

**CORNING INCORPORATED AND SUBSIDIARY COMPANIES**  
**CONSOLIDATED STATEMENTS OF INCOME**

(Unaudited; in millions, except per share amounts)

	Three months ended		Year ended	
	December 31,		December 31,	
	2020	2019	2020	2019
Net sales	\$ 3,350	\$ 2,817	\$ 11,303	\$ 11,503
Cost of sales	2,137	1,963	7,772	7,468
Gross margin	1,213	854	3,531	4,035
Operating expenses:				
Selling, general and administrative expenses	471	401	1,747	1,585
Research, development and engineering expenses	232	278	1,154	1,031
Amortization of purchased intangibles	34	28	121	113
Operating income	476	147	509	1,306
Equity in (losses) earnings of affiliated companies	(42)	(64)	(25)	17
Interest income	3	5	15	21
Interest expense	(75)	(60)	(276)	(221)
Translated earnings contract (loss) gain, net	(43)	85	(38)	248
Transaction-related gain, net			498	
Other income (expense), net	11	(96)	(60)	(155)
Income before income taxes	330	17	623	1,216
(Provision) benefit for income taxes	(78)	15	(111)	(256)
Net income attributable to Corning Incorporated	\$ 252	\$ 32	\$ 512	\$ 960
Earnings per common share attributable to Corning Incorporated:				
Basic	\$ 0.30	\$ 0.01	\$ 0.54	\$ 1.11
Diluted	\$ 0.28	\$ 0.01	\$ 0.54	\$ 1.07

**CORNING INCORPORATED AND SUBSIDIARY COMPANIES**  
**CONSOLIDATED BALANCE SHEETS**

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

	December 31,	
	2020	2019
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 2,672	\$ 2,434
Trade accounts receivable, net of doubtful accounts	2,133	1,836
Inventories, net of inventory reserves	2,438	2,320
Other current assets	761	873
Total current assets	8,004	7,463
Property, plant and equipment, net of accumulated depreciation	15,766	15,337
Goodwill, net	2,460	1,935
Other intangible assets, net	1,308	1,185
Deferred income taxes	1,121	1,157
Other assets	2,116	1,821
<b>Total Assets</b>	<b>\$ 30,775</b>	<b>\$ 28,898</b>
<b>Liabilities and Equity</b>		
Current liabilities:		
Current portion of long-term debt and short-term borrowings	\$ 158	\$ 11
Accounts payable	1,174	1,587
Other accrued liabilities	2,435	1,923
Total current liabilities	3,767	3,521
Long-term debt	7,838	7,729
Postretirement benefits other than pensions	727	671
Other liabilities	4,995	3,980
Total liabilities	17,327	15,901
Commitments and contingencies		
Shareholders' equity:		
Convertible preferred stock, Series A – Par value \$100 per share; Shares authorized 3,100; Shares issued: 2,300	2,300	2,300
Common stock – Par value \$0.50 per share; Shares authorized: 3.8 billion; Shares issued: 1,726 million and 1,718 million	863	859
Additional paid-in capital – common stock	14,642	14,323
Retained earnings	16,120	16,408
Treasury stock, at cost; shares held: 961 million and 956 million	(19,928)	(19,812)
Accumulated other comprehensive loss	(740)	(1,171)
Total Corning Incorporated shareholders' equity	13,257	12,907
Noncontrolling interests	191	90
Total equity	13,448	12,997
<b>Total Liabilities and Equity</b>	<b>\$ 30,775</b>	<b>\$ 28,898</b>

**CORNING INCORPORATED AND SUBSIDIARY COMPANIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**

(Unaudited; in millions)

