 THE COURT: Right. And so, you may not have
16 seen this and, right now, I can't find it. However,
17 after -- if I can just give you a little background.

18 MR. DUBIN: Okay.

19 THE COURT: After Judge Kaplan issued his
20 order -- and we don't know what is going to happen with
21 the bankruptcy petition. There may be that, you know,
22 we continue forward, if the bankruptcy petition is
23 denied and all appeals are exhausted and we go forward
24 with our cases as we have, right, or this ends.

25 So, in preparation and in furtherance of that

1 would like me to address before I pass it over to -- to
2 hear what the plaintiffs have to say?

3 THE COURT: Yes. And let me just find it
4 because I tabbed it. I read it in the SEC filing of
5 Kenvue and this also will go into the motion to quash.
6 Let me just pull that out. So, this appeared as an
7 exhibit to a number of the pleadings and this is the
8 SEC filing of Kenvue dated January 4, 2023.

9 And in terms of internal page numbers, it has
10 a variety of them. On the bottom, it says, Page 62 of
11 237.

12 MR. DUBIN: 62 of the S1?

13 THE COURT: Yes.

14 MR. DUBIN: Okay.

15 THE COURT: So, if you look at the second to
16 last paragraph, beginning there and continuing onto the
17 next page, and it talks about the restructuring and
18 then -- at the beginning of the creation of LTL
19 Management as a subsidiary of J&J being created through
20 the demerger process and assume so responsibilities for
21 all liabilities of old JJCI related in any way to, for
22 example, these types of cases.

23 And then it continues further, pursuant to
24 the separation agreement, Johnson & Johnson will retain
25 the talc-related liabilities and, as a result, will

1 MR. DUBIN: Thank you. I don't like to be a
2 bother.

3 MR. PLACITELLA: So, the named plaintiff in
4 this case is Justin Bergeron, who started -- just by
5 way of background, Justin is 31 years old suffering
6 from mesothelioma, two minor children. He's looking to
7 move his case forward here.

8 I'm going to walk through a number of issues
9 for the Court and structures so, the record is clear.
10 What I'm going to demonstrate to the Court is that,
11 despite J&J's long briefing, New Jersey law applies,
12 that Johnson & Johnson -- Johnson and Kenvue, rather,
13 are the same company and share the same identity for
14 purposes of product liability as JJCI, that Janssen and
15 Kenvue continue the business of JJCI and they continued
16 the product line.

17 Now, the entire premises of J&J's argument is
18 that, in the bankruptcy, JJCI was not a sound -- not
19 assigned talc liabilities. That's their whole
20 argument. That specific argument in a different
21 context was rejected in RAMIREZ and many times since by
22 the New Jersey Supreme Court and our Appellate Courts.

23 A foundation for both direct and successor
24 liability is that liability attaches under New Jersey
25 law even when the defendant doesn't assume liability,

1 just like this case. And even -- and there are
2 multiple cases, which I will walk through, that say
3 that liability attaches even when there's a disclaimer
4 of liability.

5 The mere fact that J&J assigned liability to
6 LTL to decide who ultimately is going to pay inside
7 their little world has no impact on the responsibility
8 to their parties. That's between J&J, LTL, and the J&J
9 defendants. It does not impact New Jersey law.

10 So, what's the standard of review? As Mr.
11 Dubin mentioned, this is a motion to dismiss where all
12 the allegations in the complaint have to be accepted as
13 true and those allegations include not just the facts
14 and the 90 pages that we included, probably the most
15 comprehensive pleading ever filed here in a talc case,
16 but the affidavits that were attached and the SEC
17 statements. So, the premise that somehow -- that
18 somehow not every fact was pled is just inaccurate.

19 The issue of successor liability -- and this
20 goes to the second motion as well -- is ultimately a
21 factor, first, to be addressed by the Court on summary
22 judgment if a motion is made, and secondly, ultimately,
23 for the jury. And it's worth noting, I think, to start
24 that there is no reported post-RAMIREZ case finding no
25 successor liability on the pleadings. Okay? Not one

1 that we could find.

2 So, how does this start? This is what the
3 Court was most familiar with pre-LTL, that there was a
4 cosmetic talc claim and they had claims against Johnson
5 & Johnson and old JJCI. That's how things started.
6 Then -- and the assets and obligations of old JJCI,
7 according to -- and all of this comes from J&J's
8 affidavits that -- includes Johnson baby powder.

9 So, what happens is that they -- they --
10 excuse me -- they -- keep going -- they cancel out old
11 JJCI. It ceases to exist. They push the liabilities
12 to LTL and the assets to Johnson & Johnson consumer.

13 Next. Keep going. So, -- and what we end up having
14 are all the assets going in one place and an assignment
15 of liabilities internally to LTL with some royalties
16 and some cash.

17 So, -- and you said, well, where -- where --
18 what assets did the LTL get? And according to their
19 affidavits, they got some royalties from some A&M
20 company, \$6 million in cash, and a funding agreement
21 which they later cancelled after the Third Circuit.

22 What assets did new JJCI get? Well, according to Mr.
23 Kim, they got everything else including baby powder.

24 So, then what happens? Well, in December,
25 2022, no one knows this is happening but they change

1 the name of new JJCI to HoldCo. HoldCo and new JJCI --
2 and this is important in terms of looking at what
3 they're saying -- both of them are New Jersey
4 companies. They're not Texas companies. They are New
5 Jersey companies. New JJCI and HoldCo are both New
6 Jersey companies.

7 HoldCo then -- while the Third Circuit is
8 considering the decision, HoldCo then transfers all of
9 the assets, everything, lock, stock, and barrel, to
10 Janssen and what you see on the left is a diagram of
11 that but I'm going to get to a little more detail of
12 that in a second.

13 Then Janssen transfers all of the assets --
14 nobody knows this is going on. Certainly, Mr. Bergeron
15 didn't know. Janssen transfers all of the assets,
16 everything, -- everything that was -- every asset that
17 was in old JJCI is then transferred to Kenvue. So,
18 just in summary so, where did all the assets go? It
19 started with old JJCI, which they cancelled out, and
20 they basically moved them through all the way to
21 Kenvue.

22 So, let's start with what law applies because
23 they made a lot about this in their papers. First of
24 all, in the original opposition, J&J and affiliates
25 actually said to the Court for purposes of these

1 motions, New Jersey law applies. That was their
2 admission. There is plenty of case law, including
3 STATE V. SMITH, 55 N.J. 476 and others that say, you
4 can't change your mind on your reply brief and
5 introduce new issues and you are, in fact, estopped.
6 But assuming that that argument doesn't carry the day
7 and it should, there -- the law is still pretty clear
8 that New Jersey law applies.

9 Here is the -- I put up on the screen, the
10 device of merger law that J&J relies upon for this
11 entire thing and it is very clear when you look at the
12 law, there is no conflict with New Jersey law, that
13 they say, we can -- this is how we can do it, unless
14 otherwise provided by law.

15 Now, J&J says, well, even though there's no
16 case on point, we think you should read it this way.
17 But there is a case on point, the JACKSON case, that
18 says you have to read it our way. So, they premise
19 their entire argument, their entire move going forward
20 on this statute without ever considering the fact that
21 the statute specifically says, there is no conflict
22 with New Jersey law.

23 And, by the way, even if you at this point,
24 before we even get to the cases, apply traditional
25 conflicts of law analysis, new JJCI had no connection

1 to Texas. It's a New Jersey company. The principal
2 place of business is in New Jersey. They never
3 conducted one day of business in Texas. They don't
4 have an employee, probably never even drove through
5 Texas. So, there is no conflict under traditional
6 rules.

7 But then if you look at the plethora of New
8 Jersey Supreme Court cases, all of them say that New
9 Jersey law applies, from RAMIREZ to NIEVES to LEFEVRE
10 (phonetic) and ultimately in IN RE ACCUTANE and it's
11 worth noting that, in their briefs, J&J doesn't cite a
12 single New Jersey case to the contrary. They do cite a
13 case called VELEZ (phonetic) in their opposition. That
14 had nothing to do with choice of law. That had to do
15 the issue of res judicata when a case was dismissed in
16 federal court and they tried to refile it in state
17 court.

18 So, every New Jersey Supreme Court case --
19 and I'll get into it in a little more detail later --
20 clearly makes clear that New Jersey law applies and
21 even under their own theory -- and this is why I put
22 the slide up here -- this diagram on the left, this
23 comes directly out of their brief about how things were
24 transferred and you see they have old JJCI, all the way
25 through Kenvue. And even under their own theories, New

1 Jersey law always applied. The original company, old
2 JJCI, was a New Jersey company. HoldCo and new JJCI is
3 a New Jersey company and Kenvue is a New Jersey
4 company.

5 So, this notion that, somehow, somebody filed
6 a piece of paper in Texas for three -- you know, for
7 three minutes and that trumps New Jersey law and they
8 want to turn the clock back, under that theory alone,
9 the law does not support it.

10 And when you look at, for example, the
11 LEFEVRE case, the LEFEVRE is an important case to look
12 at. LEFEVRE, the assets went through a bankruptcy sale
13 and then another asset transfer and the argument in
14 LEFEVRE was that you can apply New Jersey law because
15 the federal bankruptcy law trumps everything, that the
16 federal bankruptcy law, which is far more broad than
17 the Texas Two Step merger provision, which gives us the
18 right to do what we're doing, that gives us the right
19 to move forward, under federal bankruptcy law, New
20 Jersey law predominates. New Jersey law applies,
21 right?

22 And it even says -- and the Court goes out of
23 its way to say that disclaimers, which they're trying
24 to do here, are ineffective in insulating from
25 successor liability. That's LEFEVRE.

1 So, we say that Janssen and Kenvue are
2 considered the same company for product liability
3 purposes under New Jersey law and I'm just going to
4 walk through the case and then all of the
5 acknowledgments that that is, in fact, true for the
6 record.

7 So, here's a diagram of the ARAVELLO
8 (phonetic) case and in ARAVELLO, what the Court
9 basically said is, you can't avoid liability for
10 products that you originally manufactured by
11 transferring all the operations and assets and
12 obligations to some other company, right?

13 And two things happened in ARAVELLO, contrary
14 to what Mr. Dubin said, one, they had multiple
15 transfers of assets of the company who made the
16 product. They had a spinoff under a leverage buyout,
17 the entire company, not just ten percent like happened
18 in Kenvue and then they had a name change and the Court
19 said, well, that company is still responsible. And
20 they said, and even though WICKS went through
21 bankruptcy and got rid of all the assets at the time of
22 bankruptcy, WICKS, ultimately 12 years later, was still
23 responsible, right, because it was, in fact, the same
24 company.

25 So, let's -- and if you compare -- next slide

1 -- if you compare what happened in ARAVELLO to what
2 happened here, it's far less complicated and it's far
3 more compelling. Here, we had three asset transfers,
4 no consideration. All they did was shield assets and
5 move them through companies.

6 So, how do we know -- how do we know that
7 they are the exact same company by what's in the
8 pleadings? Not some changed -- it's just a different
9 company with a different name. If you go to the S1, it
10 says, we -- that is Kenvue -- are the world's largest
11 pure play consumer health company by revenue with 1.5
12 billion in net sales in 2021. Our differentiated
13 brands include iconic brands including Johnson's.

14 Now, why is that important? Because they're
15 talking about their net sales in 2021. They didn't
16 exist in 2021, right? They didn't exist until 2023.
17 What they're saying is, we, JJCI, this is what happened
18 with us in 2021. We are, in fact, to the outside
19 world, to the stockholders, to the courts, to the
20 Securities and Exchange Commission, we are exactly the
21 same company and they are telling the world, this is
22 what we did in 2021. They are the exact same company.

23 Then they say, further in the S1, we have
24 also faced and could face in the future concerns about
25 the reliability and safety of our products and

1 ingredients in our products. Well, they didn't exist
2 when they filed this. All right? They are talking
3 about JJCI and they are saying, our products are the
4 ones that have had health and safety issues. It also
5 says that -- and they recognize because they can't be
6 totally clandestine in what they're saying. They
7 recognize that under State law, they are JJCI and that
8 somebody might come into court just like this and ask a
9 Court to let cases go forward. So, they say, it's
10 possible that various parties like Mr. Bergeron will
11 seek to be and be successful in bringing claims against
12 us alleging that we are liable for talc. Okay?

13 They go on. Now, this is a very important
14 one. This one says, we, Kenvue, have been in trial.
15 Okay? We have won cases. Well, Kenvue was never in a
16 trial. This is probably the first time they've ever
17 been in a trial court ever, right? So, when they're
18 saying we, they're talking about JJCI. So, what they
19 are saying is, we are JJCI. They are telling the
20 world, they're telling stockholders, they're telling
21 the SEC, hey, we're JJCI. There may be allegations
22 that our products are bad, but we've won most of or
23 some of the cases or whatever. But this is really
24 important.

25 They are saying, we've been in court

1 litigating these cases. They didn't say, old JJCI was
2 litigating these cases. They didn't say, J&J was
3 litigating the cases. They said, we, Kenvue, are
4 litigating the cases.

5 They further say, we expect these claims will
6 -- and if we come out of bankruptcy court, right, on
7 Page 41 of the SEC filing, they say, if we're not -- if
8 -- if the whole Texas Two Step is not successful,
9 right, -- and we're not challenging that here. That's
10 for another place. But what they're saying is, if
11 that's not successful, that Kenvue, because they are
12 old JJCI, they're going to be in trial all over the
13 country.

14 And so, let me just pause for that because
15 there was an argument that said, we are challenging
16 here the bankruptcy. We're not. That's for a
17 different place at a different time. What we are
18 saying is that, under New Jersey law, the liabilities
19 pass with the assets. They made the determination to
20 put liabilities in LTL, right? They could have done it
21 different. They could have -- we would have maybe a
22 different fight and a different kind of argument. They
23 could have put the baby powder assets in LTL and then
24 we would have a different argument but they chose not
25 to do that. They didn't bankrupt the company with the

1 baby powder assets. They tried to have it both ways.
2 They said, well, we'll assign liabilities over here and
3 we'll put the baby powder.

4 So, if they did actually put the baby powder
5 assets in LTL, then they would have a much better
6 argument or at least a different argument under New
7 Jersey law. But they did not do that. We're not
8 challenging in this court what they did. We challenge
9 it elsewhere because we think what they did was wrong.
10 But, here, this is simply about what does New Jersey
11 law apply for?

12 So, now, they also under New Jersey law and
13 I'm going to demonstrate for the Court, are responsible
14 under the mere continuation of the same business.
15 First, we know, we don't even have to get to the
16 successor liability because they've told the world and
17 they've made affirmative representations that they are,
18 in fact, the same company. But if they want to try to
19 disavow their own words, then we can go to the law of
20 mere continuation. And I bring to the Court's
21 attention the case of WOODRICK (phonetic) and BURKE,
22 which I put up for -- on the screen. Could you just --
23 okay.

24 And in WOODRICK and BURKE, what happened was,
25 there was an asset purchase and the liabilities, not

1 just weren't transferred like they allege here, they
2 were specifically disclaimed, right, and it was just a
3 -- and at least in the WOODRICK case, somebody paid for
4 the assets. Here, they just moved them. All right?

5 But even though there was a disclaimer of
6 liability, the Court said, the disclaimer does not
7 matter, right? What matters is your -- basically,
8 continue the same company. You moved all the
9 furnishings, the commissions, the residential real
10 estate, the books and records, and your customer lists.

11 And then the Court goes through various
12 factors and these have been repeated in multiple
13 appellate cases about what you look at. Is there a
14 continuity of management and personnel? Is there a
15 cessation of the previous company? Is there an
16 assumption by the successors of liabilities -- now
17 here's the key language -- ordinarily necessary for the
18 uninterrupted continuation of the business of the
19 predecessor, not tort liabilities but the
20 responsibilities in order to move forward and then, of
21 course, the continuity and shareholders.

22 All of that evidence is in our complaint.
23 Our complaint demonstrates, it's the same management.
24 It's the same personnel and it shows us. It's the same
25 assets. It's the same assets. It's the same physical

1 locations. Old JJCI doesn't exist anymore. They
2 cancelled it out so, that's satisfied.

3 They assumed all the necessary liabilities to
4 continue the business, and they have the same exact
5 shareholders and owners. And, by the way, the case law
6 does say that all of them don't have to be present
7 every factor but, in fact, in this case, every factor
8 is present.

9 So, where are we in the mere continuation
10 theory? Well, old JJCI doesn't exist anymore. They
11 have the entire analysis wrong. They're talking about,
12 well, does new JJCI continue to exist? That's part of
13 their briefing. That doesn't matter. The company with
14 the original liabilities was old JJCI. They wiped that
15 out.

16 Interestingly enough, by the way, -- well, we
17 don't even have to get to that point. And, you know,
18 according to -- so, if you now go to their chart and
19 their brief, it's pretty clear. They say in their
20 affidavits, new JJCI was allocated all the assets of
21 old JJCI except for some cash and interest in royalties
22 and that included the manufacture and sale of a broad
23 range in projects used in baby care, including talcum
24 powder. All right?

25 They say in their filing before the

1 bankruptcy court, right, all current JJCI employees
2 will be transitioned to new JJCI. They will continue
3 with their current titles and reporting lines. Why I
4 that important? Because they made a statement in their
5 brief.

6 Well, Mr. Monjon (phonetic), he wasn't the
7 CEO of old JJCI so, that means all the management is
8 different. No. What they actually say in their
9 submissions is, everything is the same. We might have
10 changed the title at the guy at the top, but all the
11 reporting lines, that is, from the bottom all the way
12 up the management chain is the same and that they
13 maintain the same commercial capabilities, they're
14 using the same commerce, the same assets, right, and
15 then they say -- and they talk about and they
16 demonstrate how they are just a continuation. They
17 say, our historic or current sale of talc products will
18 be discontinued and globally in 2023.

19 Well, they had no -- Kenvue didn't have
20 historic sales. They didn't exist. What they're
21 saying is, we -- ladies and gentlemen of the world, we
22 are, in fact, old JJCI. They go onto say, on August
23 22nd, -- August 11th, 2022, we announced to the world,
24 we're taking asbestos out -- or we're taking talc out
25 of the baby powder.

1 But Kenvue didn't exist in August 11th, 2022.
2 They didn't file their SEC statement until 2023. What
3 they are saying is we, old JJCI or new JJCI, we were
4 the ones who decided to do that, right, not Kenvue
5 because why? We are merely continuing what we were
6 doing before and they also talk about, our cosmetic
7 products including Johnson's baby powder.

8 Then they talk about -- they actually use the
9 word continue multiple times in the SEC filing. They
10 say, we expect to continue the use of a Johnson's
11 brand. We expect that Johnson & Johnson will continue
12 to provide us with services related to historically
13 shared functions with J&J. It says, in recent years,
14 we have grown and we continue to grow. Well, Kenvue
15 wasn't around in recent years. What was around in
16 recent years was the very company who is sitting in
17 this courtroom with a different hat on and that was
18 JJCI.

19 They also talk about supply chains. They
20 say, we're going to continue to use the supply chains
21 we have always used both globally and locally in the
22 same distribution centers and it says, we at J&J will
23 continue to have our contractual relations with each
24 other. They're not talking about what happened with
25 Kenvue since January. They're talking about what they

1 have done. Why? Because under their own chart, they
2 are a mere continuation.

3 They go on. We have faced and could face in
4 the future concerns about the safety. We went through
5 that. And they talked about being sued in the future,
6 just like they were before. So, this -- this is clear.
7 The case law is pretty clear that based on their own
8 acknowledgments and what's in the pleadings, that this
9 case cannot be dismissed at the pleadings stage.

10 Now, I want to just talk a little bit about
11 the product line. The Court has raised a little
12 skepticism in the Court's exchange with Mr. Dubin. I'm
13 hoping that I can dissuade some of that skepticism by
14 just talking about, again, what exactly is going on
15 here.

16 So, let's start with RAMIREZ. Okay? RAMIREZ
17 -- and can you just push it all the way through,
18 Justin? RAMIREZ actually destroys their entire
19 argument. All right? In RAMIREZ, all of the companies
20 involved were Indiana companies, right? Just like they
21 say they were Texas companies and Texas law should
22 apply, well, in RAMIREZ, they were all Indiana
23 companies and the New Jersey Supreme Court applied New
24 Jersey law, right?

25 And in RAMIREZ, there was a specific

1 disclaimer of liability and the Court said, well, you
2 can disclaim all you want. That's between the entities
3 that are doing the transfers. That has nothing to do
4 with the third parties because the Court says that,
5 under New Jersey law, our rationale, our principles,
6 what we are going to follow is to make sure that there
7 are adequate remedies for the innocent people.

8 So, J&J and LTL and all the affiliates, they
9 can make whatever deals they want amongst themselves.
10 The New Jersey law is pretty clear. You can make
11 whatever deals you want amongst yourselves and transfer
12 who is paying what and who is writing what checks just
13 like you can do in an insurance company, but that has
14 no effect on the operation of law.

15 Then we go to NIEVES. NIEVES was decided on
16 the same day. NIEVES is important because, ultimately,
17 Mr. Nieves sued both Harris Corporation and Bruno
18 Sherman, right? Harris Corporation is the exact same
19 position as Janssen is in this case. Harris
20 Corporation was -- the assets were transferred from Old
21 Sheraton to Harris-Intertype. There was a merger. All
22 the assets went into Harris and then they transferred
23 them to Bruno Sherman, a lot more complicated here. At
24 least there in these transactions, money changed hands.
25 Here, no money changed hands from all that we know.

1 So, what's happened with Johnson's baby
2 powder and why do we say it was the product line that
3 was continued and I don't have that much more, I
4 promise.

5 THE COURT: I didn't give a timeline. I just
6 want to be clear.

7 MR. PLACITELLA: You didn't give -- I didn't
8 get the signal but I don't want to try your patience
9 either. J&J continued the product line through old
10 J&J, JJCI, HoldCo, Janssen, and Kenvue. And why do you
11 say that? Because they say it. They say, even if you
12 look at the products today, they say -- right, if you
13 pick up a bottle of Johnson & Johnson baby powder in --
14 it's the brand that matters. It says, for over 25
15 years, our formulas, right, meaning it's the same
16 product, our formulas have been specifically designed
17 for babies.

18 Well, the Court knows from prior proceedings,
19 they weren't making cornstarch. Did I say something
20 wrong?

21 THE COURT: No.

22 MR. PLACITELLA: Oh. They weren't making
23 cornstarch-based baby powder 125 years ago. But what
24 they're telling the consumer on the shelf now is that
25 it's all the same. And if the court recalls, in the

1 BARDEN, MC NEIL, ETHRIDGE case, there was actually a
2 cause of action that the Court upheld on a design
3 defect theory, right, and the design defect theory was
4 basically the same product. You just change the
5 ingredients around. It was the same package. It was
6 made to smell the same. People -- most people didn't
7 even know the difference.

8 So, they have capitalized on the product
9 line. And, by the way, this, again, is in their SEC
10 filing and it talks -- and it goes a long way to
11 demonstrating that what we are talking about here is a
12 product line. It says, we -- present -- we, Kenvue,
13 which we know it isn't really Kenvue -- we presently
14 sell talc-based Johnson baby powder in certain other
15 markets around the world.

16 Given this, -- by the way, I'm going to show
17 you in a second -- they're probably still selling it
18 here but it says, in certain other markets around the
19 world, given this, we may be subject to additional
20 claims related to the sale of talc-based Johnson baby
21 powder in markets where we presently sell this product,
22 as well as additional claims related to the sale of
23 talc-based Johnson's powder and markets where we
24 discontinued, including the United States and Canada.

25 So, they are basically saying, we're selling,

1 even though in the United States, we allegedly aren't
2 selling talc-based baby powder anymore, they -- they're
3 selling the same product and that's how they
4 characterize it. And there was -- and if you look at
5 the DE WALT case that was cited by J&J in their papers,
6 DE WALT says, you have to have essentially the same
7 manufacturing operation. The products don't have to be
8 identical. And, here, they're using the same
9 manufacturing operations. They're using the same
10 people. They're using the same branding. They're
11 using, basically, the same package. They are selling
12 baby powder.

13 And they also cite the SAEZ, 302 N.J. Super.
14 545, and there, the Court said, on the pleadings, you
15 can't dismiss the case on the pleadings. I mean, even
16 on summary judgment, let alone on the pleadings because
17 there was a factual question and, there, the evidence
18 before the Court was that the company that they were
19 saying was successor never made any of the product.
20 They bought the right to make the glue and then they
21 never made it.

22 But the Court said that at the pleading stage
23 and at the summary judgment stage, I'm not going to
24 stop the case. And then they say -- and this is why I
25 say, they admit -- they admit continuing the product

1 line. They say, on August 11, 2022, the company
2 announced the transition to an all cornstarch-based
3 baby powder portfolio. As a result, the Johnson's baby
4 powder will be discontinued globally in 2023 and that
5 in certain markets, it was -- it discontinued in 2020,
6 including the United States.

7 So, they are saying, when they're talking
8 about baby powder, they're not segregating it out.
9 And, by the way, they say, well, it doesn't matter. We
10 sell it -- we sold it in England but not here. So, we
11 shouldn't be responsible for here.

12 So, the logical extension of that argument
13 is, well, we sold it in New York but not New Jersey,
14 right? Why does it matter if you sell it in Mexico
15 over the Texas border or in Pennsylvania over the New
16 Jersey border where people who are in and out of those
17 countries are still being exposed?

18 And then we go to, so last night, late at
19 night, I went on Amazon. It's a publicly-available
20 document. And it turns out that you can go on Amazon
21 and still buy Johnson & Johnson talc-based baby powder
22 in the United States and it will deliver -- and if I
23 ordered it last night, I could get it at my house by
24 tomorrow in Little Silver, New Jersey. And it goes
25 onto say in the advertisement, in Amazon, the product

1 was made with purified talc fully evaluated by
2 scientific and medical experts.

3 So, whether -- so, the evidence indicates
4 that the product is actually still being sold in the
5 United States right under the nose of Kenvue and, if
6 you go to the next slide, I went and I dug a little
7 deeper, they actually have reviews on Amazon of the
8 people all over the country who are still buying talc-
9 based baby powder with Johnson & Johnson's logo on it
10 and they're getting it readily available.

11 Now, you know, we do have a continuing duty
12 to warn in this -- under our law and if they're still
13 selling talc-based baby powder through distributors and
14 if they're aware of it and they should be because it
15 took me all of about five seconds, then they have some
16 duties and that's for a -- but that's for another day
17 and another motion.

18 But even more importantly, do you remember
19 when they said in their SEC filing that they were
20 selling talc-based baby powder abroad, that that talc-
21 based baby powder was being sold abroad and Kenvue
22 admits in their SEC filings that they are responsible
23 for that and they continue to do it and they're not
24 going to stop selling it until sometime later this
25 year, that that is a Kenvue product?

1 Well, I hit another button on Amazon and
2 guess what? You can get the international version with
3 the asbestos at your door in Little Silver, New Jersey,
4 by May 25th, simply buy on Amazon and that's what they
5 say they're making. They say in their SEC-1 filing
6 that they are responsible for the products that are
7 being made and sold outside the United States. The
8 only problem is, it's being sold inside the United
9 States.

10 And so, I went on, again, the reviews.
11 There's like 400 of them. And review after review
12 after review of U.S. citizens talk about how they are
13 buying talc-based baby powder sold by Kenvue, right?
14 They don't know it's Kenvue. They think it's Johnson &
15 Johnson. But they're -- they are buying talc-based
16 baby powder in the United States, sprinkling it on
17 their children, using it in the showers because it's
18 available and -- excuse me -- and, by the way, Justin
19 just reminded me, it's on Amazon Prime. So, Amazon
20 Prime means it's pretty easy to get and you don't even
21 have to pay shipping, and Kenvue knows this. Johnson &
22 Johnson knows this.

23 So, for them to come in and say, we're not
24 responsible under the product line theory or any other
25 theory, frankly, is concerning because, on a motion to

1 dismiss, I would submit to the Court that we have
2 submitted more than enough evidence on the pleadings
3 that Janssen and Kenvue are the exact same company as
4 JJCI, as they have told the world, as they have told
5 their stockholders, as they've told Courts. They
6 continue the business of JJCI and they are, in fact,
7 continuing the Johnson baby product line. Thank you.

8 MR. DUBIN: Thank you, Your Honor.

9 THE COURT: Yes, Mr. Dubin.

10 MR. DUBIN: Sure. First, I just want to make
11 very clear --

12 MR. PLACITELLA: Oh, I'm sorry. Other
13 plaintiffs' Counsel may want to --

14 MR. DUBIN: I'm sorry for that.

15 THE COURT: My apologies. I'm sorry, Mr.
16 Dubin.

17 MR. DUBIN: No problem.

18 THE COURT: Any other plaintiffs' Counsel
19 wish to add to the argument presented?

20 MR. PLACITELLA: Apparently, Amber wants to
21 do it by Zoom.

22 MS. LONG: Yes.

23 THE COURT: Oh, I'm sorry.

24 MR. PLACITELLA: So, can you take them down?

25 MS. LONG: Yes, Your Honor. If I may.

1 MR. PLACITELLA: Just to be clear, --

2 THE COURT: I did not hear that and I did not
3 see that in any pleadings.

4 MR. PLACITELLA: I did not say that.

5 MR. DUBIN: Okay. Certainly, they are
6 arguing that they're the same -- okay. They're
7 argument -- if their argument is they're the same as
8 old --

9 THE COURT: They're arguing that it's the
10 same as old JJCI.

11 MR. DUBIN: Okay. I thought I saw on the
12 first slide debtor. But, obviously, look, I think it
13 would come as quite some surprise to somebody who has
14 been working at Janssen their career developing
15 pharmaceuticals that, in fact, they've been working
16 this whole time for JJCI. These are not -- these are
17 not the same companies, pretty clearly.

18 The other thing that I think is remarkable
19 here is we keep hearing that they're not challenging
20 the Texas Two Step and I would submit that the only
21 reason they're saying that is to try to avoid the
22 bankruptcy court being involved in this because it's
23 very clear that they are challenging that.

24 For the liabilities to be at new JJCI at all,
25 which is the only -- then the assets continue to flow

1 the same as old JJCI in their -- in their view.

2 But then trying to somehow claim that
3 continues up the chain to Janssen and to Kenvue, a
4 major pharmaceutical company and a company that has,
5 you know, public ownership and may be continuing some
6 of the businesses of Johnson & Johnson but it is not --
7 these are not the same companies in the sense of a mere
8 continuation. There is more than a mere hat difference
9 between them and original JJCI.

10 And the product line exception, it just isn't
11 here based on the discontinuance in the United States
12 and, at minimum, the lack of a nexus with foreign sales
13 being pled in the complaint. Thank you.

14 THE COURT: Thank you. We're going to take
15 -- I'm sorry.

16 MR. PLACITELLA: That's okay.

17 THE COURT: Did you want to say something?

18 MR. PLACITELLA: I only have two minutes,
19 unless you want to break and I can talk about it later.

20 THE COURT: No. I'll give you the two
21 minutes and then Mr. Dubin will have the last word. Go
22 ahead.

23 MR. PLACITELLA: So, first of all, Your
24 Honor, MC KEE was overruled on RAMIREZ. So, that
25 entire argument about MC KEE doesn't apply. It's also

1 undisputed that JJCI manufactured and sold Johnson baby
2 powder from 1979 forward. Maybe they should have told
3 the Janssen employees they were putting the company,
4 you know, in the mix and their pensioners, but that's
5 an issue for another day.

6 We are not challenging the Texas Two Step
7 here. What we are saying is, you can allocate between
8 yourselves in the J&J family who pays what, right?
9 What you did is you said, LTL will pay the liabilities,
10 if it gets -- somebody is held somewhere else, right?
11 We're not challenging that here. What we're saying is,
12 that's between them internally. What we're saying is
13 that New Jersey law -- and there are a myriad of cases,
14 we went through them, that says, as it relates to their
15 parties, New Jersey law applies and New Jersey law
16 would hold Kenvue and Janssen responsible.

17 The -- I pointed out the Texas statute to
18 demonstrate to the Court that, even under the Texas
19 statute, it allows to look to other law. But even if
20 you didn't look at that, the law is still very clear.
21 All the Supreme Court cases, including RAMIREZ, which
22 had all Indiana companies, that New Jersey law applies.

23 And last thing about the pleadings. They
24 keep saying it's not in our pleadings. The pleadings
25 very specifically plead successor liability under all

1 theories. They attach the affidavits of Mr. Kim, which
2 has all this information in it that I went through, and
3 the SAC filing.

4 And, lastly, the issue about Amazon, if they
5 put in their reply brief that they never sold or
6 they're not responsible for any sale in the United
7 States or baby powder talking about Kenvue and there is
8 evidence to present to the Court that they are actually
9 still selling it in the United States, I submit, that's
10 relevant for the Court to consider. Thank you.

