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

	Three months ended December 31,		Year ended December 31,	
	2023	2022	2023	2022
Net sales	$ 2,994	$ 3,406	$ 12,588	$ 14,189
Cost of sales	2,083	2,491	8,657	9,683
Gross margin	911	915	3,931	4,506
Operating expenses:				
Selling, general and administrative expenses	514	517	1,843	1,898
Research, development and engineering expenses	289	281	1,076	1,047
Amortization of purchased intangibles	30	31	122	123
Operating income	78	86	890	1,438
Interest income	13	6	38	15
Interest expense	(90)	(76)	(329)	(292)
Translated earnings contract gain, net	33	94	161	351
Other (expense) income, net	(72)	(106)	56	285
(Loss) income before income taxes	(38)	4	816	1,797
Benefit (provision) for income taxes	10	(31)	(168)	(411)
Net (loss) income	(28)	(27)	648	1,386
Net income attributable to non-controlling interest	(12)	(9)	(67)	(70)
Net (loss) income attributable to Corning Incorporated	$ (40)	$ (36)	$ 581	$ 1,316
(Loss) earnings per common share available to common shareholders:				
Basic	$ (0.05)	$ (0.04)	$ 0.69	$ 1.56
Diluted	$ (0.05)	$ (0.04)	$ 0.68	$ 1.54

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CORNING INCORPORATED AND SUBSIDIARY COMPANIES
CONSOLIDATED BALANCE SHEETS
(Unaudited; in millions, except share and per share amounts)

	December 31, 2023	December 31, 2022
Assets		
Current assets:		
Cash and cash equivalents	$ 1,779	$ 1,671
Trade accounts receivable, net of doubtful accounts	1,572	1,721
Inventories	2,666	2,904
Other current assets	1,195	1,157
Total current assets	7,212	7,453
Property, plant and equipment, net of accumulated depreciation	14,630	15,371
Goodwill	2,380	2,394
Other intangible assets, net	905	1,029
Deferred income taxes	1,153	1,073
Other assets	2,220	2,179
Total Assets	$ 28,500	$ 29,499
Liabilities and Equity		
Current liabilities:		
Current portion of long-term debt and short-term borrowings	$ 320	$ 224
Accounts payable	1,466	1,804
Other accrued liabilities	2,533	3,147
Total current liabilities	4,319	5,175
Long-term debt	7,206	6,687
Postretirement benefits other than pensions	398	407
Other liabilities	4,709	4,955
Total liabilities	16,632	17,224
Commitments and contingencies		
Shareholders' equity:		
Common stock – Par value $0.50 per share; Shares authorized 3.8 billion; Shares issued: 1.8 billion and 1.8 billion	916	910
Additional paid-in capital – common stock	16,929	16,682
Retained earnings	16,391	16,778
Treasury stock, at cost; Shares held: 980 million and 977 million	(20,637)	(20,532)
Accumulated other comprehensive loss	(2,048)	(1,830)
Total Corning Incorporated shareholders' equity	11,551	12,008
Non-controlling interest	317	267
Total equity	11,868	12,275
Total Liabilities and Equity	$ 28,500	$ 29,499

