

CORNING INCORPORATED AND SUBSIDIARY COMPANIES
CONSOLIDATED STATEMENTS OF INCOME (LOSS)

(Unaudited; in millions, except per share amounts)

	Three months ended		Six months ended	
	June 30,		June 30,	
	2021	2020	2021	2020
Net sales	\$ 3,501	\$ 2,561	\$ 6,791	\$ 4,952
Cost of sales	2,186	1,805	4,320	3,635
Gross margin	1,315	756	2,471	1,317
Operating expenses:				
Selling, general and administrative expenses	465	401	865	796
Research, development and engineering expenses	242	430	464	691
Amortization of purchased intangibles	33	28	65	54
Operating income (loss)	575	(103)	1,077	(224)
Equity in earnings of affiliated companies	7	79	15	93
Interest income	2	3	5	9
Interest expense	(78)	(67)	(155)	(131)
Translated earnings contract gain, net	3	37	275	105
Other income (expense), net	7	2	124	(9)
Income (loss) before income taxes	516	(49)	1,341	(157)
Provision for income taxes	(67)	(22)	(293)	(10)
Net income (loss) attributable to Corning Incorporated	\$ 449	\$ (71)	\$ 1,048	\$ (167)
(Loss) earnings per common share available to common stockholders:				
Basic	\$ (0.42)	\$ (0.13)	\$ 0.27	\$ (0.28)
Diluted	\$ (0.42)	\$ (0.13)	\$ 0.27	\$ (0.28)
Reconciliation of net income (loss) attributable to Corning Incorporated versus net (loss) income available to common stockholders:				
Net income (loss) attributable to Corning Incorporated	\$ 449	\$ (71)	\$ 1,048	\$ (167)
Series A convertible preferred stock dividend		(25)	(24)	(49)
Excess consideration paid for redemption of preferred shares	(803)		(803)	
Net (loss) income available to common stockholders	\$ (354)	\$ (96)	\$ 221	\$ (216)

CORNING INCORPORATED AND SUBSIDIARY COMPANIES
CONSOLIDATED BALANCE SHEETS

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

	June 30, 2021	December 31, 2020
Assets		
Current assets:		
Cash and cash equivalents	\$ 2,320	\$ 2,672
Trade accounts receivable, net of doubtful accounts	2,057	2,133
Inventories, net	2,387	2,438
Other current assets	884	761
Total current assets	7,648	8,004
Property, plant and equipment, net of accumulated depreciation	15,455	15,742
Goodwill, net	2,433	2,460
Other intangible assets, net	1,228	1,308
Deferred income taxes	1,051	1,121
Other assets	1,991	2,140
	\$ 29,806	\$ 30,775
Liabilities and Equity		
Current liabilities:		
Current portion of long-term debt and short-term borrowings	\$ 353	\$ 156
Accounts payable	1,312	1,174
Other accrued liabilities	2,959	2,437
Total current liabilities	4,624	3,767
Long-term debt	7,025	7,816
Postretirement benefits other than pensions	723	727
Other liabilities	5,292	5,017
Total liabilities	17,664	17,327
Commitments and contingencies		
Shareholders' equity:		
Convertible preferred stock, Series A – Par value \$100 per share; Shares authorized 0 and 3,100; Shares issued: 0 and 2,300		2,300
Common stock – Par value \$0.50 per share; Shares authorized 3.8 billion; Shares issued: 1.8 billion and 1.7 billion	907	863
Additional paid-in capital – common stock	16,352	14,642
Retained earnings	15,739	16,120
Treasury stock, at cost; Shares held: 962 million and 961 million	(19,986)	(19,928)
Accumulated other comprehensive loss	(1,052)	(740)
Total Corning Incorporated shareholders' equity	11,960	13,257
Non-controlling interests	182	191
Total equity	12,142	13,448
Total Liabilities and Equity	\$ 29,806	\$ 30,775

CORNING INCORPORATED AND SUBSIDIARY COMPANIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

(Unaudited; in millions)

