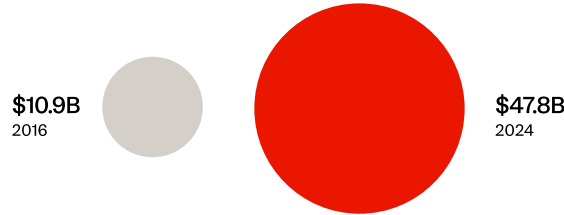


J&J IM works to ensure patients' access to treatments and cures

Increasing rebates and discounts:

In 2024, J&J provided \$47.8 billion in rebates, discounts and fees to insurers, PBMs, hospitals, government programs and other healthcare entities.¹

Rebates, discounts and fees, 2016 vs. 2024¹

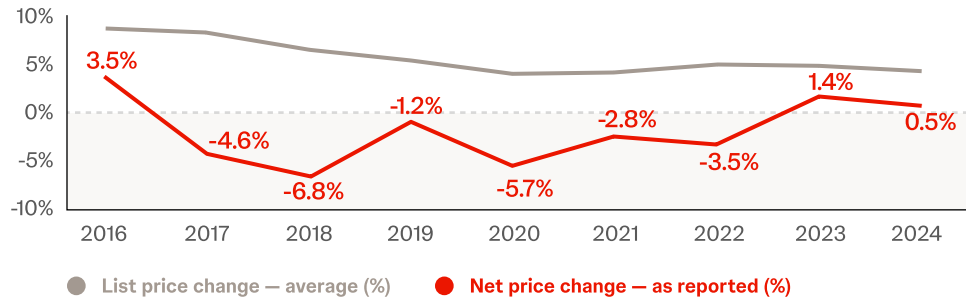


Our average net prices have declined a compounded 18.2% since 2016¹

The changes in our net prices are below overall inflation growth, and are significantly below the change in our list prices.

Net percent change in J&J Innovative Medicine prices, 2016 – 2024¹

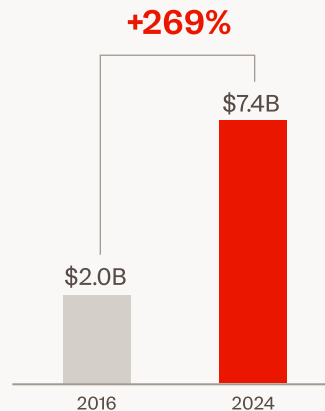
Net percent change (%), compared to previous year



The 340B Program was designed by Congress to be a narrowly tailored, targeted program enabling manufacturers to restore deep discounts that manufacturers historically had provided voluntarily to safety net providers.

- However, the program has grown out of control as for-profit pharmacy chains and larger health systems have used it to boost profits without directly benefiting patients either in the outpatient clinic or at the pharmacy counter.²
- Profits from 340B now account for nearly \$65 billion — 10% of gross brand medicine spending — and continue to grow unchecked.³ Larger hospital systems are spending less on charity care than they are receiving in 340B markup profits.⁴

Johnson & Johnson discounts to 340B providers¹



Growth in rebates, discounts and fees, 2016–2024¹

Private insurers and pharmacy benefit managers

\$1.7B in 2016 → \$14.7B in 2024
↑8.8x

Medicare Part D

\$1.3B in 2016 → \$7.1B in 2024
↑5.4x

Medicaid

\$1.4B in 2016 → \$4.3B in 2024
↑3x

The VA and DOD*

\$0.7B in 2016 → \$2B in 2024
↑2.9x

340B providers

\$2.0B in 2016 → \$7.4B in 2024
↑3.7x

Community clinics

\$1.5B in 2016 → \$5.6B in 2024
↑3.7x

Non-340B hospitals

\$0.6B in 2016 → \$0.7B in 2024
↑1.2x

Distributors

\$0.8B in 2016 → \$2.1B in 2024
↑2.6x

Other healthcare entities†

\$0.9B in 2016 → \$3.9B in 2024
↑4.3x

*Department of Veterans Affairs and Department of Defense
† "Other healthcare entities" refers to other sites of care, less known payer organizations and other healthcare intermediaries.

Citations

1. Figure according to Johnson & Johnson internal financial accounting. Values may have been rounded.
2. Bristol Myers Squibb, "Growing concerns with 340B program abuse," November 26, 2024. <https://www.bms.com/340b-rebate-model-litigation/340b-program-integrity-challenges.html>. Accessed June 2025.
3. Ellie Blalock, Mira Ferritto, and Jeannie Taylor, "The Pharmaceutical Supply Chain, 2013–2023," Berkeley Research Group, January 2025. https://cdn.agilityio/phrma/global/blog/import/pdfs/PhRMA_Supply-Chain-2013-2023.White-Paper.V484.pdf.
4. Derek Jenkins and Vivian Ho, "Nonprofit Hospitals: Profits And Cash Reserves Grow, Charity Care Does Not," *Health Affairs*, June 2023. <https://www.healthaffairs.org/doi/10.1377/hlthaff.2022.01542>.