11 THE COURT: Thank you.

12 MR. DUBIN: One tiny comment then?

13 THE COURT: Sure, Mr. Dubin.

14 MR. DUBIN: Again, they're trying to say the
15 Texas Two Step, that's fine, you guys divide things up,
16 but that doesn't have anything to do with third
17 parties. When you are allocating liabilities,
18 liabilities means third parties. So, you can't somehow
19 say, it's relevant for other purposes to allocate
20 liabilities but not when it comes to third parties
21 because that's what liabilities are.

22 THE COURT: Thank you. The Court will be
23 issuing a written decision within the next few weeks.
24 However, we'll indicate now, let's bring this back to
25 what this type of motion is and that is a motion to

1 dismiss for failure to state a claim under Rule 4:6-2E.
2 Seminal case is PRINTING MART V. SHARP ELECTRONICS, 116
3 N.J. 739. That requires the Court to search the
4 complaint in depth and with liberality to determine if
5 a cause of action can be gleaned even from an obscure
6 statement, particularly, if discovery is taken.

7 Every reasonable inference is, therefore,
8 accorded the plaintiff and the motion granted only in
9 rare circumstances and ordinarily without prejudice.
10 So, while there are a number of cases that are part of
11 this today, the Court did take time to review the
12 BERGERON complaint in depth with the attachments
13 therein. The Court is satisfied that this is not a
14 case that should be dismissed because it satisfies the
15 requirement of PRINTING MART, satisfies Rule 4:6-2E.

16 The Court is satisfied that the plaintiffs
17 are not attempting to circumvent the bankruptcy court
18 and that this is not about LTL. But certainly here
19 today in the pleadings, BERGERON and the other
20 pleadings that have been made as to these defendants
21 before the Court now, there is enough there for the
22 defendant -- for the plaintiffs to proceed forward,
23 certainly, to discovery and for the defendants to renew
24 their motions for summary judgment at the appropriate
25 time.

1 Certainly here today, just if we look as to
2 the mere continuation argument, we have plaintiffs
3 saying that it is the same people that can draw the
4 line between old JJCI, new JJCI, Janssen, Kenvue,
5 HoldCo and, yet, we have defendant saying, Judge, you
6 know, Janssen employees would be surprised to learn
7 that they are a part of this mere continuation.

8 Clearly, there is no record being created in
9 this court that a Court appellate review could make a
10 determination one way or another because this is a
11 motion to dismiss based on the pleadings. It is not a
12 full record where this Court could then make that
13 determination by way of summary judgment.

14 However, I will amplify my rulings and go
15 through all of this in a written decision. We're going
16 to take a 15-minute break and then come back for the
17 remainder motions to quash and for a stay. Thank you.
18 So, I don't know if that's correct but we will be back
19 at 11:55 and we're off the record.

20 (Break)

21 (End of Volume 1 of 2)

22 **(Continued in Volume 2 of 2)**

1 CERTIFICATION

2
3 I, SHERRY M. FIGLIOLINO, the assigned transcriber, do
4 hereby certify the foregoing transcript of
5 proceedings, time from 10:01 a.m. to 11:40 a.m., is
6 prepared in full compliance with the current
7 Transcript Format for Judicial Proceedings and is a
8 true and accurate non-compressed transcript of the
9 proceedings as recorded.

10
11
12 *Sherry M. Figliolino*
13

14 SHERRY M. FIGLIOLINO - AOC #454
15 G&L TRANSCRIPTION OF NJ

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25
Date: June 1, 2023

EXHIBIT 5

FILED

June 1, 2023

ANA C. VISCOMI, J.S.C.

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WALTER PRESSLER et al. (MID-L-001944-23)
 JUSTIN BERGERON et al. (MID-L-002089-23)
 MABLE DUMAS et al. (MID-L-002090-23)
 GEORGES EL-RAMADI et al. (MID-L-002092-23)
 LUCILA CRUZ et al. (MID-L-002093-23)
 GEORGE BOYLE (MID-L-002094-23)
 SUSAN DROLET (MID-L-002095-23)
 MARISA MAGEE (MID-L-002268-23)

Plaintiffs,

v.

KENVUE INC., et al.

Defendants.

SUPERIOR COURT OF NEW JERSEY
 LAW DIVISION:
 MIDDLESEX COUNTY

Docket Nos.

MID-L-001944-23

MID-L-002089-23

MID-L-002090-23

MID-L-002092-23

MID-L-002093-23

MID-L-002094-23

MID-L-002095-23

MID-L-002268-23

CIVIL ACTION
 ASBESTOS LITIGATION

ORDER

THIS MATTER having come before the Court on the **Defendants Kenvue Inc., Janssen
 Pharmaceuticals, Inc., and Johnson & Johnson Holdco (NA) Inc.'s Motion to Dismiss** and the
 Court having reviewed the moving and opposition papers, if any, and for good cause shown:

IT IS ON THIS 1st DAY OF June, 2023,

ORDERED, that the Defendants Kenvue Inc., Janssen Pharmaceuticals, Inc., and Johnson
 & Johnson Holdco (NA) Inc.'s Motion to Dismiss be ~~granted~~; **DENIED**

~~AND IT IS FURTHER ORDERED, that Defendants Kenvue Inc., Janssen
 Pharmaceuticals, Inc., and Johnson & Johnson Holdco (NA) Inc. shall be awarded the fees and~~

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~~expenses incurred in preparing this motion. Defendants shall submit a bill of costs within thirty (30) days.~~ **DENIED**

AND IT IS FURTHER ORDERED, that a copy of the within Order shall be served on all Parties by uploading to eCourts.

/s/ Ana C. Viscomi
Honorable Ana C. Viscomi, J.S.C.

X Opposed

 Unopposed

For reasons set forth on the record on May 24, 2023, as further supplemented in the attached Statement of Reasons.

STATEMENT OF REASONS

In moving to dismiss pursuant to R.4:6-2(e), defendants assert plaintiffs are attempting to circumvent the automatic bankruptcy stay which prevents any lawsuits from being filed against LTL. The court determined plaintiffs have made a prima facie showing, according to all reasonable inferences asserted as to these defendants in the complaint and referenced filings, to deny the within motions.

In defendants' motion, they discuss the 3d Circuit ruling¹ under Texas law, of the 2021 corporate restructuring, but what is at issue herein is the re-structuring that occurred after the 3d Circuit decision reversing the bankruptcy court approval of the LTL bankruptcy. Defendants indicate in their motion that they have "presumed for the purposes of this motion only" that New Jersey law applies with regard to successor liability. (Plaintiff Boyle is a resident in New Jersey; Pressler (Indiana); Bergeron (Louisiana), Dumas (Texas); El-Ramadi (Pennsylvania); Drolet (Maine); and Magee (Florida). It isn't until the reply brief that they assert Texas law should apply. That argument should have been made in their moving brief.

Plaintiffs point out, however; that these defendants, Kenvue, Janssen, and J&J Holdco (NA) – are all New Jersey companies, and that defendants have conceded that New Jersey law applies pursuant to In Re Accutane Litigation 234 NJ 22 (2018).² To be clear, this has nothing to do with LTL but all to do with the presently operating restructured companies, all of which are New Jersey corporations.

Plaintiffs argue that successor liability applies under Ramirez through the mere continuation and/or product line exceptions.

As indicated during the ruling on the record, the court is guided by Printing Mart v. Sharps Electronics, 116 NJ 739 (1989). A full record must be developed based on appropriate discovery as to the successor liability issue.

¹ In Re: LTL Mgmt, 64F.4th 84 (3d Cir 2023)

² Plaintiffs assert that even if Texas Law applies, these entities would be responsible pursuant to Texas Bus. Orgs. Code Ann §10.008(a)(4).

EXHIBIT 6

CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS
STATE OF LOUISIANA

NO. 2020-02718

DIVISION "A"

LYNNE L. ROY

VERSUS

COLGATE-PALMOLIVE COMPANY, ET AL.

MOTION TO FILE SUPPLEMENTAL AND AMENDING PETITION

Transcript of the proceedings taken in the above
entitled-and-numbered cause, before the HON. ELLEN M. HAZEUR,
Judge presiding, on this 29th day of September 2023.

APPEARANCES:

REPRESENTING THE PLAINTIFF:

MARK BUHA, ESQ.
FRANK J. SWARR, ESQ.

REPRESENTING JOHNSON & JOHNSON HOLDCO:

CLAIRE A. NOONAN, ESQ.

REPORTED BY:

SHANNON R. JARRELL, C.C.R.
OFFICIAL COURT REPORTER
IN AND FOR THE PARISH OF ORLEANS
STATE OF LOUISIANA

1 JUDGE HAZEUR:

10:27 2 Position 5, 2019-13239, Roy versus Colgate-Palmolive
10:27 3 Company, et al. Motion for Leave to File Third Amending
10:27 4 Petition. Please make your appearances for the record.

10:28 5 MS. NOONAN :

10:28 6 Good morning, Your Honor, Claire Noonan for Johnson
10:28 7 & Johnson.

10:28 8 MR. BUHA:

10:28 9 Mark Buha for plaintiffs.

10:28 10 MR. SWARR:

10:28 11 Frank Swarr also for plaintiffs, Your Honor.

10:28 12 JUDGE HAZEUR:

10:28 13 Okay. That you all. Again, I've digested
10:28 14 everything that was submitted. Unless you want to add
10:28 15 something, I am ready to rule.

10:28 16 MR. BUHA:

10:28 17 Nothing further from plaintiffs beyond our briefing
10:28 18 and reply brief, yes.

10:28 19 MS. NOONAN:

10:28 20 Nothing further for Johnson & Johnson, Your Honor.

10:28 21 MR. BUHA:

10:28 22 Plaintiffs will offer, file and introduce the
10:28 23 Exhibits 1-14, the Third Amended Petition attached to the
10:28 24 papers and --

10:28 25 JUDGE HAZEUR:

10:28 26 Any objection?

10:28 27 MS. NOONAN:

10:28 28 No, Your Honor.

10:28 29 JUDGE HAZEUR:

10:28 30 Okay. I am going to admit the exhibits since there
10:29 31 was no objection.

10:29 32 MS. NOONAN:

10:29 1 Your Honor, I am sorry. I just wanted to say that I
10:29 2 believe that there were some of the exhibits that were
10:29 3 unauthenticated, so I do need to lodge an objection for
10:29 4 the record.

10:29 5 JUDGE HAZEUR:

10:29 6 Okay, so let's go over -- what exhibits are you
10:29 7 objecting to?

10:29 8 MS. NOONAN:

10:29 9 There are some unauthenticated PowerPoint slides
10:29 10 attached to the plaintiff's motion.

10:29 11 JUDGE HAZEUR:

10:29 12 Okay. What numbers are we talking about? How do I
10:29 13 identify these exhibits?

10:29 14 MS. NOONAN:

10:29 15 I believe it's exhibits -- I think it's Exhibit 10
10:29 16 through 13.

10:30 17 MR. BUHA:

10:30 18 Your Honor, those are not PowerPoint slides.
10:30 19 Exhibit 10 is testimony of Johnson & Johnson's corporate
10:30 20 representative. Exhibit 11 are responses to Requests for
10:30 21 Admissions from Johnson & Johnson. Exhibits 12 and 13
10:30 22 are SEC Filings from Kenvue, one of the defendants at
10:30 23 issue. Exhibit 14 is the testimony of Mr. Snellgrove, a
10:30 24 corporate representative for Janssen, one of the
10:30 25 defendants that we seek to add.

10:30 26 MS. NOONAN:

10:30 27 We do not have any objections to those exhibits.
10:30 28 Thank you for clarifying that.

10:30 29 JUDGE HAZEUR:

10:30 30 Okay. So do you have any objections to any specific
10:30 31 exhibits?

10:30 32 MS. NOONAN:

10:30 1 No, Your Honor.

10:30 2 JUDGE HAZEUR:

10:30 3 Okay. The exhibits are admitted into evidence. I
10:30 4 believe there were 13 of them.

10:30 5 The Court's ruling is as follows: Amendments to
10:30 6 pleadings should be liberally allowed provided that (1)
10:30 7 the mover is acting in good faith; (2) the amendment is
10:30 8 not being used as a delaying tactic; (3) the opponent
10:31 9 will not be unduly prejudiced; and (4) trial on the
10:31 10 issues will not be unduly delayed.

10:31 11 No evidence has been presented to suggest that this
10:31 12 amendment is in bad faith, a delay tactic, unduly
10:31 13 prejudicial or will delay trial. The Court finds that
10:31 14 all of these factors weigh in favor of allowing
10:31 15 amendment. Johnson & Johnson argues that amendment would
10:31 16 be futile as the proposed amendment would not state a
10:31 17 cause of action against Holdco, Janssen or Kenvue. The
10:31 18 Court disagrees. Plaintiff's proposed amendments contain
10:31 19 factual allegations sufficient to assert a cause of
10:31 20 action under Louisiana's Successor Liability Doctrine.
10:31 21 Therefore, plaintiff's Motion For Leave to File Third
10:31 22 Amended Petition is granted. That's the Court's ruling.

10:31 23 MS. NOONAN:

10:31 24 Thank you, your Honor.

10:31 25 MR. SWARR:

10:31 26 Thank you, your Honor.

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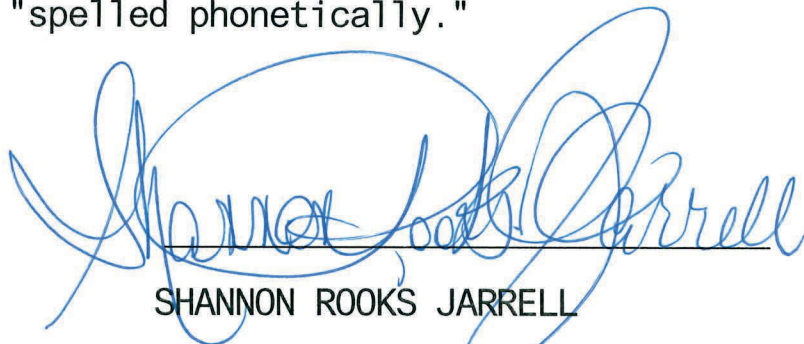
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REPORTER'S PAGE

I, Shannon Rooks Jarrell, Certified Court Reporter in and for the State of Louisiana, the officer as defined in Rule 28 of the Federal Rules of Civil Procedure and/or Article 1434 (B) of the Louisiana Code of Civil Procedure, before whom this sworn testimony was taken, do hereby state on the Record;

That due to the interaction in the spontaneous discourse of this proceeding, dashes (--) have been used to indicate pauses, changes in thought, and/or talkovers; that same is the proper method for a Court Reporter's transcription or proceeding, and that dashes (--) do not indicate that words or phrases have been left out of this transcript; that any words and/or names which could not be verified through reference material have been denoted with the phrase "spelled phonetically."



SHANNON ROOKS JARRELL

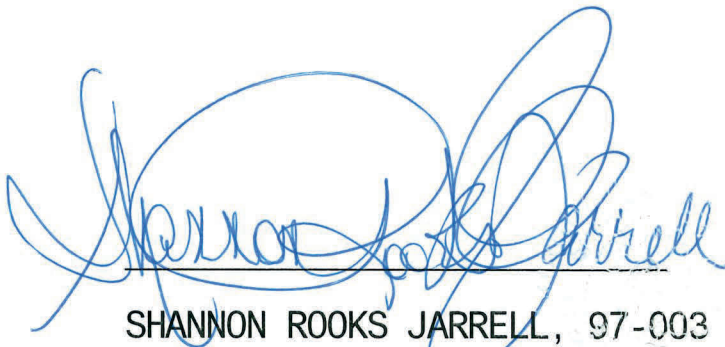
CERTIFIED COURT REPORTER, 97-003

1 CERTIFICATE

2
3 This certificate is valid only for a transcript accompanied
4 by my original signature and original required seal on this page.

5 I, Shannon Rooks Jarrell, Official Court Reporter in and for
6 the State of Louisiana, employed as an official court reporter by
7 the Civil District Court for the State of Louisiana, as the
8 officer before whom this testimony was taken, do hereby certify
9 that this testimony was reported by me in the stenotype reporting
10 method, was prepared and transcribed by me or under my direction
11 and supervision, and is a true and correct transcript to the best
12 of my ability and understanding; that the transcript has been
13 prepared in compliance with transcript format guidelines required
14 by statute or by rules of the board or by the Supreme Court of
15 Louisiana, and that I am not related to counsel or to the parties
16 herein, nor am I otherwise interested in the outcome of this
17 matter.

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SHANNON ROOKS JARRELL, 97-003

CERTIFIED COURT REPORTER

EXHIBIT 7

COURT OF COMMON PLEAS OF ALLEGHENY COUNTY, PENNSYLVANIA

MICHAEELEN P. LEE,

CIVIL DIVISION

Plaintiff,

GD-23-008055

v.

ACME MARKETS, INC., et al.,

Defendants.

ORDER OF COURT

AND NOW, to wit, this day of 20th day of October, 2023, upon receipt and review of the following Defendants' Preliminary Objections, Plaintiffs' respective Responses, Replies, and Briefs, it is hereby **ORDERED, ADJUDGED**, and **DECREED** that:

1. Janssen Pharmaceuticals, Inc.'s Preliminary Objections are

OVERRULED/DENIED;

2. Johnson & Johnson Holdco (NA) Inc.'s Preliminary Objections are

OVERRULED/DENIED;

3. Kenvu Inc.'s Preliminary Objections are **OVERRULED/DENIED;**

4. IMI Fabi (Diana) LLC's Preliminary Objections are **OVERRULED/DENIED;**

5. IMI Fabi (USA), Inc.'s Preliminary Objections are **OVERRULED/DENIED;**

6. IMI Fabi, LLC's Preliminary Objections are **OVERRULED/DENIED;** and

7. Acme Markets, Inc.'s Preliminary Objections are **OVERRULED/DENIED.**

By the Court,

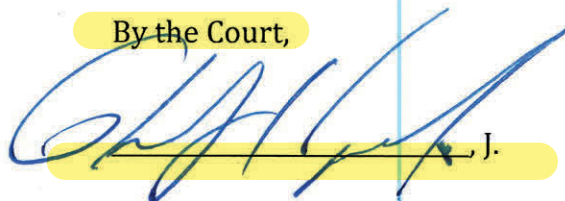


EXHIBIT 8

FILED

SEP 27 2023

PREPARED BY THE COURT

JOHN C. PORTO, P.J.Cv.

**KEVIN NESKO, individually and as
Personal Representative of the Estate of
BRIDGET NESKO,**

Plaintiffs,

V.

JOHNSON & JOHNSON;

JOHNSON & JOHNSON HOLDCO (NA) INC.,
f/k/a Johnson & Johnson Consumer Inc.,
individually and successor in interest to Johnson
& Johnson subsidiary "Old JJCI";

KENVUE INC., individually and as successor
in interest to Johnson & Johnson Consumer
Inc.;

JANSSEN PHARMACEUTICALS, INC.,
individually and as successor in interest to
Johnson & Johnson subsidiaries named Johnson
& Johnson Consumer Inc., both prior to and
after its 2021 restructurings and colloquially
known as "Old JJCI" and "New JJCI";

JOHN DOE CORPORATIONS 1-50;

Defendants.

SUPERIOR COURT OF NEW JERSEY
LAW DIVISION: ATLANTIC COUNTY

Docket No: ATL-L-000741-23

CIVIL ACTION

CASE NO. 300

TALC-BASED POWDER
PRODUCTION LITIGATION

ORDER

THIS MATTER having come before the Court on the following Defendants Motion to Dismiss: Kenvue Inc.'s, and the Court having reviewed the moving and opposition papers, as well as conducting oral argument, and for good cause shown:

IT IS ON THIS 27th day of September, 2023, ordered:

The Defendants' Motion to Dismiss is DENIED for reasons stated in the corresponding Memorandum of Decision; and

IT IS FURTHER ORDERED that a copy of the within Order shall be served on all counsel within seven (7) days of it's receipt by movant's counsel.



John C. Porto, P.J.Cv.

Prepared by the Court

KEVIN NESKO, individually and as Personal
Representative of the Estate of BRIDGET
NESKO,

Plaintiff,

vs.

JOHNSON & JOHNSON; JOHNSON &
JOHNSON HOLDCO (NA) INC., f/k/a
Johnson & Johnson Consumer Inc.,
individually and successor in interest to
Johnson & Johnson subsidiary "Old JJCI";
KENVUE INC., individually and as successor
in interest to Johnson & Johnson Consumer
Inc.; JANSSEN PHARMACEUTICALS,
INC., individually and as successor in interest
to Johnson & Johnson subsidiaries named
Johnson & Johnson Consumer Inc., both prior
to and after its 2021 restructurings and
colloquially known as "Old JJCI" and "New
JJCI"; PERSONAL CARE PRODUCTS
COUNCIL f/k/a Cosmetic, Toiletry and
Fragrance Association; JOHN DOE
CORPORATIONS 1-50;

Defendants

: SUPERIOR COURT OF NEW JERSEY
: LAW DIVISION - ATLANTIC COUNTY

: DOCKET NO.: ATL-L-741-23
Talc-Based Powder Products Litigation
Case No: 300

: CIVIL ACTION

: DECISION on Defendants' Motion to
Dismiss

Decided on: September 27, 2023

**Christopher M. Placitella, Esquire for Plaintiff
Cohen, Placitella & Roth, P.C.**

**Susan M. Sharko, Esquire For Defendants, Kenvue Inc., Janssen
Pharmaceuticals, Inc., and Johnson & Johnson Holdco (NA) Inc.
Faegre Drinker Biddle & Reath LLP**

Porto, P.J.Cv.

Plaintiff filed the Complaint on April 26, 2023. Co-Defendants Kenvue Inc. (“Kenvue”) filed its motion to dismiss the Complaint for failure to state a claim on May 11, 2023. On May 12, 2023, Kenvue filed an amended motion to dismiss the Complaint. Kenvue, Janssen Pharmaceuticals, Inc. (“Janssen”), and Johnson & Johnson Holdco (NA) Inc. (“Holdco”) (collectively “Defendants”) moved for the dismissal of the Complaint pursuant to Rule 4:6-2(e) on May 16, 2023¹. Plaintiff opposed the motion on July 13, 2023. Defendants filed their reply on July 27, 2023. Oral argument was conducted on September 13, 2023.

The court examined the legal sufficiency of the facts alleged in the Complaint and determined a fundament of the various causes of a cause of action was pleaded by the Plaintiff.

Nature of Motion and Procedural History

The full procedural history is well known by the parties and counsel. However, the court provides a general procedural summary for context based upon the relevant allegations from the Complaint as well as from the Declaration of John K. Kim in support of First day Pleadings.

Plaintiff alleges Plaintiff’s Decedent was exposed to asbestos containing talc powder “PRODUCTS²” on a regular and frequent basis while using baby powder on herself or while being in the vicinity of someone using or having talcum baby powder applied to his or her person. As a direct and proximate result of Plaintiff’s Decedent’s exposure to and inhalation and ingestion of dust particles and fibers, Plaintiff’s Decedent was diagnosed with ovarian cancer on or around April 26, 2021 and as a result of her ovarian cancer passed away on November 28, 2022.

¹ In correspondence dated May 12, 2023, Defendants’ counsel wrote the relief sought in this motion also applied to the 55 new plaintiff filings of Richard Golomb, Esq.

² In paragraph 6 of the Complaint, Plaintiff defines the term “Products” in the Complaint as follows: “PRODUCTS” is defined by talc products utilized by Plaintiff’s Decedent, including Johnson’s Baby Powder.

Holdco is a New Jersey corporation with its principal place of business in the State of New Jersey. Kenvue is a Delaware corporation with its principal place of business in the State of New Jersey. Janssen is a New Jersey Corporation with its principal place of business in the State of New Jersey.

In the Complaint, Plaintiff alleges at all relevant times, upon information and belief, Defendants, or their predecessors, were engaged in the business of manufacturing, formulating, marketing, testing, promoting, selling and/or distributing the asbestos-containing products to which Plaintiff's Decedent was exposed. Plaintiff further alleges, at all relevant times, Defendants, or their predecessors, regularly transacted, solicited, and conducted business in all fifty States of the United States.

Specifically, in paragraph 20 of the Complaint, the Plaintiff alleges the Defendants:

are either (a) corporations organized under the laws of the various states of the United States of America that were and are doing business in the State of New Jersey that mined, milled, manufactured, sold, supplied, distributed, purchased, and/or marketed asbestos-containing PRODUCTS to which Plaintiff's Decedent was exposed; or (b) are a successor in interest of such corporations described in clause "(a)" which the law holds responsible and liable for injuries and harm caused by their predecessor(s) or by their predecessor's asbestos-containing product lines it or they acquired which, as a consequence, renders them liable under law to the Plaintiff's Decedent for the injuries and damages that are the subject of this suit.

In October 2021, Old JJCI underwent a corporate restructuring under Texas state corporation and business law. Old JJCI split itself into two separate entities

through a device referred to as a “divisive merger³”. Plaintiff alleges the corporate restructuring was designed and undertaken with the intent to isolate the talc liabilities of Old JJCI into a newly invented company created by J&J called “LTL Management LLC” (“LTL”). “LTL” is an acronym for “Legacy Talc Liability.” Following the divisional merger, LTL was put into a Chapter 11 Bankruptcy wherein LTL and other J&J entities sought the protection of the Bankruptcy Code to obtain a stay of all pending litigation and construct an aggregate resolution of its outstanding present and future asbestos liabilities.

As part of the corporate restructuring, Old JJCI ceased to exist, and two new entities were created: LTL and New JJCI⁴. Plaintiff alleges all of the productive assets of Old JJCI, including those used to manufacture and market J&J Baby Powder, were transferred to a new corporate entity named “Johnson & Johnson Consumer Inc.” (“New JJCI”). Upon receipt of the Old JJCI’s operating assets, Plaintiff alleges “New JJCI... continued to sell J&J Baby Powder, as did Old JJCI previously before when J&J itself directly marketed the product line through an internal division⁵.” LTL “was allocated certain of Old JJCI’s assets and became solely responsible for the talc-related liabilities of Old JJCI⁶.” “New JJCI was allocated all other assets of Old JJCI and became solely responsible for all other liabilities of Old JJCI⁷.”

In referencing the Kim Declaration, the Plaintiff notes all talc-related liabilities were transferred to LTL, and “New JJCI operated its business following the 2021 corporate restructuring. This included the manufacture and sale of a broad range of products used in the baby care, beauty, oral care, wound care and women’s

³ To the extent this court references said merger, the court refers to it as a “divisional merger”.

⁴ See Kim Decl. ¶ 24.

⁵ See Complaint paragraph 34.

⁶ See Kim Decl. ¶ 24.

⁷ Id.

health care fields, as well as over-the-counter pharmaceutical products (collectively, the ‘Consumer Business’)⁸.” The Defendants assert New JJCI did not sell any talc-based Johnson’s Baby Powder in North America, as that product was discontinued before New JJCI was formed.

According to the Plaintiff, “[o]ver the objection of tens of thousands of personal injury and wrongful death tort plaintiffs, the Bankruptcy Court presiding over LTL’s 2021 bankruptcy case, stayed and enjoined prosecution of all litigation against not only the Debtor LTL but all cosmetic talc injury related litigation involving J&J and New JJCI⁹.” On appeal before the United States Court of Appeals for the Third Circuit, on January 30, 2023, that court dismissed the LTL Bankruptcy 2021 case¹⁰. “LTL’s efforts to obtain re-argument before the Third Circuit panel hearing its appeal or an *en banc* hearing were denied¹¹.” Following the Bankruptcy Court’s dismissal order, on April 4, 2023, “LTL filed a second Chapter 11 petition for bankruptcy protection in the same court seeking the same relief as in the dismissed case¹².”

Thereafter, New JJCI changed its name to Johnson & Johnson Holdco (NA) Inc. (“Holdco”)¹³. Plaintiff alleges during the time the Third Circuit Court of Appeals was considering the propriety of LTL’s bankruptcy filing, New JJCI began the process of moving its assets and business to yet another J&J subsidiary, Kenvue by transfers through JJCI’s direct parent, Janssen. Holdco transferred its consumer business assets to Janssen, which transferred those assets to Kenvue. Plaintiff further alleges while Mr. Kim’s Declaration does not expressly state who the parent

⁸ See Kim Decl. ¶ 26.

⁹ See Complaint paragraph 35.

¹⁰ In re LTL Management, LLC, 64 F.4th 84, 95-96 (3d Cir. 2023).

¹¹ See Complaint paragraph 37.

¹² See Complaint paragraph 38.

¹³ See Complaint paragraph 40.

entity is, “a careful examination of the affidavit demonstrates Janssen is the parent entity of Defendant New JJCI¹⁴.”

Plaintiff now filed this Complaint to name Holdco, Janssen, and Kenvue as Defendants. Plaintiff alleges all assets associated with the production and sale of Johnson & Johnson Consumer Inc.’s (“Old JJCI”) cosmetic talc products were transferred to Holdco, Janssen, and Kenvue and focus on the Defendants’ corporate activities after the divisional merger.

Based upon a fair reading of the Complaint, Plaintiff’s causes of action are brought, in part, under the New Jersey Products Liability Act (“PLA”), N.J.S.A. 2A:58C-1, et seq., New Jersey’s Punitive Damages Act, N.J.S.A. 2A:15-5.9 et al. and New Jersey’s common law. As alleged in the Complaint, “both Holdco and Janssen are successors to Old JJCI and responsible for the contractual undertakings and tortious conduct of Old JJCI¹⁵.” Similarly with regard to Kenvue; “Kenvue is responsible, individually, and as successor to all predecessor entities involved in the manufacturing, marketing, and sale of the asbestos-containing talc PRODUCTS to which the Plaintiff’s Decedent was exposed¹⁶.”

Contentions¹⁷

Defendants

In support of this motion, Defendants look to the divisional merger and argue:

1. Holdco never held any talc-based liabilities; those liabilities were transferred exclusively to LTL. As the Third Circuit explained, the corporate restructuring under Texas law “allocated LTL responsibility for essentially all liabilities of Old Consumer tied to talc-related claims.”

¹⁴ See Complaint paragraph 41.

¹⁵ See Complaint paragraph 42.

¹⁶ See Complaint paragraph 49.

¹⁷ The contentions are general summaries from the briefs and arguments of counsel.

2. Aside from Texas law, the general rule in New Jersey is that when a company acquires assets, it is “not liable for the debts and liabilities of the transferor¹⁸.” Defendants contend Plaintiff appears to invoke the so-called “product line” exception to that general rule. Defendants argue as a matter of law, said exception is not applicable to “an asset purchaser that discontinues the product line¹⁹.” Defendants argue their clients did not continue selling talc-based Johnson’s Baby Powder in the United States; said sales were discontinued in 2020 before Holdco was initially formed.

According to Defendants’ attorney, their clients were named as defendants “not because of a sincere view that they hold any liabilities, but simply as an attempt to circumvent the automatic bankruptcy stay²⁰.”

Defendants’ Reply

In their reply, Defendants’ counsel provided an additional analysis regarding the divisional merger and further refuted the Plaintiff’s arguments regarding successor liability.

Plaintiff

Plaintiff opposed the motion and argues under New Jersey law, the Defendants are liable for Old JJCI’s talc-related liabilities. Under New Jersey law, when a corporate entity undergoes a “corporate reorganization,” a “viable restructured entity” cannot escape direct liability for the harm caused by a product just because the original manufacturer had made it before the reorganization²¹. Moreover, Plaintiff’s attorney contends this court does not need to consider Texas law in the analysis for this motion; the court needs to look only to New Jersey law.

¹⁸ Ramirez v. Amsted Indus. Inc., 86 N.J. 332, 340 (1981).

¹⁹ Lefever v. K.P. Hovnanian Enterprises, Inc., 160 N.J. 307, 326 n.4 (1999).

²⁰ During oral argument on September 13, 2023, this court was informed LTL is no longer in Bankruptcy, but an appeal is pending.

²¹ Arevalo v. Saginaw Mach. Sys., Inc., 344 N.J. Super. 490, 497-98 (App. Div. 2001).

Plaintiff argues the Defendants look at a single moment in time, the divisional merger, to argue there is no responsibility for Old JJCI's talc-related liabilities under New Jersey's successor liability doctrines. Plaintiff's attorney disagrees and asserts the Texas Business Code relied upon by the Defendants, Texas Bus. Orgs. Code Ann. § 10.008, does not immunize the Defendants for liabilities imposed under other laws, such as New Jersey's in this case. According to the Plaintiff's attorney, Texas Law does not allow a corporation that was not assigned liabilities in the merger to evade liability when required under the laws of other states and cited from the Third Circuit Court's decision in In re LTL Mgmt., LLC, 64 F.4th at 95-96 to that effect:

When the original entity does not survive the merger, it allocates its property, liabilities, and obligations among the new entities according to a plan of merger and, on implementation, its separate existence ends. Id. §§ 10.003, 10.008(a)(1). Except as otherwise provided by law or contract, no entity created in the merger is "liable for the debt or other obligation" allocated to any other new entity. Id. § 10.008(a)(4). In simplified terms, the merger splits a legal entity into two, divides its assets and liabilities between the two new entities, and terminates the original entity.

