

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

	Three months ended		Nine months ended	
	September 30,		September 30,	
	2022	2021	2022	2021
Net sales	\$ 3,488	\$ 3,615	\$ 10,783	\$ 10,406
Cost of sales	<u>2,426</u>	<u>2,294</u>	<u>7,192</u>	<u>6,614</u>
Gross margin	1,062	1,321	3,591	3,792
Operating expenses:				
Selling, general and administrative expenses	461	486	1,381	1,351
Research, development and engineering expenses	278	251	766	715
Amortization of purchased intangibles	<u>31</u>	<u>32</u>	<u>92</u>	<u>97</u>
Operating income	292	552	1,352	1,629
Interest income	3	3	9	8
Interest expense	(73)	(72)	(216)	(227)
Translated earnings contract (loss) gain, net	(68)	(13)	257	262
Other income, net	<u>106</u>	<u>23</u>	<u>391</u>	<u>169</u>
Income before income taxes	260	493	1,793	1,841
Provision for income taxes	<u>(34)</u>	<u>(109)</u>	<u>(380)</u>	<u>(402)</u>
Net income	226	384	1,413	1,439
Net income attributable to non-controlling interests	<u>(18)</u>	<u>(13)</u>	<u>(61)</u>	<u>(20)</u>
Net income attributable to Corning Incorporated	<u>\$ 208</u>	<u>\$ 371</u>	<u>\$ 1,352</u>	<u>\$ 1,419</u>
Earnings per common share available to common shareholders:				
Basic	<u>\$ 0.25</u>	<u>\$ 0.44</u>	<u>\$ 1.60</u>	<u>\$ 0.72</u>
Diluted	<u>\$ 0.24</u>	<u>\$ 0.43</u>	<u>\$ 1.58</u>	<u>\$ 0.71</u>
Reconciliation of net income attributable to Corning Incorporated versus net income available to common shareholders:				
Net income attributable to Corning Incorporated	\$ 208	\$ 371	\$ 1,352	\$ 1,419
Series A convertible preferred stock dividend				(24)
Excess consideration paid for redemption of preferred shares				<u>(803)</u>
Net income available to common shareholders	<u>\$ 208</u>	<u>\$ 371</u>	<u>\$ 1,352</u>	<u>\$ 592</u>

CORNING INCORPORATED AND SUBSIDIARY COMPANIES
CONSOLIDATED BALANCE SHEETS

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

	September 30, 2022	December 31, 2021
Assets		
Current assets:		
Cash and cash equivalents	\$ 1,630	\$ 2,148
Trade accounts receivable, net of doubtful accounts	1,620	2,004
Inventories, net	2,951	2,481
Other current assets	1,603	1,026
Total current assets	7,804	7,659
Property, plant and equipment, net of accumulated depreciation	14,645	15,804
Goodwill, net	2,368	2,421
Other intangible assets, net	1,049	1,148
Deferred income taxes	998	1,066
Other assets	1,871	2,056
Total Assets	\$ 28,735	\$ 30,154
Liabilities and Equity		
Current liabilities:		
Current portion of long-term debt and short-term borrowings	\$ 208	\$ 55
Accounts payable	1,808	1,612
Other accrued liabilities	3,151	3,139
Total current liabilities	5,167	4,806
Long-term debt	6,525	6,989
Postretirement benefits other than pensions	585	622
Other liabilities	4,910	5,192
Total liabilities	17,187	17,609
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	910	907
Additional paid-in capital – common stock	16,649	16,475
Retained earnings	17,044	16,389
Treasury stock, at cost; Shares held: 977 million and 970 million	(20,528)	(20,263)
Accumulated other comprehensive loss	(2,791)	(1,175)
Total Corning Incorporated shareholders' equity	11,284	12,333
Non-controlling interests	264	212
Total equity	11,548	12,545
Total Liabilities and Equity	\$ 28,735	\$ 30,154

