

Consolidated Statements of Income**Corning Incorporated and Subsidiary Companies**

(Unaudited; in millions, except per share amounts)

	Three months ended June 30,		Six months ended June 30,	
	2024	2023	2024	2023
Net sales	\$ 3,251	\$ 3,243	\$ 6,226	\$ 6,421
Cost of sales	2,302	2,230	4,284	4,405
Gross margin	949	1,013	1,942	2,016
Operating expenses:				
Selling, general and administrative expenses	471	440	922	861
Research, development and engineering expenses	262	263	520	517
Amortization of purchased intangibles	30	31	60	62
Operating income	186	279	440	576
Interest income	10	8	22	15
Interest expense	(84)	(81)	(167)	(157)
Translated earnings contract gain, net	27	116	66	108
Other income, net	33	87	107	95
Income before income taxes	172	409	468	637
Provision for income taxes	(50)	(106)	(121)	(143)
Net income	122	303	347	494
Net income attributable to non-controlling interest	(18)	(22)	(34)	(37)
Net income attributable to Corning Incorporated	\$ 104	\$ 281	\$ 313	\$ 457
Earnings per common share available to common shareholders:				
Basic	\$ 0.12	\$ 0.33	\$ 0.37	\$ 0.54
Diluted	\$ 0.12	\$ 0.33	\$ 0.36	\$ 0.53

Consolidated Balance Sheets**Corning Incorporated and Subsidiary Companies**

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

	June 30, 2024	December 31, 2023
Assets		
Current assets:		
Cash and cash equivalents	\$ 1,419	\$ 1,779
Trade accounts receivable, net of doubtful accounts	1,721	1,572
Inventories	2,682	2,666
Other current assets	1,299	1,195
Total current assets	7,121	7,212
Property, plant and equipment, net of accumulated depreciation	13,742	14,630
Goodwill	2,365	2,380
Other intangible assets, net	836	905
Deferred income taxes	1,134	1,153
Other assets	1,981	2,220
Total Assets	\$ 27,179	\$ 28,500
Liabilities and Equity		
Current liabilities:		
Current portion of long-term debt and short-term borrowings	\$ 376	\$ 320
Accounts payable	1,466	1,466
Other accrued liabilities	2,684	2,533
Total current liabilities	4,526	4,319
Long-term debt	6,908	7,206
Postretirement benefits other than pensions	360	398
Other liabilities	4,458	4,709
Total liabilities	16,252	16,632
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	919	916
Additional paid-in capital – common stock	17,081	16,929
Retained earnings	15,976	16,391
Treasury stock, at cost; Shares held: 985 million and 980 million	(20,799)	(20,637)
Accumulated other comprehensive loss	(2,592)	(2,048)
Total Corning Incorporated shareholders' equity	10,585	11,551
Non-controlling interest	342	317
Total equity	10,927	11,868
Total Liabilities and Equity	\$ 27,179	\$ 28,500

Consolidated Statements of Cash Flows
Corning Incorporated and Subsidiary Companies

(Unaudited; in millions)

	Three months ended June 30,		Six months ended June 30,	
	2024	2023	2024	2023
Cash Flows from Operating Activities:				
Net income	\$ 122	\$ 303	\$ 347	\$ 494
Adjustments to reconcile net income to net cash provided by operating activities:				
Depreciation	307	312	614	622
Amortization of purchased intangibles	30	31	60	62
Loss on disposal of assets, net	126	43	126	23
Share-based compensation expense	66	59	126	111
Translation gain on Japanese yen-denominated debt	(54)	(109)	(135)	(127)
Deferred tax (benefit) provision	(9)	28	1	(10)
Translated earnings contract gain, net	(27)	(116)	(66)	(108)
Tax deposit refund		99		99
Changes in assets and liabilities:				
Trade accounts receivable	(123)	(36)	(284)	(64)
Inventories	(3)	41	(89)	58
Other current assets	(18)	13	(16)	(49)
Accounts payable and other current liabilities	62	(32)	(52)	(416)
Customer deposits and government incentives	7	27	(18)	(6)
Deferred income	(36)	(18)	(70)	(24)
Other, net	71	(26)	73	(95)
Net cash provided by operating activities	521	619	617	570
Cash Flows from Investing Activities:				
Capital expenditures	(242)	(388)	(494)	(770)
Proceeds from sale of equipment to related party				67
Realized gains on translated earnings contracts and other	74	96	168	177
Other, net	14	5	(12)	11
Net cash used in investing activities	(154)	(287)	(338)	(515)
Cash Flows from Financing Activities:				
Repayments of debt	(5)	(4)	(42)	(73)
Proceeds from issuance of debt		6		20
Proceeds from issuance of euro bonds		918		918
Proceeds from other financing arrangements				54
Proceeds from cross currency swap	68		68	
Payment for redemption of preferred stock		(507)		(507)
Payments of employee withholding tax on stock awards	(24)	(83)	(58)	(99)
Proceeds from exercise of stock options	21	19	34	35
Purchases of common stock for treasury	(105)		(105)	
Dividends paid	(252)	(256)	(495)	(495)
Other, net	(7)	(9)	(14)	(17)
Net cash used in financing activities	(304)	84	(612)	(164)
Effect of exchange rates on cash	(9)	(24)	(27)	(24)
Net increase (decrease) in cash and cash equivalents	54	392	(360)	(133)
Cash and cash equivalents at beginning of period	1,365	1,146	1,779	1,671
Cash and cash equivalents at end of period	\$ 1,419	\$ 1,538	\$ 1,419	\$ 1,538

