

Consolidated Statements of Income (Loss)**Corning Incorporated and Subsidiary Companies**

(Unaudited; in millions, except per share amounts)

	Three months ended December 31,		Year ended December 31,	
	2024	2023	2024	2023
Net sales	\$ 3,501	\$ 2,994	\$ 13,118	\$ 12,588
Cost of sales	2,304	2,083	8,842	8,657
Gross margin	1,197	911	4,276	3,931
Operating expenses:				
Selling, general and administrative expenses	499	514	1,931	1,843
Research, development and engineering expenses	275	289	1,089	1,076
Amortization of purchased intangibles	30	30	121	122
Operating income	393	78	1,135	890
Interest income	13	13	47	38
Interest expense	(79)	(90)	(329)	(329)
Translated earnings contract gain, net	174	33	83	161
Other (expense) income, net	(64)	(72)	(123)	56
Income (loss) before income taxes	437	(38)	813	816
(Provision) benefit for income taxes	(97)	10	(221)	(168)
Net income (loss)	340	(28)	592	648
Net income attributable to non-controlling interest	(30)	(12)	(86)	(67)
Net income (loss) attributable to Corning Incorporated	\$ 310	\$ (40)	\$ 506	\$ 581
Earnings (loss) per common share available to common shareholders:				
Basic	\$ 0.36	\$ (0.05)	\$ 0.59	\$ 0.69
Diluted	\$ 0.36	\$ (0.05)	\$ 0.58	\$ 0.68

Consolidated Balance Sheets
Corning Incorporated and Subsidiary Companies

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

	December 31,	
	2024	2023
Assets		
Current assets:		
Cash and cash equivalents	\$ 1,768	\$ 1,779
Trade accounts receivable, net of doubtful accounts	2,053	1,572
Inventories	2,724	2,666
Other current assets	1,447	1,195
Total current assets	7,992	7,212
Property, plant and equipment, net of accumulated depreciation	13,359	14,630
Goodwill	2,363	2,380
Other intangible assets, net	752	905
Deferred income taxes	1,130	1,153
Other assets	2,139	2,220
Total Assets	\$ 27,735	\$ 28,500
Liabilities and Equity		
Current liabilities:		
Current portion of long-term debt and short-term borrowings	\$ 326	\$ 320
Accounts payable	1,472	1,466
Other accrued liabilities	3,121	2,533
Total current liabilities	4,919	4,319
Long-term debt	6,885	7,206
Postretirement benefits other than pensions	336	398
Other liabilities	4,525	4,709
Total liabilities	16,665	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	921	916
Additional paid-in capital – common stock	17,264	16,929
Retained earnings	15,926	16,391
Treasury stock, at cost; Shares held: 987 million and 980 million	(20,882)	(20,637)
Accumulated other comprehensive loss	(2,543)	(2,048)
Total Corning Incorporated shareholders' equity	10,686	11,551
Non-controlling interest	384	317
Total equity	11,070	11,868
Total Liabilities and Equity	\$ 27,735	\$ 28,500

Consolidated Statements of Cash Flows
Corning Incorporated and Subsidiary Companies

(Unaudited; in millions)

