

CORNING INCORPORATED AND SUBSIDIARY COMPANIES
CONSOLIDATED STATEMENTS OF INCOME

(Unaudited; in millions, except per share amounts)

	Three months ended		Nine months ended	
	September 30,		September 30,	
	2021	2020	2021	2020
Net sales	\$ 3,615	\$ 3,001	\$ 10,406	\$ 7,953
Cost of sales	<u>2,294</u>	<u>2,000</u>	<u>6,614</u>	<u>5,635</u>
Gross margin	1,321	1,001	3,792	2,318
Operating expenses:				
Selling, general and administrative expenses	486	480	1,351	1,276
Research, development and engineering expenses	251	231	715	922
Amortization of purchased intangibles	<u>32</u>	<u>33</u>	<u>97</u>	<u>87</u>
Operating income	552	257	1,629	33
Equity in earnings (losses) of affiliated companies	16	(76)	31	17
Interest income	3	3	8	12
Interest expense	(72)	(70)	(227)	(201)
Translated earnings contract (loss) gain, net	(13)	(100)	262	5
Transaction-related gain, net		498		498
Other (expense) income, net	<u>(6)</u>	<u>(62)</u>	<u>118</u>	<u>(71)</u>
Income before income taxes	480	450	1,821	293
Provision for income taxes	<u>(109)</u>	<u>(23)</u>	<u>(402)</u>	<u>(33)</u>
Net income attributable to Corning Incorporated	<u>\$ 371</u>	<u>\$ 427</u>	<u>\$ 1,419</u>	<u>\$ 260</u>
Earnings per common share available to common shareholders:				
Basic	<u>\$ 0.44</u>	<u>\$ 0.53</u>	<u>\$ 0.72</u>	<u>\$ 0.25</u>
Diluted	<u>\$ 0.43</u>	<u>\$ 0.48</u>	<u>\$ 0.71</u>	<u>\$ 0.24</u>
Reconciliation of net income attributable to Corning Incorporated versus net income available to common shareholders:				
Net income attributable to Corning Incorporated	\$ 371	\$ 427	\$ 1,419	\$ 260
Series A convertible preferred stock dividend			(24)	(73)
Excess consideration paid for redemption of preferred shares			<u>(803)</u>	
Net income available to common shareholders	<u>\$ 371</u>	<u>\$ 427</u>	<u>\$ 592</u>	<u>\$ 187</u>

CORNING INCORPORATED AND SUBSIDIARY COMPANIES
CONSOLIDATED BALANCE SHEETS

(In millions, except share and per share amounts)

	September 30, 2021 (unaudited)	December 31, 2020
Assets		
Current assets:		
Cash and cash equivalents	\$ 2,212	\$ 2,672
Trade accounts receivable, net of doubtful accounts	2,114	2,133
Inventories, net	2,463	2,438
Other current assets	890	761
Total current assets	7,679	8,004
Property, plant and equipment, net of accumulated depreciation	15,383	15,742
Goodwill, net	2,425	2,460
Other intangible assets, net	1,192	1,308
Deferred income taxes	1,062	1,121
Other assets	1,965	2,140
Total Assets	\$ 29,706	\$ 30,775
Liabilities and Equity		
Current liabilities:		
Current portion of long-term debt and short-term borrowings	\$ 50	\$ 156
Accounts payable	1,396	1,174
Other accrued liabilities	2,891	2,437
Total current liabilities	4,337	3,767
Long-term debt	7,019	7,816
Postretirement benefits other than pensions	729	727
Other liabilities	5,266	5,017
Total liabilities	17,351	17,327
Commitments and contingencies		
Shareholders' equity:		
Convertible preferred stock, Series A – Par value \$100 per share; Shares authorized 10 million; 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	16,398	14,642
Retained earnings	16,110	16,120
Treasury stock, at cost; Shares held: 963 million and 961 million	(20,011)	(19,928)
Accumulated other comprehensive loss	(1,259)	(740)
Total Corning Incorporated shareholders' equity	12,145	13,257
Non-controlling interests	210	191
Total equity	12,355	13,448
Total Liabilities and Equity	\$ 29,706	\$ 30,775

CORNING INCORPORATED AND SUBSIDIARY COMPANIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

(Unaudited; in millions)