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

	Three months ended December 31,		Year ended December 31,	
	2023	2022	2023	2022
Cash Flows from Operating Activities:				
Net (loss) income	$ (28)	$ (27)	$ 648	$ 1,386
Adjustments to reconcile net (loss) income to net cash provided by operating activities:				
Depreciation	315	315	1,247	1,329
Amortization of purchased intangibles	30	31	122	123
Loss on disposal of assets	83	79	155	189
Severance charges	96	62	187	70
Severance payments	(14)	(6)	(96)	(11)
Share-based compensation expense	50	30	218	175
Translation loss (gain) on Japanese yen-denominated debt	62	130	(100)	(191)
Deferred tax benefit	(112)	(104)	(75)	(46)
Translated earnings contract gain	(33)	(94)	(161)	(351)
Unrealized translation loss (gain) on transactions	3	(72)	61	68
Tax deposit refund			99	
Changes in certain working capital items:				
Trade accounts receivable	187	(48)	50	113
Inventories	26	115	157	(522)
Other current assets	(22)	(134)	(80)	(139)
Accounts payable and other current liabilities	25	324	(238)	349
Customer deposits and government incentives	(25)	(34)	(42)	110
Deferred income	6	(34)	(5)	(49)
Other, net	64	84	(142)	12
Net cash provided by operating activities	713	617	2,005	2,615
Cash Flows from Investing Activities:				
Capital expenditures	(279)	(403)	(1,390)	(1,604)
Proceeds from sale of equipment to related party			67	
(Payments) proceeds from sale of business		(1)		76
Proceeds from and investments in unconsolidated entities, net	1	(28)	(17)	(38)
Realized gains on translated earnings contracts and other	56	91	326	300
Premiums paid on hedging contracts	(9)	(49)	(9)	(75)
Other, net	1	4	23	(14)
Net cash used in investing activities	(230)	(386)	(1,000)	(1,355)
Cash Flows from Financing Activities:				
Repayments of debt	(104)		(284)	(87)
Proceeds from issuance of debt	2	20	82	127
Proceeds from issuance of euro bonds			918	
Proceeds from other financing arrangements			54	
Repayment of other financing arrangements			(54)	
Payment for redemption of preferred stock			(507)	(507)
Payments of employee withholding tax on stock awards	(3)	(3)	(106)	(47)
Proceeds from exercise of stock options	3	5	42	40
Purchases of common stock for treasury				(221)
Dividends paid	(248)	(236)	(989)	(932)
Other, net	(13)	(5)	(39)	(22)
Net cash used in financing activities	(363)	(219)	(883)	(1,649)
Effect of exchange rates on cash	20	29	(14)	(88)
Net increase (decrease) in cash and cash equivalents	140	41	108	(477)
Cash and cash equivalents at beginning of year	1,639	1,630	1,671	2,148
Cash and cash equivalents at end of year	$ 1,779	$ 1,671	$ 1,779	$ 1,671

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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 December 31,		Year ended December 31,	
	2023	2022	2023	2022
Net (loss) income attributable to Corning Incorporated	$ (40)	$ (36)	$ 581	$ 1,316
Weighted-average common shares outstanding - basic	851	843	848	843
Effect of dilutive securities:				
Stock options and other awards			11	14
Weighted-average common shares outstanding - diluted	**851**	**843**	**859**	**857**
Basic (loss) earnings per common share	$ (0.05)	$ (0.04)	$ 0.69	$ 1.56
Diluted (loss) earnings per common share	**$ (0.05)**	**$ (0.04)**	**$ 0.68**	**$ 1.54**

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 December 31,		Year ended December 31,	
	2023	2022	2023	2022
Core net income	$ 339	$ 402	$ 1,463	$ 1,794
Weighted-average common shares outstanding - basic	851	843	848	843
Effect of dilutive securities:				
Stock options and other awards	9	13	11	14
Weighted-average common shares outstanding - diluted	**860**	**856**	**859**	**857**
Core basic earnings per common share	$ 0.40	$ 0.48	$ 1.73	$ 2.13
Core diluted earnings per common share	**$ 0.39**	**$ 0.47**	**$ 1.70**	**$ 2.09**

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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 arrive at our core performance measures. These items include the impact of translating the Japanese yen-denominated debt, the impact of the translated earnings contracts, acquisition-related costs, certain discrete tax items and other tax-related adjustments, restructuring, impairment and other charges and credits, certain litigation, regulatory and other legal matters, pension mark-to-market adjustments and other items which do not reflect the ongoing operating results of the Company.

In addition, because a significant portion of our revenues and expenses are denominated in currencies other than the U.S. dollar, management believes it is important to understand the impact on sales and net income of translating these currencies into U.S. dollars. Therefore, management utilizes constant-currency reporting for the Display Technologies, Specialty Materials, Environmental Technologies and Life Sciences segments to exclude the impact from the Japanese yen, South Korean won, Chinese yuan, New Taiwan dollar and euro, as applicable to the segment. The most significant constant-currency adjustment relates to the Japanese yen exposure within the Display Technologies segment. We establish constant-currency rates based on internally derived management estimates, which are closely aligned with the currencies we have hedged. For details of the rates used, please see the footnotes to the "Reconciliation of Non-GAAP Measures" section.

We believe that the use of constant-currency reporting allows management to understand our results without the volatility of currency fluctuation, analyze underlying trends in the businesses and establish operational goals and forecasts.

