

CORNING INCORPORATED AND SUBSIDIARY COMPANIES
CONSOLIDATED STATEMENTS OF INCOME
(Unaudited; in millions, except per share amounts)

	Three months ended		Six months ended	
	June 30,		June 30,	
	2022	2021	2022	2021
Net sales	\$ 3,615	\$ 3,501	\$ 7,295	\$ 6,791
Cost of sales	<u>2,369</u>	<u>2,186</u>	<u>4,766</u>	<u>4,320</u>
Gross margin	1,246	1,315	2,529	2,471
Operating expenses:				
Selling, general and administrative expenses	486	465	920	865
Research, development and engineering expenses	240	242	488	464
Amortization of purchased intangibles	<u>30</u>	<u>33</u>	<u>61</u>	<u>65</u>
Operating income	490	575	1,060	1,077
Interest income	3	2	6	5
Interest expense	(72)	(78)	(143)	(155)
Translated earnings contract gain, net	196	3	325	275
Other income, net	<u>133</u>	<u>19</u>	<u>285</u>	<u>146</u>
Income before income taxes	750	521	1,533	1,348
Provision for income taxes	<u>(166)</u>	<u>(67)</u>	<u>(346)</u>	<u>(293)</u>
Net income	584	454	1,187	1,055
Net income attributable to non-controlling interests	<u>(21)</u>	<u>(5)</u>	<u>(43)</u>	<u>(7)</u>
Net income attributable to Corning Incorporated	<u>\$ 563</u>	<u>\$ 449</u>	<u>\$ 1,144</u>	<u>\$ 1,048</u>
Earnings (loss) per common share available to common shareholders:				
Basic	<u>\$ 0.67</u>	<u>\$ (0.42)</u>	<u>\$ 1.36</u>	<u>\$ 0.27</u>
Diluted	<u>\$ 0.66</u>	<u>\$ (0.42)</u>	<u>\$ 1.33</u>	<u>\$ 0.27</u>
Reconciliation of net income attributable to Corning Incorporated versus net income available to common shareholders:				
Net income attributable to Corning Incorporated	\$ 563	\$ 449	\$ 1,144	\$ 1,048
Series A convertible preferred stock dividend				(24)
Excess consideration paid for redemption of preferred shares		<u>(803)</u>		<u>(803)</u>
Net income (loss) available to common shareholders	<u>\$ 563</u>	<u>\$ (354)</u>	<u>\$ 1,144</u>	<u>\$ 221</u>

CORNING INCORPORATED AND SUBSIDIARY COMPANIES
CONSOLIDATED BALANCE SHEETS

(Unaudited; in millions, except share and per share amounts)

	June 30, 2022	December 31, 2021
Assets		
Current assets:		
Cash and cash equivalents	\$ 1,629	\$ 2,148
Trade accounts receivable, net of doubtful accounts	1,786	2,004
Inventories, net	2,835	2,481
Other current assets	1,633	1,026
Total current assets	7,883	7,659
Property, plant and equipment, net of accumulated depreciation	15,350	15,804
Goodwill, net	2,389	2,421
Other intangible assets, net	1,088	1,148
Deferred income taxes	982	1,066
Other assets	2,026	2,056
Total Assets	\$ 29,718	\$ 30,154
Liabilities and Equity		
Current liabilities:		
Current portion of long-term debt and short-term borrowings	\$ 121	\$ 55
Accounts payable	1,934	1,612
Other accrued liabilities	3,475	3,139
Total current liabilities	5,530	4,806
Long-term debt	6,677	6,989
Postretirement benefits other than pensions	588	622
Other liabilities	4,941	5,192
Total liabilities	17,736	17,609
Commitments and contingencies		
Shareholders' equity:		
Preferred stock – Par value \$100 per share; Shares authorized 10 million; Shares issued: 0		
Common stock – Par value \$0.50 per share; Shares authorized 3.8 billion; Shares issued:		
1.8 billion and 1.8 billion	910	907
Additional paid-in capital – common stock	16,590	16,475
Retained earnings	16,837	16,389
Treasury stock, at cost; Shares held: 976 million and 970 million	(20,509)	(20,263)
Accumulated other comprehensive loss	(2,094)	(1,175)
Total Corning Incorporated shareholders' equity	11,734	12,333
Non-controlling interests	248	212
Total equity	11,982	12,545
Total Liabilities and Equity	\$ 29,718	\$ 30,154