	Three months ended		Six months ended	
	June 30,		June 30,	
	2021	2020	2021	2020
Cash Flows from Operating Activities:				
Net income (loss)	\$ 449	\$ (71)	\$ 1,048	\$ (167)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:				
Depreciation	336	324	666	680
Amortization of purchased intangibles	33	28	65	54
Loss on disposal of assets	1	15	1	75
Severance charges	1	58	1	135
Severance payments	(7)	(22)	(20)	(97)
Share-based compensation expense	44	55	78	65
Equity in earnings of affiliated companies	(7)	(79)	(15)	(93)
Translation (gain) loss on Japanese yen-denominated debt	(5)	(3)	(123)	11
Deferred tax (benefit) provision	(65)	(90)	56	(130)
Customer deposits and government incentives	102		114	125
Translated earnings contract gain	(3)	(37)	(275)	(105)
Unrealized translation (gains) losses on transactions	(8)	(22)	51	11
Tax assessment refunds				101
Asset impairment		195		195
Changes in certain working capital items:				
Trade accounts receivable	(158)	(16)	(49)	27
Inventories	(26)	120	18	53
Other current assets	(127)	30	(153)	20
Accounts payable and other current liabilities	183	(28)	156	(235)
Other, net	28	93	(125)	73
Net cash provided by operating activities	<u>771</u>	<u>550</u>	<u>1,494</u>	<u>798</u>
Cash Flows from Investing Activities:				
Capital expenditures	(324)	(288)	(613)	(833)
Proceeds from sale or disposal of assets	10	16	17	27
Proceeds from sale of business	78		102	
Investment in and proceeds from unconsolidated entities, net	87	(4)	85	(5)
Realized gains on translated earnings contract	16	1	13	12
Other, net	6	30	(19)	15
Net cash used in investing activities	<u>(127)</u>	<u>(245)</u>	<u>(415)</u>	<u>(784)</u>
Cash Flows from Financing Activities:				
Repayments of short-term borrowings and current portion of long-term debt	(435)		(460)	
Proceeds from issuance of long-term debt, net		9		209
Payment for redemption of preferred stock	(507)		(507)	
Payments of employee withholding tax on stock awards	(51)	(6)	(55)	(8)
Proceeds from the exercise of stock options	31	6	82	13
Purchases of common stock for treasury	(1)		(1)	(105)
Dividends paid	(234)	(191)	(442)	(383)
Other, net	(2)	4	(6)	2
Net cash used in financing activities	<u>(1,199)</u>	<u>(178)</u>	<u>(1,389)</u>	<u>(272)</u>
Effect of exchange rates on cash	7	6	(42)	(18)
Net (decrease) increase in cash and cash equivalents	(548)	133	(352)	(276)
Cash and cash equivalents at beginning of period	2,868	2,025	2,672	2,434
Cash and cash equivalents at end of period	<u>\$ 2,320</u>	<u>\$ 2,158</u>	<u>\$ 2,320</u>	<u>\$ 2,158</u>

CORNING INCORPORATED AND SUBSIDIARY COMPANIES
(Unaudited)

GAAP (Loss) Earnings per Common Share

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

	Three months ended June 30,		Six months ended June 30,	
	2021	2020	2021	2020
Net income (loss) attributable to Corning Incorporated	\$ 449	\$ (71)	\$ 1,048	\$ (167)
Less: Series A convertible preferred stock dividend		25	24	49
Less: Excess consideration paid for redemption of preferred shares	803		803	
Net (loss) income available to common stockholders – basic	(354)	(96)	221	(216)
Net (loss) income available to common stockholders – diluted	\$ (354)	\$ (96)	\$ 221	\$ (216)
Weighted-average common shares outstanding - basic	844	759	805	760
Effect of dilutive securities:				
Stock options and other dilutive securities			17	
Weighted-average common shares outstanding - diluted	844	759	822	760
Basic (loss) earnings per common share	\$ (0.42)	\$ (0.13)	\$ 0.27	\$ (0.28)
Diluted (loss) earnings per common share	\$ (0.42)	\$ (0.13)	\$ 0.27	\$ (0.28)

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 June 30,		Six months ended June 30,	
	2021	2020	2021	2020
Core net income attributable to Corning Incorporated	\$ 459	\$ 218	\$ 861	\$ 395
Less: Series A convertible preferred stock dividend		25	24	49
Core net income available to common stockholders - basic	459	193	837	346
Plus: Series A convertible preferred stock dividend		25	24	49
Core net income available to common stockholders - diluted	\$ 459	\$ 218	\$ 861	\$ 395
Weighted-average common shares outstanding - basic	844	759	805	760
Effect of dilutive securities:				
Stock options and other dilutive securities	16	6	17	6
Series A convertible preferred stock	9	115	62	115
Weighted-average common shares outstanding - diluted	869	880	884	881
Core basic earnings per common share	\$ 0.54	\$ 0.25	\$ 1.04	\$ 0.46
Core diluted earnings per common share	\$ 0.53	\$ 0.25	\$ 0.97	\$ 0.45

CORE PERFORMANCE MEASURES

In managing the Company and assessing financial performance, certain measures provided by the consolidated financial statements are adjusted to exclude specific items to report 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 its equity affiliates. Corning utilizes constant-currency reporting for the 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 the 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 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, 2021 and 2020
(Unaudited; amounts in millions, except per share amounts)