Core performance measures are not prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP"), but management believes that reporting core performance measures provides investors with greater transparency to the information used by our management team to make financial and operational decisions. 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 outlook for future periods, it is not possible to provide reconciliations for these non-GAAP measures because management 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 management's control. As a result, management 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."

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CORNING INCORPORATED AND SUBSIDIARY COMPANIES
RECONCILIATION OF NON-GAAP MEASURES
Three Months Ended December 31, 2023 and 2022
(Unaudited; in millions, except per share amounts)

	Three months ended December 31, 2023				
	Net sales	(Loss) Income before income taxes	Net (loss) income attributable to Corning Incorporated	Effective tax rate (a)(b)	Per share
As reported - GAAP	**$ 2,994**	**$ (38)**	**$ (40)**	**26.3%**	**$ (0.05)**
Constant-currency adjustment [1]	278	209	147		0.17
Translation loss on Japanese yen-denominated debt [2]		62	50		0.06
Translated earnings contract gain, net [3]		(33)	(27)		(0.03)
Acquisition-related costs [4]		32	20		0.02
Discrete tax items and other tax-related adjustments [5]			8		0.01
Restructuring, impairment and other charges and credits [6]		196	158		0.19
Litigation, regulatory and other legal matters [7]		17	19		0.02
Pension mark-to-market adjustment [8]		19	15		0.02
Gain on investment [9]		(11)	(11)		(0.01)
Core performance measures	$ 3,272	$ 453	$ 339	21.5%	$ 0.39

(a) Based upon statutory tax rates in the specific jurisdiction for each event.
(b) The calculation of the effective tax rate ("ETR") for GAAP and Core excludes net income attributable to non-controlling interests ("NCI") of approximately $12 million and $18 million, respectively.

	Three months ended December 31, 2022				
	Net sales	Income before income taxes	Net (loss) income attributable to Corning Incorporated	Effective tax rate (a)(b)	Per share
As reported - GAAP	**$ 3,406**	**$ 4**	**$ (36)**	*****	**$ (0.04)**
Constant-currency adjustment [1]	227	161	148		0.18
Translation loss on Japanese yen-denominated debt [2]		130	100		0.12
Translated earnings contract gain, net [3]		(91)	(70)		(0.08)
Acquisition-related costs [4]		33	25		0.03
Discrete tax items and other tax-related adjustments [5]			46		0.05
Restructuring, impairment and other charges and credits [6]		197	150		0.18
Litigation, regulatory and other legal matters [7]		35	28		0.03
Pension mark-to-market adjustment [8]		30	25		0.03
Gain on investment [9]		(16)	(14)		(0.02)
Core performance measures	$ 3,633	$ 483	$ 402	14.9%	$ 0.47

(a) Based upon statutory tax rates in the specific jurisdiction for each event.
(b) The calculation of the ETR for GAAP and Core excludes net income attributable to NCI of approximately $9 million.
* Not Meaningful

See "Items Adjusted from GAAP Measures" for the descriptions of the footnoted reconciling items.

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CORNING INCORPORATED AND SUBSIDIARY COMPANIES
RECONCILIATION OF NON-GAAP MEASURES
Years Ended December 31, 2023 and 2022
(Unaudited; in millions, except per share amounts)

	Year ended December 31, 2023				
	Net sales	Income before income taxes	Net income attributable to Corning Incorporated	Effective tax rate (a)(b)	Per share
As reported - GAAP	**$ 12,588**	**$ 816**	**$ 581**	**20.6%**	**$ 0.68**
Constant-currency adjustment [1]	992	744	550		0.64
Translation gain on Japanese yen-denominated debt [2]		(100)	(81)		(0.09)
Translated earnings contract gain [3]		(161)	(130)		(0.15)
Acquisition-related costs [4]		131	90		0.10
Discrete tax items and other tax-related adjustments [5]			34		0.04
Restructuring, impairment and other charges and credits [6]		471	378		0.44
Litigation, regulatory and other legal matters [7]		61	54		0.06
Pension mark-to-market adjustment [8]		15	12		0.01
Gain on investments [9]		(10)	(10)		(0.01)
Gain on sale of assets [10]		(20)	(15)		(0.02)
Core performance measures	$ 13,580	$ 1,947	$ 1,463	20.7%	$ 1.70

(a) Based upon statutory tax rates in the specific jurisdiction for each event.
(b) The calculation of the ETR for GAAP and Core excludes net income attributable to NCI of approximately $67 million and $81 million, respectively.