CORNING INCORPORATED AND SUBSIDIARY COMPANIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited; in millions)

	Three months ended		Six months ended	
	June 30,		June 30,	
	2022	2021	2022	2021
Cash Flows from Operating Activities:				
Net income	\$ 584	\$ 454	\$ 1,187	\$ 1,055
Adjustments to reconcile net income to net cash provided by operating activities:				
Depreciation	345	336	687	666
Amortization of purchased intangibles	30	33	61	65
Gain on sale of business		(40)	(53)	(54)
Share-based compensation expense	51	44	93	78
Translation gain on Japanese yen-denominated debt	(153)	(5)	(237)	(123)
Deferred tax provision (benefit)	48	(65)	72	56
Translated earnings contract gain	(196)	(3)	(325)	(275)
Unrealized translation losses (gains) on transactions	57	(8)	77	51
Changes in assets and liabilities:				
Trade accounts receivable	48	(158)	55	(49)
Inventories	(277)	(26)	(436)	18
Other current assets	4	(127)	(77)	(153)
Accounts payable and other current liabilities	132	198	209	171
Customer deposits and government incentives	13	25	4	56
Deferred income	1	(26)	(24)	(60)
Other, net	71	139	(1)	(8)
Net cash provided by operating activities	<u>758</u>	<u>771</u>	<u>1,292</u>	<u>1,494</u>
Cash Flows from Investing Activities:				
Capital expenditures	(353)	(324)	(736)	(613)
Proceeds from sale or disposal of assets		10		17
Proceeds from sale of business		78	74	102
Investment in and proceeds from unconsolidated entities, net	(1)	87	(6)	85
Realized gains on translated earnings contract	92	16	132	13
Other, net	(27)	6	(31)	(19)
Net cash used in investing activities	<u>(289)</u>	<u>(127)</u>	<u>(567)</u>	<u>(415)</u>
Cash Flows from Financing Activities:				
Repayments of short-term borrowings		(435)	(11)	(460)
Proceeds from issuance of long-term debt	24		28	
Payment for redemption of preferred stock	(507)	(507)	(507)	(507)
Payments of employee withholding tax on stock awards	(37)	(55)	(42)	(55)
Proceeds from exercise of stock options	10	31	28	82
Purchases of common stock for treasury	(52)	(1)	(201)	(1)
Dividends paid	(234)	(234)	(462)	(442)
Other, net	(7)	2	(11)	(6)
Net cash used in financing activities	<u>(803)</u>	<u>(1,199)</u>	<u>(1,178)</u>	<u>(1,389)</u>
Effect of exchange rates on cash	(53)	7	(66)	(42)
Net decrease in cash and cash equivalents	(387)	(548)	(519)	(352)
Cash and cash equivalents at beginning of period	2,016	2,868	2,148	2,672
Cash and cash equivalents at end of period	<u>\$ 1,629</u>	<u>\$ 2,320</u>	<u>\$ 1,629</u>	<u>\$ 2,320</u>

CORNING INCORPORATED AND SUBSIDIARY COMPANIES
(Unaudited)

GAAP Earnings (Loss) per Common Share

The following table sets forth the computation of basic and diluted earnings (loss) per common share (in millions, except per share amounts):