According to the Plaintiff's allegations, the Defendants are directly liable under New Jersey law as a result of the divisional merger as well as successor liability because the connection between Old JJCI and the Defendants here is "clear and obvious". Plaintiff asserts in their brief the Defendants are Old JJCI "albeit reconstituted" and are directly responsible for Old JJCI's talc-related liabilities.

Plaintiff also alleges Defendants continue to profit from Old JJCI's goodwill and the "Johnson's®" iconic brand pointing out Kenvue recently raised billions for J&J through an initial public offering of a small percentage of its shares (with the rest still being held by J&J) and Kenvue's disclosures to the Securities & Exchange Commission ("SEC"), admitted in the SEC filing that it continues to manufacture

and sell Johnson's® Baby Powder outside the United States. Plaintiff further alleges the Defendants continued Old JJCI's business, acquired its assets, and traded on Old JJCI's goodwill, by invoking the 125-year-old brand to sell Johnson's® Baby Powder, including, as Kenvue has purportedly admitted, the talc-based formulation overseas.

The Plaintiff also asserts successor liability flows from Old JJCI's talc-related liabilities because as a general rule, "where one company sells or otherwise transfers all its assets to another company the latter is not liable for the debts and liabilities of the transferor, including those arising out of the latter's tortious conduct."²²

Discussion

Defendants seek to have the Plaintiff's Complaint dismissed pursuant to R. 4:4-62(e). That rule provides in relevant part, "[e]very defense, legal or equitable, in law or fact, to a claim for relief in any complaint, counterclaim, cross-claim, or third-party complaint shall be asserted in the answer thereto, except that the following defenses, unless otherwise provided by R. 4:6-3, may at the option of the pleader be made by motion, with briefs: (e) failure to state a claim upon which relief can be granted...." Accordingly, in ruling on such a motion, the applicable standard is well known:

a reviewing court 'searches the complaint in depth and with liberality to ascertain whether the fundement of a cause of action may be gleaned even from an obscure statement of claim, opportunity being given to amend if necessary.' At this preliminary stage of the litigation the Court is not concerned with the ability of plaintiffs to prove the allegation contained in the complaint. For purposes of analysis plaintiffs are entitled to every reasonable inference of fact. The examination of a complaint's allegations of fact required by the aforesated

²² McKee v. Harris-Seybold Co., Div. of Harris-Intertype Corp., 109 N.J. Super. 555, 561 (Law. Div. 1970), aff'd, 118 N.J. Super. 480 (App. Div. 1972). This court notes McKee was criticized by Ramirez, 86 N.J. 332 and is not the current standard in determining successor liability.

principles should be one that is at once painstaking and undertaken with a generous and hospitable approach.

[Printing Mart-Morristown v. Sharp Elecs. Corp., 116 N.J. 739, 746 (1989) (internal citations omitted).]

It is well-established that a plaintiff is not required to prove its factual allegations at the motion-to-dismiss stage. See, e.g., Leon v. Rite Aid Corp., 340 N.J. Super. 462, 472 (App. Div. 2001). This court is required to search the complaint “in depth and with liberality to ascertain whether the fundament of a cause of action may be gleaned even from an obscure statement of claim, opportunity being given to amend if necessary.” Di Cristofaro v. Laurel Grove Memorial Park, 43 N.J. Super. 244, 252 (App. Div. 1957) “[T]he test for determining the adequacy of a pleading [is] whether a cause of action is ‘suggested’ by the facts.” Velantzas v. Colgate-Palmolive Co., 109 N.J. 189, 192 (1988). The plaintiff receives the benefit of all reasonable inferences. Seidenberg v. Summit Bank, 348 N.J. Super. 243, 249-50 (App. Div. 2002). However, “[a] pleading should be dismissed if it states no basis for relief and discovery would not provide one.” Rezem Fam. Assocs., LP v. Borough of Millstone, 423 N.J. Super. 103, 113 (App. Div. 2011).

Conflict of Laws-Tex. Bus. Orgs. Code Ann. § 10.008

This specific litigation was designated by the New Jersey Supreme Court as a Multicounty Litigation and received centralized management in Atlantic County²³, New Jersey. Although it appears, there may be a dispute among counsel as to whether New Jersey law applies, this court finds New Jersey law applies because New Jersey has the most significant relationship to the occurrence and of the parties as found in In re Accutane, 235 N.J. 229, 264-65 (2018).

²³ Atlantic County and Cape May County comprise Vicinage One. Plaintiff does assert “[v]enue is proper in this County pursuant to Rule 4:3-2 in that Defendants do substantial business in Atlantic County, New Jersey.” See paragraph 25 of the Complaint.

For completeness, even if Accutane was not applicable, this court did not find there is a conflict between the laws of the two states as the Texas business statute permits other state law to govern organization liability post-merger. This court finds its support from the Third Circuit's decision as that court pointed out that the Texas divisional merger statute allows the parties to a merger to assign assets to one or more corporations surviving the divisional merger under Tex. Bus. Orgs. Code Ann. §10.008(a)(2)(C), and under Tex. Bus. Orgs. Code Ann. § 10.008(a)(3). The Statutes permit the parties to a merger to assign liabilities to one or more of the surviving corporations.

However in that same regard, this court finds the Texas Code does not contemplate that a corporation that was not assigned liabilities in the merger to evade liability when required under the laws of other states. This statutory exception was specifically referenced by the Third Circuit Court of Appeals as it discussed the Corporate Restructuring and Divisional Merger and the Texas Business Organization Code §§ 10.001 et seq.:

When the original entity does not survive the merger, it allocates its property, liabilities, and obligations among the new entities according to a plan of merger and, on implementation, its separate existence ends. Id. §§ 10.003, 10.008(a)(1). Except as otherwise provided by law or contract, no entity created in the merger is "liable for the debt or other obligation" allocated to any other new entity. Id. § 10.008(a)(4). (Emphasis added.).

[LTL Mgmt., LLC, 64 F.4th at 95.]

Accordingly, this court finds the Texas statutes provides that following the divisional merger, and as otherwise provided by law, successor liability of the entity created in the merger is determined in this instance by New Jersey law. Since there is no conflict of laws present, the court looks to New Jersey law regarding successor liability based upon the allegations contained in the Amended Complaint.

Successor Liability

The general rule on successor liability in this state is, “where one company sells or otherwise transfers all its assets to another company the latter is not liable for the debts and liabilities of the transferor, including those arising out of the latter's tortious conduct.” Ramirez, 86 N.J. at 340 (citations omitted.). However, the Ramirez Court noted there were four exceptions to that general rule: (1) the purchasing corporation expressly or impliedly agreed to assume such debts and liabilities; (2) the transaction amounts to a consolidation or merger of the seller and purchaser; (3) the purchasing corporation is merely a continuation of the selling corporation, or (4) the transaction is entered into fraudulently in order to escape responsibility for such debts and liabilities. Id. at 340-41.

In Ramirez, the New Jersey Supreme Court adopted the following test for determining successor corporation liability in the product line exception as “where,... the successor corporation acquires all or substantially all the assets of the predecessor corporation for cash and continues essentially the same manufacturing operation as the predecessor corporation the successor remains liable for the product liability claims of its predecessor.” Ramirez, 86 N.J. at 335. According to the Court, “the focus in cases involving corporate successor liability for injuries caused by defective products should be on the successor's continuation of the actual manufacturing operation and not on commonality of ownership and management between the predecessor's and successor's corporate entities,...” Id. at 347. Upon its review of this decision, this court does not find that the lack of any source of any remedy was the dispositive impetus for any potential liability for corporate successor²⁴ liability because the Supreme Court said, “[w]hat is most important,

²⁴ “In Ramirez the successor corporation was the only viable corporate entity plaintiff could sue for his injuries; his remedies against the original manufacturer and an intermediate corporation had been destroyed by the successor's acquisition of all the business assets of its predecessors, which subsequently dissolved.” Nieves, 86 N.J. at 364.

however, is that there was continuity in the manufacturing of the... product line throughout the history of these asset acquisitions.” Ramirez, 86 N.J. at 350.

Nieves v. Bruno Sherman Corp., 86 N.J. 361 (1981) was also decided on the same day as Ramirez. The issue in that case was “whether the Ramirez standard may be extended to impose liability on an intermediate successor corporation, one that acquired all the business assets from the original manufacturer and thereafter transferred those assets to its successor and discontinued the offending product line, all several years before plaintiff's accident occurred.” Id. at 364. The Court held, “the Ramirez rationale is not necessarily so limited as to visit liability upon only the current, viable manufacturer of the product line. In certain situations both the current successor corporation and the intermediate manufacturer may be responsible under Ramirez.” Id. at 365.

In Lefever, 160 N.J. at 310, the Supreme Court framed the issue as “whether the product-line exception is applicable when the successor has purchased the predecessor's assets at a bankruptcy sale.” The bankrupt “was not the manufacturer of the defective product, but rather an intermediary owner of the product line against whom no claim had been made by the injured party.” Id. at 310-11. The Court found that it was not “unfair to impose liability on the successor manufacturers of the Lull forklift” because the successor “trad[ed] on the good will generated by a long-standing customer base.” Id. at 326. As an aside, in footnote 4 of the opinion, the Court discussed fairness being the guiding principle for the imposition of punitive damages on a successor. Although the Plaintiff did plead a cause of action seeking punitive damages, in the present case, this court is not considering the merits and is looking at the Complaint only in the manner required by Printing Mart.

The Ramirez holding regarding successor liability was again applied to Arevalo, 344 N.J. Super. 490, and Bussell v. Dewalt Products Corp., 259 N.J. Super. 499 (App. Div. 1992). This court finds the Ramirez holding is applicable here.

In accordance with the above principles, the court accepts all of the Plaintiffs' allegations as true. The Complaint alleges product liability and other stated causes of action against the named Defendants as successor corporations of Old JJCI regarding talc liability and asserts damages against such successors as a result of the death of the Plaintiff's Decedent from ovarian cancer. In paragraph 20 of the Complaint, Plaintiff alleges the Defendants:

are either (a) corporations organized under the laws of the various states of the United States of America that were and are doing business in the State of New Jersey that mined, milled, manufactured, sold, supplied, distributed, purchased, and/or marketed asbestos-containing PRODUCTS to which Plaintiff's Decedent was exposed; or (b) are a successor in interest of such corporations described in clause "(a)" which the law holds responsible and liable for injuries and harm caused by their predecessor(s) or by their predecessor's asbestos-containing product lines it or they acquired which, as a consequence, renders them liable under law to the Plaintiff's Decedent for the injuries and damages that are the subject of this suit.

The Plaintiff asserts, under New Jersey law, the talc-related liabilities follow the talc-related manufacturing assets and operations to the named Defendants. Since the Defendants allegedly took over the Old JJCI business, Plaintiff argues the named Defendants stand in the shoes of Old JJCI and bear the same liabilities as that prior entity in successor liability. This court finds that is clearly alleged in the Complaint.

Following the divisional merger, Old JJCI no longer existed and New JJCI was formed and allegedly became what Plaintiff refers to as a "new hat" of Old JJCI. Plaintiff alleges New JJCI/Holdco, and later Janssen and Kenvue, continued operating the business in the same manner as Old JJCI. According to Plaintiff, the Defendants and Old JJCI are no different: "they function the same, manufacture the same product, have the same leadership and ownership (with the caveat that J&J has

since orchestrated the sale of a de minimis number of shares of Kenvue to the public), and use the same Johnson's® Baby Powder brand and manufacturing assets." See Plaintiff's brief at pg. 17. Plaintiff further alleges the "Defendants admit these companies are vertically integrated within the same corporate structure." Ibid. Additionally, Plaintiff alleges "there was no change in ownership or management after the merger, and according to Plaintiff, Johnson & Johnson is the corporate parent of New JJCI, Janssen, and Kenvue. Plaintiff also contends that while Kenvue sold a fraction of its shares in an IPO to raise funds for J&J, "that does not change the fact that it is still a J&J company through and through." Ibid. Plaintiff also contends Kenvue "held itself out to investors as Old JJCI" to the SEC by its use of terminology showing "Kenvue has held and continues to hold itself out as Old JJCI, and that that has been the plan all along." Id. at 17-18.

The Plaintiff alleges the Defendants continue to "manufacture and s[ell] both talc and cornstarch-based Johnson's® Baby Powder, and the "Defendants continue to enjoy and profit from Old JJCI's goodwill." Id. at pg. 21. Plaintiff also alleges Kenvue admitted the "Defendants have kept on selling the talc-based Baby Powder outside the United States and expect that such sales will continue through 2023." Ibid. For that reason, Plaintiff argues, "[t]here is no basis in law to distinguish between sales inside and outside the United States and little to recommend for creating an artificial distinction that gives multi-national corporations, such as the ...Defendants, an undue advantage and undermine the justifications for strict products liability and the product line exception as expressed by the Supreme Court in Ramirez and its progeny." Id. at pg. 22.

The Plaintiff asserted twenty one counts and alleged various causes of action as well as punitive damages premised on successor liability²⁵ in the Complaint.

²⁵ Count I - Strict Liability-Failure to Warn (Against Johnson & Johnson Defendants), Count II - Strict Liability -Defective Manufacture and Design (Against Johnson & Johnson Defendants), Count III- Breach of Express Warranties

When this court searched the Plaintiff's 105 page Complaint in the required "painstaking" and "generous and hospitable approach" a fundament of the various causes of action was gleaned; said named Defendants may be found liable under those causes of action for Old JJCI's talc-related liabilities under New Jersey law and its successor liability case law. The court finds the Defendants rely upon factual assertions that may or may not "bear fruit" in later proceedings and it should be noted that this court does not take any position in that regard. At this time, this court's obligation is to determine whether the Complaint pleads a cause of action and the court finds that it does under New Jersey law.

Conclusion

Accordingly, based on the above analysis, the Defendants' motion to dismiss the Plaintiff's Complaint is denied.


John C. Porto, P.J.Cv.

(Against Johnson & Johnson Defendants), Count IV – Breach of Implied Warranty of Merchantability (Against The Johnson & Johnson Defendants), Count V – Breach of Implied Warranty of Fitness for a Particular Purpose (Against Johnson & Johnson Defendants), Count VI - Negligence (Against Johnson & Johnson Defendants), Count VIII – Negligent Misrepresentation (Against Johnson & Johnson Defendants), Count IX – Intentional Misrepresentation (Against Johnson & Johnson Defendants), Count X – Negligent Manipulation of Industry Standards (Against the All Defendants), Count XI - Fraud (Against Johnson & Johnson Defendants), Count XIII – Violation of Consumer Protection Laws (Against Johnson & Johnson Defendants), Count XIV – Fraudulent Concealment (Against Johnson & Johnson Defendants), Count XVI – Civil Conspiracy (Against All Defendants), Count XVII– Concerted Action (All Defendants), Count XX - Loss of Consortium/Per Quod (Against All Defendants), Count XXI - Wrongful Death Act Claims (Against All Defendants), Count XXII - Punitive Damages under common law, Punitive Damages Act (N.J.S.A 2A:15-6.9, et seq.) and Products Liability Act (N.J.S.A. 2A:58C-1 et seq.) (Against All Defendants).

EXHIBIT 9

SUPREME COURT OF THE STATE OF NEW YORK NEW YORK COUNTY

PRESENT: HON. ADAM SILVERA**PART****13***Justice*

-----X

INDEX NO. 190062/2021

COREY G. TIPPIN,

MOTION DATE 01/23/2024

Plaintiff,

MOTION SEQ. NO. 018

- v -

3M COMPANY, ALCAT, INCORPORATED, AMERICAN INTERNATIONAL INDUSTRIES, AVON PRODUCTS, INC., BOURJOIS, LTD, BRENNTAG NORTH AMERICA, INC, BRENNTAG SPECIALTIES, LLC, BRISTOL-MYERS SQUIBB COMPANY, CHANEL, INC., CHATTEM, INC., COLGATE-PALMOLIVE COMPANY, COTY INC., GLAMOUR INDUSTRIES CO., JOHNSON & JOHNSON, JOHNSON & JOHNSON CONSUMER INC., KERR CORPORATION, KRYOLAN CORPORATION, L'OREAL USA, INC., MAX FACTOR CO., INC., MAYBELLINE, INC., PFIZER INC., R.T. VANDERBILT HOLDING COMPANY, INC., REVLON, INC., THE NESLEMUR COMPANY, UNION CARBIDE CORPORATION, VANDERBILT MINERALS, LLC, WHITTAKER CLARK & DANIELS, INC., YVES SAINT LAURENT AMERICA, INC., BLOCK DRUG COMPANY, INC. IND. AND AS SUCCESSOR-IN-INTEREST TO THE GOLD BOND STERILIZING POWDER COMPANY, A/K/A THE GOLD BOND COMPANY, BLOCK DRUG CORPORATION IND. AND AS SUCCESSOR-IN-INTEREST TO THE GOLD BOND STERILIZING POWDER COMPANY, A/K/A THE GOLD BOND COMPANY, JANSSEN PHARMACEUTICALS, INC., INDIVIDUALLY AND AS SUCCESSOR-IN-INTEREST TO JOHNSON & JOHNSON SUBSIDIARIES NAMED JOHNSON & JOHNSON CONSUMER INC., JOHNSON & JOHNSON HOLDCO (NA) INC., F/K/A JOHNSON & JOHNSON CONSUMER INC., KENVUE INC., INDIVIDUALLY AND AS SUCCESSOR-IN-INTEREST TO JOHNSON & JOHNSON CONSUMER INC., LTL MANAGEMENT LLC

Defendant.

-----X

DECISION + ORDER ON MOTION

The following e-filed documents, listed by NYSCEF document number (Motion 018) 1083, 1084, 1085, 1086, 1087, 1088, 1128, 1129, 1130, 1131, 1132, 1133, 1134, 1135, 1136, 1137, 1138, 1139, 1140, 1141, 1142, 1143, 1144, 1145, 1146, 1147, 1148, 1149, 1150, 1151, 1152, 1153, 1154, 1155, 1156, 1157, 1158, 1159, 1160, 1161, 1162, 1163, 1164, 1165, 1166, 1167, 1168, 1169, 1170, 1171, 1172, 1173, 1174, 1175, 1176, 1177, 1178, 1179, 1180, 1181, 1184

were read on this motion to/for

DISMISS

Upon the foregoing documents, it is ordered that defendants Johnson & Johnson Holdco (NA) Inc. (“Holdco”) and Kenvue Inc.’s (“Kenvue”) motion to dismiss pursuant to CPLR 3211(a)(1) and 3211(a)(7) is denied. Defendant Janssen Pharmaceuticals, Inc.’s (“Janssen”) unopposed motion is granted.

Defendants Holdco and Kenvue argue both that (1) Texas law should apply, and that (2) both Holdco and Kenvue possess no successor liability regarding talc from Johnson & Johnson’s consumer division. *See* Defendants Johnson & Johnson Holdco (NA) Inc., Janssen Pharmaceuticals Inc., and Kenvue Inc.’s Memorandum of Law in Support of Dismissal, p. 7-11. Moving defendants state that Texas law would govern the assignment of liabilities to entities created pursuant to the Texas divisional merger and that this complies with New York choice of law provisions. *Id.* Defendants further argue that even under New York law, the “de facto merger” and “mere continuation” doctrines fail to apply to them, and thus, fail to import any successor liability. *Id.*

In opposition, plaintiff outlines the history of moving defendants’ corporate restructuring and creation, co-defendant’s multiple attempted bankruptcy proceedings, as well as an abundant of facts contributing to “de facto merger” and “mere continuance” analyses to support their theory of successor liability. *See* Plaintiff’s Memorandum of Law in Opposition to Johnson & Johnson Holdco (NA) Inc. and Kenvue’s Motions to Dismiss Plaintiff’s Second Amended Complaint [*sic*] p. 3-15. Specifically, plaintiff argues that none of defendants’ entities are incorporated in Texas and that Texas has no interest in the outcome of the instant litigation. *Id.* Moving defendants reply, reiterating that Texas law should apply and that no talc liability has been transferred to them.

Pursuant to CPLR 3211(a)(1), “[a] party may move for judgment dismissing one or more causes of action asserted against him on the ground that: (1) a defense is founded upon documentary evidence”. Additionally, on a motion to dismiss pursuant to CPLR 3211(a)(7), the movant has the burden to demonstrate that, based upon the four corners of the complaint liberally construed in favor of the plaintiff, the pleading states no legally cognizable cause of action. *See Leon v Martinez*, 84 NY2d 83, 87-88 (1994). A motion to dismiss the complaint for failure to state a cause of action “will generally depend upon whether or not there was substantial compliance with CPLR 3013.” *Catli v Lindenman*, 40 AD2d 714, 715 (2d Dep’t 1972). If the allegations are not “sufficiently particular to give the court and parties notice of the transactions intended to be proved and the material element of each cause of action”, the cause of action will be dismissed. *See Catli*, 40 AD2d at 715. CPLR 3013 provides that “[s]tatements in a pleading shall be sufficiently particular to give the court and parties notice of the transactions, occurrences, or series of transactions or occurrences, intended to be proved and the material elements of each cause of action or defense.”

Preliminarily, the Court notes that moving defendants’ reliance on CPLR 3211(a)(1) fails as the Texas divisional merger documents do not “conclusively establish a defense as a matter of law.” *Goshen v Mutual Life Ins. Co.*, 98 NY2d 314, 326 (2002). According to moving defendants, the merger plan states that LTL Management bore the sole responsibility for talc liability of Johnson & Johnson Consumer Inc. Nevertheless, such document is not a total defense to the instant action. Moving defendants argue that New York applies a choice of law approach for successor liability which holds that the law of the state of incorporation governs. However, “[i]n the context of tort law, New York utilizes interest analysis to determine which of two competing jurisdictions has the greater interest in having its law applied in the litigation. The

greater interest is determined by an evaluation of the facts or contacts which relate to the purpose of the particular law in conflict. Two separate inquiries are thereby required to determine the greater interest: (1) what are the significant contacts and in which jurisdiction are they located; and, (2) whether the purpose of the law is to regulate conduct or allocate loss.” *Padula v Lilarn Properties Corp.*, 84 NY2d 519, 521 (1994) (internal citations and quotations omitted). “If conflicting conduct-regulating laws are at issue, the law of the jurisdiction where the tort occurred will generally apply because that jurisdiction has the greatest interest in regulating behavior within its borders.” *Id.* at 522.

The Court of Appeals has addressed the above standard in the corporate context regarding contracts and liability insurance issues. “In the context of liability insurance contracts, the jurisdiction with the most ‘significant relationship to the transaction and the parties’ will generally be the jurisdiction ‘which the parties understood was to be the principal location of the insured risk ... unless with respect to the particular issue, some other [jurisdiction] has a more significant relationship’”. *In re Liquidation of Midland Ins. Co.*, 16 NY3d 536, 544 (2011). Additionally, the Appellate Division, First Department, has held that “the law of the jurisdiction where the tort occurred will generally apply”. *Devore v Pfizer, Inc.*, 58 AD3d 138, 141 (1st Dep’t 2008)(internal citations omitted).

Here, there is no basis for Texas law to apply as moving defendants are not incorporated or domiciled in Texas, nor is Texas the state of “the locus of the tort” or the forum where the transactions incurring liability occurred. As such, Texas has no interest in the outcome of the instant action, and further has no interest in regulating behavior associated with the allegations herein. As to establishing successor liability under New York law, plaintiff has provided details

sufficient to demonstrate that a cause of action was pled such that dismissal of this action is denied. *See* Plaintiff's Memorandum of Law in Opposition, *supra*, at p. 6-13.

Accordingly, it is

ORDERED that defendant Janssen's unopposed motion to dismiss is granted; and it is further

ORDERED that the complaint is dismissed in its entirety against defendant Janssen with costs and disbursement to said defendant as taxed by the Clerk of the Court, and the Clerk is directed to enter judgment accordingly in favor of said defendant only; and it is further

ORDERED that the action is severed and continued against the remaining defendants; and it is further

ORDERED that defendants Holdco and Kenvue's motion to dismiss is denied in its entirety; and it is further

ORDERED that within 30 days of entry plaintiff shall serve all parties with a copy of this Decision/Order with notice of entry.

This constitutes the Decision/Order of the Court.

04/10/2024

DATE

CHECK ONE:

APPLICATION:

CHECK IF APPROPRIATE:

☐

CASE DISPOSED

☐

GRANTED

☐

SETTLE ORDER

☐

INCLUDES TRANSFER/REASSIGN

☒

DENIED

☒

NON-FINAL DISPOSITION

☒

GRANTED IN PART

☐

SUBMIT ORDER

☐

FIDUCIARY APPOINTMENT

☐

OTHER

☐

REFERENCE



ADAM SILVERA, J.S.C.

EXHIBIT 10

STATE OF SOUTH CAROLINA	)	IN THE COURT OF COMMON PLEAS
	)	
COUNTY OF RICHLAND	)	FOR THE FIFTH JUDICIAL CIRCUIT
	)	
MICHAEL L. PERRY and	)	C/A NO. 2023-CP-40-04072
LONNIE L. LONG,	)	
	)	<i>In Re:</i>
Plaintiffs,	)	Asbestos Personal Injury Litigation
	)	Coordinated Docket
v.	)	
	)	
AMERICAN INTERNATIONAL	)	
INDUSTRIES, et al.	)	
	)	
Defendants.	)	

PLAINTIFFS' RESPONSES TO DEFENDANTS' STANDARD INTERROGATORIES

TO: ALL DEFENDANTS, BY AND THROUGH THEIR COUNSEL OF RECORD

COMES NOW Plaintiffs, Michael L. Perry and Lonnie L. Long, by and through their counsel of record, serves their Response to Defendants' Standard Interrogatories pursuant to the South Carolina Master Discovery/Scheduling Order for the Coordinated Asbestos Litigation Docket.

ANSWERS TO STANDARD INTERROGATORIES**INTERROGATORY NO. 1:**

State your full name, address and telephone number, date of birth, educational background and Social Security number.

ANSWER:

Michael Lawrence Perry
2457 Lieutenant Dozier Drive
Charleston, SC 29455
843-469-0843

DOB: December 20, 1969

SSN: xxx-xx-2269

Michael Perry graduated from high school in 1988 from Riverton Community High School in Riverton, IL.

Lonnie L. Long
2457 Lieutenant Dozier Drive
Charleston, SC 29455
843-764-7629
DOB: January 25, 1970
SSN: xxx-xx-3798

INTERROGATORY NO. 2

State the complete address of all places you have resided in the past twenty years giving the inclusive dates of residence for each place named.

ANSWER:

2457 Lieutenant Dozier Drive, Charleston, SC 29455 from approximately 2020 to present.
2695 Exchange Landing Road, Johns Island, SC 29455 from approximately 1998 to 2020.

INTERROGATORY NO. 3

If you are now or have ever been a member of a trade labor union, provide the following information:

- (a) the name of the union or unions to which you belonged;
- (b) the inclusive dates of your membership in each;
- (c) the numbers and complete address of the local unions to which you have belonged; and
- (d) all officers or other positions which you have held in each union, identifying the office, position, and union in which held and inclusive dates the position or office was held.

ANSWER:

Plaintiffs object that this request is overly broad and unduly burdensome. Subject thereto and without waiving the same, Plaintiffs respond as follows: Upon information and belief, Plaintiff Michael Perry was never a member of a union. Plaintiffs reserve the right to supplement this response should further responsive information come to light.

INTERROGATORY NO. 4

Identify all jobs and projects on which you worked or around asbestos or materials containing asbestos and state separately as to each job or project the following:

- (a) the name and location of each job (stating the job site, city, county and state);
- (b) the name and address of each employer for whom you worked;
- (c) the beginning and ending dates of each job or project;
- (d) the name and manufacturer of each and every product containing asbestos with which you worked or to which you were exposed on each particular job or project and a general description of each such product;
- (e) the identity of your immediate superior or job superintendent on each such job or project;
- (f) the Identity of all persons with whom you worked on each such job or project;
- (g) the length of time that you worked on each such job or project;
- (h) whether or not you wore a respirator or mask on each such job or project; and
- (i) your specific duties on each job.

ANSWER:

Plaintiffs object to this interrogatory in that it is vague and portions of this interrogatory are not reasonably calculated to lead to the discovery of admissible evidence. Subject thereto and without waiving these objections, please see Plaintiffs' Original Complaint filed in this case and any amendments thereto as well as Mr. Perry's deposition to be taken in this case. Plaintiffs will also provide information regarding potential witnesses, if any, that could provide may be responsive to this request.

Plaintiffs provide this information based on their and/or other witness's recollection of handling, being around products, and utilizing talcum powder products on his own body that caused Michael Perry to be exposed to asbestos. This information may be supplemented by information from witnesses, documentation gathered and/or investigation conducted by Plaintiffs' counsel to date. This investigation continues and Plaintiffs will supplement this information as needed and as additional witnesses with relevant information are identified.

Plaintiff was exposed to asbestos through his employment at various hotel locations where asbestos and asbestos-containing products were removed, replaced, and present in certain facilities, including but not limited to asbestos-containing drywall demolition and remodel work. He worked at the Holidome Holiday Inn from the age of approximately 15 years old and worked his way up to Resident Manager by the late 1990s.

In addition, Mr. Perry was exposed to asbestos through his use of asbestos-contaminated friction products. He did both disc and drum brake changes. He recalls Bendix, Rayloc and NAPA brakes and gaskets. Please see Exhibit 1 (Plaintiffs' Document Production) which includes the affidavit of Mr. Perry regarding his work maintaining his vehicles and working with asbestos-containing friction products.

Further, Mr. Perry was also exposed to asbestos through his use of asbestos-contaminated talcum powder products. Mr. Perry had been a daily, life-long user of talcum powder products and used them from his birth until approximately 2018. Throughout his life, Mr. Perry used various talcum powder products on his own body, including but not limited to: Johnson & Johnson baby powder,

Gold Bond, Ammens, Ralph Lauren Polo, Calvin Klein, Drakkar, Clubman, and Stetson for Men. He recalls applying these powders to various areas on his body including but not limited to his genitals, chest, feet, and all over his body as he was allergic to deodorant.

In addition to his own talcum body powder usage, Mr. Perry recalls that his mother also used Cashmere Bouquet, Shower to Shower, Avon Timeless, Avon Soft Musk, Chanel No. 5 and Estee Lauder White Linen talcum powder products. Mr. Perry also recalls his father used Old Spice, Mennen, Avon Men's Musk, Avon Deep Woods and Avon Spicy Talc talcum powder products. While growing up, Mr. Perry would be in his parents bathroom in close proximity while they both used and applied these talcum powder products to their own bodies regularly; therefore, Mr. Perry saw these powders being used and could smell these powders being used.

As discovery is ongoing, Plaintiffs reserve the right to supplement this response.

INTERROGATORY NO. 5

Identify all jobs you have had during your lifetime that are not listed in No. 4 above. As to each, state:

- (a) the general nature of the work you performed (i.e., coal miner, textile worker, etc.)
- (b) the name and location of each job (stating the job site, city; county and state);
- (c) the name and address of each employer for whom you worked;
- (d) the beginning and ending dates of each job or project.

ANSWER:

Plaintiffs incorporate their objections and responses to Interrogatory No. 4 above as if fully restated here. Subject to and without waiving these objections, Mr. Perry works for Market Pavilion Hotel in Charleston, SC. Plaintiffs reserves the right to supplement, as discovery is ongoing.

INTERROGATORY NO. 6

As to each exposure to each product listed in the answer to interrogatory number 4, describe by name or other description the person documents which you claim will establish either as a witness and/or documentary evidence the fact of your exposure to the product. For each witness listed, state the witness's complete name, job title or capacity, employer, address and telephone number. For each document listed, state a description of the document, its content and the name, address and telephone number of the custodian of the document.

ANSWER:

Plaintiffs object to this interrogatory in that it is vague, ambiguous and overbroad. Additionally, portions of this interrogatory are not reasonably calculated to lead to the discovery of admissible evidence. Plaintiffs further object that this interrogatory requires Plaintiffs to marshal the entirety of their evidence and such is not required by the South Carolina Rules of Civil Procedure. Plaintiffs also state that they are not aware of every potential witness and as such cannot speculate. Further, information responsive to this request is equally, if not more so, available to the defendants in this action. Subject to and without waiving these objections please see Plaintiffs' responses to Defendants' (Exh. 2) Master Interrogatories and Requests for Production of Documents, served herewith. Additionally, Plaintiffs reserve the right to supplement this response should further responsive information come to light.

INTERROGATORY NO. 7

Identify the disease or injuries for which claim is made by you in the above-captioned Complaint, and as to such disease or injury provide the following information:

- (a) a description of the symptoms of the disease or injury;
- (b) the date you first experienced any of the symptoms of the disease or injury described above;
- (c) the names and address of each doctor or other practitioner of the healing arts who has either examined or treated you for the disease or injury described above and the dates of such treatment or examination; and
- (d) the treatment provided by each doctor or other practitioner of the healing arts for the disease or injury identified above.

