



Press Release

Gathering Innovation Strength to Capture New Value
Johnson & Johnson is Recognized as the First Foreign-Funded Open Innovation Platform by the Shanghai Municipal Government

SHANGHAI, February 3, 2021 – Johnson & Johnson, a global leader in healthcare, was recognized as the first foreign-funded open innovation platform to have been accredited by the Shanghai Municipal Government, in accordance with its *Shanghai Government Regulations on Encouraging the Establishment and Development of Foreign-invested Centers* issued on December 1, 2020. The recognition paves the way for Johnson & Johnson to support Shanghai in the development of globally influential scientific innovation centers and adds renewed impetus to the company's efforts to play a lead role in improving global resource allocation and developing further drivers for innovation.

Johnson & Johnson has been actively expanding its external innovation model for some time, working to introduce innovative new products and technologies, helping the government to enhance its local R&D capabilities, and contributing to the development of an open innovation ecosystem. The success of these efforts have been ensured, in large part, thanks to its impressive innovation network in the region, which includes the Johnson & Johnson Asia Pacific Innovation Center and JLABS @ Shanghai, a life science innovation incubator.



Johnson & Johnson's JLABS @ Shanghai, the world's largest JLABS and the first in Asia Pacific

Launched in June 2019, JLABS @ Shanghai is the world's largest JLABS and the first in Asia Pacific, located in Shanghai's Zhangjiang Hi-Tech Park. As part of the collaboration between Johnson & Johnson, the Shanghai Municipal Government, Pudong

New Area Government and Zhangjiang (Group) Co., Ltd, JLABS @ Shanghai provides 4,400 square meters of laboratory and networking space that can accommodate more than 50 life sciences and healthcare start-ups across pharmaceuticals, medical device, consumer and health tech.

The incubator provides resident innovators with a capital efficient and flexible platform, where companies will have complimentary access to our world class lab facilities and infrastructure, a global network of industry experts in science, technology and financing, as well as mentorship through Johnson & Johnson's network to help them accelerate the delivery of health and wellness solutions for the benefit of patients in China and around the world. Since its opening, 46 start-up companies have joined JLABS @ Shanghai, securing over USD 1.9 billion in financing and strategic relationships, including one IPO. One third of the residents have now become alumni.

Established in 2014, the Asia Pacific Innovation Center is one of four Johnson & Johnson innovation centers around the world. By combining Johnson & Johnson Innovation's global reach and expertise with unique local capabilities in an open innovation model, the Center has facilitated deals with dozens of leading biopharmaceutical companies, accelerators and research institutes, such as HitGen, AnchorDx, Tennon Therapeutics, Urgaze, Inertia Biotech, HAX Accelerator and the Hong Kong Polytechnic University. Such collaboration has helped create breakthrough healthcare solutions for the benefit of patients and consumers around the world.

As one of the world's leading healthcare companies, Johnson & Johnson emphasizes investment in innovation and R&D. In 2020, such investment exceeded USD 12.1 billion – the highest in the industry – accounting for roughly 15% of its annual global revenue. Johnson & Johnson has set up R&D departments in China for medical devices, pharmaceuticals and consumer goods, where over 700 scientists and R&D personnel are striving to accelerate local innovation and R&D. Meanwhile, China is the only market other than the US to incorporate Johnson & Johnson's R&D capabilities in its three major business sectors.

In addition to enlarging investment in internal R&D and innovation, Johnson & Johnson has actively collaborated with numerous industry partners to connect with the local and global strategic innovation ecosystem. Its innovation presence has extended worldwide. So far, Johnson & Johnson has established various innovation organizations such as the Asia Pacific Innovation Center for the development of strategic partnerships with regional local companies, JLABS for innovation incubation, JJDC for venture capital, and our New Business Development team for exploring business development opportunities, acting as a powerhouse to accelerate healthcare innovation.

"At Johnson & Johnson, we see entrepreneurs, academic, researchers and innovators creating potential transformational healthcare solutions every day," said Dan Wang, Head of Johnson & Johnson Innovation, Asia Pacific. "Johnson & Johnson is leveraging its scale, reach, and expertise to support and engage the innovation ecosystem in China. We thrive to support innovation and the commercialization of businesses through our global network, resources and platforms."