	Three months ended		Six months ended	
	June 30,		June 30,	
	2022	2021	2022	2021
Net income attributable to Corning Incorporated	\$ 563	\$ 449	\$ 1,144	\$ 1,048
Less: Series A convertible preferred stock dividend				24
Less: Excess consideration paid for redemption of preferred shares		803		803
Net income (loss) available to common shareholders – basic	563	(354)	1,144	221
Net income (loss) available to common shareholders – diluted	\$ 563	\$ (354)	\$ 1,144	\$ 221
Weighted-average common shares outstanding - basic	843	844	843	805
Effect of dilutive securities:				
Employee stock options and other dilutive securities	13		14	17
Weighted-average common shares outstanding - diluted	856	844	857	822
Basic earnings (loss) per common share	\$ 0.67	\$ (0.42)	\$ 1.36	\$ 0.27
Diluted earnings (loss) per common share	\$ 0.66	\$ (0.42)	\$ 1.33	\$ 0.27

Core Earnings per Common Share

The following table sets forth the computation of core basic and core diluted earnings per common share (in millions, except per share amounts):

	Three months ended		Six months ended	
	June 30,		June 30,	
	2022	2021	2022	2021
Core net income attributable to Corning Incorporated	\$ 489	\$ 459	\$ 954	\$ 861
Less: Series A convertible preferred stock dividend				24
Core net income available to common shareholders - basic	489	459	954	837
Plus: Series A convertible preferred stock dividend				24
Core net income available to common shareholders - diluted	\$ 489	\$ 459	\$ 954	\$ 861
Weighted-average common shares outstanding - basic	843	844	843	805
Effect of dilutive securities:				
Stock options and other dilutive securities	13	16	14	17
Series A convertible preferred stock		9		62
Weighted-average common shares outstanding - diluted	856	869	857	884
Core basic earnings per common share	\$ 0.58	\$ 0.54	\$ 1.13	\$ 1.04
Core diluted earnings per common share	\$ 0.57	\$ 0.53	\$ 1.11	\$ 0.97

Use of Non-GAAP Financial Measures

CORE PERFORMANCE MEASURES

In managing the Company and assessing our financial performance, certain measures provided by our consolidated financial statements are adjusted to exclude specific items to arrive at core performance measures. These items include gains and losses on translated earnings contracts, acquisition-related costs, certain discrete tax items and other tax-related adjustments, restructuring, impairment losses, and other charges and credits, certain litigation-related expenses, pension mark-to-market adjustments and other items which do not reflect on-going operating results of the Company or our equity affiliates. Corning utilizes constant-currency reporting for our Display Technologies, Environmental Technologies, Specialty Materials and Life Sciences segments for the Japanese yen, South Korean won, Chinese yuan, new Taiwan dollar and the euro. The Company believes that the use of constant-currency reporting allows investors to understand our results without the volatility of currency fluctuations and reflects the underlying economics of the translated earnings contracts used to mitigate the impact of changes in currency exchange rates on earnings and cash flows. Corning also believes that reporting core performance measures provides investors greater transparency to the information used by the management team to make financial and operational decisions.

Core performance measures are not prepared in accordance with Generally Accepted Accounting Principles in the United States (“GAAP”). We believe investors should consider these non-GAAP measures in evaluating results as they are more indicative of our core operating performance and how management evaluates operational results and trends. These measures are not, and should not, be viewed as a substitute for GAAP reporting measures. With respect to the Company’s outlook for future periods, it is not possible to provide reconciliations for these non-GAAP measures because the Company does not forecast the movement of foreign currencies against the U.S. dollar, or other items that do not reflect ongoing operations, nor does it forecast items that have not yet occurred or are out of the Company’s control. As a result, the Company is unable to provide outlook information on a GAAP basis.

For a reconciliation of non-GAAP performance measures to their most directly comparable GAAP financial measure, please see “Reconciliation of Non-GAAP Measures”.