	Year ended December 31, 2022				
	Net sales	Income before income taxes	Net income attributable to Corning Incorporated	Effective tax rate (a)(b)	Per share
As reported - GAAP	**$ 14,189**	**$ 1,797**	**$ 1,316**	**22.9%**	**$ 1.54**
Constant-currency adjustment [1]	616	480	369		0.43
Translation gain on Japanese yen-denominated debt [2]		(191)	(146)		(0.17)
Translated earnings contract gain [3]		(348)	(267)		(0.31)
Acquisition-related costs [4]		140	109		0.13
Discrete tax items and other tax-related adjustments [5]			84		0.10
Restructuring, impairment and other charges and credits [6]		414	316		0.37
Litigation, regulatory and other legal matters [7]		100	77		0.09
Pension mark-to-market adjustment [8]		11	10		0.01
Gain on investments [9]		(8)	(8)		(0.01)
Gain on sale of business [11]		(53)	(41)		(0.05)
Contingent consideration [12]		(32)	(25)		(0.03)
Core performance measures	$ 14,805	$ 2,310	$ 1,794	19.3%	$ 2.09

(a) Based upon statutory tax rates in the specific jurisdiction for each event.
(b) The calculation of the ETR for GAAP and Core excludes net income attributable to NCI of approximately $70 million.

See “Items Adjusted from GAAP Measures” for the descriptions of the footnoted reconciling items.

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CORNING INCORPORATED AND SUBSIDIARY COMPANIES
RECONCILIATION OF NON-GAAP MEASURES
Three Months Ended December 31, 2023 and 2022
(Unaudited; in millions)

	Three months ended December 31, 2023					
	Gross margin	Gross margin %	Selling, general and administrative expenses	Research, development and engineering expenses	Operating margin	Operating margin %
As reported - GAAP	**$ 911**	**30.4%**	**$ 514**	**$ 289**	**$ 78**	**2.6%**
Constant-currency adjustment [(1)]	207		3		204	
Acquisition-related costs [(4)]					30	
Restructuring, impairment and other charges and credits [(6)]	87		(67)	(27)	181	
Litigation, regulatory and other legal matters [(7)]	1		(24)		25	
Pension mark-to-market adjustment [(8)]			(13)	(3)	16	
Core performance measures	$ 1,206	36.9%	$ 413	$ 259	$ 534	16.3%

	Three months ended December 31, 2022					
	Gross margin	Gross margin %	Selling, general and administrative expenses	Research, development and engineering expenses	Operating margin	Operating margin %
As reported - GAAP	**$ 915**	**26.9%**	**$ 517**	**$ 281**	**$ 86**	**2.5%**
Constant-currency adjustment [(1)]	162		4	1	157	
Acquisition-related costs [(4)]					31	
Restructuring, impairment and other charges and credits [(6)]	144		(27)	(16)	187	
Litigation, regulatory and other legal matters [(7)]			(35)		35	
Pension mark-to-market adjustment [(8)]	1		(8)	(2)	11	
Core performance measures	$ 1,222	33.6%	$ 451	$ 264	$ 507	14.0%

See “Items Adjusted from GAAP Measures” for the descriptions of the footnoted reconciling items.

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CORNING INCORPORATED AND SUBSIDIARY COMPANIES
RECONCILIATION OF NON-GAAP MEASURES
Years Ended December 31, 2023 and 2022
(Unaudited; in millions)

	Year ended December 31, 2023					
	Gross margin	Gross margin %	Selling, general and administrative expenses	Research, development and engineering expenses	Operating margin	Operating margin %
As reported - GAAP	**$ 3,931**	**31.2%**	**$ 1,843**	**$ 1,076**	**$ 890**	**7.1%**
Constant-currency adjustment [1]	744		11		733	
Acquisition-related costs [4]			2	(1)	121	
Restructuring, impairment and other charges and credits [6]	283		(91)	(46)	420	
Litigation, regulatory and other legal matters [7]	(5)		(77)		72	
Pension mark-to-market adjustment [8]			(23)	(4)	27	
Gain on sale of assets [10]	(20)				(20)	
Core performance measures	$ 4,933	36.3%	$ 1,665	$ 1,025	$ 2,243	16.5%