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

	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	2022	2021
Cash Flows from Operating Activities:				
Net income	\$ 226	\$ 384	\$ 1,413	\$ 1,439
Adjustments to reconcile net income to net cash provided by operating activities:				
Depreciation	327	339	1,014	1,005
Amortization of purchased intangibles	31	32	92	97
Loss on disposal of assets	102	7	110	8
Gain on sale of business			(53)	(54)
Share-based compensation expense	52	39	145	117
Translation gain on Japanese yen-denominated debt	(84)	(4)	(321)	(127)
Deferred tax (benefit) provision	(14)	12	58	68
Translated earnings contract loss (gain)	68	13	(257)	(262)
Unrealized translation losses on transactions	63	14	140	65
Changes in assets and liabilities:				
Trade accounts receivable	106	(97)	161	(146)
Inventories	(201)	(90)	(637)	(72)
Other current assets	72	(57)	(5)	(210)
Accounts payable and other current liabilities	(184)	300	25	471
Customer deposits and government incentives	140	6	144	62
Deferred income	9	(32)	(15)	(92)
Other, net	(7)	29	(16)	20
Net cash provided by operating activities	<u>706</u>	<u>895</u>	<u>1,998</u>	<u>2,389</u>
Cash Flows from Investing Activities:				
Capital expenditures	(465)	(401)	(1,201)	(1,014)
Proceeds from sale of business	3		77	102
Investment in and proceeds from unconsolidated entities, net	(4)	2	(10)	87
Realized gains on translated earnings contract	77	17	209	30
Other, net	(13)	(6)	(44)	(8)
Net cash used in investing activities	<u>(402)</u>	<u>(388)</u>	<u>(969)</u>	<u>(803)</u>
Cash Flows from Financing Activities:				
Repayments of short-term borrowings	(76)	(69)	(87)	(144)
Repayments of long-term debt		(331)		(716)
Proceeds from issuance of short-term debt	70		70	
Proceeds from issuance of long-term debt	9	19	37	19
Payment for redemption of preferred stock			(507)	(507)
Payments of employee withholding tax on stock awards	(2)	(2)	(44)	(57)
Proceeds from exercise of stock options	7	9	35	91
Purchases of common stock for treasury	(20)	(21)	(221)	(22)
Dividends paid	(234)	(217)	(696)	(659)
Other, net	(6)	11	(17)	5
Net cash used in financing activities	<u>(252)</u>	<u>(601)</u>	<u>(1,430)</u>	<u>(1,990)</u>
Effect of exchange rates on cash	(51)	(14)	(117)	(56)
Net increase (decrease) in cash and cash equivalents	1	(108)	(518)	(460)
Cash and cash equivalents at beginning of period	1,629	2,320	2,148	2,672
Cash and cash equivalents at end of period	<u>\$ 1,630</u>	<u>\$ 2,212</u>	<u>\$ 1,630</u>	<u>\$ 2,212</u>

CORNING INCORPORATED AND SUBSIDIARY COMPANIES
(Unaudited)

GAAP Earnings per Common Share

The following table sets forth the computation of basic and diluted earnings per common share (in millions, except per share amounts):

	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	2022	2021
Net income attributable to Corning Incorporated	\$ 208	\$ 371	\$ 1,352	\$ 1,419
Less: Series A convertible preferred stock dividend				24
Less: Excess consideration paid for redemption of preferred shares				803
Net income available to common shareholders – basic	208	371	1,352	592
Net income available to common shareholders – diluted	\$ 208	\$ 371	\$ 1,352	\$ 592
Weighted-average common shares outstanding - basic	843	852	843	821
Effect of dilutive securities:				
Employee stock options and other dilutive securities	12	14	14	16
Weighted-average common shares outstanding - diluted	855	866	857	837
Basic earnings per common share	\$ 0.25	\$ 0.44	\$ 1.60	\$ 0.72
Diluted earnings per common share	\$ 0.24	\$ 0.43	\$ 1.58	\$ 0.71

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 September 30,		Nine months ended September 30,	
	2022	2021	2022	2021
Core net income	\$ 438	\$ 485	\$ 1,392	\$ 1,346
Less: Series A convertible preferred stock dividend				24
Core net income available to common shareholders - basic	438	485	1,392	1,322
Plus: Series A convertible preferred stock dividend				24
Core net income available to common shareholders - diluted	\$ 438	\$ 485	\$ 1,392	\$ 1,346
Weighted-average common shares outstanding - basic	843	852	843	821
Effect of dilutive securities:				
Stock options and other dilutive securities	12	14	14	16
Series A convertible preferred stock				41
Weighted-average common shares outstanding - diluted	855	866	857	878
Core basic earnings per common share	\$ 0.52	\$ 0.57	\$ 1.65	\$ 1.61
Core diluted earnings per common share	\$ 0.51	\$ 0.56	\$ 1.62	\$ 1.53