CORNING INCORPORATED AND SUBSIDIARY COMPANIES
RECONCILIATION OF NON-GAAP FINANCIAL MEASURE TO GAAP FINANCIAL MEASURE
Three Months Ended June 30, 2022 and 2021
(Unaudited; amounts in millions, except per share amounts)

	Three months ended June 30, 2022				
	Net sales	Income before income taxes	Net income attributable to Corning Incorporated	Effective tax rate (a)(b)	Per share
As reported – GAAP	\$ 3,615	\$ 750	\$ 563	22.1%	\$ 0.66
Constant-currency adjustment ⁽¹⁾	147	120	93		0.11
Translation gain on Japanese yen-denominated debt ⁽²⁾		(153)	(118)		(0.14)
Translated earnings contract gain ⁽³⁾		(196)	(150)		(0.18)
Acquisition-related costs ⁽⁴⁾		35	27		0.03
Discrete tax items and other tax-related adjustments ⁽⁵⁾			5		0.01
Restructuring, impairment and other charges and credits ⁽⁶⁾		46	36		0.04
Contingent consideration ⁽⁷⁾		(6)	(5)		(0.01)
Litigation, regulatory and other legal matters ⁽⁸⁾		42	32		0.04
Loss on investments ⁽⁹⁾		8	6		0.01
Core performance measures	\$ 3,762	\$ 646	\$ 489	21.8%	\$ 0.57

(a) Based upon statutory tax rates in the specific jurisdiction for each event.

(b) The calculation of the effective tax rate ("ETR") excludes net income attributable to non-controlling interests ("NCI") of \$21 million.

	Three months ended June 30, 2021				
	Net sales	Income before income taxes	Net income attributable to Corning Incorporated	Effective tax rate (a)(b)	Per share
As reported - GAAP	\$ 3,501	\$ 521	\$ 449	12.9%	\$ (0.42)
Preferred stock redemption (c)					0.94
Subtotal	3,501	521	449	12.9%	0.52
Constant-currency adjustment ⁽¹⁾	3	20	1		0.00
Translation gain on Japanese yen-denominated debt ⁽²⁾		(5)	(4)		(0.00)
Translated earnings contract gain ⁽³⁾		(3)	(3)		(0.00)
Acquisition-related costs ⁽⁴⁾		38	30		0.04
Discrete tax items and other tax-related adjustments ⁽⁵⁾			(31)		(0.04)
Restructuring, impairment and other charges and credits ⁽⁶⁾		2	2		0.00
Loss on investments ⁽⁹⁾		4	3		0.00
Pension mark-to-market adjustment ⁽¹⁰⁾		19	15		0.02
Gain on sale of business ⁽¹¹⁾		(40)	(32)		(0.04)
Preferred stock conversion ⁽¹²⁾		21	21		0.02
Bond redemption loss ⁽¹³⁾		11	8		0.01
Core performance measures	\$ 3,504	\$ 588	\$ 459	21.3%	\$ 0.53

(a) Based upon statutory tax rates in the specific jurisdiction for each event.

(b) The calculation of the ETR excludes NCI of \$5 million.

(c) Pursuant to the SRA, the Preferred Stock was converted into 115 million Common Shares. Corning immediately repurchased 35 million of the converted Common Shares and excluded them from the weighted-average common shares outstanding for the calculation of the Company's basic and diluted earnings per share. The redemption of these Common Shares resulted in an \$803 million reduction of retained earnings which reduced the net income available to common shareholders and resulted in negative earnings per share in the second quarter of 2021.

See Reconciliation of Non-GAAP Financial Measures, "Items which we exclude from GAAP measures to arrive at Core Performance measures" for the descriptions of the footnoted reconciling items.