	Three months ended June 30, 2021					
	Net sales	Equity earnings	Income before income taxes	Net income	Effective tax rate (a)	Per share
As reported - GAAP	\$ 3,501	\$ 7	\$ 516	\$ 449	13.0%	\$ (0.42)
Preferred stock redemption (b)						0.94
Subtotal	3,501	7	516	449	13.0%	0.52
Constant-currency adjustment (1)	3	1	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)
Pension mark-to-market adjustment (6)			19	15		0.02
Restructuring, impairment and other charges and credits (7)			2	2		0.00
Preferred stock conversion (8)			21	21		0.02
Loss on investments (9)			4	3		0.00
Gain on sale of business (10)			(40)	(32)		(0.04)
Bond redemption loss (11)			11	8		0.01
Core performance measures	\$ 3,504	\$ 8	\$ 583	\$ 459	21.3%	\$ 0.53

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

(b) Corning and Samsung Display Co., Ltd. executed a Share Repurchase Agreement ("SRA"). Pursuant to the SRA, the Series A convertible preferred stock ("Preferred Stock") was converted into 115 million shares of common stock ("Common Shares"). Corning immediately repurchased and retired 35 million Common Shares which were excluded from the weighted-average common shares outstanding for the calculation of the Company's basic and diluted earnings per share. The repurchased shares were accounted for as a redemption of Preferred Stock. The excess of the consideration paid over the carrying value of the Preferred Stock 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.

	Three months ended June 30, 2020					
	Net sales	Equity earnings	(Loss) income before income taxes	Net (loss) income	Effective tax rate (a)	Per share
As reported - GAAP	\$ 2,561	\$ 79	\$ (49)	\$ (71)	(44.9%)	\$ (0.13)
Constant-currency adjustment (1)	27		6	3		0.00
Translation gain on Japanese yen-denominated debt (2)			(3)	(3)		(0.00)
Translated earnings contract gain (3)			(35)	(27)		(0.04)
Acquisition-related costs (4)			29	21		0.03
Discrete tax items and other tax-related adjustments (5)				40		0.05
Pension mark-to-market adjustment (6)			(2)	(1)		(0.00)
Restructuring, impairment and other charges and credits (7)			337	254		0.33
Litigation, regulatory and other legal matters (12)			25	20		0.03
Equity in earnings of affiliated companies (13)		(24)	(24)	(18)		(0.02)
Core performance measures	\$ 2,588	\$ 55	\$ 284	\$ 218	23.2%	\$ 0.25

(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
Six Months Ended June 30, 2021 and 2020
(Unaudited; amounts in millions, except per share amounts)

	Six months ended June 30, 2021					
	Net sales	Equity earnings	Income before income taxes	Net income	Effective tax rate (a)	Per share
As reported – GAAP	\$ 6,791	\$ 15	\$ 1,341	\$ 1,048	21.8%	\$ 0.27
Preferred stock redemption (b)						0.92
Subtotal	6,791	15	1,341	1,048	21.8%	1.19
Constant-currency adjustment (1)	(24)	1	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
Pension mark-to-market adjustment (6)			24	19		0.02
Restructuring, impairment and other charges and credits (7)			2	2		0.00
Preferred stock conversion (8)			21	21		0.03
Loss on investments (9)			39	30		0.04
Gain on sale of business (10)			(54)	(46)		(0.06)
Bond redemption loss (11)			11	8		0.01
Litigation, regulatory and other legal matters (12)			8	8		0.01
Core performance measures	\$ 6,767	\$ 16	\$ 1,093	\$ 861	21.2%	\$ 0.97

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

(b) Corning and Samsung Display Co., Ltd. executed a Share Repurchase Agreement ("SRA"). Pursuant to the SRA, the Series A convertible preferred stock ("Preferred Stock") was converted into 115 million shares of common stock ("Common Shares"). Corning immediately repurchased and retired 35 million Common Shares which were excluded from the weighted-average common shares outstanding for the calculation of the Company's basic and diluted earnings per share. The repurchased shares were accounted for as a redemption of Preferred Stock. The excess of the consideration paid over the carrying value of the Preferred Stock 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.

