

Consolidated Statements of Income
Corning Incorporated and Subsidiary Companies

(Unaudited; in millions, except per share amounts)

	Three months ended March 31,	
	2025	2024
Net sales	\$ 3,452	\$ 2,975
Cost of sales	2,238	1,982
Gross margin	1,214	993
Operating expenses:		
Selling, general and administrative expenses	471	451
Research, development and engineering expenses	270	258
Amortization of purchased intangibles	28	30
Operating income	445	254
Interest income	12	12
Interest expense	(82)	(83)
Translated earnings contract (loss) gain, net	(101)	39
Other (expense) income, net	(34)	74
Income before income taxes	240	296
Provision for income taxes	(55)	(71)
Net income	185	225
Net income attributable to non-controlling interest	(28)	(16)
Net income attributable to Corning Incorporated	\$ 157	\$ 209
Earnings per common share available to common shareholders:		
Basic	\$ 0.18	\$ 0.25
Diluted	\$ 0.18	\$ 0.24

Consolidated Balance Sheets
Corning Incorporated and Subsidiary Companies

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

	March 31, 2025	December 31, 2024
Assets		
Current assets:		
Cash and cash equivalents	\$ 1,359	\$ 1,768
Trade accounts receivable, net of doubtful accounts	2,045	2,053
Inventories	2,896	2,724
Other current assets	1,344	1,447
Total current assets	7,644	7,992
Property, plant and equipment, net of accumulated depreciation	13,360	13,359
Goodwill	2,371	2,363
Other intangible assets, net	732	752
Deferred income taxes	1,183	1,130
Other assets	2,104	2,139
Total Assets	\$ 27,394	\$ 27,735
Liabilities and Equity		
Current liabilities:		
Current portion of long-term debt and short-term borrowings	\$ 283	\$ 326
Accounts payable	1,737	1,472
Other accrued liabilities	2,503	3,121
Total current liabilities	4,523	4,919
Long-term debt	6,954	6,885
Postretirement benefits other than pensions	333	336
Other liabilities	4,456	4,525
Total liabilities	16,266	16,665
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	922	921
Additional paid-in capital – common stock	17,327	17,264
Retained earnings	15,839	15,926
Treasury stock, at cost; Shares held: 990 million and 987 million	(21,012)	(20,882)
Accumulated other comprehensive loss	(2,360)	(2,543)
Total Corning Incorporated shareholders' equity	10,716	10,686
Non-controlling interest	412	384
Total equity	11,128	11,070
Total Liabilities and Equity	\$ 27,394	\$ 27,735

(Unaudited; in millions)

	Three months ended March 31,	
	2025	2024
Cash Flows from Operating Activities:		
Net income	\$ 185	\$ 225
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	291	307
Amortization of purchased intangibles	28	30
Share-based compensation expense	54	60
Translation loss (gain) on Japanese yen-denominated debt, net	43	(81)
Deferred tax (benefit) provision	(50)	10
Translated earnings contract loss (gain), net	101	(39)
Changes in assets and liabilities:		
Trade accounts receivable	10	(161)
Inventories	(146)	(86)
Other current assets	(30)	2
Accounts payable and other current liabilities	(253)	(114)
Customer deposits and government incentives	(16)	(25)
Deferred income	(29)	(34)
Other, net	(37)	2
Net cash provided by operating activities	151	96
Cash Flows from Investing Activities:		
Capital expenditures	(208)	(252)
Realized gains on translated earnings contracts and other	56	94
Other, net	(13)	(26)
Net cash used in investing activities	(165)	(184)
Cash Flows from Financing Activities:		
Repayments of debt	(47)	(37)
Proceeds from cross currency swap	24	
Payments of employee withholding tax on stock awards	(29)	(34)
Proceeds from exercise of stock options	11	13
Purchases of common stock for treasury	(100)	
Dividends paid	(242)	(243)
Other, net	(20)	(7)
Net cash used in financing activities	(403)	(308)
Effect of exchange rates on cash	8	(18)
Net decrease in cash and cash equivalents	(409)	(414)
Cash and cash equivalents at beginning of period	1,768	1,779
Cash and cash equivalents at end of period	\$ 1,359	\$ 1,365