Use of Non-GAAP Financial Measures

CORE PERFORMANCE MEASURES

In managing the Company and assessing our financial performance, certain measures provided by our consolidated financial statements are adjusted to exclude specific items to arrive at core performance measures. These items include gains and losses on translated earnings contracts, acquisition-related costs, certain discrete tax items and other tax-related adjustments, restructuring, impairment losses, and other charges and credits, certain litigation-related expenses, pension mark-to-market adjustments and other items which do not reflect on-going operating results of the Company or our equity affiliates. Corning utilizes constant-currency reporting for Display Technologies, Specialty Materials, Environmental Technologies, and Life Sciences segments for the Japanese yen, South Korean won, Chinese yuan, new Taiwan dollar and the euro. The Company believes that the use of constant-currency reporting allows investors to understand our results without the volatility of currency fluctuations and reflects the underlying economics of the translated earnings contracts used to mitigate the impact of changes in currency exchange rates on earnings and cash flows. Corning also believes that reporting core performance measures provides investors greater transparency to the information used by the management team to make financial and operational decisions.

Core performance measures are not prepared in accordance with Generally Accepted Accounting Principles in the United States (“GAAP”). 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 Company’s outlook for future periods, it is not possible to provide reconciliations for these non-GAAP measures because the Company 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 the Company’s control. As a result, the Company 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”.

CORNING INCORPORATED AND SUBSIDIARY COMPANIES
RECONCILIATION OF NON-GAAP FINANCIAL MEASURE TO GAAP FINANCIAL MEASURE
Three Months Ended September 30, 2022 and 2021
(Unaudited; in millions, except per share amounts)

	Three months ended September 30, 2022				
	Net sales	Income before income taxes	Net income attributable to Corning Incorporated	Effective tax rate (a)(b)	Per share
As reported – GAAP	\$ 3,488	\$ 260	\$ 208	13.1%	\$ 0.24
Constant-currency adjustment ⁽¹⁾	178	136	79		0.09
Translation gain on Japanese yen-denominated debt ⁽²⁾		(84)	(64)		(0.07)
Translated earnings contract loss ⁽³⁾		68	52		0.06
Acquisition-related costs ⁽⁴⁾		33	25		0.03
Discrete tax items and other tax-related adjustments ⁽⁵⁾			22		0.03
Restructuring, impairment and other charges and credits ⁽⁶⁾		138	106		0.12
Litigation, regulatory and other legal matters ⁽⁷⁾		23	17		0.02
Pension mark-to-market adjustment ⁽⁸⁾		(9)	(7)		(0.01)
Core performance measures	\$ 3,666	\$ 565	\$ 438	19.3%	\$ 0.51

(a) Based upon statutory tax rates in the specific jurisdiction for each event.

(b) The calculation of the effective tax rate (“ETR”) excludes net income attributable to non-controlling interests (“NCI”) of \$18 million.

	Three months ended September 30, 2021				
	Net sales	Income before income taxes	Net income attributable to Corning Incorporated	Effective tax rate (a)(b)	Per share
As reported - GAAP	\$ 3,615	\$ 493	\$ 371	22.1%	\$ 0.43
Constant-currency adjustment ⁽¹⁾	24	33	23		0.03
Translation gain on Japanese yen-denominated debt ⁽²⁾		(4)	(4)		(0.00)
Translated earnings contract loss ⁽³⁾		13	10		0.01
Acquisition-related costs ⁽⁴⁾		38	30		0.03
Discrete tax items and other tax-related adjustments ⁽⁵⁾			(1)		(0.00)
Restructuring, impairment and other charges and credits ⁽⁶⁾		40	31		0.04
Litigation, regulatory and other legal matters ⁽⁷⁾		3	15		0.02
Pension mark-to-market adjustment ⁽⁸⁾		(1)	(1)		(0.00)
Preferred stock conversion ⁽¹²⁾		(4)	(4)		(0.00)
Bond redemption loss ⁽¹³⁾		20	15		0.02
Core performance measures	\$ 3,639	\$ 631	\$ 485	21.1%	\$ 0.56

(a) Based upon statutory tax rates in the specific jurisdiction for each event.

(b) The calculation of the ETR excludes NCI of \$13 million.

See Reconciliation of Non-GAAP Financial Measures, “Items which we exclude from GAAP measures to arrive at core performance measures” for the descriptions of the footnoted reconciling items.