CORNING INCORPORATED AND SUBSIDIARY COMPANIES
RECONCILIATION OF NON-GAAP FINANCIAL MEASURE TO GAAP FINANCIAL MEASURE
Six Months Ended June 30, 2022 and 2021
(Unaudited; amounts in millions, except per share amounts)

	Six months ended June 30, 2022				
	Net sales	Income before income taxes	Net income attributable to Corning Incorporated	Effective tax rate (a)(b)	Per share
As reported – GAAP	\$ 7,295	\$ 1,533	\$ 1,144	22.6%	\$ 1.33
Constant-currency adjustment ⁽¹⁾	211	183	142		0.17
Translation gain on Japanese yen-denominated debt ⁽²⁾		(237)	(182)		(0.21)
Translated earnings contract gain ⁽³⁾		(325)	(249)		(0.29)
Acquisition-related costs ⁽⁴⁾		74	59		0.07
Discrete tax items and other tax-related adjustments ⁽⁵⁾			16		0.02
Restructuring, impairment and other charges and credits ⁽⁶⁾		79	60		0.07
Contingent consideration ⁽⁷⁾		(32)	(25)		(0.03)
Litigation, regulatory and other legal matters ⁽⁸⁾		42	32		0.04
Loss on investments ⁽⁹⁾		8	6		0.01
Pension mark-to-market adjustment ⁽¹⁰⁾		(10)	(8)		(0.01)
Gain on sale of business ⁽¹¹⁾		(53)	(41)		(0.05)
Core performance measures	\$ 7,506	\$ 1,262	954	21.7%	\$ 1.11

(a) Based upon statutory tax rates in the specific jurisdiction for each event.

(b) The calculation of the ETR excludes NCI of \$43 million.

	Six months ended June 30, 2021				
	Net sales	Income before income taxes	Net income attributable to Corning Incorporated	Effective tax rate (a)(b)	Per share
As reported - GAAP	\$ 6,791	\$ 1,348	\$ 1,048	21.7%	\$ 0.27
Preferred stock redemption (c)					0.92
Subtotal	6,791	1,348	1,048	21.7%	1.19
Constant-currency adjustment ⁽¹⁾	(24)	14	6		0.01
Translation gain on Japanese yen-denominated debt ⁽²⁾		(123)	(94)		(0.11)
Translated earnings contract gain ⁽³⁾		(275)	(212)		(0.26)
Acquisition-related costs ⁽⁴⁾		85	65		0.08
Discrete tax items and other tax-related adjustments ⁽⁵⁾			6		0.01
Restructuring, impairment and other charges and credits ⁽⁶⁾		2	2		0.00
Litigation, regulatory and other legal matters ⁽⁸⁾		8	8		0.01
Loss on investments ⁽⁹⁾		39	30		0.04
Pension mark-to-market adjustment ⁽¹⁰⁾		24	19		0.02
Gain on sale of business ⁽¹¹⁾		(54)	(46)		(0.06)
Preferred stock conversion ⁽¹²⁾		21	21		0.03
Bond redemption loss ⁽¹³⁾		11	8		0.01
Core performance measures	\$ 6,767	\$ 1,100	\$ 861	21.2%	\$ 0.97

(a) Based upon statutory tax rates in the specific jurisdiction for each event.

(b) The calculation of the ETR excludes NCI of \$7 million.

(c) Pursuant to the SRA, the Preferred Stock was converted into 115 million Common Shares. Corning immediately repurchased 35 million of the converted Common Shares and excluded them from the weighted-average common shares outstanding for the calculation of the Company's basic and diluted earnings per share. The redemption of these Common Shares resulted in an \$803 million reduction of retained earnings which reduced the net income available to common shareholders and resulted in negative earnings per share in the second quarter of 2021.

See Reconciliation of Non-GAAP Financial Measures, "Items which we exclude from GAAP measures to arrive at Core Performance measures" for the descriptions of the footnoted reconciling items.