GAAP Earnings per Common Share

(Unaudited; in millions, except per share amounts)

The following table sets forth the computation of basic and diluted earnings per common share:

	Three months ended June 30,		Six months ended June 30,	
	2024	2023	2024	2023
Net income attributable to Corning Incorporated	\$ 104	\$ 281	\$ 313	\$ 457
Weighted-average common shares outstanding - basic	853	848	853	846
Effect of dilutive securities:				
Stock options and other awards	11	11	12	13
Weighted-average common shares outstanding - diluted	864	859	865	859
Basic earnings per common share	\$ 0.12	\$ 0.33	\$ 0.37	\$ 0.54
Diluted earnings per common share	\$ 0.12	\$ 0.33	\$ 0.36	\$ 0.53

Core Earnings per Share

(Unaudited; in millions, except per share amounts)

The following table sets forth the computation of core earnings per share:

	Three months ended June 30,		Six months ended June 30,	
	2024	2023	2024	2023
Core net income	\$ 407	\$ 388	\$ 737	\$ 738
Weighted-average common shares outstanding - basic	853	848	853	846
Effect of dilutive securities:				
Stock options and other awards	11	11	12	13
Weighted-average common shares outstanding - diluted	864	859	865	859
Core earnings per share	\$ 0.47	\$ 0.45	\$ 0.85	\$ 0.86

CORE PERFORMANCE MEASURES

In managing the Company and assessing our financial performance, we adjust certain measures included in 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. In addition, effective January 1, 2024, the Company began utilizing constant-currency reporting for the Optical Communications segment to exclude the impact from the Mexican peso on segment results. Prior periods were not recast as the impact was not material. The most significant constant-currency adjustment relates to the Japanese yen exposure within the Display Technologies segment.

The constant-currency rates established for our core performance measures are internally derived long-term management estimates, which are closely aligned with our hedging instrument rates. These hedging instruments may include, but are not limited to, foreign exchange forward or option contracts and foreign-denominated debt. 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 fluctuations, 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”). We provide investors with these non-GAAP measures to evaluate our results as we believe they are indicative of our core operating performance and provide greater transparency to how management evaluates our results and trends and makes financial and operational decisions. 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.”

Reconciliation of Non-GAAP Measures
Corning Incorporated and Subsidiary Companies

(Unaudited; in millions, except per share amounts)

	Three months ended June 30, 2024				
	Net sales	Income before income taxes	Net income attributable to Corning Incorporated	Effective tax rate (a)(b)	Per share
As reported – GAAP	\$ 3,251	\$ 172	\$ 104	29.1%	\$ 0.12
Constant-currency adjustment (1)	353	267	193		0.22
Translation gain on Japanese yen-denominated debt, net (2)		(54)	(41)		(0.05)
Translated earnings contract gain (3)		(27)	(21)		(0.02)
Acquisition-related costs (4)		32	22		0.03
Discrete tax items and other tax-related adjustments (5)			4		0.00
Restructuring, impairment and other charges and credits (6)		138	130		0.15
Pension mark-to-market adjustment (7)		3	3		0.00
Loss on investments (8)		7	6		0.01
Loss on sale of assets (9)		10	7		0.01
Core performance measures	\$ 3,604	\$ 548	\$ 407	22.0%	\$ 0.47

(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 interest (“NCI”) of approximately \$18 million and \$21 million, respectively.