	Three months ended September 30,		Nine months ended September 30,	
	2021	2020	2021	2020
Cash Flows from Operating Activities:				
Net income	\$ 371	\$ 427	\$ 1,419	\$ 260
Adjustments to reconcile net income to net cash provided by operating activities:				
Depreciation	339	361	1,005	1,041
Amortization of purchased intangibles	32	33	97	87
Loss on disposal of assets	7	32	8	107
Severance charges	(1)	6		141
Severance payments	(4)	(29)	(24)	(126)
Share-based compensation expense	39	62	117	127
Equity in (earnings) losses of affiliated companies	(16)	76	(31)	(17)
Translation (gain) loss on Japanese yen-denominated debt	(4)	39	(127)	50
Deferred tax provision (benefit)	12	34	68	(96)
Pension plan contributions		(60)		(80)
Customer deposits and government incentives	54	59	168	184
Translated earnings contract loss (gain)	13	100	(262)	(5)
Unrealized translation losses (gains) on transactions	14	(65)	65	(54)
Tax assessment refunds				101
Asset impairment		22		217
Transaction-related gain, net		(498)		(498)
Changes in certain working capital items:				
Trade accounts receivable	(97)	(308)	(146)	(281)
Inventories	(90)	187	(72)	240
Other current assets	(57)	(39)	(210)	(19)
Accounts payable and other current liabilities	269	96	425	(139)
Other, net	14	73	(111)	166
Net cash provided by operating activities	895	608	2,389	1,406
Cash Flows from Investing Activities:				
Capital expenditures	(401)	(153)	(1,014)	(986)
Proceeds from sale or disposal of assets			17	27
Proceeds from sale of business			102	
Proceeds from and investment in unconsolidated entities, net	2	(2)	87	(7)
Realized gains (losses) on translated earnings contract	17	(2)	30	10
Other, net	(6)	9	(25)	24
Net cash used in investing activities	(388)	(148)	(803)	(932)
Cash Flows from Financing Activities:				
Repayments of short-term borrowings	(69)		(144)	
Repayments of long-term debt	(331)		(716)	
Proceeds from issuance of long-term debt	19	3	19	212
Payment for redemption of preferred stock			(507)	
Payments of employee withholding tax on stock awards	(2)	(2)	(57)	(10)
Proceeds from exercise of stock options	9	36	91	49
Purchases of common stock for treasury	(21)		(22)	(105)
Dividends paid	(217)	(204)	(659)	(587)
Other, net	11	24	5	26
Net cash used in financing activities	(601)	(143)	(1,990)	(415)
Effect of exchange rates on cash	(14)	39	(56)	21
Net (decrease) increase in cash and cash equivalents	(108)	356	(460)	80
Cash and cash equivalents at beginning of period	2,320	2,158	2,672	2,434
Cash and cash equivalents at end of period	\$ 2,212	\$ 2,514	\$ 2,212	\$ 2,514

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		Nine months ended	
	September 30,		September 30,	
	2021	2020	2021	2020
Net income attributable to Corning Incorporated	\$ 371	\$ 427	\$ 1,419	\$ 260
Less: Series A convertible preferred stock dividend		24	24	73
Less: Excess consideration paid for redemption of preferred shares			803	
Net income available to common shareholders – basic	371	403	592	187
Plus: Series A convertible preferred stock dividend		24		
Net income available to common shareholders – diluted	\$ 371	\$ 427	\$ 592	\$ 187
Weighted-average common shares outstanding - basic	852	760	821	760
Effect of dilutive securities:				
Employee stock options and other dilutive securities	14	14	16	8
Series A convertible preferred stock		115		
Weighted-average common shares outstanding - diluted	866	889	837	768
Basic earnings per common share	\$ 0.44	\$ 0.53	\$ 0.72	\$ 0.25
Diluted earnings per common share	\$ 0.43	\$ 0.48	\$ 0.71	\$ 0.24

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		Nine months ended	
	September 30,		September 30,	
	2021	2020	2021	2020
Core net income attributable to Corning Incorporated	\$ 485	\$ 380	\$ 1,346	\$ 775
Less: Series A convertible preferred stock dividend		24	24	73
Core net income available to common shareholders - basic	485	356	1,322	702
Plus: Series A convertible preferred stock dividend		24	24	73
Core net income available to common shareholders - diluted	\$ 485	\$ 380	\$ 1,346	\$ 775
Weighted-average common shares outstanding - basic	852	760	821	760
Effect of dilutive securities:				
Stock options and other dilutive securities	14	14	16	8
Series A convertible preferred stock		115	41	115
Weighted-average common shares outstanding - diluted	866	889	878	883
Core basic earnings per common share	\$ 0.57	\$ 0.47	\$ 1.61	\$ 0.92
Core diluted earnings per common share	\$ 0.56	\$ 0.43	\$ 1.53	\$ 0.88