CORNING INCORPORATED AND SUBSIDIARY COMPANIES
RECONCILIATION OF NON-GAAP FINANCIAL MEASURE TO GAAP FINANCIAL MEASURE
Three Months Ended June 30, 2022 and 2021
(Unaudited; amounts in millions, except per share amounts)

	Three months ended June 30, 2022					
	Gross margin	Gross margin %	Selling, general and administrative expenses	Research, development and engineering expenses	Operating margin	Operating margin %
As reported - GAAP	\$ 1,246	34.5%	\$ 486	\$ 240	\$ 490	13.6%
Constant-currency adjustment ⁽¹⁾	121			1	120	
Acquisition-related costs ⁽⁴⁾					30	
Restructuring, impairment and other charges and credits ⁽⁶⁾	43			(3)	46	
Litigation, regulatory and other legal matters ⁽⁸⁾				(42)	42	
Pension mark-to-market adjustment ⁽¹⁰⁾				18	4	(22)
Core performance measures	\$ 1,410	37.5%	\$ 460	\$ 244	\$ 706	18.8%

	Three months ended June 30, 2021					
	Gross margin	Gross margin %	Selling, general and administrative expenses	Research, development and engineering expenses	Operating margin	Operating margin %
As reported - GAAP	\$ 1,315	37.6%	\$ 465	\$ 242	\$ 575	16.4%
Constant-currency adjustment ⁽¹⁾	17			(1)	18	
Acquisition-related costs ⁽⁴⁾				(2)	(1)	36
Restructuring, impairment and other charges and credits ⁽⁶⁾	(6)			(4)	(4)	2
Pension mark-to-market adjustment ⁽¹⁰⁾				(9)	(1)	10
Core performance measures	\$ 1,326	37.8%	\$ 449	\$ 236	\$ 641	18.3%

See Reconciliation of Non-GAAP Financial Measures, “Items which we exclude from GAAP measures to arrive at Core Performance measures” for the descriptions of the footnoted reconciling items.

CORNING INCORPORATED AND SUBSIDIARY COMPANIES
RECONCILIATION OF NON-GAAP FINANCIAL MEASURE TO GAAP FINANCIAL MEASURE
Six Months Ended June 30, 2022 and 2021
(Unaudited; amounts in millions, except per share amounts)

	Six months ended June 30, 2022					
	Gross margin	Gross margin %	Selling, general and administrative expenses	Research, development and engineering expenses	Operating margin	Operating margin %
As reported - GAAP	\$ 2,529	34.7%	\$ 920	\$ 488	\$ 1,060	14.5%
Constant-currency adjustment ⁽¹⁾	183			1	182	
Acquisition-related costs ⁽⁴⁾				1	60	
Restructuring, impairment and other charges and credits ⁽⁶⁾	68			(11)	79	
Contingent consideration ⁽⁷⁾				26	(26)	
Litigation, regulatory and other legal matters ⁽⁸⁾				(42)	42	
Pension mark-to-market adjustment ⁽¹⁰⁾				26	6	(32)
Core performance measures	\$ 2,780	37.0%	\$ 921	\$ 494	\$ 1,365	18.2%

	Six months ended June 30, 2021					
	Gross margin	Gross margin %	Selling, general and administrative expenses	Research, development and engineering expenses	Operating margin	Operating margin %
As reported - GAAP	\$ 2,471	36.4%	\$ 865	\$ 464	\$ 1,077	15.9%
Constant-currency adjustment ⁽¹⁾	10			(2)	12	
Acquisition-related costs ⁽⁴⁾	18			(2)	(1)	86
Restructuring, impairment and other charges and credits ⁽⁶⁾	(6)			(4)	(4)	2
Litigation, regulatory and other legal matters ⁽⁸⁾				(8)	8	
Pension mark-to-market adjustment ⁽¹⁰⁾				(12)	(3)	15
Core performance measures	\$ 2,493	36.8%	\$ 837	\$ 456	\$ 1,200	17.7%

See Reconciliation of Non-GAAP Financial Measures, “Items which we exclude from GAAP measures to arrive at Core Performance measures” for the descriptions of the footnoted reconciling items.