	Three months ended June 30, 2023				
	Net sales	Income before income taxes	Net income attributable to Corning Incorporated	Effective tax rate (a)(b)	Per share
As reported - GAAP	\$ 3,243	\$ 409	\$ 281	25.9%	\$ 0.33
Constant-currency adjustment (1)	239	174	125		0.15
Translation gain on Japanese yen-denominated debt, net (2)		(109)	(88)		(0.10)
Translated earnings contract gain (3)		(116)	(93)		(0.11)
Acquisition-related costs (4)		32	25		0.03
Discrete tax items and other tax-related adjustments (5)			31		0.04
Restructuring, impairment and other charges and credits (6)		137	109		0.13
Pension mark-to-market adjustment (7)		(21)	(17)		(0.02)
Loss on investments (8)		5	5		0.01
Litigation, regulatory and other legal matters (10)		12	10		0.01
Core performance measures	\$ 3,482	\$ 523	\$ 388	21.5%	\$ 0.45

(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 \$22 million and \$23 million, respectively.

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

Reconciliation of Non-GAAP Measures
Corning Incorporated and Subsidiary Companies

(Unaudited; in millions, except per share amounts)

	Six months ended June 30, 2024				
	Net sales	Income before income taxes	Net income attributable to Corning Incorporated	Effective tax rate (a)(b)	Per share
As reported – GAAP	\$ 6,226	\$ 468	\$ 313	25.9%	\$ 0.36
Constant-currency adjustment (1)	636	493	365		0.42
Translation gain on Japanese yen-denominated debt, net (2)		(135)	(103)		(0.12)
Translated earnings contract gain (3)		(66)	(51)		(0.06)
Acquisition-related costs (4)		64	46		0.05
Discrete tax items and other tax-related adjustments (5)			19		0.02
Restructuring, impairment and other charges and credits (6)		129	123		0.14
Pension mark-to-market adjustment (7)		14	11		0.01
Loss on investments (8)		12	11		0.01
Loss on sale of assets (9)		10	7		0.01
Litigation, regulatory and other legal matters (10)		(5)	(4)		(0.00)
Core performance measures	\$ 6,862	\$ 984	\$ 737	21.2%	\$ 0.85

(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 interest (“NCI”) of approximately \$34 million and \$38 million, respectively.

	Six months ended June 30, 2023				
	Net sales	Income before income taxes	Net income attributable to Corning Incorporated	Effective tax rate (a)(b)	Per share
As reported - GAAP	\$ 6,421	\$ 637	\$ 457	22.4%	\$ 0.53
Constant-currency adjustment (1)	428	323	239		0.28
Translation gain on Japanese yen-denominated debt, net (2)		(127)	(102)		(0.12)
Translated earnings contract gain (3)		(108)	(87)		(0.10)
Acquisition-related costs (4)		66	45		0.05
Discrete tax items and other tax-related adjustments (5)			29		0.03
Restructuring, impairment and other charges and credits (6)		203	162		0.19
Pension mark-to-market adjustment (7)		(11)	(9)		(0.01)
Loss on investments (8)		9	9		0.01
Gain on sale of assets (9)		(20)	(15)		(0.02)
Litigation, regulatory and other legal matters (10)		12	10		0.01
Core performance measures	\$ 6,849	\$ 984	\$ 738	20.5%	\$ 0.86

(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 \$37 million and \$44 million, respectively.

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

Reconciliation of Non-GAAP Measures
Corning Incorporated and Subsidiary Companies

(Unaudited; in millions)

	Three months ended June 30, 2024					
	Gross margin	Gross margin %	Selling, general and administrative expenses	Research, development and engineering expenses	Operating income	Operating margin %
As reported - GAAP	\$ 949	29.2%	\$ 471	\$ 262	\$ 186	5.7%
Constant-currency adjustment (1)	266		3	1	262	
Acquisition-related costs (4)				(1)	31	
Restructuring, impairment and other charges and credits (6)	141		6		135	
Pension mark-to-market adjustment (7)			(3)		3	
Loss on sale of assets (9)	10				10	
Core performance measures	\$ 1,366	37.9%	\$ 477	\$ 262	\$ 627	17.4%