	Six months ended June 30, 2020					
	Net sales	Equity earnings	(Loss) income before income taxes	Net (loss) income	Effective tax rate (a)	Per share
As reported - GAAP	\$ 4,952	\$ 93	\$ (157)	\$ (167)	(6.4%)	\$ (0.28)
Constant-currency adjustment (1)	60		25	(19)		(0.03)
Translation loss on Japanese yen-denominated debt (2)			11	8		0.01
Translated earnings contract gain (3)			(93)	(72)		(0.09)
Acquisition-related costs (4)			57	42		0.06
Discrete tax items and other tax-related adjustments (5)				77		0.10
Pension mark-to-market adjustment (6)			(2)	(1)		(0.00)
Restructuring, impairment and other charges and credits (7)			562	420		0.55
Litigation, regulatory and other legal matters (12)			25	20		0.03
Equity in earnings of affiliated companies (13)		(24)	(24)	(18)		(0.02)
Cumulative adjustment related to customer contract (14)	105		105	105		0.14
Core performance measures	\$ 5,117	\$ 69	\$ 509	\$ 395	22.4%	\$ 0.45

(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 June 30, 2021 and 2020
(Unaudited; amounts in millions, except per share amounts)

	Three months ended June 30, 2021					
	Gross margin	Gross margin %	Selling, general and admin. 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	
Pension mark-to-market adjustment (6)			(9)	(1)	10	
Restructuring, impairment and other charges and credits (7)	(6)		(4)	(4)	2	
Core performance measures	\$ 1,326	37.8%	\$ 449	\$ 236	\$ 641	18.3%

	Three months ended June 30, 2020					
	Gross margin	Gross margin %	Selling, general and admin. expenses	Research, development and engineering expenses	Operating margin	Operating margin %
As reported - GAAP	\$ 756	29.5%	\$ 401	\$ 430	\$ (103)	(4.0%)
Constant-currency adjustment (1)	7		2		5	
Translated earnings contract gain (3)	2				2	
Acquisition-related costs (4)					28	
Restructuring, impairment and other charges and credits (7)	98		(22)	(212)	332	
Litigation, regulatory and other legal matters (12)			(25)		25	
Core performance measures	\$ 863	33.3%	\$ 356	\$ 218	\$ 289	11.2%

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, 2021 and 2020
(Unaudited; amounts in millions, except per share amounts)

	Six months ended June 30, 2021					
	Gross margin	Gross margin %	Selling, general and admin. 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	
Pension mark-to-market adjustment (6)			(12)	(3)	15	
Restructuring, impairment and other charges and credits (7)	(6)		(4)	(4)	2	
Litigation, regulatory and other legal matters (12)			(8)		8	
Core performance measures	\$ 2,493	36.8%	\$ 837	\$ 456	\$ 1,200	17.7%

	Six months ended June 30, 2020					
	Gross margin	Gross margin %	Selling, general and admin. expenses	Research, development and engineering expenses	Operating margin	Operating margin %
As reported - GAAP	\$ 1,317	26.6%	\$ 796	\$ 691	\$ (224)	(4.5%)
Constant-currency adjustment (1)	28		3		25	
Translated earnings contract gain (3)	(2)				(2)	
Acquisition-related costs (4)			(1)		55	
Restructuring, impairment and other charges and credits (7)	259		(70)	(225)	554	
Litigation, regulatory and other legal matters (12)			(25)		25	
Cumulative adjustment related to customer contract (14)	105				105	
Core performance measures	\$ 1,707	33.4%	\$ 703	\$ 466	\$ 538	10.5%

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, 2021 and 2020
(Unaudited; amounts in millions)

	Three months ended		Six months ended	
	June 30,		June 30,	
	2021	2020	2021	2020
Cash flows from operating activities	\$ 771	\$ 550	\$ 1,494	\$ 798
Realized gains on translated earnings contracts	16	1	13	12
Translation gains (losses) on cash balances	8	22	(51)	(11)
Adjusted cash flows from operating activities	\$ 795	\$ 573	\$ 1,456	\$ 799
Less: Capital expenditures	\$ 324	\$ 288	\$ 613	\$ 833
Free cash flow	\$ 471	\$ 285	\$ 843	\$ (34)

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. 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) loss 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) 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.
- (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) Preferred stock conversion: This amount includes the put option from the Share Repurchase Agreement with Samsung Display Co., Ltd.
- (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) Gain on sale of business: Amount represents the gain recognized for the sale of certain businesses.
- (11) 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
- (12) 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.
- (13) Equity in earnings of affiliated companies: These adjustments relate to costs not related to continuing operations of our affiliated companies, such as restructuring, impairment losses, inventory adjustments, other charges and credits and settlements under "take-or-pay" contracts.
- (14) Cumulative adjustment related to customer contract: The negative impact of a cumulative adjustment recorded during the first quarter of 2020 to reduce revenue by \$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 substantially exited its production of LCD panels.