

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

(Unaudited; in millions, except per share amounts)

	Three months ended March 31,	
	2026	2025
Net sales	\$ 4,144	\$ 3,452
Cost of sales	2,616	2,238
Gross margin	1,528	1,214
Operating expenses:		
Selling, general and administrative expenses	588	471
Research, development and engineering expenses	278	270
Amortization of purchased intangibles	23	28
Operating income	639	445
Interest income	9	12
Interest expense	(92)	(82)
Translated earnings contract loss, net	(16)	(101)
Other expense, net	(11)	(34)
Income before income taxes	529	240
Provision for income taxes	(121)	(55)
Net income	408	185
Net income attributable to non-controlling interest	(37)	(28)
Net income attributable to Corning Incorporated	\$ 371	\$ 157
Earnings per common share available to common shareholders:		
Basic	\$ 0.43	\$ 0.18
Diluted	\$ 0.43	\$ 0.18

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

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

	March 31, 2026	December 31, 2025
Assets		
Current assets:		
Cash and cash equivalents	\$ 1,755	\$ 1,526
Trade accounts receivable, net of doubtful accounts	2,676	2,779
Inventories	3,279	3,077
Other current assets	1,816	1,554
Total current assets	9,526	8,936
Property, plant and equipment, net of accumulated depreciation	14,785	14,825
Goodwill	2,479	2,489
Other intangible assets, net	632	657
Deferred income taxes	1,569	1,515
Other assets	2,262	2,554
Total Assets	\$ 31,253	\$ 30,976
Liabilities and Equity		
Current liabilities:		
Current portion of long-term debt and short-term borrowings	\$ 1,255	\$ 804
Accounts payable	2,251	1,979
Other accrued liabilities	2,410	2,845
Total current liabilities	5,916	5,628
Long-term debt	7,718	7,630
Postretirement benefits other than pensions	311	314
Other liabilities	4,959	5,097
Total liabilities	18,904	18,669
Commitments and contingencies		
Shareholders' equity:		
Common stock – Par value \$0.50 per share; Shares authorized 3.8 billion; Shares issued: 1.9 billion and 1.8 billion	925	924
Additional paid-in capital – common stock	17,704	17,580
Retained earnings	16,680	16,551
Treasury stock, at cost; Shares held: 993 million and 992 million	(21,206)	(21,143)
Accumulated other comprehensive loss	(2,291)	(2,105)
Total Corning Incorporated shareholders' equity	11,812	11,807
Non-controlling interest	537	500
Total equity	12,349	12,307
Total Liabilities and Equity	\$ 31,253	\$ 30,976

Consolidated Statements of Cash Flows
Corning Incorporated and Subsidiary Companies

(Unaudited; in millions)

	Three months ended March 31,	
	2026	2025
Cash Flows from Operating Activities:		
Net income	\$ 408	\$ 185
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	334	291
Amortization of purchased intangibles	23	28
Share-based compensation expense	115	54
Translation (gain) loss on foreign denominated debt, net	(6)	43
Deferred tax benefit	(62)	(50)
Translated earnings contract loss, net	16	101
Changes in assets and liabilities:		
Trade accounts receivable	12	10
Inventories	(232)	(146)
Other current assets	(56)	(30)
Accounts payable and other current liabilities	(80)	(253)
Customer deposits and government incentives	(171)	(16)
Deferred income	(38)	(29)
Other, net	99	(37)
Net cash provided by operating activities	362	151
Cash Flows from Investing Activities:		
Capital expenditures	(332)	(208)
Proceeds from CHIPS Act incentives	8	
Realized gains on translated earnings contracts and other	150	56
Other, net	(29)	(13)
Net cash used in investing activities	(203)	(165)
Cash Flows from Financing Activities:		
Repayments of debt	(13)	(47)
Proceeds from issuance of debt and short-term borrowings	427	
Proceeds from cross currency swap		24
Payments of employee withholding tax on stock awards	(63)	(29)
Proceeds from exercise of stock options	14	11
Purchases of common stock for treasury		(100)
Dividends paid	(244)	(242)
Other, net	(62)	(20)
Net cash provided by (used in) financing activities	59	(403)
Effect of exchange rates on cash	(5)	8
Net increase (decrease) in cash and cash equivalents and restricted cash	213	(409)
Cash and cash equivalents and restricted cash at beginning of period	1,566	1,768
Cash and cash equivalents and restricted cash at end of period	\$ 1,779	\$ 1,359
Restricted cash included in other current assets	24	
Cash and cash equivalents at end of year	\$ 1,755	\$ 1,359

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,	
	2026	2025
Net income attributable to Corning Incorporated	\$ 371	\$ 157
Weighted-average common shares outstanding – basic	857	855
Effect of dilutive securities:		
Stock options and other awards	14	11
Weighted-average common shares outstanding - diluted	871	866
Basic earnings per common share	\$ 0.43	\$ 0.18
Diluted earnings per common share	\$ 0.43	\$ 0.18

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,	
	2026	2025
Core net income	\$ 612	\$ 467
Weighted-average common shares outstanding - basic	857	855
Effect of dilutive securities:		
Stock options and other awards	14	11
Weighted-average common shares outstanding - diluted	871	866
Core earnings per share	\$ 0.70	\$ 0.54

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 foreign 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 Optical Communications, Glass Innovations and Automotive 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 most significant constant-currency adjustment relates to the Japanese yen exposure within the Glass Innovations segment. The constant-currency rates established for our core performance measures are long-term management-determined rates, which are closely aligned with our hedging instrument rates. These hedging instruments may include, but are not limited to, foreign exchange forward, cross-currency swaps 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.