	Three months ended December 31,		Year ended December 31,	
	2024	2023	2024	2023
Cash Flows from Operating Activities:				
Net income (loss)	\$ 340	\$ (28)	\$ 592	\$ 648
Adjustments to reconcile net income (loss) to net cash provided by operating activities:				
Depreciation	305	315	1,229	1,247
Amortization of purchased intangibles	30	30	121	122
Loss on disposal of assets, net	8	83	143	155
Share-based compensation expense	71	50	273	218
Translation (gain) loss on Japanese yen-denominated debt	(76)	62	(104)	(100)
Deferred tax provision (benefit)	18	(112)	(33)	(75)
Translated earnings contract gain	(174)	(33)	(83)	(161)
Release of cumulative translation losses	83		145	
Tax deposit refund				99
Changes in assets and liabilities:				
Trade accounts receivable	(224)	187	(717)	50
Inventories	(37)	26	(171)	157
Other current assets	31	(22)	(107)	(80)
Accounts payable and other current liabilities	204	91	470	(173)
Customer deposits and government incentives	(54)	(25)	(6)	(42)
Deferred income	(50)	6	(27)	(5)
Other, net	148	83	214	(55)
Net cash provided by operating activities	623	713	1,939	2,005
Cash Flows from Investing Activities:				
Capital expenditures	(254)	(279)	(965)	(1,390)
Proceeds from sale of equipment to related party				67
Proceeds from sale of assets	25		80	22
Realized gains on translated earnings contracts and other	40	56	279	326
Premiums paid on hedging contracts	(5)	(9)	(98)	(9)
Other, net	(13)	2	(40)	(16)
Net cash used in investing activities	(207)	(230)	(744)	(1,000)
Cash Flows from Financing Activities:				
Repayments of debt	(13)	(104)	(267)	(284)
Proceeds from issuance of debt		2	153	82
Proceeds from issuance of euro bonds				918
Proceeds from cross currency swap	66		134	
Payment for redemption of preferred stock				(507)
Payments of employee withholding tax on stock awards	(5)	(3)	(81)	(106)
Proceeds from exercise of stock options	19	3	76	42
Purchases of common stock for treasury	(30)		(165)	
Dividends paid	(249)	(248)	(986)	(989)
Other, net	(8)	(13)	(28)	(39)
Net cash used in financing activities	(220)	(363)	(1,164)	(883)
Effect of exchange rates on cash	(41)	20	(42)	(14)
Net increase (decrease) in cash and cash equivalents	155	140	(11)	108
Cash and cash equivalents at beginning of period	1,613	1,639	1,779	1,671
Cash and cash equivalents at end of period	\$ 1,768	\$ 1,779	\$ 1,768	\$ 1,779

GAAP Earnings (Loss) per Common Share

(Unaudited; in millions, except per share amounts)

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

	Three months ended December 31,		Year ended December 31,	
	2024	2023	2024	2023
Net income (loss) attributable to Corning Incorporated	\$ 310	\$ (40)	\$ 506	\$ 581
Weighted-average common shares outstanding - basic	855	851	853	848
Effect of dilutive securities:				
Stock options and other awards	11		16	11
Weighted-average common shares outstanding - diluted	866	851	869	859
Basic earnings (loss) per common share	\$ 0.36	\$ (0.05)	\$ 0.59	\$ 0.69
Diluted earnings (loss) per common share	\$ 0.36	\$ (0.05)	\$ 0.58	\$ 0.68

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 December 31,		Year ended December 31,	
	2024	2023	2024	2023
Core net income	\$ 497	\$ 339	\$ 1,699	\$ 1,463
Weighted-average common shares outstanding - basic	855	851	853	848
Effect of dilutive securities:				
Stock options and other awards	11	9	16	11
Weighted-average common shares outstanding - diluted	866	860	869	859
Core earnings per share	\$ 0.57	\$ 0.39	\$ 1.96	\$ 1.70

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, refer to 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, refer to “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 December 31, 2024				
	Net sales	Income before income taxes	Net income attributable to Corning Incorporated	Effective tax rate (a)(b)	Per Share
As reported – GAAP	\$ 3,501	\$ 437	\$ 310	22.2%	\$ 0.36
Constant-currency adjustment ⁽¹⁾	331	238	169		0.20
Translation gain on Japanese yen-denominated debt, net ⁽²⁾		(76)	(59)		(0.07)
Translated earnings contract gain, net ⁽³⁾		(174)	(134)		(0.15)
Acquisition-related costs ⁽⁴⁾		32	23		0.03
Discrete tax items and other tax-related adjustments ⁽⁵⁾			16		0.02
Restructuring, impairment and other charges and credits ⁽⁶⁾	42	144	126		0.15
Litigation, regulatory and other legal matters ⁽⁷⁾		1	1		0.00
Pension mark-to-market adjustment ⁽⁸⁾		9	6		0.01
Loss on investments ⁽⁹⁾		4	4		0.00
Loss on sale of assets ⁽¹⁰⁾		14	11		0.01
Loss on sale of business ⁽¹¹⁾		31	24		0.03
Core performance measures	\$ 3,874	\$ 660	\$ 497	20.1%	\$ 0.57

(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 \$30 million and \$31 million, respectively.