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

	Three months ended September 30, 2021					
	Net sales	Equity earnings	Income before income taxes	Net income	Effective tax rate (a)	Per share
As reported - GAAP	\$ 3,615	\$ 16	\$ 480	\$ 371	22.7%	\$ 0.43
Constant-currency adjustment (1)	24	1	33	23		0.03
Translation gain on Japanese yen-denominated debt (2)			(4)	(4)		(0.00)
Translated earnings contract loss (3)			13	10		0.01
Acquisition-related costs (4)			38	30		0.03
Discrete tax items and other tax-related adjustments (5)				(1)		(0.00)
Pension mark-to-market adjustment (6)			(1)	(1)		(0.00)
Restructuring, impairment and other charges and credits (7)			40	31		0.04
Litigation, regulatory and other legal matters (8)			3	15		0.02
Preferred stock conversion (9)			(4)	(4)		(0.00)
Bond redemption loss (10)			20	15		0.02
Core performance measures	\$ 3,639	\$ 17	\$ 618	\$ 485	21.5%	\$ 0.56

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

	Three months ended September 30, 2020					
	Net sales	Equity (losses) earnings	Income before income taxes	Net income	Effective tax rate (a)	Per share
As reported - GAAP	\$ 3,001	\$ (76)	\$ 450	\$ 427	5.1%	\$ 0.48
Constant-currency adjustment (1)	6			(14)		(0.02)
Translation loss on Japanese yen-denominated debt (2)			39	31		0.03
Translated earnings contract loss (3)			99	77		0.09
Acquisition-related costs (4)			47	37		0.04
Discrete tax items and other tax-related adjustments (5)				(58)		(0.07)
Restructuring, impairment and other charges and credits (7)			171	129		0.15
Litigation, regulatory and other legal matters (8)			83	72		0.08
Equity in losses of affiliated companies (13)		85	85	66		0.07
Transaction-related gain, net (14)			(498)	(387)		(0.44)
Core performance measures	\$ 3,007	\$ 9	\$ 476	\$ 380	20.2%	\$ 0.43

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

	Nine months ended September 30, 2021					
	Net sales	Equity earnings	Income before income taxes	Net income	Effective tax rate (a)	Per share
As reported – GAAP	\$ 10,406	\$ 31	\$ 1,821	\$ 1,419	22.1%	\$ 0.71
Preferred stock redemption (b)						0.91
Subtotal	10,406	31	1,821	1,419	22.1%	1.62
Constant-currency adjustment (1)		2	47	29		0.03
Translation gain on Japanese yen-denominated debt (2)			(127)	(98)		(0.12)
Translated earnings contract gain (3)			(262)	(202)		(0.24)
Acquisition-related costs (4)			123	95		0.11
Discrete tax items and other tax-related adjustments (5)				5		0.01
Pension mark-to-market adjustment (6)			23	18		0.02
Restructuring, impairment and other charges and credits (7)			42	33		0.04
Litigation, regulatory and other legal matters (8)			11	23		0.03
Preferred stock conversion (9)			17	17		0.02
Bond redemption loss (10)			31	23		0.03
Loss on investments (11)			39	30		0.04
Gain on sale of business (12)			(54)	(46)		(0.05)
Core performance measures	\$ 10,406	\$ 33	\$ 1,711	\$ 1,346	21.3%	\$ 1.53

(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 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.

	Nine months ended September 30, 2020					
	Net sales	Equity earnings	Income before income taxes	Net income	Effective tax rate (a)	Per share
As reported - GAAP	\$ 7,953	\$ 17	\$ 293	\$ 260	11.3%	\$ 0.24
Constant-currency adjustment (1)	66		25	(33)		(0.04)
Translation loss on Japanese yen-denominated debt (2)			50	39		0.05
Translated earnings contract loss (3)			6	5		0.01
Acquisition-related costs (4)			104	79		0.10
Discrete tax items and other tax-related adjustments (5)				19		0.02
Pension mark-to-market adjustment (6)			(2)	(1)		(0.00)
Restructuring, impairment and other charges and credits (7)			733	549		0.71
Litigation, regulatory and other legal matters (8)			108	92		0.12
Equity in losses of affiliated companies (13)		61	61	48		0.06
Transaction-related gain, net (14)			(498)	(387)		(0.50)
Cumulative adjustment related to customer contract (15)	105		105	105		0.14
Core performance measures	\$ 8,124	\$ 78	\$ 985	\$ 775	21.3%	\$ 0.88