CORNING INCORPORATED AND SUBSIDIARY COMPANIES
RECONCILIATION OF NON-GAAP FINANCIAL MEASURE TO GAAP FINANCIAL MEASURE
Nine Months Ended September 30, 2022 and 2021
(Unaudited; in millions, except per share amounts)

	Nine months ended September 30, 2022				
	Net sales	Income before income taxes	Net income attributable to Corning Incorporated	Effective tax rate (a)(b)	Per share
As reported – GAAP	\$ 10,783	\$ 1,793	\$ 1,352	21.2%	\$ 1.58
Constant-currency adjustment ⁽¹⁾	389	319	221		0.26
Translation gain on Japanese yen-denominated debt ⁽²⁾		(321)	(246)		(0.29)
Translated earnings contract gain ⁽³⁾		(257)	(197)		(0.23)
Acquisition-related costs ⁽⁴⁾		107	84		0.10
Discrete tax items and other tax-related adjustments ⁽⁵⁾			38		0.04
Restructuring, impairment and other charges and credits ⁽⁶⁾		217	166		0.19
Litigation, regulatory and other legal matters ⁽⁷⁾		65	49		0.06
Pension mark-to-market adjustment ⁽⁸⁾		(19)	(15)		(0.02)
Contingent consideration ⁽⁹⁾		(32)	(25)		(0.03)
Loss on investments ⁽¹⁰⁾		8	6		0.01
Gain on sale of business ⁽¹¹⁾		(53)	(41)		(0.05)
Core performance measures	\$ 11,172	\$ 1,827	\$ 1,392	20.5%	\$ 1.62

(a) Based upon statutory tax rates in the specific jurisdiction for each event.

(b) The calculation of the ETR excludes NCI of \$61 million.

	Nine months ended September 30, 2021				
	Net sales	Income before income taxes	Net income attributable to Corning Incorporated	Effective tax rate (a)(b)	Per share
As reported - GAAP	\$ 10,406	\$ 1,841	\$ 1,419	21.8%	\$ 0.71
Preferred stock redemption (c)					0.91
Subtotal	10,406	1,841	1,419	21.8%	1.62
Constant-currency adjustment ⁽¹⁾		47	29		0.03
Translation gain on Japanese yen-denominated debt ⁽²⁾		(127)	(98)		(0.12)
Translated earnings contract gain ⁽³⁾		(262)	(202)		(0.24)
Acquisition-related costs ⁽⁴⁾		123	95		0.11
Discrete tax items and other tax-related adjustments ⁽⁵⁾			5		0.01
Restructuring, impairment and other charges and credits ⁽⁶⁾		42	33		0.04
Litigation, regulatory and other legal matters ⁽⁷⁾		11	23		0.03
Pension mark-to-market adjustment ⁽⁸⁾		23	18		0.02
Loss on investments ⁽¹⁰⁾		39	30		0.04
Gain on sale of business ⁽¹¹⁾		(54)	(46)		(0.05)
Preferred stock conversion ⁽¹²⁾		17	17		0.02
Bond redemption loss ⁽¹³⁾		31	23		0.03
Core performance measures	\$ 10,406	\$ 1,731	\$ 1,346	21.1%	\$ 1.53

(a) Based upon statutory tax rates in the specific jurisdiction for each event.

(b) The calculation of the ETR excludes NCI of \$20 million.

(c) Pursuant to the Share Repurchase Agreement, the Preferred Stock was converted into 115 million Common Shares. Corning immediately repurchased 35 million of the converted Common Shares and excluded them from the weighted-average common shares outstanding for the calculation of the Company's basic and diluted earnings per share. The redemption of these Common Shares resulted in an \$803 million reduction of retained earnings which reduced the net income available to common shareholders.

See Reconciliation of Non-GAAP Financial Measures, "Items which we exclude from GAAP measures to arrive at core performance measures" for the descriptions of the footnoted reconciling items.

CORNING INCORPORATED AND SUBSIDIARY COMPANIES
RECONCILIATION OF NON-GAAP FINANCIAL MEASURE TO GAAP FINANCIAL MEASURE
Three Months Ended September 30, 2022 and 2021
(Unaudited; in millions)

	Three months ended September 30, 2022					
	Gross margin	Gross margin %	Selling, general and administrative expenses	Research, development and engineering expenses	Operating margin	Operating margin %
As reported - GAAP	\$ 1,062	30.4%	\$ 461	\$ 278	\$ 292	8.4%
Constant-currency adjustment ⁽¹⁾	138			3	135	
Acquisition-related costs ⁽⁴⁾				2	(1)	30
Restructuring, impairment and other charges and credits ⁽⁶⁾	125		(13)		138	
Litigation, regulatory and other legal matters ⁽⁷⁾			(32)		32	
Pension mark-to-market adjustment ⁽⁸⁾			7	2	(9)	
Core performance measures	\$ 1,325	36.1%	\$ 428	\$ 279	\$ 618	16.9%