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 March 31,	
	2025	2024
Net income attributable to Corning Incorporated	\$ 157	\$ 209
Weighted-average common shares outstanding – basic	855	852
Effect of dilutive securities:		
Stock options and other awards	11	10
Weighted-average common shares outstanding - diluted	866	862
Basic earnings per common share	\$ 0.18	\$ 0.25
Diluted earnings per common share	\$ 0.18	\$ 0.24

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 March 31,	
	2025	2024
Core net income	\$ 467	\$ 330
Weighted-average common shares outstanding - basic	855	852
Effect of dilutive securities:		
Stock options and other awards	11	10
Weighted-average common shares outstanding - diluted	866	862
Core earnings per share	\$ 0.54	\$ 0.38

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 measures that are not calculated in accordance with accounting principles generally accepted in the United States of America (“GAAP”) and exclude specific items that are non-recurring, related to foreign exchange volatility, or unrelated to continuing operations. These measures are our core performance measures.

Management uses core performance measures, along with GAAP financial measures, to make financial and operational decisions and certain of these measures also form the basis of our compensation program metrics. Management believes that our core performance measures are indicative of our core operating performance and provide investors with greater visibility into how management evaluates our results and trends and makes business decisions. These measures are not, and should not be viewed as a substitute for, GAAP reporting measures.

Items that are excluded from certain core performance calculations 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, Optical Communications, Specialty Materials, Automotive and Life Sciences segments to exclude the impact from the Japanese yen, South Korean won, Chinese yuan, New Taiwan dollar, Mexican peso and euro, as applicable to the 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.

For a reconciliation of non-GAAP performance measures to their most directly comparable GAAP financial measure, please see “Reconciliation of Non-GAAP 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.

Reconciliation of Non-GAAP Measures
Corning Incorporated and Subsidiary Companies

(Unaudited; in millions, except per share amounts)

	Three months ended March 31, 2025				
	Net sales	Income before income taxes	Net income attributable to Corning Incorporated	Effective tax rate (a)(b)	Per Share
As reported - GAAP	\$ 3,452	\$ 240	\$ 157	22.9%	\$ 0.18
Constant-currency adjustment ⁽¹⁾	227	180	168		0.19
Translation loss on Japanese yen-denominated debt, net ⁽²⁾		43	33		0.04
Translated earnings contract loss, net ⁽³⁾		101	77		0.09
Acquisition-related costs ⁽⁴⁾		30	22		0.03
Discrete tax items and other tax-related adjustments ⁽⁵⁾			(7)		(0.01)
Restructuring, impairment and other charges and credits ⁽⁶⁾		(7)	(5)		(0.01)
Litigation, regulatory and other legal matters ⁽⁷⁾		10	7		0.01
Pension mark-to-market adjustment ⁽⁸⁾		(1)			0.00
Loss on investments ⁽⁹⁾		5	5		0.01
Loss on sale of assets ⁽¹⁰⁾		4	3		0.00
Loss on sale of business ⁽¹¹⁾		11	7		0.01
Core performance measures	\$ 3,679	\$ 616	\$ 467	19.5%	\$ 0.54

(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 \$28 million and \$29 million, respectively.

	Three months ended March 31, 2024				
	Net sales	Income before income taxes	Net income attributable to Corning Incorporated	Effective tax rate (a)(b)	Per Share
As reported - GAAP	\$ 2,975	\$ 296	\$ 209	24.0%	\$ 0.24
Constant-currency adjustment ⁽¹⁾	283	226	172		0.20
Translation gain on Japanese yen-denominated debt, net ⁽²⁾		(81)	(62)		(0.07)
Translated earnings contract gain, net ⁽³⁾		(39)	(30)		(0.03)
Acquisition-related costs ⁽⁴⁾		32	24		0.03
Discrete tax items and other tax-related adjustments ⁽⁵⁾			15		0.02
Restructuring, impairment and other charges and credits ⁽⁶⁾		(9)	(7)		(0.01)
Litigation, regulatory and other legal matters ⁽⁷⁾		(5)	(4)		(0.00)
Pension mark-to-market adjustment ⁽⁸⁾		11	8		0.01
Loss on investments ⁽⁹⁾		5	5		0.01
Core performance measures	\$ 3,258	\$ 436	\$ 330	20.2%	\$ 0.38