	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, net ⁽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 investments ⁽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 ETR for GAAP and Core excludes net income attributable to NCI of approximately \$12 million and \$18 million, respectively.

Refer to “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)

	Year ended December 31, 2024				
	Net sales	Income before income taxes	Net income attributable to Corning Incorporated	Effective tax rate (a)(b)	Per Share
As reported – GAAP	\$ 13,118	\$ 813	\$ 506	27.2%	\$ 0.58
Constant-currency adjustment ⁽¹⁾	1,309	989	773		0.89
Translation gain on Japanese yen-denominated debt, net ⁽²⁾		(104)	(80)		(0.09)
Translated earnings contract gain, net ⁽³⁾		(83)	(64)		(0.07)
Acquisition-related costs ⁽⁴⁾		128	92		0.11
Discrete tax items and other tax-related adjustments ⁽⁵⁾			21		0.02
Restructuring, impairment and other charges and credits ⁽⁶⁾	42	407	374		0.43
Litigation, regulatory and other legal matters ⁽⁷⁾		12	9		0.01
Pension mark-to-market adjustment ⁽⁸⁾		3	2		0.00
Loss on investments ⁽⁹⁾		23	22		0.03
Loss on sale of assets ⁽¹⁰⁾		27	20		0.02
Loss on sale of business ⁽¹¹⁾		31	24		0.03
Core performance measures	\$ 14,469	\$ 2,246	\$ 1,699	20.3%	\$ 1.96

(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 \$86 million and \$92 million, respectively.

	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, net ⁽²⁾		(100)	(81)		(0.09)
Translated earnings contract gain, net ⁽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.

Refer to “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 December 31, 2024					
	Gross margin	Gross margin %	Selling, general and administrative expenses	Research, development and engineering expenses	Operating income	Operating margin %
As reported - GAAP	\$ 1,197	34.2%	\$ 499	\$ 275	\$ 393	11.2%
Constant-currency adjustment ⁽¹⁾	240		4		236	
Acquisition-related costs ⁽⁴⁾					30	
Restructuring, impairment and other charges and credits ⁽⁶⁾	43		(2)		45	
Litigation, regulatory and other legal matters ⁽⁷⁾			(1)		1	
Pension mark-to-market adjustment ⁽⁸⁾			1	1	(2)	
Loss on sale of assets ⁽¹⁰⁾	14				14	
Core performance measures	\$ 1,494	38.6%	\$ 501	\$ 276	\$ 717	18.5%

	Three months ended December 31, 2023					
	Gross margin	Gross margin %	Selling, general and administrative expenses	Research, development and engineering expenses	Operating income	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%

Refer to “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)

	Year ended December 31, 2024					
	Gross margin	Gross margin %	Selling, general and administrative expenses	Research, development and engineering expenses	Operating income	Operating margin %
As reported - GAAP	\$ 4,276	32.6%	\$ 1,931	\$ 1,089	\$ 1,135	8.7%
Constant-currency adjustment ⁽¹⁾	989		14	1	974	
Acquisition-related costs ⁽⁴⁾			1	(1)	121	
Restructuring, impairment and other charges and credits ⁽⁶⁾	211		(20)	(7)	238	
Litigation, regulatory and other legal matters ⁽⁷⁾	20		8		12	
Pension mark-to-market adjustment ⁽⁸⁾			(19)	(4)	23	
Loss on sale of assets ⁽¹⁰⁾	27				27	
Core performance measures	\$ 5,523	38.2%	\$ 1,915	\$ 1,078	\$ 2,530	17.5%

	Year ended December 31, 2023					
	Gross margin	Gross margin %	Selling, general and administrative expenses	Research, development and engineering expenses	Operating income	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%

Refer to “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 December 31,		Year ended December 31,	
	2024	2023	2024	2023
Cash flows from operating activities	\$ 623	\$ 713	\$ 1,939	\$ 2,005
Realized gains on translated earnings contracts and other	40	56	279	326
Translation losses on cash balances		(3)		(61)
Adjusted cash flows from operating activities	\$ 663	\$ 766	\$ 2,218	\$ 2,270
Less: Capital expenditures	\$ 254	\$ 279	\$ 965	\$ 1,390
Adjusted free cash flow	\$ 409	\$ 487	\$ 1,253	\$ 880

Core return on invested capital (“core ROIC”) is a non-GAAP measure used by management and can be used by investors to review our investment and capital allocation decisions. We define core ROIC as the after-tax core operating income, inclusive of core equity earnings from affiliated companies, as a percentage of invested capital, calculated as total equity plus total long-term debt. Core ROIC for the three months ended December 31, 2024 and 2023 is calculated by annualizing the after-tax return for the respective period.