	Three months ended		Year ended	
	December 31,		December 31,	
	2020	2019	2020	2019
<b>Cash Flows from Operating Activities:</b>				
Net income	\$ 252	\$ 32	\$ 512	\$ 960
Adjustments to reconcile net income to net cash provided by operating activities:				
Depreciation	358	364	1,399	1,390
Amortization of purchased intangibles	34	28	121	113
Loss on disposal of assets	31	78	138	123
Severance charges	7	38	148	63
Severance payments	(21)	(17)	(147)	(28)
Share-based compensation expense	80	13	207	56
Equity in losses (earnings) of affiliated companies	42	64	25	(17)
Dividends received from affiliated companies		106	1	106
Deferred tax provision (benefit)	76	(106)	(20)	(191)
Customer incentives and deposits, net	37	140	221	142
Pension plan contributions	(141)	(2)	(221)	(2)
Translated earnings contract loss (gain)	43	(85)	38	(248)
Unrealized translation (gain) loss on transactions	(79)	(53)	(133)	33
Asbestos claim payments	(95)		(130)	(50)
Tax assessment refunds			101	
Asset impairment			217	
Transaction-related gain			(498)	
Gain on investment	(107)		(107)	
Changes in certain working capital items:				
Trade accounts receivable	7	217	(274)	48
Inventories	183	40	423	(298)
Other current assets	(12)	(80)	(31)	(300)
Accounts payable and other current liabilities	196	85	57	1
Other, net	(117)	156	133	130
<b>Net cash provided by operating activities</b>	<u>774</u>	<u>1,018</u>	<u>2,180</u>	<u>2,031</u>
<b>Cash Flows from Investing Activities:</b>				
Capital expenditures	(391)	(376)	(1,377)	(1,978)
Proceeds from sale or disposal of assets	10		37	
Sale of equipment for related party		16		78
Realized gains on translated earnings contracts	2	16	12	55
Other, net	1	(13)	18	(46)
<b>Net cash used in investing activities</b>	<u>(378)</u>	<u>(357)</u>	<u>(1,310)</u>	<u>(1,891)</u>
<b>Cash Flows from Financing Activities:</b>				
Net repayments of short-term borrowings and current portion of long-term debt	(100)	(300)	(100)	(300)
Retirement of long-term debt	(121)		(121)	
Proceeds from issuance of long-term debt, net	31	1,482	243	1,831
Proceeds from exercise of stock options	75	15	124	58
Repurchases of common stock for treasury		(232)	(105)	(940)
Dividends paid	(200)	(188)	(787)	(742)
Other, net	1	9	17	46
<b>Net cash (used in) provided by financing activities</b>	<u>(314)</u>	<u>786</u>	<u>(729)</u>	<u>(47)</u>
Effect of exchange rates on cash	76	16	97	(14)
Net increase in cash and cash equivalents	158	1,463	238	79
Cash and cash equivalents at beginning of year	2,514	971	2,434	2,355
<b>Cash and cash equivalents at end of year</b>	<u>\$ 2,672</u>	<u>\$ 2,434</u>	<u>\$ 2,672</u>	<u>\$ 2,434</u>

**CORNING INCORPORATED AND SUBSIDIARY COMPANIES**  
(Unaudited)

***GAAP Earnings per Common Share***

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

	Three months ended		Year ended	
	December 31,		December 31,	
	2020	2019	2020	2019
Net income attributable to Corning Incorporated	\$ 252	\$ 32	\$ 512	\$ 960
Less: Series A convertible preferred stock dividend	25	24	98	98
Net income available to common stockholders – basic	227	8	414	862
Add: Series A convertible preferred stock dividend	25			98
<b>Net income available to common stockholders - diluted</b>	<b>\$ 252</b>	<b>\$ 8</b>	<b>\$ 414</b>	<b>\$ 960</b>
Weighted-average common shares outstanding - basic	763	764	761	776
Effect of dilutive securities:				
Stock options and other dilutive securities	16	7	11	8
Series A convertible preferred stock	115			115
<b>Weighted-average common shares outstanding - diluted</b>	<b>894</b>	<b>771</b>	<b>772</b>	<b>899</b>
Basic earnings per common share	\$ 0.30	\$ 0.01	\$ 0.54	\$ 1.11
<b>Diluted earnings per common share</b>	<b>\$ 0.28</b>	<b>\$ 0.01</b>	<b>\$ 0.54</b>	<b>\$ 1.07</b>

***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		Year ended	
	December 31,		December 31,	
	2020	2019	2020	2019
Core net income attributable to Corning Incorporated	\$ 462	\$ 406	\$ 1,237	\$ 1,578
Less: Series A convertible preferred stock dividend	25	24	98	98
Core net income available to common stockholders - basic	437	382	1,139	1,480
Add: Series A convertible preferred stock dividend	25	24	98	98
<b>Core net income available to common stockholders - diluted</b>	<b>\$ 462</b>	<b>\$ 406</b>	<b>\$ 1,237</b>	<b>\$ 1,578</b>
Weighted-average common shares outstanding - basic	763	764	761	776
Effect of dilutive securities:				
Stock options and other dilutive securities	16	7	11	8
Series A convertible preferred stock	115	115	115	115
<b>Weighted-average common shares outstanding - diluted</b>	<b>894</b>	<b>886</b>	<b>887</b>	<b>899</b>
Core basic earnings per common share	\$ 0.57	\$ 0.50	\$ 1.50	\$ 1.91
<b>Core diluted earnings per common share</b>	<b>\$ 0.52</b>	<b>\$ 0.46</b>	<b>\$ 1.39</b>	<b>\$ 1.76</b>