(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 \$16 million and \$17 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 March 31, 2025					
	Gross margin	Gross margin %	Selling, general and administrative expenses	Research, development and engineering expenses	Operating income	Operating margin %
As reported - GAAP	\$ 1,214	35.2%	\$ 471	\$ 270	\$ 445	12.9%
Constant-currency adjustment ⁽¹⁾	180		3		177	
Acquisition-related costs ⁽⁴⁾					28	
Restructuring, impairment and other charges and credits ⁽⁶⁾	(3)		(1)		(2)	
Litigation, regulatory and other legal matters ⁽⁷⁾			(10)		10	
Pension mark-to-market adjustment ⁽⁸⁾				1	(1)	
Loss on sale of assets ⁽¹⁰⁾	4				4	
Core performance measures	\$ 1,395	37.9%	\$ 463	\$ 271	\$ 661	18.0%

	Three months ended March 31, 2024					
	Gross margin	Gross margin %	Selling, general and administrative expenses	Research, development and engineering expenses	Operating income	Operating margin %
As reported - GAAP	\$ 993	33.4%	\$ 451	\$ 258	\$ 254	8.5%
Constant-currency adjustment ⁽¹⁾	227		4		223	
Acquisition-related costs ⁽⁴⁾					30	
Restructuring, impairment and other charges and credits ⁽⁶⁾	(20)		(11)		(9)	
Litigation, regulatory and other legal matters ⁽⁷⁾			5		(5)	
Pension mark-to-market adjustment ⁽⁸⁾			(8)	(3)	11	
Core performance measures	\$ 1,200	36.8%	\$ 441	\$ 255	\$ 504	15.5%

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 March 31,	
	2025	2024
Cash flows from operating activities	\$ 151	\$ 96
Realized gains on translated earnings contracts and other	56	94
Adjusted cash flows from operating activities	\$ 207	\$ 190
Less: Capital expenditures	\$ (208)	\$ (252)
Adjusted free cash flow	\$ (1)	\$ (62)

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 March 31, 2025 and 2024 is calculated by annualizing the after-tax return for the respective period.

	Three months ended March 31,	
	2025	2024
Core operating income ⁽¹⁾	\$ 661	\$ 504
Core equity earnings in affiliated companies ⁽²⁾	\$ 2	\$ 9
Core operating income before interest and taxes	\$ 663	\$ 513
Less: Income tax ⁽³⁾	\$ 129	\$ 104
Core operating income tax adjusted	\$ 534	\$ 409
Equity	\$ 11,128	\$ 11,559
Debt	\$ 7,237	\$ 7,368
Invested capital	\$ 18,365	\$ 18,927
Core ROIC	11.6%	8.6%

- (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 was \$(1) million and \$6 million for the three months ended March 31, 2025 and 2024, 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 19.5% and 20.2% for the three months ended March 31, 2025 and 2024, 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, Optical Communications, Specialty Materials, Automotive and Life Sciences segments for the Japanese yen, Korean won, Chinese yuan, New Taiwan dollar, Mexican peso and euro, as applicable to the segment. 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. For the three months ended March 31, 2025 and 2024, the constant-currency adjustment primarily relates to our Japanese yen exposure due to the difference in the average spot rate compared to our core rate.

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. Effective January 1, 2025, management updated the constant-currency rates and the updated rates were applied prospectively beginning with reporting periods in 2025. Comparative results were not recast and are reported based on the 2024 rates.

Constant-currency rates used are as follows and are applied to the respective period 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
2024 Rate	¥107	₩1,175	¥6.7	NT\$31	€0.81	MX\$20
2025 Rate	¥120	₩1,250	¥6.9	NT\$31	€0.88	MX\$21

- (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 any gain or loss on 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, New Taiwan dollar 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) 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 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.
- (10) Loss on sale of assets: Amount represents the loss recognized for the sale of assets.
- (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.