CORNING INCORPORATED AND SUBSIDIARY COMPANIES
RECONCILIATION OF NON-GAAP FINANCIAL MEASURE TO GAAP FINANCIAL MEASURE
Three and Six Months Ended June 30, 2022 and 2021
(Unaudited; amounts in millions)

	Three months ended		Six months ended	
	June 30,		June 30,	
	2022	2021	2022	2021
Cash flows from operating activities	\$ 758	\$ 771	\$ 1,292	\$ 1,494
Realized gains on translated earnings contracts	92	16	132	13
Translation (losses) gains on cash balances	(57)	8	(77)	(51)
Adjusted cash flows from operating activities	\$ 793	\$ 795	\$ 1,347	\$ 1,456
Less: Capital expenditures	\$ 353	\$ 324	\$ 736	\$ 613
Free cash flow	\$ 440	\$ 471	\$ 611	\$ 843

Items which we exclude from GAAP measures to arrive at core performance measures are as follows:

- (1) Constant-currency adjustment: Because a significant portion of segment revenues and expenses are denominated in currencies other than the U.S. dollar, management believes it is important to understand the impact on core net income of translating these currencies into U.S. dollars. Our Display Technologies' segment sales and net income are primarily denominated in Japanese yen, but also impacted by the South Korean won, Chinese yuan, and new Taiwan dollar. Environmental Technologies and Life Science segments sales and net income are primarily impacted by the euro and Chinese yuan. Presenting results on a constant-currency basis mitigates the translation impact and allows management to evaluate performance period over period, analyze underlying trends in the businesses, and establish operational goals and forecasts. We establish constant-currency rates based on internally derived management estimates which are closely aligned with the currencies we have hedged.

Constant-currency rates are as follows:

Currency	Japanese yen	Korean won	Chinese yuan	New Taiwan dollar	Euro
Rate	¥107	₩1,175	¥6.7	NT\$31	€81

- (2) Translation gain on Japanese yen-denominated debt: We have excluded the gain or loss on the translation of the yen-denominated debt to U.S. dollars.
- (3) Translated earnings contract gain: We have excluded the impact of the realized and unrealized gains and losses of the Japanese yen, South Korean won, Chinese yuan, euro and new Taiwan dollar-denominated foreign currency hedges related to translated earnings, as well as the unrealized gains and losses of the British pound-denominated foreign currency hedges related to translated earnings.
- (4) Acquisition-related costs: These expenses include intangible amortization, inventory valuation adjustments, external acquisition-related deal costs, and other transaction related costs.
- (5) Discrete tax items and other tax-related adjustments: These include discrete period tax items such as changes of tax reserves and changes in our permanently reinvested foreign income position.
- (6) Restructuring, impairment and other charges and credits: This amount primarily includes asset write offs and other charges and credits. Other charges primarily related to miscellaneous nonoperational costs and facility repairs resulting from the impact of the third quarter 2021 power outages. The Company is pursuing recoveries under its applicable property insurance policies.
- (7) Contingent consideration: This amount represents the fair value mark-to-market cost adjustment of contingent consideration resulting from the Hemlock Transaction on September 9, 2020.
- (8) Litigation, regulatory and other legal matters: Includes amounts that reflect developments in commercial litigation, intellectual property disputes, adjustments to the estimated liability for environmental-related items and other legal matters.
- (9) Loss on investments: Amount represents the loss recognized due to mark-to-mark adjustments capturing the change in fair value based on the closing stock market price.
- (10) Pension mark-to-market adjustment: Defined benefit pension mark-to-market gains and losses, which arise from changes in actuarial assumptions and the difference between actual and expected returns on plan assets and discount rates.
- (11) Gain on sale of business: Amount represents the gain recognized for the sale of a certain business.
- (12) Preferred stock conversion: This amount includes the fair value of the put option from the Share Repurchase Agreement with Samsung Display Co., Ltd.
- (13) Bond redemption loss: During the second quarter of 2021, Corning redeemed \$375 million of 2.9% debentures due in 2022, paying a premium of \$10 million, resulting in a redemption loss of \$11 million.