### **CORE PERFORMANCE MEASURES**

In managing the Company and assessing our financial performance, we adjust certain measures provided by our consolidated financial statements to exclude specific items to report core performance measures. These items include gains and losses on our 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 our earnings and cash flows. Corning also believes that reporting core performance measures provides investors greater transparency to the information used by our 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 our results as they are more indicative of our core operating performance and how management evaluates our 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 December 31, 2020 and 2019**  
(Unaudited; amounts in millions, except per share amounts)

	Three months ended December 31, 2020					
	Net sales	Equity (losses) earnings	Income before income taxes	Net income	Effective tax rate (a)	Per share
<b>As reported</b>	<b>\$ 3,350</b>	<b>\$ (42)</b>	<b>\$ 330</b>	<b>\$ 252</b>	<b>23.6%</b>	<b>\$ 0.28</b>
Constant-currency adjustment (1)	(22)		(3)	50		0.06
Translation loss on Japanese yen-denominated debt (2)			36	28		0.03
Translated earnings contract loss, net (3)			40	31		0.03
Acquisition-related costs and other charges and credits (4)			52	35		0.04
Discrete tax items and other tax-related adjustments (5)				(43)		(0.05)
Litigation, regulatory and other legal matters (6)			36	28		0.03
Restructuring, impairment and other charges and credits (7)			94	72		0.08
Equity in losses of affiliated company (9)		50	50	50		0.06
Pension mark-to-market adjustment (10)			33	25		0.03
Bond redemption loss (12)			22	17		0.02
Gain on investment (13)			(107)	(83)		(0.09)
<b>Core performance measures</b>	<b>\$ 3,328</b>	<b>\$ 8</b>	<b>\$ 583</b>	<b>\$ 462</b>	<b>20.8%</b>	<b>\$ 0.52</b>

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

	Three months ended December 31, 2019					
	Net sales	Equity (losses) earnings	Income before income taxes	Net income	Effective tax rate (a)	Per share
<b>As reported</b>	<b>\$ 2,817</b>	<b>\$ (64)</b>	<b>\$ 17</b>	<b>\$ 32</b>	<b>(88.2%)</b>	<b>\$ 0.01</b>
Constant-currency adjustment (1)	34		22	(22)		(0.03)
Translation gain on Japanese yen-denominated debt (2)			(7)	(7)		(0.01)
Translated earnings contract gain, net (3)			(84)	(65)		(0.08)
Acquisition-related costs and other charges and credits (4)			28	23		0.03
Discrete tax items and other tax-related adjustments (5)				57		0.07
Litigation, regulatory and other legal matters (6)			7	6		0.01
Restructuring, impairment and other charges and credits (7)			217	158		0.20
Equity in losses of affiliated companies (9)		224	224	174		0.23
Pension mark-to-market adjustment (10)			71	50		0.06
<b>Core performance measures</b>	<b>\$ 2,851</b>	<b>\$ 160</b>	<b>\$ 495</b>	<b>\$ 406</b>	<b>18.0%</b>	<b>\$ 0.46</b>

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

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**  
**Year Ended December 31, 2020**  
(Unaudited; amounts in millions, except per share amounts)

	Year ended December 31, 2020					
	Net sales	Equity (losses) earnings	Income before income taxes	Net income	Effective tax rate (a)	Per share
<b>As reported</b>	<b>\$ 11,303</b>	<b>\$ (25)</b>	<b>\$ 623</b>	<b>\$ 512</b>	<b>17.8%</b>	<b>\$ 0.54</b>
Constant-currency adjustment (1)	44		22	17		0.02
Translation loss on Japanese yen-denominated debt (2)			86	67		0.09
Translated earnings contract loss, net (3)			46	36		0.05
Acquisition-related costs and other charges and credits (4)			156	114		0.15
Discrete tax items and other tax-related adjustments (5)				(24)		(0.03)
Litigation, regulatory and other legal matters (6)			144	120		0.16
Restructuring, impairment and other charges and credits (7)			827	621		0.80
Cumulative adjustment related to customer contract (8)	105		105	105		0.14
Equity in losses of affiliated company (9)		111	111	98		0.13
Pension mark-to-market adjustment (10)			31	24		0.03
Transaction-related gain, net (11)			(498)	(387)		(0.50)
Bond redemption loss (12)			22	17		0.02
Gain on investment (13)			(107)	(83)		(0.11)
<b>Core performance measures</b>	<b>\$ 11,452</b>	<b>\$ 86</b>	<b>\$ 1,568</b>	<b>\$ 1,237</b>	<b>21.1%</b>	<b>\$ 1.39</b>