ANSWER:

Plaintiff Michael Perry was diagnosed with mesothelioma, an aggressive asbestos-related cancer. Please see Exhibit 1 document production included with Plaintiffs' Responses to Defendants' Master Set of Interrogatories and Requests for Production of Documents, which includes the report regarding Mr. Perry's disease, as well as fully executed authorizations to obtain all medical records of Plaintiff, unlimited by time or by place on the body. Please also see Plaintiffs' Original Complaint which includes the diagnosing pathology report. Plaintiffs also direct the Defendants to Plaintiffs' List of Medical Providers, included in Exhibit 1. It is impossible to describe all of the symptoms related to mesothelioma. In short, it is a fatal incurable progressive disease that has altered all aspects of Mr. Perry's life and is ultimately fatal. See also Plaintiffs' responses to Interrogatory No. 8.

INTERROGATORY NO. 8

State the date of the diagnosis made by any physician or other practitioner of the healing arts of the disease or injury which you set forth in your answer to interrogatory number and identify the individual making such diagnosis.

ANSWER:

Michael Perry was diagnosed on or around July 7, 2023, with malignant mesothelioma by Dr. Brian Lingerfelt, III at Roper St. Francis in Charleston, SC. Please also see Plaintiffs' Original Complaint which includes the diagnosing pathology report.

INTERROGATORY NO. 9

State the date you learned of the diagnosis of such disease or injury.

ANSWER:

See Answer to Interrogatory No. 8

INTERROGATORY NO. 10

If you have received any treatment with respect to the disease at issue set forth in your answer to interrogatory number 7, state:

- (a) the name and address of each hospital, clinic or other medical facility at which you were treated or admitted;
- (b) the dates on which said treatment or treatments were rendered including the dates of entry into and discharge from said hospitals, clinics or other medical facility;

- (c) an itemization of the charges rendered by each hospital, clinic or other medical facility;
- (d) the expenses of examination or treatment by any doctors who have examined or treated you.

ANSWER:

Plaintiffs object that this request is overly broad and unduly burdensome. Subject thereto and without waiving the same, please see Exhibit 1 production included with Plaintiffs' Responses to the Exhibit 2 standing discovery requests, which includes the pathology report regarding Mr. Perry's mesothelioma as well as fully executed authorizations unlimited in time or place on the body, to obtain further medical records and to update as needed. Plaintiffs also direct the Defendants to Plaintiff's List of Medical Providers, included in Exhibit 1.

INTERROGATORY NO. 11

Identify each physician or other practitioner of the healing arts not previously identified herein who has examined or treated you for any reason and for each such individual so identified provide the following information:

- (a) the reason for such examination or treatment;
- (b) the date of each examination or treatment; and
- (c) the diagnosis resulting from each such examination or treatment.

ANSWER:

Plaintiffs object that this request is overly broad and unduly burdensome. Subject thereto and without waiving the same, please see Exhibit 1 document production included with Plaintiffs' Responses to Defendants' Master Set of Interrogatories and Requests for Production of Documents, which includes Plaintiff's List of all Medical Providers.

INTERROGATORY NO. 12

Identify each hospital, clinic or other medical facility not previously identified herein at which you had been examined or received medical treatment for each such facility identified provide the following information:

- (a) the reason for such examination or treatment;
- (b) the date of each such examination or treatment;
- (c) if you were an in-patient, the dates of admission to and discharge from such hospital, clinic or medical facility; and
- (d) the diagnosis resulting from each such examination or treatment.

ANSWER:

Plaintiffs object that this request is overly broad and unduly burdensome. Subject thereto and without waiving the same, please see Exhibit 1 document production included with Plaintiffs' Responses to Defendants' Master Set of Interrogatories and Requests for Production of Documents, which includes Plaintiff's List of all Medical Providers.

INTERROGATORY NO. 13

If you are currently receiving medical services or treatment of any nature whatsoever, state:

- (a) the name or names of the person or persons attending you;
- (b) the approximate frequency of said treatment or services; and

- (c) the date you last received said treatment or services.

ANSWER:

Plaintiffs object that this request is overly broad and unduly burdensome. Subject thereto and without waiving the same, please see Exhibit 1 production included with Plaintiffs' Responses to the Exhibit 2 standing discovery requests, which includes the pathology report regarding Mr. Perry's mesothelioma as well as fully executed authorizations unlimited in time or place on the body, to obtain further medical records and to update as needed. Plaintiffs also direct the Defendants to Plaintiff's List of Medical Providers, included in Exhibit 1.

INTERROGATORY NO. 14

If you have ever had x-rays taken of your chest, provide the following information for each set of x-rays taken:

- (a) the name and addresses of the office or hospital where the x-rays were taken;
- (b) the reason why such x-rays were taken;
- (c) the date of dates on which the x-rays were taken;
- (e) the information reported to you as being the x-ray diagnosis; and
- (f) the identity of the person or persons who took the x-ray and the person or persons who made the diagnosis.

ANSWER:

Plaintiffs object that this request is overly broad and unduly burdensome. Subject thereto and without waiving the same, please see Exhibit 1 production included with Plaintiffs' Responses to the Exhibit 2 standing discovery requests, which includes the pathology report regarding Mr. Perry's mesothelioma as well as fully executed authorizations unlimited in time or place on the body, to obtain further medical records and to update as needed. Plaintiffs also direct the Defendants to Plaintiff's List of Medical Providers, included in Exhibit 1.

INTERROGATORY NO. 15

If you have made any Workers' Compensation claim as a result of any injuries or diseases, provide the following information:

- (a) the date you first reported to your employer the incident of your injury or disease;
- (b) the date and name of the agency with which you filed a claim for workers' Compensation benefits;
- (c) the date upon which you first received any Workers' Compensation benefits, either for disability or medical treatment;
- (d) the name and address of the employer against whom you made said claim; and
- (e) the nature of the injury or disease for which a claim was made.

ANSWER:

Plaintiffs objects to this Interrogatory to the extent it requests confidential information that is not relevant to the pending litigation and not reasonably calculated to lead to the discovery of admissible evidence. Subject to these objections and without waiving the same, to the best of Plaintiffs' knowledge, Michael Perry has never had a workers compensation claim. Plaintiffs state that discovery is ongoing, and Plaintiffs reserve the right to supplement this answer should further responsive information come to light.

INTERROGATORY NO. 16

If you have filed any claim with the Social Security administration as a result of any injuries or disease, provide the following information:

- (a) the date you filed said claim;
- (b) the nature of such claim;
- (c) the date upon which you first received any benefits, either for disability or for medical treatment;
- (d) the amount of benefits you are receiving and the frequency with which you receive these benefits.

ANSWER:

Plaintiffs object that this request is overly broad and unduly burdensome. Subject thereto and without waiving the same, please see Exhibit 1 production included with Plaintiffs' Responses to the Exhibit 2 standing discovery requests, which includes the pathology report regarding Mr. Perry's mesothelioma as well as fully executed authorizations unlimited in time or place on the body, to obtain further medical records and to update as needed. Plaintiffs also direct the Defendants to Plaintiff's List of Medical Providers, included in Exhibit 1. Plaintiffs state to the best of Plaintiffs' knowledge, Michael Perry made a short-term disability claim approximately 15 years ago for a colectomy. Additionally, Plaintiffs state that discovery is ongoing and Plaintiffs reserve the right to supplement this answer should further responsive information comes to light.

INTERROGATORY NO. 17

If you have ever been involved in any other legal action, including criminal charges against you, provide the following information:

- (a) whether you were a plaintiff or defendant;
- (b) the nature of the claim made by or against you, including the nature of any criminal charge made against you;
- (c) the date and place each such action was filed, giving the name of the Court, the name of the other party or parties involved, the number of such action or actions and the names of the attorneys representing each party; and
- (d) the result of each such action, whether there was an appeal and the result of the appeal, and whether such case was reported, and the name, volume number and page citation of the report.

ANSWER:

Plaintiffs object that this request is overbroad, harassing, and not reasonably calculated to lead to the discovery of admissible evidence. Subject to these objections and without waiving the same, to the best of Plaintiffs' knowledge, Plaintiffs have never been involved in any other legal action. Plaintiffs reserve the right to supplement this answer should further responsive information come to light.

INTERROGATORY NO. 18

Do you or your counsel have written reports from any physician or practitioner of the healing arts respecting any injuries or diseases which; you have identified in your response to these interrogatories? If so, please attach; a copy of said report or reports to your answers to these interrogatories.

ANSWER:

Plaintiffs object that this request is overly broad and unduly burdensome. Subject thereto and without waiving the same, please see Exhibit 1 production included with Plaintiffs' Responses to the Exhibit 2 standing discovery requests, which includes the pathology report regarding Mr. Perry's mesothelioma as well as fully executed authorizations unlimited in time or place on the body, to obtain further medical records and to update as needed. Plaintiffs also direct the Defendants to Plaintiff's List of Medical Providers, included in Exhibit 1. Plaintiffs state that discovery is ongoing and Plaintiffs reserve the right to supplement this answer should further responsive information comes to light.

INTERROGATORY NO. 19

As to any job or jobs on which you allege you were injuriously exposed to asbestos—containing materials, was there any company other than your employer installing or handling asbestos—containing materials at the same job site? If so, please identify each job, its location, and the approximate dates on which you worked on that job and the other company alleged to be installing or handling asbestos-containing materials at that site.

ANSWER:

Plaintiffs object to this interrogatory as overly broad, vague and ambiguous. Moreover, information responsive to this request is equally, if not more so, available to Defendants in this case. Subject to and without waiving these objections, see Plaintiff's depositions to be taken in this case.

INTERROGATORY NO. 20

Do you now, or have you ever, chewed, smoked, consumed, or otherwise used tobacco or tobacco products? If so, please state:

- (a) the type or types of products (i.e., cigarettes, cigars, etc.);
- (b) the brand name of each product listed above;
- (c) the inclusive dates of use of each product listed above: and
- (d) the frequency of use or amount of use (i.e., one pack a day, etc.).

ANSWER:

Plaintiffs object as this Request is not relevant nor reasonably calculated to lead to admissible evidence. Mesothelioma is a signature disease of asbestos exposure and it is undisputed in the medical community that tobacco use of any form is not a cause of malignant mesothelioma. Subject to this objection, to the best of Plaintiffs' knowledge, Mr. Perry did not use tobacco products.

Respectfully submitted,

/s/ David C. Humen

David C. Humen (SC Bar No. 104536)
 Rachel A. Gross (To be Admitted *Pro Hac Vice*)
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ATTORNEYS FOR PLAINTIFF

September 13, 2023
Dallas, Texas.

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the above and foregoing instrument was served on counsel for all parties via Certified U.S. Mail Return Receipt, U.S. Mail Standard First Class, and/or electronic mail this on September 13, 2023.

s/ Teresa Gilliland
Paralegal for Plaintiffs

EXHIBIT 11

Michael Perry
Providers & Facilities List

Roper St. Francis Hospital
316 Calhoun St.
Charleston, SC 29455
(843) 724-2000

MUSC Medical University of South Carolina
1 South Park Circle
Charleston, SC 29407
(843) 792-2300

Roper St. Francis Physician Partners
Anthony Geriminario, M.D.
21879 Savage Rd.
Charleston, SC 29407
(843) 763-9472

EXHIBIT 12

SUPERIOR COURT OF NEW JERSEY.
MIDDLESEX COUNTY
DOCKET NO. MID-L-006108-21.
MID-L-002089-23

KIMBERLY NARANJO	)	VIDEOTAPED
(MID-L-006108-21)	)	
JUSTIN BERGERON, et al	)	DEPOSITION UPON
(MID-L-002089-23),	)	
	)	ORAL EXAMINATION
Plaintiff,	)	
	)	OF
- vs -	)	
	)	THIBAUT MONGON
KENVUE, INC., et al	)	
Defendant.		
- - - - -		

TRANSCRIPT OF DEPOSITION,
taken by and before KARA HACKETT,
Professional Reporter and Notary Public, at
the LAW OFFICES OF FAEGRE, DRINKER, BIDDLE &
REATH, 105 College Road East, Suite 300,
Princeton, New Jersey, on August 14, 2023,
commencing at 9:00 a.m.

2

A P P E A R A N C E S :

COHEN, PLACITELLA & ROTH, PC
 BY: CHRISTOPHER PLACITELLA, ESQUIRE
 JUSTIN PLACITELLA, ESQUIRE
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 Philadelphia, Pennsylvania 19103
 Attorneys for the Plaintiff

KING & SPALDING

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MCCARTER & ENGLISH

BY: JOHN GARDE, ESQUIRE

Four Gateway Center
 100 Mulberry Street
 Newark, New Jersey 07102
 Attorneys for the Add'l Defendant

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I N D E X

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By: Mr. Placitella	7, 160
By: Ms. Fournier	156

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A L S O P R E S E N T :

Dennis Mullin, Videographer
 Tracey Van Dillion, In-House Attorney for Kenvue
 Richard Golomb
 Via Zoom:
 Eric Pasternack
 Michelle Parfitt
 Mark Buha
 James Green
 Moshe Maimon
 Clay Thompson
 Michael Coren
 Aaron Chapman
 Harry Roth
 Leigh O'Dell
 Drew Renzi

5

E X H I B I T S

P A G E

N U M B E R D E S C R I P T I O N M A R K E D

(NO EXHIBITS WERE MARKED.)

6

PROCEEDINGS

THE VIDEOGRAPHER: We are now on the record. This begins video number one in the deposition of Thibaut Mongon in the matter of Naranjo v. Kenvue.

Today is Monday, August 14, 2023, and the time is approximately 9:08 a.m. This deposition is being taken at 105 College Road, Princeton, New Jersey.

The videographer is Dennis Mullin of Magna Legal Services. And our court reporter is Kara Hackett of Magna Legal Services.

Will counsel please state their appearances for the record.

MR. PLACITELLA: Christopher Placitella on behalf of the plaintiffs.

MS. FOURNIER: Kristen Fournier on behalf of the witness, Kenvue, and with me is Tracey Van Dillen, in-house counsel at Kenvue.

MR. GARDE: John Garde of McCarter English also on behalf of the defendant Kenvue.

MR. GOLOMB: Richard Golomb on behalf of plaintiff.

THE VIDEOGRAPHER: Could you actually just unmute us on Zoom, make sure they can hear us? And then if anyone needs to announce on there, otherwise, we can

7

have the court reporter swear in the witness.

THIBAUT MONGON, after having been duly sworn, was examined and testified as follows:

BY MR. PLACITELLA:

Q. Good morning.

A. Good morning.

Q. First, let me be sure I get the correct pronunciation of your name.

A. Mongon.

Q. Mongon. Okay. Good morning. My name is Chris Placitella. I'm here for purposes of taking your deposition.

Have you ever had your deposition taken before?

A. Yes, I have.

Q. And what kind of case?

A. In talc case.

Q. In a talc case. Oh, in the context of the bankruptcy?

A. Of the bankruptcy.

Q. Okay. I've read the deposition. Any time other than that?

A. No.

8

Q. Okay. I'm here, I'm going to try to be respectful of your time. If there's something that you don't know, please tell me that. If there's something that you don't have knowledge of, you can tell me that and I'll try to move on. Okay?

A. Okay.

Q. All right. I want to just start from the beginning with you're currently the CEO of Kenvue?

A. Correct.

Q. And as of when specifically?

A. As of May 4, 2023.

Q. 2023. And before that, you were chairman of Consumer Health. I'm sorry. Before that, you started out in Consumer Health in 2014?

A. I started in Consumer Health in 2014, correct.

Q. Correct. And you were chairman of Consumer Health Asia Pacific?

A. Asia Pacific.

Q. And you had that job until 2019?

A. '19.

Q. When you were chairman of Consumer Health Asia Pacific, what were your job responsibilities?

A. I was responsible for the development of the business in the Asia Pacific region.

Q. And what countries specifically?

9

A. Every country from India to all the way to Japan, down to Australia and New Zealand.

Q. Okay. And what specifically, what was your day-to-day responsibility? What would you do on a typical day?

A. My job was to oversee the development of the Consumer Health business in the region.

Q. Okay. And then in 2019 -- I'm sharing my password with Richard Golomb. Okay.

In 2019, you became the worldwide chairman of Consumer Health?

A. Correct.

Q. And what were your job responsibilities in that job?

A. My job was to oversee the development of the Consumer Health business worldwide.

Q. Worldwide. And where were you physically located at that point?

A. In New Jersey.

Q. In New Brunswick?

A. In New Brunswick, New Jersey.

Q. And is your office still in New Brunswick, New Jersey?

A. No. I moved to Skinman, New Jersey, on January 1st of this year.

10

1 **Q. And when you were the chairman of Consumer**
2 **Health, you were a member of the J&J Executive**
3 **Committee?**

4 A. Correct.

5 **Q. And are you still a member of the J&J**
6 **Executive Committee?**

7 A. No, I'm not anymore.

8 **Q. Did your membership in the Executive Committee**
9 **terminate when you began with Kenvue?**

10 A. Correct.

11 **Q. When you were in the Executive Committee, were**
12 **you responsible for strategic operations of Consumer**
13 **Health and allocation of resources?**

14 MS. FOURNIER: Objection.

15 THE WITNESS: I was responsible for the
16 development of the business. Yes.

17
18 BY MR. PLACITELLA:

19 **Q. And when you were part of the Executive**
20 **Committee in 2021, were you involved in the approval of**
21 **the reorganization of the Consumer Division?**

22 MS. FOURNIER: Objection.

23 THE WITNESS: What do you mean by the
24 reorganization of the Consumer Division?
25

12

1 **with the S1? You signed that?**

2 A. Yeah.

3 **Q. Okay. According to the S1, your compensation**
4 **is \$12,438,000 a year?**

5 MS. FOURNIER: Objection.

6 THE WITNESS: It's compensation. It's a
7 compensation that I could get if I hit my targets.
8

9 BY MR. PLACITELLA:

10 **Q. Okay. And it also indicates on the S1 that**
11 **you had personal use of the J&J planes and vehicles.**
12 **Does that continue to today as chairman of Kenvue?**

13 MS. FOURNIER: Objection.

14 THE WITNESS: No.
15

16 BY MR. PLACITELLA:

17 **Q. Okay. Can you tell me, did you review**
18 **anything in preparation for today's deposition?**

19 A. I did.

20 **Q. Okay. What did you review?**

21 A. I did review the public filings that we had
22 and the complaint.

23 **Q. What public filings?**

24 A. The S1, the S4, so this is what we reviewed.

25 **Q. And did you speak with anyone in preparation**

11

1 BY MR. PLACITELLA:

2 **Q. Would you recall, in 2021, there was a**
3 **reorganization of the Consumer Health sector of J&J?**

4 MS. FOURNIER: Objection.

5 THE WITNESS: It was not a reorganization of
6 the Consumer Health sector. Are you referring to the
7 restructuring of the JJCI?
8

9 BY MR. PLACITELLA:

10 **Q. Yes, sir.**

11 A. Okay. So, yes, I was.

12 **Q. Okay. And you approved that restructuring in**
13 **2021?**

14 A. I did approve it. Yes.

15 **Q. And are -- in fact, were you the highest**
16 **ranking J&J official that approved that restructuring?**

17 A. I think I was.

18 **Q. And are you also familiar with the -- I assume**
19 **you're also familiar with the Consumer Health spinoff,**
20 **which now became Kenvue?**

21 A. I am. Yes.

22 **Q. And were you familiar with that while you were**
23 **the chairman of Consumer Health?**

24 A. I was.

25 **Q. You, according to the S1 -- are you familiar**

13

1 **for today's deposition?**

2 A. Yes, I did.

3 **Q. And who is that?**

4 A. Kristen Fournier, Tracey Van Dillen, and Ally
5 Brown, our lawyers.

6 **Q. I'm sorry. Who?**

7 A. Ally Brown.

8 **Q. Okay. Ally Brown?**

9 A. Yeah.

10 **Q. Okay. And were they involved in your**
11 **preparation for today's deposition?**

12 A. Yes, we met.

13 **Q. So did you meet with anybody other than the**
14 **three of them?**

15 A. No, I did not.

16 **Q. Did you speak with anybody who was not a**
17 **lawyer in order to prepare for today's deposition?**

18 A. No, I did not.

19 **Q. Ms. Fournier is representing you here today?**

20 A. She is.

21 **Q. Okay. And she's representing Kenvue today?**

22 A. I don't know, but she's representing me.

23 **Q. Okay. And who is paying Ms. Fournier for**
24 **representing you today? Do you know?**

25 A. I don't know.

14

Q. You don't know if it's your company?

A. I don't know who is paying Ms. Fournier.

Q. Okay. And did you review any of the filings in the Middlesex County Superior Court involved with the motion to dismiss in this case?

A. No, I did not.

Q. Are there rules that you live by as the CEO when it comes to transferring assets between subsidiaries of the companies you're running?

MS. FOURNIER: Objection.

THE WITNESS: I'm not sure I understand your question. Can you repeat your question?

BY MR. PLACITELLA:

Q. Sure. Do you follow certain principles when you're determining how assets should be transferred between subsidiaries of the companies you're running?

MS. FOURNIER: Objection.

THE WITNESS: I'm not involved with this transfer, so I could not answer. I don't know.

BY MR. PLACITELLA:

Q. When you say "you're not involved", what do you mean?

A. I'm not involved with these transfers. When

16

known as LTL, did it also involve that transfer of assets from old JJCI to something known as New JJCI?

MS. FOURNIER: Objection.

THE WITNESS: I don't remember the exact details, but we did allocate some assets to this affiliate.

BY MR. PLACITELLA:

Q. I'm sorry?

A. To this affiliate.

Q. To what affiliate?

A. To LTL.

Q. LTL. Did all the other assets that were in old JJCI get transferred to New JJCI?

MS. FOURNIER: Objection.

THE WITNESS: Can you repeat the question?

BY MR. PLACITELLA:

Q. Sure. You allocated certain assets?

A. Correct.

Q. To LTL, right?

A. Correct.

Q. You had old JJCI? You know what I'm talking about when I say that?

A. Yes. Uh-huh.

15

these transfers happen, it's happened at the finance level.

Q. Okay.

A. So I'm not involved.

Q. Are there rules that you live by, as a CEO, when it comes to product safety?

A. What do you mean by "rules".

Q. Principles that you follow to protect the public health. Are there rules that you live by, as a CEO, when it comes to product safety?

A. Not specifically as a CEO. I would say as company, we put the quality and the safety of our products at the forefront of everything we do. Yes.

Q. Okay. And are you familiar with something known as Project Plato?

A. I am.

Q. And what do you know about Project Plato?

A. Project Plato was a project back in 2021, I think, to reorganize JJCI and create a subsidiary called LTL where the liabilities linked to talc-related products would reside.

Q. And what was your role in Project Plato?

A. I was one of the approvers of this reorganization.

Q. Okay. And in addition to creating the entity

17

Q. Then you had a new JJCI, correct?

A. Uh-huh.

Q. All the assets that were in old JJCI, were they then transferred to new JJCI, other than what you allocated to LTL?

A. I don't remember the details. I don't remember the details, but I believe so.

Q. Okay. Well, did you put the old assets of -- the assets of old JJCI anywhere other than in new JJCI?

MS. FOURNIER: Objection.

THE WITNESS: I don't remember that.

BY MR. PLACITELLA:

Q. You don't remember what?

A. If we put assets elsewhere. I don't think so, but I don't remember.

Q. Well, you were the -- you were the highest ranking J&J official, at the time, involved in this transaction?

Is that true?

MS. FOURNIER: Objection.

THE WITNESS: Correct.

BY MR. PLACITELLA:

Q. All right. And as you sit here today, you

18

1 don't remember what you did with the assets of old JJCI?

2 A. I don't remember all the details. Yes.

3 **Q. Okay. What about the assets that were used to**
4 **make Johnson's Baby Powder? Where did you put those?**

5 A. What do you mean by "the assets to make baby
6 powder".

7 **Q. The manufacturer marketing distribution assets**
8 **that were used to make baby powder, where did they go**
9 **after this restructuring that you were in charge of?**

10 A. Well, that stayed with JJCI.

11 **Q. New JJCI?**

12 A. New JJCI.

13 **Q. Okay. And who else was involved in approving**
14 **that decision, this restructuring?**

15 A. Well, there was a number of approvers. I
16 don't remember the list.

17 **Q. Okay. Do you remember any names?**

18 A. I don't remember. No.

19 **Q. Okay. Do you recall, at the time that this**
20 **happened, what was your position? What was your title?**

21 A. I was the worldwide chairman of Consumer
22 Health.

23 **Q. And were you also on the Executive Committee**
24 **at J&J at the time?**

25 A. I was.

20

1 privilege and form. If you're not going to do that,
2 then we will get the judge on the phone.

3 MS. FOURNIER: Good. I have been doing so,
4 and I've been telling you that if we continue to go to
5 stray on the topics that you said this deposition was
6 about, we should go to the court --

7 MR. PLACITELLA: It' about the transfer of
8 assets from LTL, I mean from JJCI all the way through
9 Kenvue, and I have the right to explore that.

10 MS. FOURNIER: And you are exploring right now
11 what happened prior, just so you know.

12 MR. PLACITELLA: No, I am not. No, I am not.

13
14 BY MR. PLACITELLA:

15 **Q. So when is the first time that you learned of**
16 **the decision to restructure the JJCI assets?**

17 MS. FOURNIER: Objection.

18 THE WITNESS: When did I hear? In the summer
19 2021.

20
21 BY MR. PLACITELLA:

22 **Q. July of 2021?**

23 A. I don't remember exactly.

24 **Q. Can you see that? There's nothing on the**
25 **screen?**

19

1 **Q. And what was the reason for this**
2 **restructuring, to your knowledge?**

3 MS. FOURNIER: Objection. Mr. Placitella,
4 that's not the purpose of this deposition, as you know,
5 and I've been letting you get some foundational
6 questions in. But if we're going to spend a ton of time
7 on the restructuring, which you have told her Honor
8 multiple times this is not the purpose of the depo, I'm
9 going to have to ask us to break and speak to the
10 Special Master to get some clarification on what we're
11 doing today.

12 MR. PLACITELLA: So is that a form objection?

13 MS. FOURNIER: It is objection to form and
14 then giving you a heads up that if you --

15 MR. PLACITELLA: Well, you can give me a heads
16 up, but I ask you -- excuse me, what's wrong with the
17 form of the question?

18 MS. FOURNIER: Actually, the issue is that
19 this is not relevant. It's not the basis for the
20 deposition. It's not what you committed to the court
21 that we are here to explore today.

22 MR. PLACITELLA: That's absolutely not true.
23 It is relevant and I will show how it's relevant. So I
24 would ask you, as pro hac vice admitted here, that you
25 follow New Jersey court rules, which is you object to

21

1 THE VIDEOGRAPHER: We'll go off the record.
2 Time is 9:25 a.m. We're going off the video record.

3
4 (Whereupon, a brief recess was taken to
5 address technical difficulties.)
6

7 THE VIDEOGRAPHER: The time is 9:32 a.m.
8 We're back on the video record.
9

10 BY MR. PLACITELLA:

11 **Q. Okay. In front of you, you have Kenvue-25.**
12 **Do you see that?**

13 A. I see Exhibit 42.

14 **Q. Right. And it's a July 19, 2021, meeting of**
15 **the board of directors of Johnson & Johnson, correct?**

16 A. Correct.

17 **Q. And did this pertain to Project Plato, this**
18 **meeting?**

19 A. It's the meeting of the board of directors.

20 **Q. Do you know what the purpose of this meeting**
21 **was?**

22 A. I don't remember the agenda. No.

23 **Q. And do you recall the board of directors**
24 **having a meeting in July of 2021 about Project Plato?**

25 MS. FOURNIER: Objection.

22

THE WITNESS: No, I don't.

BY MR. PLACITELLA:

Q. You don't have a recollection of that?

A. No.

Q. What was your understanding of the purpose of Project Plato?

MS. FOURNIER: Objection.

THE WITNESS: Project Plato. Project Plato, as I said, right, was the project to create a new entity where we would allocate the talc liabilities.

BY MR. PLACITELLA:

Q. Okay. And why did you do that?

A. The objective was to create an entity and a forum where the current and future plaintiffs could have their claim resolved in what we thought was a fair and equitable way.

Q. And how did that benefit J&J?

MS. FOURNIER: Objection.

THE WITNESS: In what sense?

BY MR. PLACITELLA:

Q. Well, was it just for the plaintiffs or was there a benefit to Johnson & Johnson for this

24

Johnson approving the restructuring, you had no sense of what the 7th Amendment of the U.S. Constitution was?

MS. FOURNIER: Objection to form.

THE WITNESS: I did not.

BY MR. PLACITELLA:

Q. Okay. And were there any lawyers involved in deciding that this restructuring should take place?

A. This project was handled by the Law Department of Johnson & Johnson.

Q. Well, whose idea was it?

A. I don't know.

Q. That was never made known to you?

A. No.

Q. And who in the Law Department?

A. The head of the Law Department at that time was Mike Newman.

Q. Do you know, was it his idea?

A. I don't know.

Q. Okay?

MR. PLACITELLA: And are you able to get these up on the screen or not?

THE VIDEOGRAPHER: I can try.

MR. PLACITELLA: You know what? We'll take a break, but I want to just keep moving. We'll just do it

23

restructuring?

MS. FOURNIER: Objection.

THE WITNESS: The objective was to, as I said, create this forum for plaintiff that would help them get their claim resolved.

BY MR. PLACITELLA:

Q. And take their 7th Amendment right away from them?

MS. FOURNIER: Objection.

BY MR. PLACITELLA:

Q. Was that part of your objective as well?

MS. FOURNIER: Objection.

THE WITNESS: I'm not sure what you are talking about, but it was not part of the compensation. No.

BY MR. PLACITELLA:

Q. Do you know what the 7th Amendment is?

A. No, I don't.

Q. Of the U.S. constitutional right to trial by jury, do you know what that is?

A. I'm not familiar with it. No.

Q. So, as the highest ranking member of Johnson &

25

this way, for now.

BY MR. PLACITELLA:

Q. Can you go to tab 26. Do you have it in front of you?

A. Yeah, I do.

Q. Do you recall having a meeting -- let me ask the question this way?

Was Janssen involved in the restructuring of JJCI?

MS. FOURNIER: Objection.

THE WITNESS: Johnson --

BY MR. PLACITELLA:

Q. Janssen. You know who Janssen is, Janssen Pharmaceutical?

A. Uh-huh.

Q. Were they involved in the restructuring?

MS. FOURNIER: Objection.

THE WITNESS: Not that I'm aware of.

BY MR. PLACITELLA:

Q. Okay. Do you know whether, at the time of the restructuring, whether Janssen owned part of JJCI?

MS. FOURNIER: Objection.

26

THE WITNESS: Not that I'm not aware of. No.

BY MR. PLACITELLA:

Q. Do you know whether, as part of the restructuring, Janssen transferred its interest in JJCI?

MS. FOURNIER: Objection.

THE WITNESS: I'm not aware of it.

BY MR. PLACITELLA:

Q. After the transfer of the assets from old JJCI to new JJCI, was it business as usual for new JJCI? Did anything change?

MS. FOURNIER: Objection.

THE WITNESS: Are you talking from a business point of view?

BY MR. PLACITELLA:

Q. Yes. Yes?

A. The Consumer Health segment -- the Consumer Health segment did operate normally.

Q. Normally. Nothing changed from the time there was new JJCI from old JJCI.

Is that fair?

MS. FOURNIER: Objection.

THE WITNESS: We did allocate some revenue

28

THE WITNESS: No, he was not. He was not.

BY MR. PLACITELLA:

Q. Who is that?

A. Who was in charge.

Q. Yes?

A. I don't know.

Q. How would I find that out?

A. You should ask the Finance Department of Johnson & Johnson's.

Q. Okay. And do you know whether a risk analysis was done before that transfer took place? The asset transfer from old JJCI to new JJCI?

MS. FOURNIER: Objection.

THE WITNESS: What do you mean by "risk analysis"?

BY MR. PLACITELLA:

Q. Do you, generally, before you do an asset transfer, perform any kind of risk analysis?

MS. FOURNIER: Objection.

THE WITNESS: What kind of risk are you talking about?

BY MR. PLACITELLA:

Q. Litigation-related risks?

27

streams to LTL, but the daily operations did not change.

BY MR. PLACITELLA:

Q. Okay. And who was involved in the physical transfer of the assets from old JJCI to new JJCI?

MS. FOURNIER: Objection.

THE WITNESS: I don't know.

BY MR. PLACITELLA:

Q. You have no idea?

A. I have no idea.

Q. Okay. What about the accounting, who was in charge of the accounting for the transfer of the assets from old JJCI to new JJCI?

MS. FOURNIER: Objection.

THE WITNESS: I don't know. I believe it's the Finance Department.

BY MR. PLACITELLA:

Q. And who is that? Who is in charge?

A. The Finance Department was led by Joe Wolk at that time.

Q. Okay. And was Joe Wolk then the person that was in charge of making the changes in the accounting systems to reflect the asset transfers?