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

	Three months ended September 30, 2021					
	Gross margin	Gross margin %	Selling, general and administrative expenses	Research, development and engineering expenses	Operating margin	Operating margin %
As reported - GAAP	\$ 1,321	36.5%	\$ 486	\$ 251	\$ 552	15.3%
Constant-currency adjustment (1)	32		(1)		33	
Acquisition-related costs (4)					32	
Pension mark-to-market adjustment (6)			1		(1)	
Restructuring, impairment and other charges and credits (7)	41			1	40	
Litigation, regulatory and other legal matters (8)			(3)		3	
Core performance measures	\$ 1,394	38.3%	\$ 483	\$ 252	\$ 659	18.1%

	Three months ended September 30, 2020					
	Gross margin	Gross margin %	Selling, general and administrative expenses	Research, development and engineering expenses	Operating margin	Operating margin %
As reported - GAAP	\$ 1,001	33.4%	\$ 480	\$ 231	\$ 257	8.6%
Translated earnings contract gain (3)	(2)				(2)	
Acquisition-related costs (4)	7		(7)	(1)	48	
Restructuring, impairment and other charges and credits (7)	124		(21)	(18)	163	
Litigation, regulatory and other legal matters (8)			(83)		83	
Core performance measures	\$ 1,130	37.6%	\$ 369	\$ 212	\$ 549	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
Nine Months Ended September 30, 2021 and 2020
(Unaudited; amounts in millions, except per share amounts)

	Nine months ended September 30, 2021					
	Gross margin	Gross margin %	Selling, general and administrative expenses	Research, development and engineering expenses	Operating margin	Operating margin %
As reported - GAAP	\$ 3,792	36.4%	\$ 1,351	\$ 715	\$ 1,629	15.7%
Constant-currency adjustment (1)	42		(3)		45	
Acquisition-related costs (4)	18		(2)	(1)	118	
Pension mark-to-market adjustment (6)			(11)	(3)	14	
Restructuring, impairment and other charges and credits (7)	35		(4)	(3)	42	
Litigation, regulatory and other legal matters (8)			(11)		11	
Core performance measures	\$ 3,887	37.4%	\$ 1,320	\$ 708	\$ 1,859	17.9%

	Nine months ended September 30, 2020					
	Gross margin	Gross margin %	Selling, general and administrative expenses	Research, development and engineering expenses	Operating margin	Operating margin %
As reported - GAAP	\$ 2,318	29.1%	\$ 1,276	\$ 922	\$ 33	0.4%
Constant-currency adjustment (1)	28		3		25	
Translated earnings contract gain (3)	(4)				(4)	
Acquisition-related costs (4)	7		(8)	(1)	103	
Restructuring, impairment and other charges and credits (7)	383		(91)	(243)	717	
Litigation, regulatory and other legal matters (8)			(108)		108	
Cumulative adjustment related to customer contract (15)	105				105	
Core performance measures	\$ 2,837	34.9%	\$ 1,072	\$ 678	\$ 1,087	13.4%

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 Nine Months Ended September 30, 2021 and 2020
(Unaudited; amounts in millions)

	Three months ended		Nine months ended	
	September 30,		September 30,	
	2021	2020	2021	2020
Cash flows from operating activities	\$ 895	\$ 608	\$ 2,389	\$ 1,406
Realized gains (losses) on translated earnings contracts	17	(2)	30	10
Translation (losses) gains on cash balances	(14)	65	(65)	54
Adjusted cash flows from operating activities	\$ 898	\$ 671	\$ 2,354	\$ 1,470
Less: Capital expenditures	\$ 401	\$ 153	\$ 1,014	\$ 986
Free cash flow	\$ 497	\$ 518	\$ 1,340	\$ 484

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 (loss) 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, primarily accelerated depreciation and asset write-offs, which are not related to continuing operations and are not classified as restructuring expense. During the third quarter of 2021, we recorded asset write-offs and charges related to facility repairs resulting from the impact of power outages. The Company is pursuing recoveries under its applicable property insurance policies.
- (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) Preferred stock conversion: This amount includes the put option from the Share Repurchase Agreement with Samsung Display Co., Ltd.
- (10) Bond redemption loss: Amount represents premiums on redemption of debentures.
- (11) 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.
- (12) Gain on sale of business: Amount represents the gain recognized for the sale of certain businesses.
- (13) 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, other charges and credits and settlements under "take-or-pay" contracts, including Corning's share of HSG's settlement of its pre-existing relationship of its long-term supply contract related to the HSG's acquisition of TCS.
- (14) Transaction-related gain, net: Amount represents the pre-tax gain recorded on a previously held equity investment in HSG.
- (15) 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.