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

**CORNING INCORPORATED AND SUBSIDIARY COMPANIES**  
**RECONCILIATION OF NON-GAAP FINANCIAL MEASURE TO GAAP FINANCIAL MEASURE**  
**Year Ended December 31, 2019**  
(Unaudited; amounts in millions, except per share amounts)

	Year ended December 31, 2019						
	Net sales	Equity earnings	Income before income taxes	Net income	Effective tax rate (a)	Per share	
<b>As reported</b>	<b>\$ 11,503</b>	<b>\$ 17</b>	<b>\$ 1,216</b>	<b>\$ 960</b>	<b>21.1%</b>	<b>\$ 1.07</b>	
Constant-currency adjustment (1)	153	1	115	115		0.13	
Translation loss on Japanese yen-denominated debt (2)			3	2		0.00	
Translated earnings contract gain, net (3)			(245)	(190)		(0.21)	
Acquisition-related costs and other charges and credits (4)			130	99		0.11	
Discrete tax items and other tax-related adjustments (5)				37		0.04	
Litigation, regulatory and other legal matters (6)			(17)	(13)		(0.01)	
Restructuring, impairment and other charges and credits (7)		6	439	334		0.37	
Equity in losses of affiliated companies (9)		213	213	165		0.18	
Pension mark-to-market adjustment (10)			95	69		0.08	
<b>Core performance measures</b>	<b>\$ 11,656</b>	<b>\$ 237</b>	<b>\$ 1,949</b>	<b>\$ 1,578</b>	<b>19.0%</b>	<b>\$ 1.76</b>	

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

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 December 31, 2020 and 2019**  
(Unaudited; amounts in millions)

	Three months ended December 31, 2020					
	Gross margin	Gross margin %	Selling, general and admin. expenses	Research, development and engineering expenses	Operating margin	Operating margin %
<b>As reported</b>	\$ 1,213	36.2%	\$ 471	\$ 232	\$ 510	15.2%
Constant-currency adjustment (1)	(3)		(1)		(2)	
Translated earnings contract gain, net (3)	(3)				(3)	
Acquisition-related costs and other charges and credits (4)	16		1	(2)	17	
Litigation, regulatory and other legal matters (6)			(36)		36	
Restructuring, impairment and other charges and credits (7)	60		(25)	(4)	89	
Pension mark-to-market adjustment (10)			1		(1)	
<b>Core performance measures</b>	<b>\$ 1,283</b>	<b>38.6%</b>	<b>\$ 411</b>	<b>\$ 226</b>	<b>\$ 646</b>	<b>19.4%</b>

	Three months ended December 31, 2019					
	Gross margin	Gross margin %	Selling, general and admin. expenses	Research, development and engineering expenses	Operating margin	Operating margin %
<b>As reported</b>	\$ 854	30.3%	\$ 401	\$ 278	\$ 175	6.2%
Constant-currency adjustment (1)	22		1		21	
Acquisition-related costs and other charges and credits (4)	2			(1)	3	
Litigation, regulatory and other legal matters (6)			(8)		8	
Restructuring, impairment and other charges and credits (7)	176		(11)	(14)	201	
Pension mark-to-market adjustment (10)			(2)		2	
<b>Core performance measures</b>	<b>\$ 1,054</b>	<b>37.0%</b>	<b>\$ 381</b>	<b>\$ 263</b>	<b>\$ 410</b>	<b>14.4%</b>

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**  
**Year Ended December 31, 2020 and 2019**  
(Unaudited; amounts in millions)

	Year ended December 31, 2020					
	Gross margin	Gross margin %	Selling, general and admin. expenses	Research, development and engineering expenses	Operating margin	Operating margin %
<b>As reported</b>	\$ 3,531	31.2%	\$ 1,747	\$ 1,154	\$ 630	5.6%
Constant-currency adjustment (1)	25		2		23	
Translated earnings contract gain, net (3)	(7)				(7)	
Acquisition-related costs and other charges and credits (4)	23		(7)	(3)	33	
Litigation, regulatory and other legal matters (6)			(144)		144	
Restructuring, impairment and other charges and credits (7)	443		(116)	(247)	806	
Cumulative adjustment related to customer contract (8)	105				105	
Pension mark-to-market adjustment (10)			1		(1)	
<b>Core performance measures</b>	\$ 4,120	36.0%	\$ 1,483	\$ 904	\$ 1,733	15.1%