	Three months ended June 30, 2023					
	Gross margin	Gross margin %	Selling, general and administrative expenses	Research, development and engineering expenses	Operating income	Operating margin %
As reported - GAAP	\$ 1,013	31.2%	\$ 440	\$ 263	\$ 279	8.6%
Constant-currency adjustment (1)	176		3		173	
Acquisition-related costs (4)			1		30	
Restructuring, impairment and other charges and credits (6)	79		(17)	(12)	108	
Pension mark-to-market adjustment (7)			(6)	(1)	7	
Litigation, regulatory and other legal matters (10)	(6)		(18)		12	
Core performance measures	\$ 1,262	36.2%	\$ 403	\$ 250	\$ 609	17.5%

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

Reconciliation of Non-GAAP Measures
Corning Incorporated and Subsidiary Companies

(Unaudited; in millions)

	Six months ended June 30, 2024					
	Gross margin	Gross margin %	Selling, general and administrative expenses	Research, development and engineering expenses	Operating income	Operating margin %
As reported - GAAP	\$ 1,942	31.2%	\$ 922	\$ 520	\$ 440	7.1%
Constant-currency adjustment (1)	493		7	1	485	
Acquisition-related costs (4)				(1)	61	
Restructuring, impairment and other charges and credits (6)	121		(5)		126	
Pension mark-to-market adjustment (7)			(11)	(3)	14	
Loss on sale of assets (9)	10				10	
Litigation, regulatory and other legal matters (10)			5		(5)	
Core performance measures	\$ 2,566	37.4%	\$ 918	\$ 517	\$ 1,131	16.5%

	Six months ended June 30, 2023					
	Gross margin	Gross margin %	Selling, general and administrative expenses	Research, development and engineering expenses	Operating income	Operating margin %
As reported - GAAP	\$ 2,016	31.4%	\$ 861	\$ 517	\$ 576	9.0%
Constant-currency adjustment (1)	325		5		320	
Acquisition-related costs (4)			2		60	
Restructuring, impairment and other charges and credits (6)	133		(22)	(12)	167	
Pension mark-to-market adjustment (7)			(14)	(3)	17	
Gain on sale of assets (9)	(20)				(20)	
Litigation, regulatory and other legal matters (10)	(6)		(18)		12	
Core performance measures	\$ 2,448	35.7%	\$ 814	\$ 502	\$ 1,132	16.5%

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

Reconciliation of Non-GAAP Measures**Corning Incorporated and Subsidiary Companies**

(Unaudited; in millions)

	Three months ended		Six months ended	
	June 30,		June 30,	
	2024	2023	2024	2023
Cash flows from operating activities	\$ 521	\$ 619	\$ 617	\$ 570
Realized gains on translated earnings contracts and other	74	96	168	177
Translation losses on cash balances		(17)		(50)
Adjusted cash flows from operating activities	\$ 595	\$ 698	\$ 785	\$ 697
Less: Capital expenditures	\$ 242	\$ 388	\$ 494	\$ 770
Adjusted free cash flow	\$ 353	\$ 310	\$ 291	\$ (73)

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 Display Technologies, Specialty Materials, Environmental Technologies and Life Sciences segments for the Japanese yen, Korean won, Chinese yuan, New Taiwan dollar and euro, as applicable to the segment. In addition, effective January 1, 2024, the Company began utilizing constant-currency reporting for the Optical Communications segment to exclude the impact from the Mexican peso on segment results. Prior periods were not recast as the impact was not material.

The constant-currency rates established for our core performance measures are internally derived long-term management estimates, which are closely aligned with our hedging instrument rates. These hedging instruments may include, but are not limited to, foreign exchange forward or option contracts and foreign-denominated debt. For the six months ended June 30, 2024, the adjustment primarily relates to our Japanese yen exposure due to the difference in the average spot rate compared to our core rate.

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 and are applied to all periods presented and to all foreign exchange exposures during the period, even though we may be less than 100% hedged:

Currency	Japanese yen	Korean won	Chinese yuan	New Taiwan dollar	Euro	Mexican peso
Rate	¥107	₩1,175	¥6.7	NT\$31	€81	MX\$20

- (2) Translation of Japanese yen-denominated debt, net: Amount reflects the gain or loss on the translation of our yen-denominated debt to U.S. dollars, net of a \$7 million loss for the three and six months ended June 30, 2024, related to the change in the fair value of our cross currency swap contracts.
- (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 and Mexican peso-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 severance, accelerated depreciation, asset write-offs and facility repairs resulting from power outages, which are not related to ongoing operations.
- (7) 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.
- (8) Loss on investments: Amount reflects the loss recognized on investments due to mark-to-market adjustments for the change in fair value or the disposition of an investment.
- (9) Loss (gain) on sale of assets: Amount represents the loss or gain recognized for the sale of assets.
- (10) 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.