MS. FOURNIER: Objection.

29

A. That I'm not aware of.

Q. Okay. At the time that new JJCI took the assets, were the talc liability still on the books of new JJCI?

MS. FOURNIER: Objection to form.

THE WITNESS: I don't know.

BY MR. PLACITELLA:

Q. Who would know that?

A. I guess you should ask the Law Department of J&J.

Q. You wouldn't know, as the CEO, whether you took on the talc liabilities of New JJCI?

MS. FOURNIER: Objection to form.

THE WITNESS: I was not the CEO at that time.

BY MR. PLACITELLA:

Q. Okay. What were you?

A. I was the worldwide chairman of the Consumer Health segment.

Q. Okay. Who was the CEO of JJCI at that time?

MS. FOURNIER: Objection.

THE WITNESS: I don't -- I don't remember.

BY MR. PLACITELLA:

30

1 **Q. Where did the -- where did JJCI fit under your**
2 **corporate structure?**

3 MS. FOURNIER: Objection to form.

4 THE WITNESS: At -- JJCI is a legal entity.
5 It's one of the legal entities we, Johnson & Johnson
6 has.

7
8 BY MR. PLACITELLA:

9 **Q. Okay. And you were above that? You oversaw**
10 **new JJCI?**

11 MS. FOURNIER: Objection.

12 THE WITNESS: No, it's not exactly how it
13 works --

14
15 BY MR. PLACITELLA:

16 **Q. How does it work?**

17 A. -- at J&J. You have -- we run the business in
18 three segments. I was responsible for one of the three
19 segments. And then the business gets reported, for
20 legal and financial reasons, through a number of
21 different legal entities. But I'm not involved with the
22 details of these legal entities. We don't manage the
23 business. I don't look at the business through the lens
24 of legal entities.

25 **Q. Okay. So was New JJCI under your**

32

1 **Plato?**

2 MS. FOURNIER: Objection.

3 THE WITNESS: That I don't remember exactly,
4 Project Plato. But I remember it was July for Project
5 Diamond.

6
7 BY MR. PLACITELLA:

8 **Q. Okay. And you don't recall that you learned**
9 **about Project -- well, let me strike that?**

10 **How did you learn about Project Diamond?**

11 A. Joaquin Duato was my manager and told me about
12 it.

13 **Q. And what were the circumstances? Was it a**
14 **phone call? A meeting? How did you find out?**

15 A. In a meeting.

16 **Q. A meeting?**

17 A. Uh-huh.

18 **Q. And where did that meeting take place?**

19 A. In his office.

20 **Q. In New Brunswick?**

21 A. In New Brunswick.

22 **Q. And was anyone there, other than the two of**
23 **you?**

24 A. No.

25 **Q. All right. And what was your understanding,**

31

1 **jurisdiction?**

2 MS. FOURNIER: Objection.

3 THE WITNESS: It was one of the legal entities
4 of J&J.

5
6 BY MR. PLACITELLA:

7 **Q. And was it a separate legal corporation within**
8 **J&J?**

9 MS. FOURNIER: Objection.

10 THE WITNESS: Yeah, it sets its own.

11
12 BY MR. PLACITELLA:

13 **Q. Were you involved in something known as**
14 **Project Diamond?**

15 A. I was.

16 **Q. What is Project Diamond?**

17 A. Project Diamond was the project to separate
18 the Consumer Health segment from Johnson & Johnson to
19 create a new company, two new companies. Johnson &
20 Johnson focused on pharmaceutical and medical devices
21 and a new company focused on consumer health.

22 **Q. Okay. And when did you first hear about**
23 **Project Diamond?**

24 A. In July of 2021.

25 **Q. The same month that you learned about Project**

33

1 **in meeting with him, of the purpose of Project Diamond?**

2 A. What I just told you. That the intent was to
3 create two companies and Project Diamond was to create a
4 new company focused on consumer health.

5 **Q. Okay. And why? Why a new company?**

6 A. To allow for focus on the pharmaceutical and
7 medical device on one hand and the consumer health
8 segment on the other hand.

9 **Q. Well, what could you do with a spin off that**
10 **you couldn't have done before?**

11 MS. FOURNIER: Objection.

12 THE WITNESS: The spinoff allows you to be
13 more focused on what it takes to win in the consumer
14 health segment, be more what we call fit for purpose.
15 And that's the intent behind the separation, being more
16 focused.

17
18 BY MR. PLACITELLA:

19 **Q. And you weren't that focused beforehand?**

20 MS. FOURNIER: Objection.

21 THE WITNESS: When you are part of a larger
22 organization, you don't have the focus and fit for --
23 fit for purpose, setup that you have when you are
24 focused on one industry, if you will.

25

34

1 BY MR. PLACITELLA:

2 **Q. Whose idea was Project Diamond?**

3 A. I don't know.

4 **Q. Was there anybody else involved in the**
5 **planning of Project Diamond other than you and**
6 **Mr. Duato?**

7 MS. FOURNIER: Objection.

8 THE WITNESS: What do you mean by "planning".

9
10 BY MR. PLACITELLA:

11 **Q. Well, did you have to put a plan in place in**
12 **order to make Project Diamond become a reality?**

13 A. We had.

14 **Q. And who was involved in that plan?**

15 A. When -- you had a number of J&J colleagues,
16 external consultants working for months on the project.

17 **Q. Why did they call it Project Diamond, by the**
18 **way?**

19 A. I don't know.

20 **Q. Okay. Someone just said we're going to call**
21 **it Project Diamond. You never asked why?**

22 A. We have many -- each project in the company
23 has a name.

24 **Q. Okay. Are you aware of a time when the name**
25 **JJCI was changed to Johnson & Johnson Holdco? Do you**

36

1 A. I don't know. I don't think so.

2 **Q. So you don't need -- who decides then that you**
3 **can just change the name of a company within Johnson &**
4 **Johnson?**

5 MS. FOURNIER: Objection.

6
7 BY MR. PLACITELLA:

8 **Q. Who has authority to make that decision?**

9 A. I don't know. Probably be handled by the Law
10 Department.

11 **Q. Oh, so the lawyers can just decide to change**
12 **the company name without consulting you, for example?**

13 MS. FOURNIER: Objection.

14 THE WITNESS: These are legal entity names.
15 So, as I said, it's not the way we manage the business.
16 We manage the business through a number of different
17 legal entities that we do not look at every day.

18
19 BY MR. PLACITELLA:

20 **Q. Okay. Can we just take five minutes to see if**
21 **we can fix the technology here? Make things go a lot**
22 **faster?**

23 THE VIDEOGRAPHER: Time is 9:52 a.m. We're
24 going off the video record.
25

35

1 **recall that?**

2 MS. FOURNIER: Objection.

3 THE WITNESS: No, I don't.

4
5 BY MR. PLACITELLA:

6 **Q. You have no knowledge of that?**

7 A. No.

8 **Q. Okay. So while you were the chairman of**
9 **Consumer Health, you have no knowledge of JJCI changing**
10 **its name?**

11 A. I don't recall. No.

12 **Q. Before a company under your jurisdiction was**
13 **allowed to change its name, was there a process you had**
14 **to go through within Johnson & Johnson?**

15 MS. FOURNIER: Objection.

16 THE WITNESS: You are talking about a legal
17 entity changing name.

18
19 BY MR. PLACITELLA:

20 **Q. Right. Yes?**

21 A. I'm not sure about that.

22
23 BY MR. PLACITELLA:

24 **Q. Did it have to get board approval in order to**
25 **change the company name?**

37

1
2 (Whereupon, a brief recess was taken off the
3 record.)

4
5 THE VIDEOGRAPHER: The time is 10:04 a.m.
6 We're back on the video record.

7
8 BY MR. PLACITELLA:

9 **Q. Are you familiar with the transfer of the**
10 **Consumer Health assets to Janssen? You're familiar with**
11 **that transaction?**

12 MS. FOURNIER: Objection.

13 THE WITNESS: No, I don't know.

14
15 BY MR. PLACITELLA:

16 **Q. Do you know whether the assets of JJCI were**
17 **ever transferred to Janssen?**

18 A. No, I don't.

19 **Q. You have no knowledge of that?**

20 A. No.

21 **Q. In the -- the transfer of the assets of JJCI**
22 **to Janssen is not something that was ever made known to**
23 **you.**

24 **Is that fair?**

25 MS. FOURNIER: Objection.

38

THE WITNESS: Yeah, I don't know what you are referring to. I have no knowledge of that.

BY MR. PLACITELLA:

Q. No knowledge. Did there come a time when -- obviously, you don't know whether that was part of Project Diamond or not then, correct?

A. Yeah, I have no knowledge of that.

Q. Okay. Did there come a time -- do you know anything about the transfer of the assets of JJCI or Johnson & Johnson consumer to your company, Kenvue?

MS. FOURNIER: Objection.

A. Yeah, I know that -- I know that the Consumer Health business was spun off as Kenvue.

BY MR. PLACITELLA:

Q. But when you say "spun off", what do you mean by that?

A. We have done an IPO on May 4 of this year where Johnson & Johnson has issued shares to the public.

Q. So where did the assets that were transferred to Kenvue come from?

A. From Johnson & Johnson.

Q. From Johnson & Johnson? Any specific division within Johnson & Johnson?

A. Consumer Health.

40

A. Uh-huh. Yes.

Q. Was any type of valuation done by any investment banking firm as part of the process of the transfer of assets from Johnson & Johnson to Kenvue?

MS. FOURNIER: Objection.

THE WITNESS: I don't think so. I don't know. I don't think so.

BY MR. PLACITELLA:

Q. Did you ever employ Goldman Sachs as part of the evaluation of a potential transaction between Johnson & Johnson and Kenvue?

A. Goldman Sachs was involved in the transaction. Yes.

Q. And what was their involvement?

A. They advised Johnson & Johnson on the transactions, the nature of the transactions, and the execution of the transactions.

Q. And what kind of advice?

A. How to execute such a spinoff and execute it with the capital markets.

Q. And were talc liabilities part of the discussion with Goldman Sachs, to your knowledge?

MS. FOURNIER: Objection.

THE WITNESS: That I don't know.

39

Q. So the assets of Kenvue came from Johnson & Johnson Consumer Health?

A. The assets, I don't know exactly what you're referring to by "assets", but the brands were from Johnson & Johnson Consumer Health.

Q. So to your knowledge, before you took possession, you, Kenvue, took possession of the assets of Consumer Health; you're with me?

A. Uh-huh.

Q. Who owned those assets? Where did you get those assets from?

MS. FOURNIER: Objection.

BY MR. PLACITELLA:

Q. Who owned those assets?

A. Johnson & Johnson. Kenvue is a spinoff from Johnson & Johnson.

Q. Okay. So do you know what subsidiary inside Johnson & Johnson owned the Consumer Health assets prior to those assets being spun off to Kenvue?

A. A number of different legal entities.

Q. Which ones?

A. I don't know. JJCI is one of them. And we have a number of those around the world.

Q. That's all you know?

41

BY MR. PLACITELLA:

Q. You never recall talking about that in your prior deposition?

A. With Goldman Sachs?

Q. Uh-huh?

A. No.

Q. Okay. You're familiar with the S1? You said you reviewed that in preparation for today's deposition?

A. Uh-huh.

Q. Okay. The Janssen Pharmaceuticals is not mentioned anywhere in the S1, correct?

A. Not that I remember. No.

Q. If the assets were transferred, according to Johnson & Johnson's lawyers, from Janssen to Kenvue, why wouldn't Janssen be mentioned in the S1?

MS. FOURNIER: Objection.

THE WITNESS: I don't know.

BY MR. PLACITELLA:

Q. Well, is today the first time you're learning that Janssen transferred the assets to your company?

MS. FOURNIER: Objection.

THE WITNESS: Yeah, I'm not aware of that.

42

BY MR. PLACITELLA:

Q. Okay. Should that have been in the S1, if Janssen held the assets that were transferred to your company?

MS. FOURNIER: Objection.

THE WITNESS: I don't think so. I don't think it's of material importance for the public.

BY MR. PLACITELLA:

Q. So the public doesn't need to know where the assets came from?

MS. FOURNIER: Objection.

THE WITNESS: They know that they come from Johnson & Johnson. Which legal entity they come from, I don't think is relevant.

BY MR. PLACITELLA:

Q. Okay. Do you know, in the consolidated 10-Ks, how Johnson & Johnson reported the Consumer Health finances versus Janssen's finances?

MS. FOURNIER: Objection.

THE WITNESS: When? Before the spinoff.

BY MR. PLACITELLA:

Q. Yes?

44

Q. What exactly was transferred from Johnson & Johnson to Kenvue?

MS. FOURNIER: Objection.

BY MR. PLACITELLA:

Q. As part of the spinoff?

A. The brands, some employees, some manufacturing and distribution sites.

Q. Well, were all of the employees manufacturing? Well, let me start one at a time?

Were all the employees of Consumer Health transferred from Johnson & Johnson to Kenvue as part of this transaction?

A. Most of them.

Q. Which ones weren't?

MS. FOURNIER: Objection.

THE WITNESS: You may have some exceptions. I'm not aware, but people who were dedicated to Consumer Health were transferred to Kenvue.

BY MR. PLACITELLA:

Q. What about the marketing assets and the marketing distribution employees, were they all transferred from Consumer Health to Kenvue?

MS. FOURNIER: Objection.

43

A. You mean -- yeah, Johnson & Johnson reports in three segments.

Q. Okay. And if Janssen owns the entire Consumer Health assets, shouldn't that have been in the financial statements?

MS. FOURNIER: Objection. Form.

THE WITNESS: I don't know. I would refer to the Finance Department and Law Department.

BY MR. PLACITELLA:

Q. Okay. What lawyers were involved in the transfer of assets from Johnson & Johnson to Kenvue? What inside lawyers, in-house lawyers?

A. You know, a number of members of the Law Department.

Q. Which ones, do you recall?

A. I don't know who did that in particular.

Q. You don't remember any of the names? What about outside lawyers, remember any of the outside lawyers?

A. No.

Q. No. Okay. Did you deal with the lawyers in the context of the transfer of assets from inside -- from Johnson & Johnson to Kenvue?

A. No. No, I did not.

45

THE WITNESS: The marketing capabilities were transferred.

BY MR. PLACITELLA:

Q. Okay. What about the manufacturing capabilities?

A. Most of them were.

Q. Which ones weren't?

A. Some sites are used by other Johnson & Johnson segments and, so we have a manufacturing agreement, transitional manufacturing agreement with these sites in our Separation Agreement because they are not transferred to Kenvue, but they continue to produce for Kenvue.

Q. Okay. So let's just focus on the Johnson's Baby Powder brand?

A. Uh-huh.

Q. You're with me? Were all the employees involved in the manufacturing and marketing of Johnson's Baby Powder transferred from Johnson & Johnson to Kenvue?

A. I think so, yes.

Q. And what about, were all the manufacturing assets involved in the Johnson's Baby Powder transferred from Johnson & Johnson to Kenvue?

A. They were part of the new Kenvue base, yes.

46

Q. And all of the trademarks as well?

A. There's a trademark agreement with Johnson & Johnson.

Q. The Johnson's trademark, was that transferred? Or is that part of an agreement?

A. It's part of an agreement.

Q. All right. And you have the right to use the Johnson's trademark going forward at Inten Item?

A. Yes, we do.

Q. And what about the Johnson's brand, the Johnson's Baby brand, was that transferred to you at Kenvue?

MS. FOURNIER: Objection. Objection.

THE WITNESS: Johnson's Baby brand is part of the Kenvue portfolio.

BY MR. PLACITELLA:

Q. Okay. Before you took over or you assumed the assets of the Consumer Health sector of Johnson & Johnson, was that presented to a board at Kenvue?

A. There's a board for Kenvue. There's a new board for Kenvue.

Q. Yes?

A. And I don't remember exactly what was presented to the board.

48

THE WITNESS: Yeah. The spinoff was of the Consumer Health business.

BY MR. PLACITELLA:

Q. So that was entirely the decision of executives at Johnson & Johnson.

Is that fair?

A. I would say so.

Q. Was the subject of talc liabilities ever discussed at Kenvue before you took on the assets being transferred by Johnson & Johnson?

A. What do you mean by "discussed".

Q. Did you discuss it at the board level, talc liabilities?

MS. FOURNIER: Objection.

THE WITNESS: Before, you said before the --

MR. PLACITELLA: Before the transfer, physical transfer?

MS. FOURNIER: Objection.

THE WITNESS: No. The physical transfer happened when we spun off the company.

BY MR. PLACITELLA:

Q. All right. So did any executive or board member of Johnson -- of Kenvue have any say as to

47

Q. Were you present at the board meeting when the issue came up?

A. Yes. Which issue.

Q. The issue of considering whether Kenvue should take on the assets that Johnson & Johnson want to transfer to it?

MS. FOURNIER: Objection.

THE WITNESS: No. It's not how it happened because Kenvue was -- I don't think it happened like that.

BY MR. PLACITELLA:

Q. Well, did Kenvue, the corporation, have any say whatsoever on what assets were being transferred to it?

MS. FOURNIER: Objection.

BY MR. PLACITELLA:

Q. By Johnson & Johnson?

A. No, it was not a conversation.

Q. So no executive, no board member at Kenvue had anything to say about what assets were being transferred by Johnson & Johnson to Kenvue.

Is that fair?

MS. FOURNIER: Objection.

49

concerning whether or not they would be taking on talc liabilities?

MS. FOURNIER: Objection.

THE WITNESS: No.

BY MR. PLACITELLA:

Q. Okay. So is it fair to say the issue of talc liabilities was entirely under the control of Johnson & Johnson?

MS. FOURNIER: Objection.

THE WITNESS: What do you mean by "the issue of talc liabilities"?

BY MR. PLACITELLA:

Q. Where the talc liabilities would end up after the spinoff, that was entirely under the control of Johnson & Johnson?

A. Correct.

Q. Who at Kenvue was in charge of the physical transfer of the assets on the books from Johnson & Johnson to Kenvue?

MS. FOURNIER: Objection.

THE WITNESS: It's the Law Department and the Finance Department.

BY MR. PLACITELLA:

50

Q. So Kenvue has its own Law Department and Finance Department?

A. Correct.

Q. Who runs the Law Department at Kenvue now?

A. Matt Orlando.

Q. And who at the Finance Department?

A. Paul Ruh.

Q. What consideration was given by Kenvue to Johnson & Johnson for the assets that Kenvue was acquiring?

MS. FOURNIER: Objection.

THE WITNESS: What do you mean by "consideration"?

BY MR. PLACITELLA:

Q. Money. How were they paid?

A. So there was -- you should ask the Finance Department for more details, that there was the payment to J&J as part of the separation.

Q. What was the payment? What form of payment?

A. That, you should ask the Finance Department that.

Q. You don't know?

A. I don't recall exactly the exact nature of each payment.

52

A. Absolutely.

Q. Did the physical location of any of the manufacturer or marketing assets --

MR. PLACITELLA: I don't know what that is.

THE VIDEOGRAPHER: It's on Zoom.

MR. PLACITELLA: If you're on Zoom, could you mute yourself, please?

BY MR. PLACITELLA:

Q. Well, let me narrow the question. Does the physical location of any of the assets used in the manufacturer or marketing -- and marketing of Johnson's Baby Powder change after Kenvue took over those operations?

MS. FOURNIER: Objection.

THE WITNESS: The manufacturing and marketing, it depends on the geography. So if you take manufacturing, Johnson & Johnson had announced in 2022 that in 2023 we would transition from talc-based baby powder to cornstarch baby powder worldwide. And so the manufacturing has stopped in 2023. And so now the Johnson's Baby Powder variant is based on cornstarch, is manufactured on a different line.

BY MR. PLACITELLA:

51

Q. Okay. So something to ask Paul Ruh?

A. I would ask Paul Ruh.

Q. Do you know what the value of the assets were that were transferred from J&J to Kenvue as part of this spinoff?

A. No, I don't.

Q. So do you know what your company is worth now?

A. About \$45 billion.

Q. 45 billion?

A. Uh-huh.

THE REPORTER: Sorry, was that a yes?

A. Yes.

BY MR. PLACITELLA:

Q. And has the value gone up or down since the transfer?

A. Yes, gone up.

Q. Gone up?

A. Yes. Since it's IPO. Since the IPO.

Q. Since the IPO?

A. Uh-huh.

Q. Is it fair to say that Kenvue has held itself out to investors as essentially the same company that was operating the Consumer Health Division inside of Johnson & Johnson?

53

Q. But at the time -- I'm just talking about the time of the transfer, the day before and the day after. Did the manufacturing and the marketing assets change at all?

MS. FOURNIER: Objection to form.

THE WITNESS: So I cannot talk about the exact day, but I can tell you that the manufacturing of talc-based baby powder has ceased this year. So what Kenvue is doing is just manufacturing the cornstarch variant of baby powder.

For the marketing and sales, it varies by geography. In some countries, we have the same office location, if you will. That was the Johnson & Johnson Consumer Health Office location. In other countries, we moved out of the former Johnson & Johnson Consumer Health premise to a new office location at Kenvue. So it varies by country, by geography.

BY MR. PLACITELLA:

Q. Okay. Let me ask the question a different way?

Was it Kenvue that ceased the manufacture of talc-based baby powder worldwide, or was it Johnson & Johnson?

A. It was announced by Johnson & Johnson.

54

Q. But which company actually did it? Which company actually stopped it? Who owned the baby powder assets when it stopped?

MS. FOURNIER: Objection.

THE WITNESS: When it stopped? I don't know exactly when it stopped.

BY MR. PLACITELLA:

Q. Well, did it stop while you owned the assets?

A. I don't know exactly. I don't know the exact date.

Q. So you don't know whether you, Kenvue, stopped manufacturing talc-based baby powder or Johnson & Johnson?

A. I think it was before the IPO.

Q. It was before?

A. The IPO.

Q. How would we find out to know for sure? Do you have a record you could check?

MS. FOURNIER: Objection.

THE WITNESS: We could check the last day of manufacturing and see.

BY MR. PLACITELLA:

Q. Yes. Okay. And who would you check with?

56

selling, we have not been selling talc-based Johnson's Baby Powder in the United States for some time now.

MR. PLACITELLA: Am I able to share the screen?

THE VIDEOGRAPHER: I think so, yeah.

BY MR. PLACITELLA:

Q. Can you see that?

A. Yes, I can.

Q. You see this is on Amazon today? Says I can get delivered to my house Johnson's Baby Powder for August 17th and 18th. You see that?

A. Uh-huh, I do.

Q. Okay. And if you look at the back, does it say that that is the talc baby powder?

A. It does.

Q. Okay. And if I scroll down, those are Johnson & Johnson's advertisements?

MS. FOURNIER: Objection to form.

THE WITNESS: I don't know what it is.

BY MR. PLACITELLA:

Q. Well, it's a Johnson's brand. It says from the manufacturer?

A. It says from the manufacturer.

55

A. I would check with the Manufacturing Department.

Q. Okay. At the time -- at the time that the manufacture of talc-based baby powder ceased, was there a recall of all the talc-based baby powder on the shelves?

A. Not at all.

Q. Okay. So did Kenvue continue to sell talc-based baby powder as part of its operations after the IPO?

A. We continued to sell talc-based product that was in our inventory outside the U.S. and Canada. Yes.

Q. Well, you sold it over the Internet in the United States too, correct?

MS. FOURNIER: Objection to form.

THE WITNESS: I'm not aware of that. No.

BY MR. PLACITELLA:

Q. You don't know that?

A. No, I don't. No.

Q. Who would you ask to find out? Would you be surprised to know you were still selling talc-based baby powder in the United States?

MS. FOURNIER: Objection to form.

THE WITNESS: I know for sure that we are not

57

Q. Right. That's you, right? You're the manufacturer?

A. We are the manufacturer. Yes.

Q. Yeah. And you see where it says "from the manufacturer, great for kids and adults"?

A. I can see that. Yeah.

Q. So you're selling over the Internet on Amazon talc-based baby powered great for kids and adults as we sit here today?

MS. FOURNIER: Objection to form.

BY MR. PLACITELLA:

Q. Correct?

A. No, we don't.

Q. Okay?

A. If you go up, you will see that there is a.

Q. Where do you want me to go?

A. Yeah, ships from, sold by eBOSS. I don't know what this company is.

Q. Okay. What about here, where it says "visit the Johnson's Baby Store?"

Do you have a baby store online?

A. We should.

Q. Okay. Why don't we click on that?

MS. FOURNIER: So before you do that, can you

58

1 please go back, Mr. Placitella? For the record, we need
2 to put in the exact website that you pulled up so that
3 it's going to be very clear in the deposition.

4 MR. PLACITELLA: Yep, Amazon.

5 MS. FOURNIER: You're not just at Amazon. So
6 what is the URL of what you pulled up?

7 MR. PLACITELLA: I just went into Amazon.

8 MS. FOURNIER: So how did you go into Amazon?

9 MR. PLACITELLA: I went into the Amazon app
10 and typed in Amazon and typed in talc. We're going to
11 start all over again?

12 MS. FOURNIER: Let's go to the exact place
13 that you typed in so that we can get the precise URL for
14 the page that you're looking at.

15 MR. PLACITELLA: Okay. This is an Amazon app.
16 Right. You get it on any iPad, computer, right?

17 MS. FOURNIER: Right. And the specific page.

18 MR. PLACITELLA: And all I did was type in and
19 clicked on talc powder and you get to where you're going
20 to go.

21 MS. FOURNIER: Right. Which ad did you go to?

22 MR. PLACITELLA: Okay. Sorry, it's not my --
23 okay. So here we are. All right. And here we are.
24 Johnson's Baby Powder original. All right. That's
25 where we are, correct? All right?

60

1 **Q. Okay. So did you know that Amazon was linking**
2 **to the Johnson's Baby Store?**

3 A. I didn't know, but it doesn't surprise me.

4 **Q. So you don't -- you don't -- well, let's just**
5 **go back for a second. You see where there are the**
6 **reviews for your product on the bottom?**

7 A. Uh-huh. Yes, I do.

8 **Q. And you see where these reviews are being**
9 **provided by people inside the United States?**

10 A. I can see that.

11 **Q. So does that indicate to you that people**
12 **inside the United States are purchasing your product on**
13 **the Internet in the summer of 2023?**

14 A. It said so.

15 **Q. Okay?**

16 MS. FOURNIER: And Mr. Placitella, I'd ask
17 when you print, since you've decided to show him these,
18 you should also print out these customer reviews that
19 refer to things like, this is the first time I purchased
20 the non-talc version and it worked well. So if you
21 could print all of that out as well.

22 MR. PLACITELLA: Fine. I'll print that all
23 out.

24 MS. FOURNIER: Great.

25 MR. PLACITELLA: Okay.

59

1 MS. FOURNIER: Well, first of all, it is not
2 -- scroll down. See how you've now gone to a different
3 ad and a different location, because the seller
4 information is not the same. So if you're going to use
5 this, you should print it and we should attach it to the
6 deposition --

7 MR. PLACITELLA: Happy to do it.

8 MS. FOURNIER: -- as an exhibit.

9
10 BY MR. PLACITELLA:

11 **Q. Okay. Let's go into the Johnson's Baby Store.**
12 **That would be you, right, Mr. Mongon? Right? That's**
13 **you, Johnson's Baby Store?**

14 A. That should be.

15 **Q. Right. "Every parent wants the best products**
16 **for their baby." That's your ads, right? Right?**

17 A. It should be. Yes.

18 **Q. And if I go into Johnson's Baby Store and I**
19 **type in "talc", I get a whole bunch of products, right?**

20 A. Uh-huh. Yes.

21 **Q. And if I go to the last one here on the left,**
22 **for example, and I go to the back where it says**
23 **"ingredients", it will tell us what the ingredients are.**
24 **Right. Although, it's not very clear here, right?**

25 A. Yes.

61

1 MS. FOURNIER: Thanks.

2 MR. PLACITELLA: We'll do it on a break.

3
4 BY MR. PLACITELLA:

5 **Q. So, would now -- is today the first time you**
6 **learned that you're still selling talc-based baby powder**
7 **in the United States?**

8 MS. FOURNIER: Objection to form.

9 THE WITNESS: No, that's not what I said. I
10 continue to say that we don't sell Johnson's baby talc
11 powder in the United States. What you show me, that's
12 some resellers sell on Internet, seem to be selling on
13 the Internet Johnson's baby talc-based product.

14
15 BY MR. PLACITELLA:

16 **Q. Do you know whether it's in the Johnson's Baby**
17 **Store in your website on the Internet?**

18 A. No, I don't.

19 **Q. Okay. We'll take a break and I'll pull it up**
20 **for you. Okay?**

21 **So did you make presentations to potential**
22 **investors as part of this IPO?**

23 A. I did.

24 **Q. You did. And I want to show you. Can you**
25 **make sure you can see up there, Kenvue-15. Do you**

62

1 **recall making this presentation in July of 2023?**

2 MS. FOURNIER: Nothing's on the screen for me.

3 MR. PLACITELLA: Sorry.

4 THE WITNESS: I don't see it.

5 MR. PLACITELLA: Sorry.

6 THE WITNESS: I can see it now.

7
8 BY MR. PLACITELLA:

9 **Q. Got it. Recall making this presentation?**

10 A. Yes, I do.

11 **Q. I think there's a picture of you in here**
12 **somewhere. Is that you?**

13 A. It is me.

14 **Q. Okay. And on page 1510, can you see that?**
15 **There's a list of all the different brands?**

16 A. Some of the brands. Yeah.

17 **Q. Okay. Is there a reason why you left out baby**
18 **powder in this presentation?**

19 A. No, it's a sample of brands. You have the
20 Johnson's baby brand here.

21 **Q. Excuse me?**

22 A. You have the Johnson's baby brand here.

23 **Q. Is there a reason why you didn't list the**
24 **powder in the presentation to the investors?**

25 A. No.

64

1 **subsidiary, Johnson & Johnson Consumer Inc. of Delaware.**
2 **See that?**

3 A. I can see that.

4 **Q. What can you tell me about that? Why is that**
5 **listed as a subsidiary?**

6 MS. FOURNIER: Objection to form.

7 THE WITNESS: That is one of the legal
8 entities we are using.

9
10 BY MR. PLACITELLA:

11 **Q. Is that an entity that you formed after the**
12 **IPO? Or did that exist before the IPO?**

13 A. I don't know.

14 **Q. So you don't know whether Johnson & Johnson**
15 **Consumer Inc. is an entity that you inherited or one**
16 **that you created?**

17 MS. FOURNIER: Objection to form.

18 THE WITNESS: I see that it is an entity in
19 Delaware. That's what I can tell from this document.

20
21 BY MR. PLACITELLA:

22 **Q. Okay. There's also a number of Delaware**
23 **entities with the name Holdco in it. What can you tell**
24 **me about that, if anything?**

25 A. I cannot. I know that a number of legal

63

1 **Q. Something you didn't want them to focus on,**
2 **maybe?**

3 MS. FOURNIER: Objection to form.

4 THE WITNESS: No.

5 BY MR. PLACITELLA:

6 **Q. Okay. And you said that you reviewed the S4**
7 **in preparation for today, correct?**

8 A. Correct.

9 **Q. I'm going to just pull up the S4. In the S4,**
10 **on page 380, there -- well, let me go to the page**
11 **before. There is a section in the S4 called**
12 **"subsidiaries". You see that?**

13 A. I do.

14 **Q. Okay?**

15 MS. FOURNIER: Objection. Can we start with
16 the front page, just so that we know it's the first page
17 of the S4.

18 MR. PLACITELLA: Sure.

19
20 BY MR. PLACITELLA:

21 **Q. Is this the S4, sir?**

22 A. It is.

23 **Q. Okay. That's signed by you?**

24 A. It is.

25 **Q. All right. And you have listed it as a**

65

1 entities were created in preparation for the spinoff.

2 **Q. So did you take over those legal entities and**
3 **is that why they're listed as a subsidiary?**

4 MS. FOURNIER: Objection to form.

5 THE WITNESS: I don't know how it works.

6
7 BY MR. PLACITELLA:

8 **Q. Who can I ask these questions to, if you don't**
9 **know as the CEO?**

10 A. I would ask the Law Department.

11 **Q. Who specifically?**

12 A. I don't know. You should ask -- Matt Orlando
13 is the head of the Law Department. He would be able to
14 direct you to the right person.