	Year ended December 31, 2019					
	Gross margin	Gross margin %	Selling, general and admin. expenses	Research, development and engineering expenses	Operating margin	Operating margin %
<b>As reported</b>	\$ 4,035	35.1%	\$ 1,585	\$ 1,031	\$ 1,419	12.3%
Constant-currency adjustment (1)	116		3		113	
Acquisition-related costs and other charges and credits (4)	8		(9)	(2)	19	
Litigation, regulatory and other legal matters (6)			18		(18)	
Restructuring, impairment and other charges and credits (7)	388		(28)	(30)	446	
Pension mark-to-market adjustment (10)			(2)		2	
<b>Core performance measures</b>	\$ 4,547	39.0%	\$ 1,567	\$ 999	\$ 1,981	17.0%

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 Twelve Months Ended December 31, 2020 and 2019**  
(Unaudited; amounts in millions)

	Three months ended December 31,		Year ended December 31,	
	2020	2019	2020	2019
Cash flows from operating activities	\$ 774	\$ 1,018	\$ 2,180	\$ 2,031
Realized gains on translated earnings contracts	2	16	12	55
Premiums received from options contracts				11
Translation gains (losses) on cash balances	79	53	133	(33)
Other adjustments		19		45
Adjusted cash flows from operating activities	\$ 855	\$ 1,106	\$ 2,325	\$ 2,109
Less: Capital expenditures	\$ 391	\$ 376	\$ 1,377	\$ 1,978
Free cash flow	\$ 464	\$ 730	\$ 948	\$ 131

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 revenue 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 impacted by the euro, Chinese yuan and Japanese yen. Presenting results on a constant-currency basis mitigates the translation impact and allows management to evaluate performance period over period, analyze underlying trends in our 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 loss (gain) on Japanese yen-denominated debt: We have excluded the gain or loss on the translation of our yen-denominated debt to U.S. dollars.
- (3) Translated earnings contract loss (gain): We have excluded the impact of the realized and unrealized gains and losses of our 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 our British pound-denominated foreign currency hedges related to translated earnings.
- (4) Acquisition-related costs and other charges and credits: These expenses include intangible amortization, inventory valuation adjustments and external acquisition-related deal costs.
- (5) Discrete tax items and other tax-related adjustments: For 2020 and 2019, these include discrete period tax items such as changes in tax law, the impact of tax audits, changes in tax reserves, changes in judgement about the realizability of certain deferred tax assets, net Subpart F income, and other tax-related adjustments.
- (6) Litigation, regulatory and other legal matters: Includes amounts that reflect developments in commercial litigation, intellectual property disputes, adjustments to our estimated liability for environmental-related items and other legal matters.
- (7) Restructuring, impairment and other charges and credits: This amount includes restructuring, impairment losses and other charges and credits, as well as other expenses, primarily accelerated depreciation and asset write-offs, which are not related to continuing operations and are not classified as restructuring expense.
- (8) Cumulative adjustment related to customer contract: The negative impact of a cumulative adjustment recorded during the first quarter of 2020 to reduce revenue in the amount of \$105 million. The adjustment was associated with a previously recorded commercial benefit asset, reflected as a prepayment, to a customer with a long-term supply agreement that is exiting its production of LCD panels.
- (9) Equity in losses of affiliated companies: These adjustments relate to costs not related to continuing operations of our affiliated companies, such as restructuring, impairment losses, inventory adjustments, and other charges and credits and settlements under “take-or-pay” contracts. The year ended December 31, 2020 included the Company’s share of a loss related to the sale of a business.
- (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) Transaction-related gain, net: Amount represents the pre-tax gain recorded on a previously held equity investment in HSG.
- (12) Bond redemption loss: During the fourth quarter of 2020, Corning redeemed \$100 million of 7.0% debentures due 2024 with a carrying amount of \$99 million, paying a \$21 million make-whole call premium, resulting in a redemption loss of \$22 million.
- (13) Gain on investment: Amount represents the gain recognized from the initial public offering of an investment in the fourth quarter of 2020.