	Three months ended December 31,		Year ended December 31,	
	2024	2023	2024	2023
Core operating income ⁽¹⁾	\$ 717	\$ 534	\$ 2,530	\$ 2,243
Core equity earnings in affiliated companies ⁽²⁾	\$ 11	\$ 12	\$ 40	\$ 43
Core operating income before interest and taxes	\$ 728	\$ 546	\$ 2,570	\$ 2,286
Less: Income tax ⁽³⁾	\$ 146	\$ 117	\$ 522	\$ 473
Core operating income tax adjusted	\$ 582	\$ 429	\$ 2,048	\$ 1,813
Equity	\$ 11,070	\$ 11,868	\$ 11,070	\$ 11,868
Debt	\$ 7,211	\$ 7,526	\$ 7,211	\$ 7,526
Invested capital	\$ 18,281	\$ 19,394	\$ 18,281	\$ 19,394
Core ROIC	12.7 %	8.8 %	11.2 %	9.3 %

(1) Refer to the reconciliation of operating income as reported in our GAAP results to core operating income within the “Reconciliation of non-GAAP measures.”

(2) Equity earnings in affiliated companies as reflected within other (expense) income, net in the consolidated statements of income (loss) was \$8 million for the three months ended December 31, 2024 and 2023 and \$26 million and \$33 million for the years ended December 31, 2024 and 2023, respectively. The difference between equity earnings in affiliated companies as reported in our GAAP results and as reflected as a non-GAAP core performance measure is an adjustment for constant currency reporting, as described within “Core Performance Measures.”

(3) Income tax amounts are calculated based on the core effective tax rate of 20.1% and 21.5% for the three months ended December 31, 2024 and 2023, respectively, and 20.3% and 20.7% for the years ended December 31, 2024 and 2023, respectively.

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 year ended December 31, 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, with the exception of the Mexican peso as discussed above, 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	€0.81	MX\$20

- (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, net of a \$18 million and \$15 million loss, respectively, for the three and twelve months ended December 31, 2024, related to the change in the fair value of our cross currency swap contracts, recorded in other (expense) income, net in the consolidated statements of income (loss).
- (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, and the recognition of cumulative foreign currency translation adjustments upon the substantial liquidation of a foreign entity, which are not related to ongoing operations. For the year ended December 31, 2024, amount includes \$131 million of non-cash cumulative foreign currency translation losses related to the substantial liquidation of foreign entities, which was recorded in other (expense) income, net in the consolidated statements of income (loss). Amount also includes \$49 million of non-cash charges in one of our Emerging Growth Businesses relating to a customer that recently entered into a multi-jurisdictional restructuring effort including insolvency filings in certain countries. These charges primarily relate to the full write-down of upfront payments made to the customer, which were determined to be nonrecoverable, and recorded as a charge to net sales in the consolidated statements of income (loss). Other charges recorded during 2024 related to asset write-offs associated with the exit of certain facilities and product lines. The activity in 2023 primarily relates to asset write-offs associated with the exit of certain facilities and product lines 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) Loss (gain) on investments: Amount reflects the loss or gain recognized on investments due to mark-to-market adjustments for the change in fair value or the disposition of an investment.
- (10) Loss (gain) on sale of assets: Amount represents the loss or gain recognized for the sale of assets and for the year ended December 31, 2024, amount includes \$14 million of non-cash cumulative foreign currency translation losses related to the disposition of a foreign entity which was recorded in other (expense) income, net in the consolidated statements of income (loss).
- (11) Loss on sale of business: Amount reflects the loss recognized for the sale of a business, recorded in other (expense) income, net in the consolidated statements of income (loss).