15 **Q. Could you say that again, please?**

16 A. Matt Orlando, he's the head of the Law
17 Department.

18 **Q. Matt Orlando, okay. Is the JJCI -- do you**
19 **know whether this Johnson & Johnson Consumer Inc. is the**
20 **same company that was created as part of the**
21 **restructuring back in 2021?**

22 MS. FOURNIER: Objection to form.

23 THE WITNESS: I don't know.

24
25 BY MR. PLACITELLA:

66

1 **Q. I'm going to go to Kenvue-9. Do you have that**
2 **in front of you, sir?**

3 A. I do.

4 **Q. This is the S1 from January 2023?**

5 A. Yes.

6 **Q. And that's you listed on the front?**

7 A. It is.

8 **Q. And you signed this document?**

9 A. I did.

10 **Q. And what was the purpose of signing the**
11 **document?**

12 A. To register it with the SEC.

13 **Q. And were you attesting to the SEC and**
14 **potential investors that everything in here was true, to**
15 **the best of your knowledge?**

16 A. Correct.

17 **Q. I'm just going to ask you some questions. I**
18 **want to go to page -- it looks like 41. I'm just going**
19 **to ask you some questions about things I highlighted.**
20 **You say: "It's possible that various parties will seek**
21 **to bring and would be successful in bringing claims**
22 **against us, including raising allegations that we are**
23 **liable for the talc-related liabilities?"**

24 **Do you see that?**

25 A. I do.

68

1 information.

2 THE WITNESS: I guess that, you know, that was
3 put together by the Law Department.

4
5 BY MR. PLACITELLA:

6 **Q. Okay. So this statement was put together by**
7 **the Law Department?**

8 A. Yeah, the document was put together by the Law
9 Department.

10 **Q. So the Law Department said to you that there**
11 **was a scenario under which Kenvue would be held**
12 **responsible for talc liabilities?**

13 MS. FOURNIER: Objection. That's cause for
14 privileged and direct you not to answer anything that
15 the Law Department told you.

16 MR. PLACITELLA: Well, it's in a public
17 document and they said they got it from the Law
18 Department.

19 MS. FOURNIER: You can ask him about the
20 public document, but you can't ask him what the Law
21 Department told him. That's privileged.

22 MR. PLACITELLA: We'll raise that at a
23 different time.

24
25 BY MR. PLACITELLA:

67

1 **Q. What do you mean by that?**

2 A. I mean that you cannot prevent parties to
3 bring claims against us.

4 **Q. Why did you think people would be successful**
5 **in doing so?**

6 MS. FOURNIER: Objection to form.

7 THE WITNESS: Because you cannot prevent
8 people from naming the company.

9
10 BY MR. PLACITELLA:

11 **Q. Well, did you know that that was a likely**
12 **scenario when you took over, when you formed the**
13 **company, that you would be named in talc liability**
14 **cases?**

15 MS. FOURNIER: Objection to form.

16 THE WITNESS: Well, we can just likely show
17 that it's a scenario. Yes, it's a scenario. Yes. We
18 cannot prevent people from --

19
20 BY MR. PLACITELLA:

21 **Q. It's a scenario. Where did you -- what's the**
22 **basis for that information, that scenario? How did you**
23 **learn that?**

24 MS. FOURNIER: Objection. You can answer that
25 to the extent that you would not reveal privileged

69

1 **Q. The basis for the statements about you're**
2 **likely to be held responsible or you might be held**
3 **responsible, that information came from the Law**
4 **Department or somewhere else?**

5 A. No. I don't think these lines say that we are
6 held responsible, that we could be named in an action,
7 right, including raising allegation that we are liable.

8 **Q. And that may very well be successful. Doesn't**
9 **that say that?**

10 A. No. It says that it can be successful in
11 bringing claims against us. So in naming the company.

12 **Q. Okay. That some court would permit it, is my**
13 **point. You understood that?**

14 A. I'm not lawyers. I don't know that.

15 **Q. Further down on the page, it says: "We**
16 **presently sell talc-based Johnson's Baby Powder in**
17 **certain other markets around the world." See that?**

18 A. I do.

19 **Q. You told me about that, right?**

20 A. Yeah.

21 **Q. "Given this, we may be subject to additional**
22 **claims related to the sale of talc-based Johnson's Baby**
23 **Powder in markets where we presently sell this product."**
24 **See that?**

25 A. Okay.

70

Q. And then it says: "As well as additional claims related to the sale of talc-based baby powder in markets where we have discontinued this product?"

When you say "we", we're talking about Kenvue, correct?

MS. FOURNIER: Objection to form.

THE WITNESS: It depends if the decision was made before or after the separation.

BY MR. PLACITELLA:

Q. I'm sorry. I don't understand. What do you mean?

A. When we say we have discontinued this product, for example, in the case of the U.S. and Canada, the product has been discontinued a long time ago, before Kenvue was created.

Q. So what you're saying to the investors and the SEC here is, when you're talking about we may be sued for what we sold before, you're talking as if you were still JJCI.

Is that fair?

MS. FOURNIER: Objection to form.

THE WITNESS: I don't think we are saying that. We are saying that the product has been discontinued.

72

MS. FOURNIER: Objection to form.

THE WITNESS: Yes. That we could be named in litigation linked to talc-based Johnson's Baby Powder in markets where the product has been discontinued.

BY MR. PLACITELLA:

Q. Well, what would be the basis for it being named?

A. I don't know.

Q. Okay. When you say "the parties may be successful in bringing claims", under what theory? Do you have any idea?

MS. FOURNIER: Objection to form.

THE WITNESS: No, I don't.

BY MR. PLACITELLA:

Q. Okay. The S1 and the S4 talk about indemnity agreements you have with Johnson & Johnson concerning talc liabilities. Are you familiar with that?

A. Yes.

Q. Okay. What is your understanding of those agreements?

A. That Johnson & Johnson would defend and indemnify Kenvue for any liability linked to talc-related products in the U.S. and Canada.

71

BY MR. PLACITELLA:

Q. Well, see here's my -- it says: "As well as additional claims related to the sale of talc-based baby powder in markets where we have discontinued this product, such as in the United States and Canada?"

Who is the "we" you're talking about?

A. Some markets where Kenvue has discontinued the product after its IPO. In the case of the U.S. and Canada, the decision was made before Kenvue was created.

Q. But it says that you believe that you're going to be sued for products that were sold in the United States and Canada, correct?

MS. FOURNIER: Objection to form.

THE WITNESS: We said claims related to the sale in markets where we have discontinued this product.

BY MR. PLACITELLA:

Q. Right. Including the United States and Canada?

A. Uh-huh.

Q. Right. So you contemplated that you were going to be sued in the United States and Canada for products that were sold even before the Kenvue spinoff. Is that fair?

73

Q. Who negotiated -- is that by a written agreement?

A. I think so, yeah.

Q. Who negotiated that agreement on behalf of Kenvue?

A. What do you mean by "negotiated".

Q. When you have an agreement, you have to have two parties, right, to an agreement at least, right?

A. Yeah, the two Law Departments worked on the agreement.

Q. So who negotiated the agreement on your behalf at Kenvue to make sure you were adequately protected?

A. Our Law Department.

Q. Okay. Is that Mr. Olinder again?

A. Mr. Orlando is the head of that.

Q. Okay. Thank you. Is that something that Kenvue demanded as part of the IPO, that there be indemnity?

MS. FOURNIER: Objection to form.

THE WITNESS: No, that was part of the agreement and the --

BY MR. PLACITELLA:

Q. Was that something you wanted?

A. That's something that was part of the

74

1 transaction.

2 **Q. But it's something you wanted. You wanted**
3 **that protection?**

4 MS. FOURNIER: Objection to form.

5 THE WITNESS: We made sure in the agreement
6 that it was clear.

7
8 BY MR. PLACITELLA:

9 **Q. Yeah, but my question is: That was something**
10 **that Kenvue wanted. They wanted that protection.**

11 **Is that fair?**

12 MS. FOURNIER: Asked and answered.

13 THE WITNESS: It's not that we wanted or
14 didn't want. That's just the way it was.

15
16 BY MR. PLACITELLA:

17 **Q. So you don't care -- you didn't care one way**
18 **or the other whether there was indemnity?**

19 A. No, we do care that it's clearly mentioned in
20 the agreement what is indemnified and what is not.

21 **Q. Why do you care?**

22 A. To make sure that, in the future, if there is
23 any doubt about it, it's well written.

24 **Q. Well, were you concerned that the talc**
25 **liabilities would weigh negatively on Kenvue's finances?**

76

1
2 BY MR. PLACITELLA:

3 **Q. You didn't decide yet, as the CEO of the**
4 **company, whether you're going to swap out your shares?**

5 MS. FOURNIER: Asked and answered.

6 THE WITNESS: What.

7 MS. FOURNIER: I said asked and answered.

8
9 BY MR. PLACITELLA:

10 **Q. Well, do you think it's peculiar that you're**
11 **asking other investors to swap out their shares and you**
12 **haven't decided whether you're going to swap out your**
13 **shares?**

14 A. No. All my vested and unvested long-term
15 incentives are going to be automatically transferred to
16 Kenvue long-term incentives. So if that's your
17 question, yes, it is done. It will be done.

18 **Q. So you're going to swap out all of your**
19 **Johnson & Johnson shares for Kenvue shares?**

20 A. That's not what I said. I said that all my
21 vested and unvested long-term incentives in Johnson &
22 Johnson is going to be converted to Kenvue long-term
23 incentives.

24 **Q. So that means you'll continue to retain the**
25 **Johnson & Johnson stock, correct?**

75

1 MS. FOURNIER: Objection to form.

2 THE WITNESS: I was not concerned because it
3 was not a part of, you know -- it was clear that Johnson
4 & Johnson would indemnify Kenvue for any talc-related
5 liability in the U.S. and in Canada.

6 BY MR. PLACITELLA:

7 **Q. Right. Okay. I want to go back to the S4 for**
8 **a second. Something to show you on page 52 of the S4.**
9 **Now, the S4 is different than the S1. What's the**
10 **purpose of the S4?**

11 A. S4 is linked to the exchange offer that J&J is
12 making to J&J shareholders.

13 **Q. The swap? Basically, you can swap your J&J**
14 **shares for Kenvue shares?**

15 MS. FOURNIER: Objection.

16 THE WITNESS: You can exchange some of your
17 J&J shares for some Kenvue shares, if you want to.

18
19 BY MR. PLACITELLA:

20 **Q. Okay. And that's the purpose of the S4?**

21 A. S4 is the registration with the SEC.

22 **Q. Okay. By the way, are you going to swap out**
23 **your shares?**

24 MS. FOURNIER: Objection.

25 THE WITNESS; I've not made the decision.

77

1 MS. FOURNIER: Objection to form.

2 THE WITNESS: The ones I have in my personal
3 account, yes.

4
5 BY MR. PLACITELLA:

6 **Q. Okay. And all I was asking you, in asking**
7 **other stockholders to be involved or make an election to**
8 **invest in your company, you haven't decided whether**
9 **you're going to invest in your own company yet, right?**

10 MS. FOURNIER: Objection to form.

11 THE WITNESS: I have -- I have not decided.

12
13 BY MR. PLACITELLA:

14 **Q. Okay. It says here: "Although under the**
15 **separation agreement Johnson & Johnson has agreed to**
16 **indemnify Kenvue for the talc-related liabilities and**
17 **any costs associated with resolving such claims, Kenvue**
18 **cannot assure you that the indemnity from Johnson &**
19 **Johnson will be sufficient to protect Kenvue against the**
20 **full amount of these liabilities?"**

21 **Do you see that?**

22 A. I do.

23 **Q. What did you mean by that?**

24 A. That the Law Department including this
25 sentence to show that you can never 100 percent be sure.

78

1 But I see it as extremely, extremely unlikely given the
2 financial strength of Johnson & Johnson.

3 **Q. So is what you're saying here that the only**
4 **thing you're worried about talc liabilities is if**
5 **Johnson & Johnson can't pay the whole freight?**

6 MS. FOURNIER: Objection to form.

7 THE WITNESS: Can you repeat your question.

8
9 BY MR. PLACITELLA:

10 **Q. Yeah, sure. Are you saying here that the only**
11 **time a Kenvue investor, right, should worry about talc**
12 **liabilities is if Johnson & Johnson can't pay them?**

13 MS. FOURNIER: Objection.

14 THE WITNESS: I don't think that's what we are
15 saying. I think what we are saying here is a legally
16 correct way to say that you can never ensure that the
17 other party will be fully satisfied, will be able to
18 fully satisfy. Personally, I don't think it's a likely
19 possibility.

20
21 BY MR. PLACITELLA:

22 **Q. So that does not weigh into your consideration**
23 **at all about whether you're going to invest in your own**
24 **company, swapping out your Johnson & Johnson shares?**

25 A. None at all.

80

1 the same company. Kenvue is a different company from
2 Johnson & Johnson. We have our own board. We have our
3 own set of investors. We have a portfolio of brands and
4 operations and capabilities and employees. So that's
5 very clear. What we represent to the world, which is
6 the truth, is that the Consumer Health business of
7 Johnson & Johnson is now in Kenvue.

8
9 BY MR. PLACITELLA:

10 **Q. It's essentially the same?**

11 A. It's a different company.

12 **Q. It's essentially the same?**

13 MS. FOURNIER: Objection to form.

14
15 BY MR. PLACITELLA:

16 **Q. It's essentially the same business, correct?**

17 A. It's the same business, but in two different
18 companies.

19 **Q. Right. There's no difference other than the**
20 **fact that it's in two different companies, correct?**

21 MS. FOURNIER: Objection to form.

22 THE WITNESS: There are differences in terms of
23 how we organize, how -- the employees we have. Some of
24 the products are not exactly the same. Some products
25 have been discontinued, some products, new products have

79

1 **Q. Before issuing the S4, was any evaluation done**
2 **formally within Kenvue about its exposure to talc**
3 **liabilities?**

4 A. No.

5 **Q. None? And one of the reasons that you wanted**
6 **indemnity -- you're with me with indemnity?**

7 **One of the reasons you wanted indemnity was**
8 **because you were basically holding yourself out to the**
9 **world as the same company that historically manufactured**
10 **Johnson's Baby Powder, correct?**

11 MS. FOURNIER: Objection to form.

12 THE WITNESS: We are representing Kenvue for
13 what it is, which is a former Johnson & Johnson Consumer
14 Health business.

15
16 BY MR. PLACITELLA:

17 **Q. But my question is not that. Because you were**
18 **representing yourself to the world, including investors,**
19 **as being essentially the same company as the Consumer**
20 **Health business that was owned by Johnson & Johnson, you**
21 **wanted to make sure you had indemnity.**

22 **Is that fair?**

23 MS. FOURNIER: Objection to form.

24 THE WITNESS: So there are different things in
25 what you just said. We never represented that we were

81

1 been launched under Kenvue that were not part of Johnson
2 & Johnson. So it's not exactly the same. No.

3
4 BY MR. PLACITELLA:

5 **Q. The day after you did the IPO, it was**
6 **essentially the same exact company that existed the day**
7 **before the IPO, correct?**

8 MS. FOURNIER: Objection. Asked and answered.

9 THE WITNESS: Yeah, again, it's not the same
10 company.

11
12 BY MR. PLACITELLA:

13 **Q. Operationally, was it exactly the same company**
14 **the day before and the day after?**

15 MS. FOURNIER: Objection.

16 THE WITNESS: The operations were the same.
17 Yes.

18
19 BY MR. PLACITELLA:

20 **Q. Okay?**

21 MR. PLACITELLA: Do you want to take a break?
22 We've been going for a little bit.

23 MS. FOURNIER: We've been going for about an
24 hour. You've got about five more minutes on the hour,
25 but we can take a break. Ten minute break?

82

MR. PLACITELLA: Sure.

THE VIDEOGRAPHER: The time is 11:04 a.m.
We're going off the video record.

THE VIDEOGRAPHER: The time is 11:20 a.m.
We're back on the video record.

BY MR. PLACITELLA:

Q. Thank you. So I put up page 21 from the S4, which you talked about before. And on the bottom where I've highlighted, it talks about shareholder equity. Do you see that?

A. I do.

Q. Okay. And as of January 1, 2023, the value of the businesses for shareholder was 76 billion.

Is that correct?

MS. FOURNIER: Objection.

BY MR. PLACITELLA:

Q. Is that what it says?

A. I don't know what it's -- it's a value of the shareholders equity.

Q. Right. So to the shareholders, the value as of January 2023, when you announced the IPO, was \$76,804,000,000?

A. It's not the value. It's the difference

84

MR. PLACITELLA: Unusual?

THE WITNESS: No, I don't find unusual the fact that I'm not in the ins and outs of the legal entities we operate through. I leave it to the Law Department.

BY MR. PLACITELLA:

Q. Is there some document, like delegation of authority, official document within Johnson & Johnson that says that they can transfer \$76 billion worth of assets through a subsidiary to another one without telling the person who's running the company that they're doing it?

MS. FOURNIER: Objection to form.

THE WITNESS: I think we are mixing two different things.

BY MR. PLACITELLA:

Q. Okay?

A. Everybody was well aware that we are spinning off the Consumer Health business and creating Kenvue. The details of how it's being done is handled by the Finance Department, by the Law Department, who are experts and who are interested to do it the right way.

Q. So that's my question. Was there a delegation

83

between assets and liabilities.

Q. Right. So you took your total assets, everything you owned minus everything you owed, and the net equity in the company was \$76 billion plus, correct?

MS. FOURNIER: Objection to form.

THE WITNESS: That's the difference between the two. Yes.

BY MR. PLACITELLA:

Q. Okay. So are you saying, as you sit here today, you did not know that the day before you announced the IPO, that it was Janssen Pharmaceuticals that owned the \$76 billion in equity of the company you were running?

MS. FOURNIER: Objection.

THE WITNESS: No, I'm not aware of that.

BY MR. PLACITELLA:

Q. Do you find that unusual that you, as a CEO of this company, would not know that Johnson & Johnson was transferring \$76 billion worth of assets through other subsidiaries in order to get them to Kenvue?

MS. FOURNIER: Objection to form.

THE WITNESS: Your question is do I find it unusual.

85

of authority, an official document that says when you do something like that, that you don't have to tell the CEO of the company that you're doing it? You can just do it?

MS. FOURNIER: Objection.

THE WITNESS: I don't know if there is any type of document.

BY MR. PLACITELLA:

Q. Okay. Do you know what a delegation of authority document is, in the context of a corporation?

MS. FOURNIER: Objection.

THE WITNESS: I think I do, but I'm not aware of any of that.

BY MR. PLACITELLA:

Q. You're not aware of a delegation of authority document at Johnson & Johnson that would allow them to transfer \$76 billion of your company through another company without your knowledge?

MS. FOURNIER: Objection.

THE WITNESS: I don't think it's how it works, again, as I just explained.

BY MR. PLACITELLA:

86

1 **Q. Well, they didn't tell you how they did it.**
2 **Is that what you're saying?**

3 A. I'm sorry?

4 **Q. They didn't tell you how they did it?**

5 A. Yeah, how, it's the mechanics of the transfer
6 is handled by the Law Department and the Finance
7 Department.

8 **Q. So if Janssen owns \$76 billion worth of equity**
9 **in a company and transfers it to Kenvue, doesn't that**
10 **make the value of Janssen significantly lower after the**
11 **transfer?**

12 MS. FOURNIER: Objection.

13 THE WITNESS: I don't think -- again, we don't
14 look at it this way. I think you are mixing the
15 business transfer and the mechanics of the legal
16 entities.

17
18 BY MR. PLACITELLA:

19 **Q. Well, don't you think an investor would want**
20 **to know if you were moving \$76 billion worth of asset**
21 **from one subsidiary to another? Don't you think you**
22 **should put that somewhere in the SEC statements?**

23 MS. FOURNIER: Objection.

24 THE WITNESS: I don't know, but I believe that
25 it was not deemed material and important to be put in

87

1 the SEC material.

2
3 BY MR. PLACITELLA:

4 **Q. By whom was it not deemed material important?**

5 A. By the colleagues who put the materials
6 together.

7 **Q. Specifically who?**

8 A. Maybe the Law Department.

9 **Q. Now we're talking about the J&J Law Department**
10 **now?**

11 A. You are talking about the S4 here. That's the
12 Kenvue Law Department.

13 **Q. Well, where did the Kenvue Law Department get**
14 **the equity value, at the time the IPO was announced, at**
15 **\$76,804,000,000? Where did they get that information?**

16 A. They got it from the Finance Department.

17 **Q. And the Finance Department got it from where?**

18 A. From their books.

19 **Q. All right. I want to see if I can get a**
20 **little context to move things along. You had made**
21 **statements to the press and to people within your**
22 **company to assure them that talc-based baby powder was**
23 **safe for use on people's children, correct?**

24 MS. FOURNIER: Objection.

25 A. We maintained the safety of the product. Yes.

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1 BY MR. PLACITELLA:

2 **Q. Okay. And you made those statements to your**
3 **employees?**

4 A. Correct.

5 **Q. Okay. And you made them to the public, you**
6 **personally?**

7 A. I don't recall making them to the public, but
8 I stand by the safety and the quality of the product.
9 Yes.

10 **Q. You personally assured your employees, even**
11 **the ones who were using the baby powder, that it was**
12 **safe and there was nothing to worry about, right?**

13 MS. FOURNIER: Objection.

14 THE WITNESS: We always stand by the safety of
15 the product. Yes.

16
17 BY MR. PLACITELLA:

18 **Q. Okay. And you actually referred them to**
19 **specific studies, medical studies to read, to let them**
20 **be assured of what you were saying was correct, true?**

21 A. We said -- I said that the science and medical
22 studies demonstrates the safety of the product. Yes.

23 **Q. But you actually said, "Here's the studies.**
24 **Go read them if you want to." Right?**

25 MS. FOURNIER: Objection to form.

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1 THE WITNESS: I don't remember pointing to a
2 specific document. No.

3
4 BY MR. PLACITELLA:

5 **Q. But you never read any of these studies**
6 **yourself?**

7 A. No.

8 **Q. Now, in 2010, you were working for Johnson &**
9 **Johnson, correct?**

10 A. Correct.

11 **Q. All right. And this is a document that was**
12 **produced by Johnson & Johnson dated June 14th, 2010. Do**
13 **you see that?**

14 A. I do.

15 **Q. Okay. And it's a document entitled "A Look At**
16 **the Baby GPU." Do you see that?**

17 A. I do.

18 **Q. Okay. And it describes the Johnson brand**
19 **trademark as "Johnson & Johnson's golden egg". Do you**
20 **see that?**

21 A. Yes, I do.

22 **Q. And did you understand that Johnson's to be --**
23 **the Johnson's brand to be the Johnson & Johnson's golden**
24 **egg?**

25 A. I was not part of Johnson & Johnson Consumer

90

1 Health at that point.

2 **Q. Well, is it still part of -- is it still**
3 **golden egg to you?**

4 MS. FOURNIER: Objection to form.

5 THE WITNESS: I wouldn't characterize it as
6 Johnson & Johnson's golden egg. That's not how I know
7 it or I talk about it.

8
9 BY MR. PLACITELLA:

10 **Q. Okay. Is it still an important brand to you?**

11 A. It is. It's a Johnson's brand. It's
12 important. Yes.

13 **Q. And you see on page six of the document in**
14 **front of you, Johnson & Johnson actually states that the**
15 **baby powder brand was the root for its expansion across**
16 **the globe?**

17 MS. FOURNIER: Objection to form.

18 THE WITNESS: I see that. Yes.

19
20 BY MR. PLACITELLA:

21 **Q. Okay. And is that consistent with your**
22 **understanding?**

23 A. No, I was not aware of it.

24 **Q. Okay. Now, the talc that was being used in**
25 **the Johnson's Baby Powder when you were the chair of**

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1 A. No, I have not.

2 **Q. Okay. And I want to show you specifically**
3 **page 17 of the document. Have you ever heard of the**
4 **company, by the way, SmartCube. Have ever used them?**

5 A. No, I have not.

6 **Q. I'm going to show you. Do you see where it**
7 **says "high asbestos content"?**

8 A. I do.

9 **Q. Do you see where it says: "Talc reserves in**
10 **China are characterized by their high asbestos/amphibole**
11 **content. This is likely to result in a shift by clients**
12 **to new sources requiring special gradients?"**

13 **Do you see that?**

14 A. I do.

15 **Q. Is this the first time that you learned that a**
16 **consultant for Johnson & Johnson told Johnson & Johnson**
17 **that the Chinese talc had high asbestos content?**

18 MS. FOURNIER: Objection to form.

19 THE WITNESS: I don't know what they are
20 referring to here.

21
22 BY MR. PLACITELLA:

23 **Q. Okay. You see underneath it where it says:**
24 **"In 2009, the Korean Food and Drug Administration", do**
25 **you see that?**

91

1 **Consumer Health, right, that talc came from China,**
2 **right?**

3 A. Not necessarily, no.

4 **Q. You don't know that it came from China?**

5 A. I know that we had different sources of talc.

6 **Q. What about the talc that was used in the**
7 **United States? Do you know that came from China?**

8 A. No, I don't.

9 **Q. Okay. And do you know, while you were the**
10 **chairman of the Asian Pacific sector, that the talc, the**
11 **talc was coming from a mine under your jurisdiction?**

12 MS. FOURNIER: Objection to form.

13 THE WITNESS: The talc for which.

14
15 BY MR. PLACITELLA:

16 **Q. Johnson's Baby Powder sold in Asia, let's say.**
17 **Was it coming from China?**

18 A. I think we had different sources.

19 **Q. Was one of them China?**

20 A. I don't remember.

21 **Q. You don't know as we sit here?**

22 A. I don't.

23 **Q. Okay. So I want to show you Kenvue-22. This**
24 **is a November 2nd, 2011, document; J&J APAC talc market**
25 **study. Have you ever seen this before?**

93

1 A. Yes, I do.

2 **Q. Was Korea under your jurisdiction? Were you**
3 **in charge of the operations in Korea?**

4 A. I was.

5 **Q. Okay. And did you know that the Korea Food**
6 **and Drug Administration reported high asbestos content**
7 **in the talc that came from China?**

8 A. No, I don't know that.

9 **Q. And did you know that they ultimately banned**
10 **talc-containing cosmetic products in Korea?**

11 MS. FOURNIER: Objection to form.

12 THE WITNESS: It just says here that it banned
13 sales of several cosmetic products using contaminated
14 talcs in South Korea.

15
16 BY MR. PLACITELLA:

17 **Q. Now, so let me just go back here. We'll just**
18 **try to create a timeline, all right? 2009, we just saw**
19 **that your consultant reported that the Korean FDA found**
20 **asbestos in Chinese talc?**

21 MS. FOURNIER: Objection to form.

22
23 BY MR. PLACITELLA:

24 **Q. Correct?**

25 A. I don't think that's what I read. It says

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1 that they found asbestos in some Chinese talc and then
2 some cosmetic talc products.

3 **Q. Okay. And then, in 2011, they actually gave a**
4 **report where they said that there was high levels of**
5 **asbestos in Chinese talc, right? That's what your**
6 **consultant said?**

7 MS. FOURNIER: Objection. Objection to form.

8
9 BY MR. PLACITELLA:

10 **Q. Right?**

11 A. Yeah. I don't think they were -- they were
12 not referring to J&J talc, right.

13 **Q. Well, how do you know that?**

14 A. Based on the document you showed me.

15 **Q. How do you know that?**

16 A. I don't know. It was not written.

17 **Q. So you were getting Chinese talc, but it just**
18 **wasn't referring to your talc. Is that what you're**
19 **saying?**

20 MS. FOURNIER: Objection to form.

21 THE WITNESS: In the document you've shown me,
22 just accept you did show me, it was not reference J&J.

23
24 BY MR. PLACITELLA:

25 **Q. Go back again?**

96

1 you see that?

2 A. I do.

3 **Q. All right. This is an e-mail from you,**
4 **correct? Let me blow it up for you. Right,**
5 **February 24, 2016?**

6 A. I read about that.

7 MS. FOURNIER: And before you ask any further
8 questions, let's go ahead and take a break and call the
9 Special Master about what the relevance to this is.

10 MR. PLACITELLA: Okay. Let's call the Special
11 Master.

12 THE VIDEOGRAPHER: Time is 11:40 a.m. We're
13 going off the video record.

14
15 (At this time, a short break was taken.)

16
17 THE VIDEOGRAPHER: Time is 11:59 a.m. We're
18 back on the video record.

19
20 BY MR. PLACITELLA:

21 **Q. You had previously testified in your prior**
22 **deposition that you were approached about Project Plato**
23 **about a month after the U.S. Supreme Court denied**
24 **Johnson & Johnson's petition for certiorari. Do you**
25 **recall that?**

95

1 MS. FOURNIER: Chris, let's go off the record.

2 What are we doing here? What does this have to do with
3 -- Yeah, go off.

4 THE VIDEOGRAPHER: The time is 11:37 a.m.
5 We're going off the video record.

6 THE VIDEOGRAPHER: The time is 11:38 a.m.
7 We're back on the video record.

8
9 BY MR. PLACITELLA:

10 **Q. All right. When you were working in the Asia**
11 **sector and running the Asia sector, right, you were**
12 **tracking the talc litigation in the United States, what**
13 **was going on, right?**

14 MS. FOURNIER: Objection to form.

15 THE WITNESS: I was made aware of the
16 litigation, yes, in the U.S.

17
18 BY MR. PLACITELLA:

19 **Q. And every time a verdict came down in the**
20 **United States, you were personally given notice of what**
21 **was going on, even though you were in Asia at the time,**
22 **correct?**

23 A. Yes. As part of the Executive Committee, we
24 were given regular updates on the litigation.

25 **Q. And you have in front of you Kenvue-16. Do**

97

1 MS. FOURNIER: Objection.

2 THE WITNESS: I don't recall the exact
3 sequence of events. No.

4
5 BY MR. PLACITELLA:

6 **Q. Do you recall testifying that you became aware**
7 **that the U.S. Supreme Court denied Johnson & Johnson's**
8 **petition in the Ingham case?**

9 A. I do.

10 **Q. Okay. And do you recall that happened in**
11 **approximately June of 2021?**

12 A. I don't recall exactly that.

13 **Q. Okay. And do you recall -- let me go to 24.**
14 **Exhibit 24 is a privilege log that was sent out by**
15 **Johnson & Johnson in the talc litigation, all right?**
16 **I'm not going to ask you specific questions about legal**
17 **advice, but just timing of things. Okay. And the first**
18 **thing I want to talk to you about is July 16th, 2021?**

19 A. I can't see anything.

20 THE VIDEOGRAPHER: It's not on the screen.

21 MS. FOURNIER: It's not on the screen.

22 MR. PLACITELLA: Hold on. My fault. Got it.

23 Sorry about that.

24 THE WITNESS: Now I can see it.

25

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1 BY MR. PLACITELLA:

2 **Q. July 16th, 2021, there was an e-mail from the**
3 **Assistant General Counsel Christopher Andrew to you. Do**
4 **you see that reflected?**

5 A. I see that. Yes.

6 **Q. Okay. And who was Christopher Andrew?**

7 A. He's part of the Law Department.

8 **Q. Okay. And it says: "To provide legal advice**
9 **regarding due diligence plan for proposed corporate**
10 **restructuring." Do you see that?**

11 A. I do.

12 **Q. That's the 19th. Now do you see before that,**
13 **there is a separate entry 7/16/2021. Do you see that?**

14 A. I see 2/27/19. Not 2021.

15 **Q. Right. See where, underneath that, it talks**
16 **about 03:00 p.m. e-mail 7/16/2021. It says, "draft**
17 **presentation created by" --**

18 THE VIDEOGRAPHER: Hang on. Let me get the
19 door. Go ahead.

20
21 BY MR. PLACITELLA:

22 **Q. -- J&J general counsel Christopher Andrew?**

23 A. I do.

24 **Q. Okay. It says: "Providing counsel's legal**
25 **advice regarding diligence plan for proposed corporate**

100

1 BY MR. PLACITELLA:

2 **Q. I'm just asking you what diligence plan is**
3 **being referred to?**

4 A. I don't remember.

5 **Q. Do you recall getting a presentation**
6 **concerning a diligence plan for the restructuring?**

7 A. I don't recall the details, though.

8 **Q. Does this refresh your memory of the timing of**
9 **when you first learned about the restructuring?**

10 MS. FOURNIER: Objection to form. Also, asked
11 and answered.

12 THE WITNESS: Project Plato, yeah, it's summer
13 2021.

14
15 BY MR. PLACITELLA:

16 **Q. Okay. Of July?**

17 A. It says July. Yes, July 16, July 19.

18 **Q. Now -- and then, I asked you before about**
19 **Kenvue-25, the July 19th board of directors' meeting**
20 **with various people present. Do you see that?**

21 A. I do.

22 **Q. All right. Does that -- if you put those two**
23 **things together, does that refresh your recollection**
24 **that Project Plato was discussed at the board of**
25 **directors' meeting on September 9 -- on July 19th, 2021?**

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1 **restructuring." Do you see that?**

2 A. Yep.

3 **Q. Okay. Does that refresh your recollection as**
4 **to when the first time you had any discussions about the**
5 **spinoff of the consumer health group?**

6 MS. FOURNIER: Objection to form.

7 A. That was linked to -- that has nothing to do
8 with the spinoff of the Consumer Health business.

9
10 BY MR. PLACITELLA:

11 **Q. Okay. Is this all having to do with Project**
12 **Plato?**

13 A. That's Project Plato. Yes, it is.

14 **Q. All right. So does that refresh your memory**
15 **that you had discussions as early as July 16, 2021,**
16 **about the subject of the restructuring?**

17 A. If that's what it says here, yes.

18 **Q. Okay. And it talked about a diligence plan.**
19 **What diligence plan is this referring to?**

20 MS. FOURNIER: Objection. Form. To the
21 extent you know without revealing conversations with
22 counsel.

23 MR. PLACITELLA: I don't want any legal advice
24 that was provided, okay?
25

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1 MS. FOURNIER: Objection to form.