	Year ended December 31, 2022					
	Gross margin	Gross margin %	Selling, general and administrative expenses	Research, development and engineering expenses	Operating margin	Operating margin %
As reported - GAAP	**$ 4,506**	**31.8%**	**$ 1,898**	**$ 1,047**	**$ 1,438**	**10.1%**
Constant-currency adjustment [1]	483		8	1	474	
Acquisition-related costs [4]			3	(1)	121	
Restructuring, impairment and other charges and credits [6]	337		(51)	(16)	404	
Litigation, regulatory and other legal matters [7]			(109)		109	
Pension mark-to-market adjustment [8]	1		25	6	(30)	
Contingent consideration [12]			26		(26)	
Core performance measures	$ 5,327	36.0%	$ 1,800	$ 1,037	$ 2,490	16.8%

See “Items Adjusted from GAAP Measures” for the descriptions of the footnoted reconciling items.

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CORNING INCORPORATED AND SUBSIDIARY COMPANIES
RECONCILIATION OF NON-GAAP MEASURES
Three and Twelve Months Ended December 31, 2023 and 2022
(Unaudited; in millions)

	Three months ended December 31,		Year ended December 31,	
	2023	2022	2023	2022
Cash flows from operating activities	$ 713	$ 617	$ 2,005	$ 2,615
Realized gains on translated earnings contracts and other	56	91	326	300
Translation (loss) gain on cash balances	(3)	72	(61)	(68)
Adjusted cash flows from operating activities	$ 766	$ 780	$ 2,270	$ 2,847
Less: Capital expenditures	$ 279	$ 403	$ 1,390	$ 1,604
Adjusted free cash flow	$ 487	$ 377	$ 880	$ 1,243

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Items Adjusted from GAAP Measures

Items adjusted from GAAP measures to arrive at core performance measures are as follows:

(1) Constant-currency adjustment: As a significant portion of revenues and expenses are denominated in currencies other than the U.S. dollar, management believes it is important to understand the impact on sales and net income of translating these currencies into U.S. dollars. The Company utilizes constant-currency reporting for the Display Technologies, Specialty Materials, Environmental Technologies and Life Sciences segments for the Japanese yen, South Korean won, Chinese yuan, New Taiwan dollar and euro, as applicable to the segment. We establish constant-currency rates based on internally derived management estimates, which are closely aligned with the currencies we have hedged.

We believe that the use of constant-currency reporting allows management to understand our results without the volatility of currency fluctuation, analyze underlying trends in the businesses and establish operational goals and forecasts.

Constant currency rates used 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 of Japanese yen-denominated debt: Amount reflects the gain or loss on the translation of our yen-denominated debt to U.S. dollars.

(3) Translated earnings contract: Amount reflects the impact of the realized and unrealized gains and losses from 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 our British pound-denominated foreign currency hedges related to translated earnings.

(4) Acquisition-related costs: Amount reflects intangible amortization, inventory valuation adjustments and external acquisition-related deal costs, as well as other transaction related costs.

(5) Discrete tax items and other tax-related adjustments: Amount reflects certain discrete period tax items such as changes in tax law, the impact of tax audits, changes in tax reserves and changes in deferred tax asset valuation allowances, as well as other tax-related adjustments.

(6) Restructuring, impairment and other charges and credits: Amount reflects certain restructuring, impairment losses and other charges and credits, as well as other expenses, including accelerated depreciation, asset write-offs and facility repairs resulting from power outages, which are not related to ongoing operations. The activity during 2023 primarily relates to asset write-offs associated with the exit of certain facilities and product lines and severance charges across all segments. The activity in 2022 primarily relates to capacity optimization for Display Technologies, Specialty Materials and an emerging growth business and severance charges across all segments.

(7) Litigation, regulatory and other legal matters: Amount reflects developments in commercial litigation, intellectual property disputes, adjustments to our estimated liability for environmental-related items and other legal matters.

(8) Pension mark-to-market adjustment: Amount primarily reflects 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.

(9) Gain on investments: Amount reflects the gain or loss recognized on investment due to mark-to-mark adjustments for the change in fair value or the disposition of the investment.

(10) Gain on sale of assets: Amount represents the gain recognized for the sale of assets.

(11) Gain on sale of business: Amount reflects the gain recognized for the sale of a business.

(12) Contingent consideration: Amount reflects the fair value mark-to-market cost adjustment of contingent consideration.

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