Johnson & Johnson has deep roots in China for the past 36 years to address the growing needs of patients and consumers. The company sees China as an important innovative hotspot in Asia Pacific and is committed to deepening our support for the country's healthcare ecosystem by bringing the world's leading products and technologies into the market, propelling the development of local R&D and innovation and actively collaborating with governments, enterprises, universities and research institutes to build open innovation ecosystems and support the high-quality development of China's healthcare industry. Currently, Johnson & Johnson's innovation network in China covers the Asia Pacific Innovation Center, JLABS @ Shanghai, JJDC, the Johnson & Johnson Lung Cancer Initiative (LCI) and World Without Disease Accelerator. Boasting flexible and efficient operations, these open innovation platforms and institutions support and advance R&D and promote disruptive products and technologies, accelerating Johnson & Johnson's implementation of the "development+innovation" dual engine in China and worldwide, while supporting the Government's 'Healthy China' initiative.

Despite the tough challenges of 2020, Johnson & Johnson continued to collaborate with leading domestic and foreign companies in several fields. Specifically, it announced three new collaborations with strategic partners in China at the third China International Import Expo (CIIE) last November, including collaborations with Insilico Medicine Hong Kong Ltd. to leverage AI in drug discovery, DiaNei (Shanghai) Biotechnology Co. Ltd. to develop AI solutions for lung cancer detection, and Taikang Online Insurance Co. Ltd. (Tk.cn) to develop innovative healthcare solutions for sports injury. In addition, Johnson & Johnson has signed a collaboration agreement with U2s.ai on the automation of echocardiography analysis and with Alibaba's Tmall to co-create an incubation facility for innovation.

Meanwhile, Johnson & Johnson has actively collaborated with its start-up partners to deepen the cultivation of innovative talents. Launched in China in June 2020, Johnson & Johnson's global talent development program, EXPAND, saw a total of 15 employees from across functions work as part-time secondees at 15 start-ups, residing at either a resident company of JLABS @ Shanghai or at strategic partner of the Johnson & Johnson Asia Pacific Innovation Center for a period of six months. The aim of the program was to encourage exchanges in innovation between both parties to nurture an entrepreneurial mindset. Participants in the first co-hort graduated in January 2021, bringing mutual benefits to Johnson & Johnson, as well as participating talents and start-ups. Plans for the second phase are going smoothly and are likely to be launched to other markets in the region within the year.

These innovation programs have not only deepened exchange and collaborations between Johnson & Johnson and industry partners, but also shown Johnson & Johnson's strong commitment to further propel the Chinese market and nurture creative talents, joint development and collaboration.



Johnson & Johnson launched the EXPAND program for innovative talent exchange in China. Participants in the first co-hort successfully graduated in January 2021.

The Shanghai Municipal Government officially released the *Outline of the 14th Five-Year Plan* recently, emphasizing the promotion of high-quality development, a focus on the "five types of economy", strengthening of the "four functions", and the further building of the "five major centers". The Outline also focuses on enhancing the role of technology in innovation and resource planning and developing new advantages in economic and social development.

Johnson & Johnson will continue to support the government's innovation-driven initiative, in alignment with the government policies for further opening-up, improving the business environment and encouraging the development of foreign-funded enterprises.

"We're delighted that China's thriving healthcare industry offers extensive development prospects for innovation. Both the National 14th Five-Year Strategic Plan and the Shanghai Municipal Government's work report for 2021 including 'innovation-driven development' play a key role to provide solid support for the innovation and development of foreign-funded enterprises in China, which is greatly encouraging," said Will Song, Global Senior Vice President, China Chairman, Johnson & Johnson. "As a healthcare company driven by innovation, Johnson & Johnson looks forward to further collaborating with the government and industry partners. We will continuously develop our innovation network, actively integrating a high-quality, open innovation ecosystem into the global scientific innovation network, and promote the rapid development of China's healthcare industry to improve the health for humanity and enhance patient journey."

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