2 THE WITNESS: I don't know if Project Plato
3 was discussed at this meeting.

4
5 BY MR. PLACITELLA:

6 **Q. Well, was it normal, by the way, to have a**
7 **board of directors' meeting and have all these other**
8 **management people attend? Was that a normal thing that**
9 **happened?**

10 A. I don't recall the agenda, but if you have
11 members of management like this, probably because we are
12 doing a business update to the board.

13 **Q. Okay. And would the business update include**
14 **projects like Project Plato?**

15 MS. FOURNIER: Objection to form.

16 THE WITNESS: No, it would not.

17
18 BY MR. PLACITELLA:

19 **Q. It would not, okay?**

20 MR. GARDE: I'm supposed to tell you Special
21 Master has called and has some additional questions. So
22 I don't know where you are and whatever you're doing.
23 Do you want to take a break now and deal with it or?

24 MR. PLACITELLA: If she's ready, I'm ready.

25 THE VIDEOGRAPHER: Time is 12:07 p.m. We're

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1 going off the video record.

2
3 (At this time, a short break was taken.)

4
5 THE VIDEOGRAPHER: Time is 12:15 p.m. We're
6 back on the video record.

7
8 BY MR. PLACITELLA:

9 **Q. I read your prior transcript. So I'm just**
10 **trying to move through this as fast as I can, be**
11 **respectful of your time. You approved the creation of**
12 **LTL and the corporate restructuring on October 11, 2021?**

13 A. Correct.

14 **Q. Okay. And then three days later, on**
15 **October 14th, LTL filed bankruptcy?**

16 A. Correct.

17 **Q. And at that time, Johnson & Johnson had a**
18 **series of press statements issued concerning the**
19 **bankruptcy.**

20 **Is that fair?**

21 A. I guess, yes.

22 **Q. And those press statements were actually**
23 **circulated inside of Johnson & Johnson?**

24 MS. FOURNIER: Objection to form.

25 THE WITNESS: Usually, when a press release is

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1 -- before the press releases or at the time the press
2 release is released, there is an internal communication
3 of it.

4
5 BY MR. PLACITELLA:

6 **Q. Right. You had an embargoed press release**
7 **that was waiting there for the filing.**

8 **Is that fair?**

9 MS. FOURNIER: Objection to form.

10 THE WITNESS: I don't know about that.

11
12 BY MR. PLACITELLA:

13 **Q. I'll show you Kenvue-33. Have you ever seen**
14 **this embargo press release, October 14th, 2021?**

15 A. I don't remember, but maybe.

16 **Q. Okay. Less than a month later, you, Johnson &**
17 **Johnson announced the intention to separate the Consumer**
18 **Health business out to Kenvue.**

19 **Is that fair?**

20 A. In November 2021.

21 **Q. Okay. And you were involved in the work**
22 **leading up to that announcement?**

23 A. Correct.

24 **Q. What was your involvement?**

25 A. Preparing for the communication.

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1 **Q. Were there a series of meetings related to**
2 **that?**

3 A. I don't remember, but probably, yes. Yes.

4 **Q. Okay. Were there any minutes or documents**
5 **created about the announcement of the IPO before the**
6 **announcement was made internally?**

7 A. I don't remember.

8 **Q. Okay. Let me just skip ahead. I'm trying to**
9 **fill in. We're waiting to see what the court says on**
10 **certain things, so I'm just trying to fill in around it.**
11 **Is it fair that on August 11, 2022, you announced the**
12 **transition to all cornstarch baby powder for the United**
13 **States?**

14 A. Sorry. Can you repeat that question.

15 **Q. On August 11, 2022, you announced the**
16 **transition to all cornstarch baby products sold in the**
17 **United States For J&J talcum powder?**

18 MS. FOURNIER: Objection to form.

19 THE WITNESS: No. I think you are referring
20 to the announcement we made that we would transition the
21 talc-based version of Johnson's Baby Powder to
22 cornstarch based.

23
24 BY MR. PLACITELLA:

25 **Q. Correct?**

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1 A. Johnson's Baby Powder globally.

2 **Q. Right. And you did that on August 11th, 2022?**

3 A. Maybe, yeah.

4 **Q. Okay. And on what, on September -- strike**
5 **that?**

6 **In December 22nd, 2022, you changed the name**
7 **of JJCI to J&J Holdco, correct?**

8 MS. FOURNIER: Objection to form.

9 THE WITNESS: That I'm not aware of. No.

10
11 BY MR. PLACITELLA:

12 **Q. Okay. So let me just go to -- do you know who**
13 **John Kim is?**

14 A. Who?

15 **Q. John Kim. Do you know who he is?**

16 A. He's a member of the Law Department.

17 **Q. Okay. Did you have dealings with him when you**
18 **were working for J&J?**

19 A. Not directly, no.

20 **Q. He filed an affidavit with Judge Kaplan**
21 **indicating that in December 2022, new JJCI, that's the**
22 **company that you were in charge of, partly, correct?**
23 **They were under your jurisdiction, right?**

24 MS. FOURNIER: Objection to form.

25 THE WITNESS: That was one of the legal

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1 entities. Yes. Of the Consumer Health.

2
3 BY MR. PLACITELLA:

4 **Q. Changed its name to Johnson & Johnson Holdco**
5 **NA, Inc., a New Jersey corporation, right? Were you**
6 **aware of that?**

7 A. No.

8 **Q. Okay. And then it says that in -- so you**
9 **weren't part of any of the meetings or decisions**
10 **regarding that name change, just to be clear?**

11 A. No.

12 **Q. All right. He goes on to state in his**
13 **affidavit that "in early January '23, Holdco transferred**
14 **its consumer business assets to its parent entity." See**
15 **that?**

16 A. Okay.

17 **Q. Okay. And that's not something you knew**
18 **nothing about?**

19 A. No.

20 **Q. Okay. I want to show you a chart that was**
21 **attached to Mr. Kim's affidavit talking about the**
22 **organizational structure of LTL Management Inc?**

23 **Have you ever seen this chart before?**

24 A. No, I have not.

25 **Q. Do you see where it lists the parent entity of**

108

1 **Have you ever read the opinions by Judge**
2 **Kaplan in dismissing the bankruptcy?**

3 A. No, I have not.

4 **Q. Okay. He states in his opinion in early**
5 **January 2023, "Holdco spun off its Consumer Health**
6 **business to its parent entity, Janssen Pharmaceuticals,**
7 **Inc." Do you see that?**

8 A. I do.

9 **Q. As you sit here today, your testimony is you**
10 **knew nothing about that?**

11 A. No.

12 **Q. What was the reason why, while you were**
13 **working, while you were on the board of directors of**
14 **Johnson & Johnson, that you were tracking the results of**
15 **the talc trials?**

16 A. So I was not a member of the board of Johnson
17 & Johnson. I was a member of the Executive Committee of
18 Johnson & Johnson.

19 **Q. Sorry. I stand corrected. Let me rephrase**
20 **the question?**

21 A. Yeah.

22 **Q. What was the reason, while you were a member**
23 **of the Executive Committee, why you were tracking the**
24 **results of the talc verdicts involving Johnson & Johnson**
25 **and JJCI?**

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1 **Johnson & Johnson Holdco as Janssen Pharmaceuticals?**

2 A. I think that's what he -- yes.

3 THE VIDEOGRAPHER: I'm sorry. You knocked
4 your mic off.

6 BY MR. PLACITELLA:

7 **Q. Oh, I knocked my mic. It's getting close to**
8 **lunch. I guess I'll have to hold it. Oh, here it is?**

9 **On this chart, in January of 2023, were you**
10 **working for any of the entities on this chart?**

11 A. In January of 2023, I was working for Johnson
12 & Johnson.

13 **Q. So Johnson & Johnson was the entity you were**
14 **working for? That's who was paying you?**

15 A. I don't know which legal entity is, but I was
16 working for the Johnson & Johnson company.

17 **Q. Okay. You were not working, at that point,**
18 **for Johnson & Johnson Holdco?**

19 A. I don't think so.

20 **Q. Okay?**

21 A. I'm not aware of the legal entity I'm attached
22 to.

23 **Q. I understand. I'm just going to show you**
24 **this. This comes directly from the opinion issued by**
25 **Judge Kaplan in his decision?**

109

1 A. I was not tracking it. As part of regular
2 business, we would be given regular updates on ongoing
3 litigations regarding the company, including talc. The
4 other thing that, when an event was happening, like a
5 verdict, we would be made aware of it by the Law
6 Department.

7 **Q. Okay. And the reason you were being made --**
8 **why was it important for you to know those things?**

9 MS. FOURNIER: Objection to form.

10 THE WITNESS: Why was it important?

12 BY MR. PLACITELLA:

13 **Q. Yes?**

14 A. Because it was part of the important
15 litigation regarding the company.

16 **Q. Did it have an impact on your perspective of**
17 **the valuation of the company?**

18 MS. FOURNIER: Objection.

19 THE WITNESS: No. No.

21 BY MR. PLACITELLA:

22 **Q. Not at all?**

23 A. No. You should know that, if you have read my
24 previous testimony, that I was -- the litigation was
25 handled by the Law Department. So for me, I was focused

110

on the operational management of the business.

Q. As it should be?

A. As it should be.

Q. Okay. But what happened in the lawsuits was still important to the management of the company, correct?

A. Absolutely. We need to understand what's going on in litigation regarding the --

Q. I mean, it ultimately led to your splitting the company up?

MS. FOURNIER: Objection to form.

A. No, it's not. What, these are two unrelated topics.

BY MR. PLACITELLA:

Q. Well, you say it's unrelated, but the fact that you had the pressure from the lawsuits caused you to restructure JJCI and attempt to put the liabilities in one place and the assets in the other, right?

MS. FOURNIER: Objection to form.

A. That's two different things. If you are talking about the restructuring of the JJCI and the creation of LTL, that was done with the objective to, as I said, to create this forum where plaintiffs could get their case considered and resolved in a fair and

111

equitable way. That's what the creation of LTL was about.

BY MR. PLACITELLA:

Q. When you say "fair and equitable", fair and equitable to who?

A. For the plaintiffs.

Q. Oh, so you're not fair and equitable to Johnson & Johnson?

A. And for Johnson & Johnson, it would also be important.

Q. And who made the determination that it would be fair and equitable to the plaintiffs to take their right to a jury trial away from them?

MS. FOURNIER: Objection to form.

THE WITNESS: That's how the Law Department presented it.

BY MR. PLACITELLA:

Q. So that was a determination made by the Law Department?

A. Yes.

Q. It wasn't you as an executive at Johnson & Johnson saying: "This is how we're going to treat people fairly." It was the lawyers who said: "This is

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what we're going to do?"

MS. FOURNIER: Objection to form.

THE WITNESS: It was a recommendation from the department. Yes.

MR. PLACITELLA: Thank you. It's 12:30. It's a good breaking time, so let's break and maybe with a little work, I can shorten things up.

MS. FOURNIER: That's fine.

THE VIDEOGRAPHER: Time is 12:30 p.m. We're going off the video record.

(At this time, a short break was taken.)

THE VIDEOGRAPHER: The time is 01:37 p.m. We're back on the video record.

BY MR. PLACITELLA:

Q. All right. Good afternoon?

A. Good afternoon.

Q. I'll try not to keep you all afternoon. I put in front of you Kenvue-28, which is an October 5th, 2021, e-mail from you to Mr. Duato. Do you see that?

A. I do.

Q. Okay. Do you recognize that e-mail?

A. I do.

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Q. In that e-mail, and this was during the time that the -- what was the reason for this e-mail?

A. It was to give Joaquin Duato a view on adjustments to our plan for the following year.

Q. And when you say "adjustments to your plans", what do you mean by that?

A. Topics that were not included in the long-range financial plan and that would be included in the business plan for the following year.

Q. Okay. And do you have a formal business plan that you circulate every year?

A. Yes, we do.

Q. And did that formal business plan, at any point in time, mention the Project Plato or Project Diamond?

A. I don't remember if it did.

Q. Okay. In this e-mail to Mr. Duato, you indicate "Project Plato (no impact for the enterprise.)" What did you mean by that?

A. Because we were -- as part of Project Plato, we assigned some royalty streams that were previously in my P&L to LTL. So it was just to mention that these revenues would be taken out of the P&L I had responsibility for and moved to LTL. And so from a Johnson & Johnson point of view, there was no -- it was

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1 just a move from one P&L, the one I had responsibility
2 for, to another P&L that I didn't have responsibility
3 for.

4 **Q. Okay. So it was going to have no impact on
5 the entity you were responsible for?**

6 MS. FOURNIER: Objection.

7 THE WITNESS: No, it would not have no impact
8 on the Johnson & Johnson enterprise.

9
10 BY MR. PLACITELLA:

11 **Q. Overall?**

12 A. Overall. Because my business will not have
13 these revenues anymore, but another entity of Johnson &
14 Johnson would have these revenues. It's not like these
15 revenues disappeared for Johnson & Johnson.

16 **Q. Okay. Kenvue-29 is five days later, 10/10/21.
17 Project Plato master Q&A. Do you see that?**

18 A. I do.

19 **Q. Have you seen that before?**

20 A. Yes, I have.

21 **Q. And when did you see that before?**

22 A. It was probably when we were getting ready for
23 the announcement.

24 **Q. Okay. What announcement?**

25 A. Project Plato.

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1 **Q. I understand. But this is what's being told
2 to the employees, correct?**

3 MS. FOURNIER: Objection to form.

4 THE WITNESS: It's elements provided to
5 employees so they can answer questions.

6
7 BY MR. PLACITELLA:

8 **Q. Okay. In 29-5, the question is asked: "Does
9 this mean that JJCI will stop selling talc-based
10 Johnson's Baby Powder globally?" And what this -- this
11 is basically a primer? What would you call this? Q&A?
12 How should I refer to it?**

13 MS. FOURNIER: Objection to form.

14
15 BY MR. PLACITELLA:

16 **Q. This document?**

17 A. This document.

18 **Q. Yeah?**

19 A. Yeah. It's talking points.

20 **Q. Okay. Talking points?**

21 A. Uh-huh.

22 **Q. It says: "This action does not impact the
23 global availability of Johnson's Baby Powder." Correct?**

24 A. Correct.

25 **Q. There's a question 38: "What does this mean**

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1 **Q. Who was it intended for?**

2 A. It's intended for employees who may get
3 questions about the project and give them talking points
4 and elements so they can answer the questions.

5 **Q. Okay. And who drafted this, do you know?**

6 A. I don't know. Usually, it's done by the
7 Communications Department.

8 **Q. Okay. And what was the source of the
9 information in this Q&A? Where did the substantive
10 information come from?**

11 A. Usually, these are done between the
12 Communications Department and the Law Department.

13 **Q. From the Law Department?**

14 A. Uh-huh.

15 **Q. Okay. You indicate in 29-3 that -- the
16 question is: "What impact does this have on the
17 operations of Johnson & Johnson, JJCI, and other
18 affiliates?" Correct?**

19 A. Correct.

20 **Q. And you indicate "no impact, business as
21 usual", correct?**

22 A. I don't indicate, right? That's a Q&A put
23 together by the teams, not --

24 **Q. Well, that -- okay. It's not you?**

25 A. Yeah.

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1 **for employees of Johnson & Johnson?" And what is stated
2 is: "This has no impact on Johnson & Johnson's business
3 operations, including the Consumer Health sector, or
4 those employees who support the Johnson's brand
5 globally." Correct?**

6 A. Correct.

7 **Q. That includes the people who are involved in
8 the manufacturing and selling baby powder, correct?**

9 A. Correct.

10 **Q. And under question 39, it says: "Will this
11 have any impact on corporate structure?" What's
12 indicated is: "Accordingly, corporate structure will
13 not be impacted by this announcement. Employees
14 continue to work for Johnson & Johnson and roles and
15 responsibilities remain the same?"**

16 **Is that your understanding of what the
17 circumstances were?**

18 A. Yes. Correct. There was no impact for any
19 employee of Johnson & Johnson.

20 **Q. The question is: "Why is Johnson & Johnson
21 taking these actions instead of waiting to assess the
22 Bellwether cases in the multi district litigation and
23 what can be learned from them?" See that? Is there
24 anything in here that talks about being fair to the
25 claimants?**

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1 A. I think there are two valid points clearly
2 outlined.

3 **Q. There's nothing in here that talks about being**
4 **fair to the claimants, like you testified to today,**
5 **correct?**

6 MS. FOURNIER: Objection to form.

7 THE WITNESS: It doesn't mention these words.
8 No.

9
10 BY MR. PLACITELLA:

11 **Q. Okay. And it says: "If only a small fraction**
12 **of the pending cases yield these types of award, the**
13 **assets available to pay current and future claimants**
14 **could be exhausted. This, coupled with the excessive**
15 **associated legal costs would make continued litigation**
16 **unsustainable for any company?"**

17 **Does that includes Johnson & Johnson, sir?**

18 A. Any company. Yes.

19 **Q. So, what you're forecasting for the plaintiff,**
20 **for the employees is, if there are too many verdicts,**
21 **sizable verdicts, the assets of the company could be**
22 **exhausted, right?**

23 MS. FOURNIER: Objection to form.

24 THE WITNESS: I think what it says is that
25 there had been a number -- there had been arbitrary,

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1 MS. FOURNIER: Objection to form.

2 THE WITNESS: Again, I was not talking to
3 employees. These were talking points that were provided
4 to employees.

5
6 BY MR. PLACITELLA:

7 **Q. I thought you said before, these were talking**
8 **points for the employees to use if they were asked**
9 **questions.**

10 **Is that fair?**

11 A. As well. As well.

12 **Q. Right. So the employees were being told that,**
13 **if they're asked questions, they should say that the**
14 **assets of Johnson & Johnson could be exhausted?**

15 MS. FOURNIER: Objection to form.

16 THE WITNESS: I think there was a mention --
17 yes, there was a mention about that the assets available
18 to pay current and future payments could be exhausted.

19
20 BY MR. PLACITELLA:

21 **Q. Was that information ever included in any**
22 **financial statement put out by Johnson & Johnson? Any**
23 **10-K or anything like that?**

24 A. I don't know.

25 **Q. Should it have been, if that's the conclusion**

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1 extraordinary verdict in state courts and that
2 contradicted the science and yielded outside the -- and
3 that the assets to pay current and future claims could
4 be exhausted.

5
6 BY MR. PLACITELLA:

7 **Q. All right. Had you ever disclosed this**
8 **information to the investors or the SEC, that you were**
9 **forecasting that assets could be exhausted of Johnson &**
10 **Johnson?**

11 MS. FOURNIER: Objection to form.

12 THE WITNESS: I don't think we ever forecasted
13 anything.

14
15 BY MR. PLACITELLA:

16 **Q. Well, it says: "If only a small fraction of**
17 **the pending cases yield these type of awards" -- and**
18 **they're talking about extraordinary verdicts, right --**
19 **"the assets available to pay current and future**
20 **claimants could be exhausted." And you're talking about**
21 **Johnson & Johnson's assets, correct?**

22 A. I'm not sure what it was referring to.

23 **Q. Well, what did you mean by that, the assets**
24 **could be exhausted, when you were talking to your**
25 **employees?**

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1 **you came to?**

2 A. I don't know. I don't know. I'm not a
3 lawyer.

4 **Q. Okay. Kenvue-31. Let me just blow it up for**
5 **you. This is an e-mail that was sent around, dated**
6 **10/11, I guess, the very next day. The subject is**
7 **"project approval memorandum for approval today."**
8 **Correct?**

9 A. Correct.

10 **Q. And it was given to you and others, fair?**

11 A. Correct.

12 **Q. And it's asking for your approval of the**
13 **restructuring under Project Plato, correct?**

14 A. Correct.

15 **Q. And on the first page of the attached memo,**
16 **one of the things you're asked to approve is the**
17 **implementation of steps involving the restructuring that**
18 **will allow new JJCI to operate the consumer -- J&J**
19 **Consumer Health business in the United States without**
20 **interruption, correct?**

21 A. "Without interruption and provide LTL with the
22 opportunity to pursue a process to resolve current and
23 future claims in an equitable and efficient manner."
24 That's what's written here. Yes.

25 **Q. Okay. So I have a question, which is, since**

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1 you approved this, it says: "Step one, we request the
2 approval of the following activities in connection with
3 the restructuring. Step one, Janssen Pharmaceuticals,
4 Inc. forms Cure-A Holding Company, Inc. (Cure-A Holding
5 Co.) a New Jersey company that is treated as a C
6 corporation for federal income tax purposes?"

7 Do you know why that was created that way?

8 A. No, I don't.

9 Q. Okay. It then goes on to say, "JPI, that's
10 Janssen Pharmaceuticals," that's the company that was
11 making the drugs, right, the pharmaceutical division?

12 MS. FOURNIER: Objection to form.

13 THE WITNESS: That's a legal entity. That's
14 one of the legal entity that we use at J&J to --

15
16 BY MR. PLACITELLA:

17 Q. And they were involved in drugs and medical
18 devices. Is that fair?

19 A. If you talk about the pharmaceutical segment
20 of Johnson & Johnson as you talk about the consumer
21 health segment of Johnson & Johnson, absolutely. Yes.

22 Q. Okay?

23 A. Right.

24 Q. It says --

25 A. But here, it's about a legal entity. What are

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1 Q. But my point is, you didn't really spend a lot
2 of time before you approved this transaction, really
3 understanding the ins and outs of it?

4 MS. FOURNIER: Objection.

5 THE WITNESS: I did rely on the subject matter
6 experts who put together this recommendation.

7
8 BY MR. PLACITELLA:

9 Q. Did you previously testify that you spent
10 maybe 90 minutes on the whole thing, soup to nuts?

11 MS. FOURNIER: Objection.

12 THE WITNESS: I didn't spend 90 minutes. I
13 testified that it took me 90 minutes between the time I
14 received the e-mail and the time I approved it.

15
16 BY MR. PLACITELLA:

17 Q. Oh. So you got the e-mail with all the
18 information in this thing, and 90 minutes later, you
19 approved it?

20 A. Correct.

21 Q. Because you didn't do any independent analysis
22 of the fairness of this e-mail to the companies that you
23 were managing, true?

24 MS. FOURNIER: Objection.

25 THE WITNESS: I was aware of Project Plato

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1 the difference between the operational management and
2 the legal entity.

3 Q. Okay. It says, "JPI, that's Janssen
4 Pharmaceuticals, contributes 100 percent of ownership
5 interest in JJCI to Cure-A Holding Company?"

6 Do you see that?

7 A. I do.

8 Q. How much ownership interest did Janssen
9 Pharmaceuticals have in JJCI at the time of the
10 restructuring?

11 A. I don't know.

12 Q. Did you know that, before today, that JJCI was
13 owned by Janssen Pharmaceuticals?

14 A. No, I didn't.

15 Q. So you didn't spend a lot of time going over
16 this proposal, right? You basically rubber stamped it.
17 You didn't know all the details?

18 MS. FOURNIER: Objection.

19 THE WITNESS: No, these type of technical
20 details are handled by the Law Department. I rely on
21 colleagues who are experts in these areas; and so I
22 trust that they did the due diligence required to make
23 the right decision.

24
25 BY MR. PLACITELLA:

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1 since July, as we talked about earlier. And so I was
2 aware of the project and this type of memo shows me who
3 was involved in -- shows you who is involved in the due
4 diligence, summarizes the different steps, and so I had
5 no objection.

6
7 BY MR. PLACITELLA:

8 Q. Okay. I didn't see anything in this memo,
9 unless I missed it, about being fair to the claimant
10 that you talked about. Is there a different document,
11 internal document, amongst the management that talks
12 about the reason for doing this is to be fair to the
13 claimant?

14 A. I think you had it in the first paragraph.

15 Q. Please show me. Here?

16 A. "Choice of current and future claims in
17 equitable and efficient manner."

18 Q. Where does it say about being fair to the
19 claimants?

20 A. Yes, equitable and efficient.

21 Q. Well, doesn't that mean equitable and
22 efficient for Johnson & Johnson?

23 MS. FOURNIER: Objection to form.

24 THE WITNESS: It's for all parties, as I
25 understand it.

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BY MR. PLACITELLA:

Q. Okay. Now I just want to back up a little bit on the timeline of where we were, okay, to reorient ourselves. Try to get through this as quickly as I can. All right?

This morning, we went through the findings by the Korean FDA. Recall that?

A. I do.

Q. Okay. And then we talked about the consultant advising Johnson & Johnson of the high levels of asbestos in Chinese talc. Recall that?

MS. FOURNIER: Objection to form.

THE WITNESS: I do recall.

BY MR. PLACITELLA:

Q. Okay. By the way --

A. Remember that it was not all cosmetic talc products, if I recall correctly, your document.

Q. Right. You're fair. That's fair?

A. And for the Chinese thing, it was not J&J's talc specifically.

Q. Okay. Well, here's the Answers to Interrogatories labeled Kenvue-37 from 11/10/2017. You were in charge of the Asia operations back then, right?

MS. FOURNIER: Objection to form.

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A. Okay. Okay.

Q. So you guys are looking at each other, you want me to ask a different question? Okay. So the reason I'm asking this is, if the talc was coming from China beginning in 2010, do you know whether that's true or not?

A. I don't know.

Q. Okay. So in 2000 and -- well, let me just go to it. You had previously testified in the bankruptcy hearings, correct? Yes?

A. Yes.

Q. Okay. And in that testimony, did you say that you were aware of asbestos verdicts while you were working in Asia? Talc verdicts?

A. Absolutely.

Q. Okay. And this is where we stopped before. This is an e-mail from you on February 24, 2016, where you write: "Dear colleagues." Who was this addressed to? Who was supposed to get this?

A. It's the consumer employees in Asia Pacific.

Q. Okay. So everybody who worked for you --

A. In Asia Pacific.

Q. -- got this e-mail?

A. Yes.

Q. And what you told them and what happened is

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THE WITNESS: I joined the business in 2014 with J&J.

BY MR. PLACITELLA:

Q. Right. And according to the sworn Answers to Interrogatories, the talc for Johnson & Johnson's Baby Powder from 2010 on came from China. Do you have any reason to dispute that?

A. I don't know. What's this document.

Q. It's Answers to Interrogatories, sworn Answers to Interrogatories. See that?

A. Yeah.

Q. Okay. And according to these sworn answers, you were getting your talc from China from 2010 forward, correct? I'll go back to it?

A. I don't know what I'm really looking at, at all.

Q. So 2010 to the present --

A. I know what I'm reading, but you --

Q. -- they're requiring --

A. But you asked me to confirm if the talc was coming from this source. The answer is I don't know, and I'm not really sure what I'm looking at here.

Q. Okay. Well, they are sworn answers. I don't want to belabor if you don't know anything. Okay?

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you got news of a verdict in the United States, correct?

A. Yeah, that much we tell here.

Q. And you reached out to the employees to tell them that "regardless of what the verdict said, our product is safe based on 30 years of research and scientific review." Correct?

A. Correct.

Q. And just to move it along, I'm going to show you your testimony from January 19, 2022, on page 124. And you were asked questions about what you were telling shareholders, and you said that "our product is safe and it does not contain asbestos." That's what you were saying, correct?

A. Correct.

Q. And at that point in time, you never related to anyone when you were telling the shareholders and employees that the products contain asbestos, that your own consultant told you in 2010 that the Chinese talc contained asbestos, or 2011?

MS. FOURNIER: Objection to form.

THE WITNESS: First of all, I'm not familiar with the documents you showed me earlier, but I relied on the conclusion of our medical safety team.

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BY MR. PLACITELLA:

Q. Well, didn't you previously testify that the only person you could remember talking to was Susan Nicholson?

MS. FOURNIER: Objection to form.

THE WITNESS: Dr. Susan Nicholson was one of the members of the Office of the Chief Medical Officer who worked on these topics and was a trusted reference, yes.

BY MR. PLACITELLA:

Q. Okay. But she never did any of the testing on the talc herself, correct?

A. Her job is not to do the testing. Her job is to review the literature, review the science, and have an opinion on the safety of the product. That's what the Chief Medical Officer office does.

Q. Right. And have you ever reviewed any of her testimony in the Middlesex County Superior Court?

A. I have not.

Q. Okay. You actually tracked -- there was a case tried in the Middlesex County Court called Barden. Do you recall that? Mr. Gorsky testified in that case?

A. I don't remember that.

Q. Well, you were tracking that case as it was

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progressing, weren't you?

MS. FOURNIER: Objection to form.

THE WITNESS: I don't remember this exact case.

BY MR. PLACITELLA:

Q. In July -- well, here, let me just move this. You know that in July of 2018, there was a verdict in the Ingham case. That was something you were tracking, correct?

MS. FOURNIER: Objection to form.

THE WITNESS: The Ingham case? Yes, we got an update on that one.

BY MR. PLACITELLA:

Q. Right. And you knew that J&J was assessed \$3.15 billion and JJCI \$990,000,000 in a verdict in that case, correct?

A. I remember the case was -- the verdict was big.

Q. Okay. And here's a memo from 1/31/2020 from a Donna Lorenzen. Who's she?

A. She's in the Communications Department.

Q. All right. And this is to you. Now, at this point, you are running the worldwide operation for

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Consumer Health, correct?

A. Correct.

Q. Okay. And this memo goes to you. And the subject is "informed talc news next week." Do you see that?

A. Yes, I do.

Q. It states: "We expect to close the Barden case on Tuesday, February 4, and receive a verdict from the jury on the matter of punitive damages shortly. As you recall, we lost the Barden case in September '19, and we were ordered to pay \$37.3 million in compensatory damages." Do you see that?

A. I do.

Q. Does that refresh your memory that you were tracking the progress of the Barden case while you were the CEO of Consumer Health?

MS. FOURNIER: Objection to form.

THE WITNESS: So I was not the CEO, again, of Consumer Health. I was the worldwide chairman.

BY MR. PLACITELLA:

Q. I'm sorry, you're correct?

A. And again, I was not tracking. The way it works at J&J is the Law Department handles all the communication. So as manager of the Consumer Health

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segment, I don't track everything. That's not my role. That's not my responsibility. Whenever a case -- an update requires to be made to the Executive Committee, the department or when there is potential external communication, the Communications Department as well gives the respective executives an update on what happened or what's about to happen. So it's not about tracking. It's about being updated on the developments.

Q. Okay?

A. And getting an overview or background information on what's happening.

Q. Who decides what you and the Executive Committee are being told about what's going on in the litigation?

A. The Law Department.

Q. Were you aware that, internally, your company was actually analyzing and tracking, for example, Mr. Barden's exposure to baby powder and whether it caused his mesothelioma?

MS. FOURNIER: Objection to form.

THE WITNESS: No.

BY MR. PLACITELLA:

Q. Do you know what an event report is?

A. No, I don't.

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1 **Q. You see the run date is 4/27/2018? See that**
 2 **up in the upper right hand corner?**

3 A. I see it.

4 **Q. Okay. And the company mentioned is J&J**
 5 **Consumer. And the date this information was entered was**
 6 **March 29, 2017. Do you see that?**

7 A. I see that.

8 **Q. And it says: "Douglas Barden, plaintiff, used**
 9 **and was exposed to asbestos-containing Johnson & Johnson**
 10 **talc powder products, contracted mesothelioma. See**
 11 **that?**

12 A. I can see that.

13 **Q. So as part of the information that was being**
 14 **conveyed to you while you were being updated on the**
 15 **Barden case, during the course of the case, did anyone**
 16 **ever tell you that your own Medical Department was**
 17 **looking at Barden's medical records to see if Johnson's**
 18 **Baby Powder could have caused his mesothelioma?**

19 MS. FOURNIER: Objection to form.

20 THE WITNESS: No. It's not my responsibility,
 21 so it was not part of the legal update.

22
 23 BY MR. PLACITELLA:

24 **Q. Okay. Would that have been important for the**
 25 **Executive Committee to know that you were litigating a**

135

1 **case two blocks away from the world headquarters and**
 2 **that your own medical team was making an assessment and**
 3 **concluding that Mr. Barden's mesothelioma could possibly**
 4 **be caused by Johnson's Baby Powder?**

5 MS. FOURNIER: Objection to form.

6 THE WITNESS: Again, it's really -- the way it
 7 works is that we have very competent technical teams,
 8 whether the Law Department or the Office of the Chief
 9 Medical Officer, who handle these cases and we trust
 10 their expertise in these areas.