For a reconciliation of non-GAAP performance measures to their most directly comparable GAAP financial measure, refer to “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, 2026				
	Net sales	Income before income taxes	Net income attributable to Corning Incorporated	Effective tax rate (a)(b)	Per Share
As reported - GAAP	\$ 4,144	\$ 529	\$ 371	22.9%	\$ 0.43
Constant-currency adjustment ⁽¹⁾	201	180	135		0.15
Translation gain on foreign denominated debt, net ⁽²⁾		(6)	(5)		(0.01)
Translated earnings contract loss, net ⁽³⁾		16	12		0.01
Acquisition-related costs ⁽⁴⁾		45	34		0.04
Discrete tax items and other tax-related adjustments ⁽⁵⁾			30		0.03
Restructuring, impairment and other charges and credits ⁽⁶⁾		44	42		0.05
Pension mark-to-market adjustment ⁽⁷⁾		(1)	(1)		(0.00)
Loss on investments ⁽⁸⁾		6	6		0.01
Gain on sale of assets ⁽⁹⁾		(16)	(12)		(0.01)
Core performance measures	\$ 4,345	\$ 797	\$ 612	18.5%	\$ 0.70

(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 \$37 million and \$38 million, respectively.

	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 foreign 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)
Pension mark-to-market adjustment ⁽⁷⁾		(1)			0.00
Loss on investments ⁽⁸⁾		5	5		0.01
Loss on sale of assets ⁽⁹⁾		4	3		0.00
Loss on sale of business ⁽¹⁰⁾		11	7		0.01
Litigation, regulatory and other legal matters ⁽¹¹⁾		10	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 ETR for GAAP and Core excludes net income attributable to NCI of approximately \$28 million and \$29 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, 2026					
	Gross margin	Gross margin %	Selling, general and administrative expenses	Research, development and engineering expenses	Operating income	Operating margin %
As reported - GAAP	\$ 1,528	36.9%	\$ 588	\$ 278	\$ 639	15.4%
Constant-currency adjustment ⁽¹⁾	177		1		176	
Acquisition-related costs ⁽⁴⁾			(19)		42	
Restructuring, impairment and other charges and credits ⁽⁶⁾	11		(25)		36	
Pension mark-to-market adjustment ⁽⁷⁾			1		(1)	
Gain on sale of assets ⁽⁹⁾	(16)				(16)	
Core performance measures	\$ 1,700	39.1%	\$ 546	\$ 278	\$ 876	20.2%

	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)	
Pension mark-to-market adjustment ⁽⁷⁾				1	(1)	
Loss on sale of assets ⁽⁹⁾	4				4	
Litigation, regulatory and other legal matters ⁽¹¹⁾			(10)		10	
Core performance measures	\$ 1,395	37.9%	\$ 463	\$ 271	\$ 661	18.0%

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,	
	2026	2025
Cash flows from operating activities	\$ 362	\$ 151
Realized gains on translated earnings contracts and other	\$ 150	\$ 56
Adjusted cash flows from operating activities	\$ 512	\$ 207
Less: Capital expenditures	\$ 332	\$ 208
Plus: Proceeds from CHIPS Act incentives	\$ 8	
Adjusted free cash flow	\$ 188	\$ (1)

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, 2026 and 2025 is calculated by annualizing the after-tax return for the respective period.

	Three months ended March 31,	
	2026	2025
Core operating income ⁽¹⁾	\$ 876	\$ 661
Core equity earnings in affiliated companies ⁽²⁾	\$ 4	\$ 2
Core operating income before interest and taxes	\$ 880	\$ 663
Less: Income tax ⁽³⁾	\$ 163	\$ 129
Core operating income tax adjusted	\$ 717	\$ 534
Equity	\$ 12,349	\$ 11,128
Debt	\$ 8,973	\$ 7,237
Invested capital	\$ 21,322	\$ 18,365
Core ROIC	13.5%	11.6%

- (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, net in the consolidated statements of income was income of \$2 million and a loss of \$1 million for the three months ended March 31, 2026 and March 31, 2025, 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 18.5% and 19.5% for the three months ended March 31, 2026 and March 31, 2025, 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 Optical Communications, Glass Innovations and Automotive segments for the Japanese yen, South 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, 2026 and 2025, 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 long-term management-determined rates, 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, cross-currency swaps and foreign-denominated debt.

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	Mexican peso	Euro
Rate	¥120	₩1,250	¥6.9	NT\$31	MX\$21	€0.88

- (2) Translation of foreign denominated debt, net: Amount reflects the gain or loss on the translation of our yen-denominated and euro-denominated debt to U.S. dollars, net of gains or losses on related derivative instruments.
- (3) Translated earnings contract, net: Amount reflects the impact of the realized and unrealized gains and losses on our derivative instruments used to hedge Japanese yen, South Korean won, Chinese yuan, New Taiwan dollar, Mexican peso and euro foreign currency exposure related to translated earnings.
- (4) Acquisition-related costs: Amount reflects intangible amortization, inventory valuation adjustments, contingent consideration 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, changes in deferred tax asset valuation allowances and stock compensation windfall or shortfall, 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) Gain or loss on sale of assets: Amount represents the gain or loss recognized for the sale of assets, recorded in cost of sales, on the consolidated statements of income.
- (10) Loss on sale of business: Amount reflects the loss recognized for the sale of a business, recorded in other expense, net, on the consolidated statements of income.
- (11) 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.