11
 12 BY MR. PLACITELLA:

13 **Q. Okay. So for example, if I just go down to**
 14 **the bottom of the next page -- the same page, you see**
 15 **where it talks about categories and it says "serious**
 16 **file type, adverse event modified, causality possible."**
 17 **Do you see that?**

18 A. I see that.

19 **Q. That's nothing that was ever communicated to**
 20 **you by the Law Department, correct?**

21 A. No.

22 **Q. Okay. Are you aware that on April 27, 2020,**
 23 **the Federal MDL handed down a ruling denying Johnson &**
 24 **Johnson's motion to exclude the medical evidence on**
 25 **causation between Johnson's Baby Powder and ovarian**

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1 **cancer?**

2 MS. FOURNIER: Objection to form.

3 THE WITNESS: I'm not sure what you are
 4 referring to.

5
 6 BY MR. PLACITELLA:

7 **Q. Do you know that there was a big hearing**
 8 **before the judge in Trenton and Johnson & Johnson was**
 9 **trying to keep medical evidence out or have experts**
 10 **stricken that were going to testify that Johnson's Baby**
 11 **Powder caused ovarian cancer? Were you ever aware of**
 12 **that?**

13 MS. FOURNIER: Objection to form.

14 THE WITNESS: Yeah, I might have been by --
 15 yeah.

16
 17 BY MR. PLACITELLA:

18 **Q. Okay. And were you made aware by the Legal**
 19 **Department that Johnson & Johnson's effort to do that**
 20 **failed?**

21 MS. FOURNIER: Objection to form.

22 THE WITNESS: That's probably part of the
 23 updates.

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1 BY MR. PLACITELLA:

2 **Q. Okay. And am I correct, then, that on**
 3 **February 9 -- I'm sorry -- on May 19th, 2020, Johnson &**
 4 **Johnson removed asbestos-containing baby powder from the**
 5 **U.S. markets?**

6 MS. FOURNIER: Objection to form.

7 THE WITNESS: I think you are mixing up many
 8 things here.

9
 10 BY MR. PLACITELLA:

11 **Q. Go ahead.**

12 A. First of all, we have always been clear that
 13 our Johnson's Baby Powder does not contain asbestos. So
 14 that's one thing.

15 The other thing is, where you are correct is
 16 that, and I don't remember the exact date, but if you
 17 mention it, it's probably true, that we announced in
 18 2020 the discontinuation of talc-based Johnson's baby
 19 product in the United States.

20 **Q. Okay?**

21 A. These are two very different things.

22 **Q. Fair enough. I misspoke. You say that there**
 23 **was no asbestos in the baby powder, but you've never**
 24 **actually looked at the Johnson & Johnson tests that**
 25 **showed there's asbestos in the baby powder, have you?**

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MS. FOURNIER: Objection to form.

THE WITNESS: Correct. I rely on the experts in the company, whose job is to do that.

BY MR. PLACITELLA:

Q. Okay. Now -- and then, am I correct then, just for timeline, that in June 23rd, 2020, the Missouri Supreme Court upheld the Ingham verdict? Are you aware of that?

A. Can you repeat that.

Q. The Ingham verdict --

A. Yes.

Q. -- that you were being apprised of --

A. Yes.

Q. -- that ultimately went to the Missouri Supreme Court?

A. Oh, yeah, I remember that.

Q. Okay?

A. Yes.

Q. And that was upheld by the Missouri Supreme Court on June 23rd, 2020, correct?

A. I don't remember, but if you say so.

Q. Okay. And I'll ask Mr. Ruh the next question. Did that verdict, the upholding of that verdict, have a negative financial effect on Johnson & Johnson Consumer

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THE WITNESS: Again, I don't remember the exact day that we announced the discontinuation. Yes.

BY MR. PLACITELLA:

Q. Okay. And you were part of that decision, correct?

A. I was part of this decision. Yes, absolutely.

Q. And the reason for that decision was what?

A. The North America team came to me with a recommendation to discontinue the product. That was a small product for us. Volume had been declining all along after years of misrepresentation of the quality of our product with consumers, millions of dollars of advertisement by plaintiffs with allegations about the product. And so the volumes were down and so there was no point keeping the product on the market.

Q. Well, you say misrepresentations. And it wasn't just plaintiffs. There were juries that spoke and said that your product was harming people, true?

MS. FOURNIER: Objection to form.

THE WITNESS: Yes. The advertising, as I said, made an allegation that the product was unsafe. And we maintained that the product is safe.

BY MR. PLACITELLA:

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Health?

A. I think this verdict, we were very disappointed. And, if I recall correctly, that's when we had to book financially, the verdict in the books of the company.

Q. Okay. That's the one I was going to ask Mr. Ruh about. Why did you have to book the verdict then?

A. Because it was -- I'm not an expert in accounting, but I don't remember the exact words that need to be true to book it. But it was probable enough, I would say in my own words, to book it in the books.

Q. Okay. So that would have a negative financial effect on the company, correct?

A. That would have a negative impact on the company. Yes.

Q. Okay. And then in 2020, you also learned that the FDA was holding hearings concerning asbestos in talc, correct?

A. Was the FDA? Yes, absolutely. I don't remember the exact date, again, but I remember that the FDA had these hearings.

Q. All right. And then in the spring of 2020, you stopped selling talc-based baby powder in the United States and Canada, true? At least directly?

MS. FOURNIER: Objection to form.

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Q. Let me ask the question again. By that time, multiple juries had spoken and said your product was unsafe, true?

A. I don't know multiple juries. Again, I'm not in the details of the mitigation.

Q. The Ingham jury said your product was unsafe?

A. The Ingham jury. Yes.

Q. The Barden jury, right in your backyard, said the product was unsafe, right?

MS. FOURNIER: Objection to form.

THE WITNESS: That I'm not sure about.

BY MR. PLACITELLA:

Q. Remember, we just went over the document that showed the verdict in Middlesex County?

A. Yeah, you showed it to me. Yes.

Q. So the Barden jury spoke. They were New Jersey residents and from Middlesex County, where your corporate headquarters were, and they spoke and they said your product was unsafe, correct?

MS. FOURNIER: Objection to form.

THE WITNESS: So that's what they said. Yes.

BY MR. PLACITELLA:

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1 Q. Okay. And we skip ahead for a year to
2 June 2021. And that's when the U.S. Supreme Court
3 denied your petition for certification, right?

4 A. Yeah.

5 Q. All right. And then the next month is when
6 you first had discussions about both the -- well, the
7 restructuring, right?

8 MS. FOURNIER: Objection to form.

9 THE WITNESS: And discussion about Project
10 Plato. Yes, if that's what you are referring to.

11
12 BY MR. PLACITELLA:

13 Q. Correct. And then how long after that did you
14 have discussions about the spinoff of JJCI to Kenvue?

15 A. It was in summer '21 as well.

16 Q. So after at least multiple juries had spoken,
17 your petition was denied to the Supreme Court. At that
18 point, in the same summer, you had discussions about
19 both the spinning off to Kenvue and the restructuring
20 and trying to move the liability to LTL, true?

21 A. Correct.

22 Q. For context now, in October of 2021, you
23 approved the creation of LTL and the restructuring and
24 the filing of the bankruptcy, true?

25 A. No, not true.

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1 you announced to the world that you were going to
2 spinoff the Consumer Health Division to Kenvue, true?

3 A. Correct. Totally unrelated, but true.

4 Q. And that was November 2021, correct?

5 A. Correct.

6 Q. And then you testified in court before Judge
7 Kaplan in February of 2022, correct?

8 A. Correct.

9 Q. And that was on a motion to dismiss?

10 A. That was a -- I don't remember exactly what I

11 --

12 Q. Whether the bankruptcy was going to be
13 dismissed or not?

14 A. Yes.

15 Q. Okay. And in that same month, you sold
16 \$8 million of your Johnson & Johnson stock, right?

17 MS. FOURNIER: Objection.

18 THE WITNESS: I don't remember that detail.

19
20 BY MR. PLACITELLA:

21 Q. You don't remember selling \$8 million of
22 Johnson & Johnson stock right around the time you were
23 testifying?

24 A. I would need to look at the detail of that.

25 Q. Okay. And at the end of -- in November of

143

1 Q. Okay?

2 A. So what I approved, as you have seen in the
3 memo, is a creation of LTL.

4 Q. Okay?

5 A. I didn't approve the bankruptcy of LTL.

6 Q. I misspoke. I apologize?

7 A. Let's be very clear.

8 Q. You're 100 percent right. I apologize?

9 So you approved, on October 11th, the creation
10 of LTL?

11 A. Correct.

12 Q. And three days later, it filed for bankruptcy?

13 A. Correct.

14 Q. Who made that decision three days after you
15 approved it?

16 MS. FOURNIER: Objection to form.

17 THE WITNESS: I think it was the board of LTL.

18
19 BY MR. PLACITELLA:

20 Q. When you approved the creation of LTL, did you
21 have any idea of the plan that they were going to file
22 for bankruptcy three days later?

23 A. I knew it was a possibility that the board of
24 LTL would make this decision. Yes.

25 Q. Okay. And then less than 30 days after that,

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1 2022, you sold another \$4 million of Johnson & Johnson
2 stock, right?

3 A. Correct.

4 Q. Okay. And a couple of months later is when
5 all the assets got transferred over to Kenvue, right?

6 A. Well, if the IPO took place in May 2023,
7 correct.

8 Q. Okay. All right. I want to take a couple of
9 minutes because I want to focus myself down and I won't
10 be having that much longer. Okay?

11 THE VIDEOGRAPHER: The time is 2:25 p.m.
12 We're going off the video record.

13
14 (At this time, a short break was taken?)

15
16 THE VIDEOGRAPHER: The time is 2:46 p.m.
17 We're back on the video record.

18
19 BY MR. PLACITELLA:

20 Q. All right. I'm getting toward the end. So I
21 put up your testimony in a federal court from 2/15/2022
22 and just going to blow up the part I'm interested in.
23 It says: "Over the years, I've seen them, you know,
24 pursuing a different number of different avenues trying
25 to resolve this case." What did you see? What avenues

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1 **did you see them trying to resolve the case?**

2 A. I felt that, you know, with the updates along
3 the years, the Law Department pursued multiple avenues
4 to try to solve the case; and not successfully.

5 **Q. What avenues?**

6 A. You talked about the Supreme Court hearing
7 that was denied at the federal level, the appeal to the
8 Missouri Supreme Court, the number of cases that were
9 litigated, so a number of cases.

10 **Q. So when you were saying that, you weren't**
11 **saying that they were trying to settle cases. You were**
12 **saying that there were a number of ways to try to stop**
13 **the litigation.**

14 **Is that fair?**

15 MS. FOURNIER: Objection to form.

16 THE WITNESS: To solve all these cases. Yes,
17 for these cases to be solved.

18
19 BY MR. PLACITELLA:

20 **Q. So I just want to be clear because I was a**
21 **little confused by your testimony. When you say "and**
22 **resolve the case", you meant in favor of J&J? In other**
23 **words, to stop the litigation completely, not to pay**
24 **people, correct?**

25 A. To provide -- yeah, to resolve the case. Yes.

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1 MS. FOURNIER: Objection to form.

2 THE WITNESS: Again, I don't know the detail.
3 I'm not a lawyer, so I don't know what it means, but
4 it's -- I don't know the exact terms of the case to find
5 a resolution for all these cases.

6
7 BY MR. PLACITELLA:

8 **Q. And resolution means settle or get the case**
9 **dismissed? That's what I'm trying to understand?**

10 MS. FOURNIER: Objection.

11 THE WITNESS: Yeah, find a solution for each
12 case.

13
14 BY MR. PLACITELLA:

15 **Q. What do you mean by that?**

16 A. You look at this, litigation has been going on
17 for a very long time. You have I don't know how many
18 cases going on, but many, many cases. In all these
19 years, very few have been -- have had the opportunity to
20 be resolved one way or another.

21 **Q. Okay. This was testimony was on the 15th of**
22 **February, 2022, right?**

23 A. Correct.

24 **Q. And was it the week before that, you sold your**
25 **\$8 million worth of stock?**

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1 **Q. Well, what were you made aware of, of them**
2 **trying to solve or settle the case on a global basis?**
3 **Is that what you're saying?**

4 MS. FOURNIER: Objection to form.

5 THE WITNESS: No, what I'm saying is that this
6 litigation has been going on for a long time and I know
7 the Law Department has pursued different avenues to
8 solve, to get this case resolved.

9
10 BY MR. PLACITELLA:

11 **Q. Meaning to stop the case, not to settle the**
12 **case?**

13 MS. FOURNIER: Objection to form.

14 THE WITNESS: Yeah. For the case to be --

15
16 BY MR. PLACITELLA:

17 **Q. Dismissed?**

18 A. Well, what do you mean by "stopped"?

19 **Q. To have the case dismissed? Be over?**

20 A. For the case to be, yeah, resolved one way or
21 another.

22 **Q. Okay. It's probably me because it's late in**
23 **the day. It wasn't to compensate people for their**
24 **injuries. It was to put an end to the litigation to get**
25 **it out of Johnson & Johnson's hair, right?**

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1 MS. FOURNIER: Objection.

2 THE WITNESS: I told you I would need to look
3 at the details.

4
5 BY MR. PLACITELLA:

6 **Q. Well, do you know that your stock sales are a**
7 **matter of public record, right?**

8 A. Yeah.

9 **Q. So let's assume it was sometime in the week,**
10 **two weeks before that. Then you testified in the**
11 **bankruptcy, correct?**

12 A. Correct.

13 **Q. Okay. And then, did Kenvue then -- well, did**
14 **J&J then file its 10-K two days after you testified in**
15 **the bankruptcy?**

16 A. That I don't know.

17 **Q. So I'm looking at the 10-K for 2022 for, I**
18 **guess, 2021, correct? And there's a section called**
19 **"risks related to plan separation of our consumer**
20 **business." Right?**

21 A. Yes.

22 **Q. And it talks about what the risks would be,**
23 **true?**

24 A. It says that: "The plan separation of the
25 company's Consumer Health business may not be completed

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on the terms or timeline currently contemplated, if at all."

Q. Okay?

A. "And may not achieve the expected results."

Q. Okay. And then in the continuation, you say: "Following the plan separation" -- when I say "you", I mean J&J -- "the price of shares of the company stock may fluctuate significantly." Correct? You say: "The company cannot predict the effect of the plan separation on the trading price and market value of the shares." Correct?

A. Yes.

Q. But you already sold \$8 million of shares before that was released to the public, didn't you?

MS. FOURNIER: Objection to form.

THE WITNESS: Yeah, I don't see the link between the two.

BY MR. PLACITELLA:

Q. Okay. Lastly, I want to go back to the J&J Baby Store. Remember, this is where we were before, and I did the search for talc. Can you see the search is still up there for talc?

A. Uh-huh.

Q. See that? And that was done here in your

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Q. It's on your online store. You know this is happening, right?

MS. FOURNIER: Objection to form.

THE WITNESS: No, I don't.

BY MR. PLACITELLA:

Q. It's in your online store. Let's just go to the back of this one. In your online store, you are selling Johnson's Baby Powder in the United States over the Internet that contains talc, correct?

MS. FOURNIER: Objection to form.

BY MR. PLACITELLA:

Q. That's what it said?

MS. FOURNIER: Objection to form.

THE WITNESS: No, we are not selling Johnson's Baby -- talc-based Johnson's Baby in the United States. And we have not sold it for some time now.

Q. Okay. When people in the United States are in Yonkers, for example, or others, and giving you reviews, that doesn't mean it's being sold in the United States?

A. I think if you look at one of the reviews, it will show.

Q. Sure. Sure. Which one do you want?

A. Go back, go down, scroll down.

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presence. Recall that?

A. That you did the search.

Q. Yeah?

A. Yeah, earlier today.

Q. Okay. Yeah. And if I scroll down, and I get to a thing, Johnson's Baby Powder for delicate skin. See that? Remember, we talked about what the ingredients were?

A. Yes.

Q. Okay. And some of this is cornstarch. We agree on that? Some of these products are cornstarch?

A. Correct.

Q. Okay. And then I go here on the Johnson & Johnson website, the Baby Store. I go to Johnson's Baby Powder. And this says "Johnson's Baby Powder original four pack." See that?

A. I can see that. Yes.

Q. Says I can get it delivered to my house by September 6th. See that?

A. Yes.

Q. Okay?

A. You also see that it's not sold by J&J.

Q. Yeah, but it's in your store, sir?

MS. FOURNIER: Objection to form.

BY MR. PLACITELLA:

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Q. Made in Taiwan?

A. Yeah.

Q. Do not purchase?

A. Keep going. Any legal -- so I'm not sure what you are looking at, but it seems to be a fraudulent.

Q. Well, it's fraudulent. I don't understand how you say it's fraudulent. It's on your website?

MS. FOURNIER: Objection to form.

BY MR. PLACITELLA:

Q. It's on your website. And does it not say here, "4 ounce container of baby powder, pure talc formula, clinically proven to be gentle and mild for your baby's skin"?

A. Yeah. To be very precise, this is something you find on Amazon at the price of \$49.80, which is outrageous when you look at the normal price for regular product. And that is sold by a company I've never heard about.

Q. Yeah. But, sir, it's advertised in the Johnson Baby Store?

A. So you cannot say it's sold by J&J.

Q. But, sir, it's your website, the Johnson's Baby Store, and it's listed on your website?

MS. FOURNIER: Objection. Asked and answered

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multiple times. Mischaracterizing a document, mischaracterizing his testimony. We have been through this. You can try to prove that Amazon is not J&J Baby Store.

MR. PLACITELLA: Excuse me. Excuse me. Excuse me. That is not a form objection. It is a speaking objection.

MS. FOURNIER: But I have gave a form objection enough times.

MR. PLACITELLA: Please, don't do this. Don't do this.

MS. FOURNIER: Objection to form. For the hundredth time, asked and answered.

MR. PLACITELLA: That's also not a permissible objection.

MS. FOURNIER: Objection to form. Asked and answered.

MR. PLACITELLA: That's also not a permissible objection.

MS. FOURNIER: Do it again. Ask your question again.

MR. PLACITELLA: Keep going. All right. Let's --

MS. FOURNIER: You've asked it, like, ten times at this point.

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A. That's something they will probably deal with, but that's -- I would assume they do that.

Q. Okay. When you leave here today -- when you leave here today, what actions are you going to take to make sure that talc-based baby powder are no longer available for sale in the United States of America?

MS. FOURNIER: Objection to form.

THE WITNESS: I think our Law Department will continue to do their job, which is to signal to Amazon that there is a fraudulent sale on their site.

BY MR. PLACITELLA:

Q. I'm asking you, now that you've seen this, what action will you take to make sure that talc-based baby powder is no longer available for sale in the United States?

MS. FOURNIER: Objection.

THE WITNESS: What I will do is, as I told you, to signal to our Law Department that there is a fraudulent activity going on, on the Internet.

BY MR. PLACITELLA:

Q. Okay. Thank you. Those are all the questions I have. Thank you?

MS. FOURNIER: I have some questions. All

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MR. PLACITELLA: Okay. That's a form objection?

MS. FOURNIER: Objection to form.

MR. PLACITELLA: Okay, good. Thank you.

MS. FOURNIER: Move on.

MR. PLACITELLA: Thank you.

BY MR. PLACITELLA:

Q. Sir, did we not find this product on the Johnson & Johnson Baby Store website on the Internet?

MS. FOURNIER: Objection to form.

THE WITNESS: No, we found that on Amazon.com.

BY MR. PLACITELLA:

Q. And have you ever sent a cease and desist order to Amazon telling them not to sell talc-containing baby powder?

A. That I don't know.

Q. Do you know that your lawyer told the federal court that you did that?

A. Well, that's -- I wouldn't be surprised because that's what our Law Department is responsible to do.

Q. And that's something that you wouldn't be told whether -- so how come it's still on the Internet then?

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right.

BY MS. FOURNIER:

Q. Mr. Mongon, does Kenvue have the same shareholders as J&J?

A. No, it doesn't.

Q. Does it have the same management structure as J&J?

A. No, it doesn't.

Q. Do you have a sense of how many people work for Kenvue?

A. About 22,000.

Q. And did those 22,000 people all come from JJCI?

A. No.

Q. Did they all come from J&J?

A. No, they don't.

Q. How many buildings does Kenvue operate around the world, if you know?

A. I don't know.

Q. Do you have a sense whether all those buildings were formerly JJCI buildings?

A. Oh, no, absolutely not. No.

Q. Were they all buildings owned by some J&J entity?

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1 A. It depends. As I said earlier, in some
2 buildings that are occupied by Kenvue today, used to be
3 J&J offices. In other geographies, we moved to a new
4 office. So it depends on the geography.

5 **Q. Are talc-based baby powders the same product**
6 **as cornstarch-based baby powders?**

7 A. No, it's a different formulation.

8 **Q. Are you aware of any allegations that**
9 **cornstarch-based baby powder contains asbestos as a**
10 **contaminant?**

11 A. No.

12 **Q. Has Kenvue ever sold talc-based baby powders**
13 **in the United States and Canada?**

14 A. No.

15 **Q. The other products of J&J Consumer that Kenvue**
16 **took on, has Kenvue continued all of those products?**

17 A. Not all of them. Certain products have been
18 discontinued and new products have been launched since
19 the IPO.

20 **Q. You were asked a question about the day before**
21 **the IPO and the day after the IPO about the business.**
22 **And you gave an answer that operationally, it was the**
23 **same. Do you remember that question and answer?**

24 MR. PLACITELLA: Objection. Leading.

25 THE WITNESS: Yes, this morning. Yes.

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1 **explains what you understand the indemnity to be?**

2 A. I think the S4 that we reviewed today is a
3 good document.

4 MS. FOURNIER: I have paper copies, but do you
5 want to just pull it up since you pulled it up on the
6 screen before?

7 MR. PLACITELLA: The S4?

8 MS. FOURNIER: Yes, the S4.

9 MR. PLACITELLA: What page do you want?

10 MS. FOURNIER: You were looking at page 52
11 with him.

12 MR. PLACITELLA: Hold on. Okay.

13 MS. FOURNIER: All right. So if you can blow
14 up the area that you highlighted and also the sentence
15 below it. That's great.

16
17 BY MS. FOURNIER:

18 **Q. Mr. Mongon, why don't you read into the record**
19 **the sentence or two that's right below the part that**
20 **Mr. Placitella focused on with you?**

21 A. "Although talc-based baby powder was
22 discontinued by Johnson & Johnson in the United States
23 and Canada in 2021 and Kenvue never manufactured or sold
24 it in those markets, Kenvue has been named in claims and
25 lawsuits. And Johnson & Johnson has agreed to indemnify

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1 BY MS. FOURNIER:

2 **Q. Can you just explain what you mean by**
3 **"operationally, it was the same"?**

4 A. Between the two days, between before and
5 after.

6 **Q. Exactly?**

7 A. If you take an external view on the
8 operations, there was no interruption between the day
9 before the IPO and the day after the IPO. So I'm very
10 proud and I'm very proud of the teams who have worked in
11 such a way, there has been no interruption or disruption
12 to the business linked to this separation.

13 **Q. And is that because Kenvue is the same exact**
14 **company as JJCI?**

15 A. As I said this morning, Kenvue is a different
16 company from JJCI or J&J Consumer Health.

17 **Q. And then, just one more question, switching**
18 **gears a little. You were asked some questions this**
19 **morning by Mr. Placitella about the indemnity that is**
20 **provided to Kenvue from J&J. Do you recall that series**
21 **of questions?**

22 A. I do.

23 **Q. Is there a particular public filing or**
24 **document that you believe sort of best captures or**
25

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1 Kenvue in those matters pursuant to the aforementioned
2 indemnity for the talc-related liability."

3 **Q. And is that the section of the S4 that you**
4 **were referring to?**

5 A. I think it explained very clearly what we have
6 told you.

7 MS. FOURNIER: Those are all my questions.

8 MR. PLACITELLA: Okay. A couple of questions.

9
10 BY MR. PLACITELLA:

11 **Q. The S4 swap that you're offering, for lack of**
12 **a better -- or exchange, how does that work in layman's**
13 **terms?**

14 A. Exchange. Johnson & Johnson will give you a
15 number of -- you will get -- you will receive a number
16 of Kenvue shares in exchange for a number of your
17 Johnson & Johnson shares.

18 **Q. Is it a one-for-one exchange?**

19 A. No.

20 **Q. How's it work?**

21 A. It has a ratio. So depending on the stock
22 price of each stock in the market, the average of the
23 stock price in the last three days of the exchange,
24 which is this week, it will determine the ratio that
25 will be offered to J&J shareholders.

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Q. So how would it work? Explain it to a layman. I have 100 shares of Johnson & Johnson. How many Kenvue shares am I going to get?

A. You don't know yet. At the end of the exchange period, you will be communicated the exact ratio depending on the price of the Kenvue share and the J&J share. So if the J&J share is worth \$100 and the Kenvue share is worth \$20, you will be given five shares. And there's also an element of discount that you get as part of this transaction.

Q. So the value is supposed to be roughly equal?

MS. FOURNIER: Objection to form.

THE WITNESS: The value --

BY MR. PLACITELLA:

Q. In other words, the value that you're giving up, the J&J share, and the value for the Kenvue share, the formula is supposed to be that they're roughly equal value?

A. It is approximately the same plus a discount to give you an additional incentive to tender your shares, your J&J shares.

Q. So you'll actually get a little more than an equal exchange?

A. At the date of the exchange. Yes.

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A. No, that's exactly what this exchange offer is about.

Q. To decrease their share? Is there anybody from Johnson & Johnson on the Kenvue board, by the way, now?

A. Yes.

Q. Who?

A. Two. Joe Wolk and Peter Fasolo.

Q. Okay. And how many people on the board in total?

A. Eleven.

Q. Should the S4 -- given what we saw on the Internet, should the S4 be amended to say Kenvue never intentionally sold Johnson's Baby Powder in these markets? Is that the fair way to say it?

MS. FOURNIER: Objection.

THE WITNESS: No, it's not. Kenvue does not sell and has never sold talc-based Johnson's Baby Powder in the U.S.

BY MR. PLACITELLA:

Q. How much talc-based baby powder is still on the shelves in U.S. stores?

MS. FOURNIER: Objection.

THE WITNESS: I don't know. But given the

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Q. Okay. So it sounds like a good deal. How come you're not jumping on it?

MS. FOURNIER: Objection to form.

THE WITNESS: I'm not -- I'm not a financial advisor. And so if you want more details on the transaction, you can ask our banks or J&J. I'm not giving you any advice and I'm not recommending anybody to take any action. So if you look at my conversations with employees or yourself or investors, we never make any recommendations. That's for you to make your own decision. That's a personal decision.

BY MR. PLACITELLA:

Q. Yeah. That's why I'm asking. Like, you're the CEO. You're going to get this good deal. You're running the company, but you're still having trouble making a decision. How come?

MS. FOURNIER: Objection.

THE WITNESS: That's my personal decision as it is a personal decision on every other exchange issued?

BY MR. PLACITELLA:

Q. Okay. Is it still Johnson & Johnson's intent to retain 90 percent of the shares of Kenvue?

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amount of time that has elapsed since we announced it, I believe it's a very small amount. I cannot tell you that there is no, but it's probably insignificant?

BY MR. PLACITELLA:

Q. When you were at J&J, they never issued a recall of all the talc-based baby powder in the United States, correct?

A. No.

Q. They did issue a recall of a lot that the FDA found asbestos in, correct?

A. These are two different things. There was a test that the FDA did a number of years ago and, out of abundance of precaution, while the test, our own internal tests were ongoing, we did recall this particular lot. The discontinuation of the product was not linked to the quality of the product. So there was no recall. They never recalled the product.

Q. My question was simply did you recall the lot of the product that the FDA found asbestos in? Yes or no?

A. We did recall it out of abundance of precaution as we were ongoing our own tests.

Q. Okay. Okay. And Kenvue itself has never issued a recall of the talc-based Johnson's baby product

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1 that's on the shelves in the stores in the United
2 States, correct?

3 MS. FOURNIER: Objection.

4 THE WITNESS: We have never recalled a product
5 that we have never sold. No, at Kenvue.

6 MR. PLACITELLA: That's all. Thank you.

7 MS. FOURNIER: I don't have additional
8 questions, but I do need to put a few things onto the
9 record before we officially go off.

10 So the first is to repeat what I already said
11 this morning, particularly since we did it again this
12 afternoon, that I'm going to object to the use of this
13 deposition around the questions concerning the website
14 unless or until they are printed out, the exact pages
15 that you were showing and landing on, and they're made
16 part of the record as an exhibit.

17 MR. PLACITELLA: Well, let's do it. You got
18 your tech people here. We'll do it.

19 MS. FOURNIER: I don't have my tech people
20 anywhere because I don't work at this firm.

21 MR. PLACITELLA: Well, no, a guy came in and
22 said, you need anything, we're at their -- counsel,
23 let's just do it when it's over.

24 MS. FOURNIER: We can certainly attempt to do
25 it when it's over.

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1 certainty, Chris, one way or the other, whether or not
2 that they are protected by the protective order or
3 confidentiality order in LTL. There are a couple of
4 documents I suspect were, because they are otherwise
5 privileged and there were certain decisions made in that
6 case. And so for the very same reason, I would say,
7 please, I'm putting you on notice that that protective
8 order holds, the confidentiality order holds, and I
9 would expect those portions of the deposition would not
10 otherwise be used or made public without sorting through
11 those issues.

12 So those are the three things I wanted to put
13 you on notice of.

14 MR. PLACITELLA: So let's do it this way.
15 We'll get the transcript, you'll look at it, you'll tell
16 me what pages and what documents, and then we'll have a
17 conversation.

18 MS. FOURNIER: Yep. Exactly. If we have to
19 go to the Court, we will. I wanted you to be aware.

20 MR. PLACITELLA: If we need to go to the
21 Court, we'll do it. Because I have no intention of
22 violating any order. I actually thought that -- well,
23 doesn't matter.

24 MS. FOURNIER: I don't know about the LTL
25 documents. I do know my position on the stock issue.

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1 MR. GARDE: We can try. It's not my office.

2 MS. FOURNIER: It's not my office or his
3 office or any of our offices, but it needs to be done
4 before you can use the portion of the deposition.

5 MR. PLACITELLA: That's your position.

6 MS. FOURNIER: Number two -- yes, I'm going to
7 take that position with the Court.

8 Number two, I'm going to take the position
9 that I'm going to ask the protective order that's in
10 place, the general protective order in the cases in New
11 Jersey, apply to the portions of the deposition related
12 to his personal stock. You asked questions to him about
13 his personal stock and his sales or decisions not to
14 sell the stock.

15 I understand that his compensation is publicly
16 disclosed, but his personal stock decisions are not.
17 And so unless or until you make a showing on that, I'm
18 going to ask that the protective order provided those
19 portions of the deposition. And you can have a debate
20 and a dispute about that, but I'm putting that on the
21 record so there can be no confusion and you don't
22 proceed in some way with having known that that was the
23 position I was taking.

24 And then the third is, there are particular
25 documents that you showed, and I do not know with

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1 And if we have to have a dispute about that or we have
2 to in the MDL, we will do that.

3 And then the website issues, we can see when
4 we close down the deposition if someone here can assist
5 us. If not, there's obviously a video that we can very
6 easily match up which pages you were pulling up.

7 MR. PLACITELLA: Well, I actually can do
8 screenshots of the pages.

9 MR. GARDE: As I say, this is not any of our
10 offices. So let me go and see if there's somebody here.

11 MR. PLACITELLA: I think I can just do
12 screenshots and send them to the court reporter. We can
13 go through the pages and agree to it and make life easy.

14 MS. FOURNIER: I think that's fine as a
15 starting point in a way to try to do this. And I took
16 enough notes of what was up there and who the sellers
17 were that I think I will recognize the pages that you're
18 pulling up.

19 MR. PLACITELLA: That's fine. What I'm not
20 trying to do is get sideways with you over protected
21 documents.

22 MS. FOURNIER: No, I understand.

23 MR. PLACITELLA: If there are.

24 MS. FOURNIER: That's why I'm making the
25 record.

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1 MR. PLACITELLA: It wasn't my understanding
2 that there were any, but I've been wrong before and I'll
3 be wrong again. So I will tell you, it will not be
4 distributed.

5 MS. FOURNIER: No.

6 MR. PLACITELLA: It'll go to us and you, and
7 you'll look at it, and we'll deal with it.

8 MS. FOURNIER: Right. Great. Thank you.

9 MR. GARDE: That's what counsel proposed.

10 MS. FOURNIER: Yep, perfect.

11 MR. PLACITELLA: No problem.

12 MS. FOURNIER: Thank you.

13 THE VIDEOGRAPHER: The time is 3:16 p.m. This
14 is the end of today's deposition. We're going off the
15 record.

16 (Witness excused.)

17 (Deposition concluded at 3:16 p.m.)
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1 CERTIFICATION

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4 I, Kara Hackett, Professional Court
5 Reporter and Notary Public, do hereby certify that the
6 foregoing is a true and accurate transcript of the
7 stenographic notes taken by me in the aforementioned
8 matter.
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21 DATE: August 14, 2023
22 Kara Hackett
23 Court Reporter
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