	Three months ended September 30, 2021					
	Gross margin	Gross margin %	Selling, general and administrative expenses	Research, development and engineering expenses	Operating margin	Operating margin %
As reported - GAAP	\$ 1,321	36.5%	\$ 486	\$ 251	\$ 552	15.3%
Constant-currency adjustment ⁽¹⁾	32			(1)	33	
Acquisition-related costs ⁽⁴⁾					32	
Restructuring, impairment and other charges and credits ⁽⁶⁾	41			1	40	
Litigation, regulatory and other legal matters ⁽⁷⁾			(3)		3	
Pension mark-to-market adjustment ⁽⁸⁾			1		(1)	
Core performance measures	\$ 1,394	38.3%	\$ 483	\$ 252	\$ 659	18.1%

See Reconciliation of Non-GAAP Financial Measures, “Items which we exclude from GAAP measures to arrive at core performance measures” for the descriptions of the footnoted reconciling items.

CORNING INCORPORATED AND SUBSIDIARY COMPANIES
RECONCILIATION OF NON-GAAP FINANCIAL MEASURE TO GAAP FINANCIAL MEASURE
Nine Months Ended September 30, 2022 and 2021
(Unaudited; in millions)

	Nine months ended September 30, 2022					
	Gross margin	Gross margin %	Selling, general and administrative expenses	Research, development and engineering expenses	Operating margin	Operating margin %
As reported - GAAP	\$ 3,591	33.3%	\$ 1,381	\$ 766	\$ 1,352	12.5%
Constant-currency adjustment ⁽¹⁾	321		4		317	
Acquisition-related costs ⁽⁴⁾			3	(1)	90	
Restructuring, impairment and other charges and credits ⁽⁶⁾	193		(24)		217	
Litigation, regulatory and other legal matters ⁽⁷⁾			(74)		74	
Pension mark-to-market adjustment ⁽⁸⁾			33	8	(41)	
Contingent consideration ⁽⁹⁾			26		(26)	
Core performance measures	\$ 4,105	36.7%	\$ 1,349	\$ 773	\$ 1,983	17.7%

	Nine months ended September 30, 2021					
	Gross margin	Gross margin %	Selling, general and administrative expenses	Research, development and engineering expenses	Operating margin	Operating margin %
As reported - GAAP	\$ 3,792	36.4%	\$ 1,351	\$ 715	\$ 1,629	15.7%
Constant-currency adjustment ⁽¹⁾	42		(3)		45	
Acquisition-related costs ⁽⁴⁾	18		(2)	(1)	118	
Restructuring, impairment and other charges and credits ⁽⁶⁾	35		(4)	(3)	42	
Litigation, regulatory and other legal matters ⁽⁷⁾			(11)		11	
Pension mark-to-market adjustment ⁽⁸⁾			(11)	(3)	14	
Core performance measures	\$ 3,887	37.4%	\$ 1,320	\$ 708	\$ 1,859	17.9%

See Reconciliation of Non-GAAP Financial Measures, “Items which we exclude from GAAP measures to arrive at core performance measures” for the descriptions of the footnoted reconciling items.

CORNING INCORPORATED AND SUBSIDIARY COMPANIES
RECONCILIATION OF NON-GAAP FINANCIAL MEASURE TO GAAP FINANCIAL MEASURE
Three and Nine Months Ended September 30, 2022 and 2021
(Unaudited; in millions)

	Three months ended		Nine months ended	
	September 30,		September 30,	
	2022	2021	2022	2021
Cash flows from operating activities	\$ 706	\$ 895	\$ 1,998	\$ 2,389
Realized gains on translated earnings contracts	77	17	209	30
Translation losses on cash balances	(63)	(14)	(140)	(65)
Adjusted cash flows from operating activities	\$ 720	\$ 898	\$ 2,067	\$ 2,354
Less: Capital expenditures	\$ 465	\$ 401	\$ 1,201	\$ 1,014
Free cash flow	\$ 255	\$ 497	\$ 866	\$ 1,340

Items which we exclude from GAAP measures to arrive at core performance measures were as follows:

- (1) Constant-currency: Because a significant portion of segment revenues and expenses are denominated in currencies other than the U.S. dollar, management believes it is important to understand the impact on core net income of translating these currencies into U.S. dollars. Our Display Technologies' segment sales and net income are primarily denominated in Japanese yen, but also impacted by the South Korean won, Chinese yuan, and new Taiwan dollar. Environmental Technologies and Life Science segments sales and net income are primarily impacted by the euro. Presenting results on a constant-currency basis mitigates the translation impact and allows management to evaluate performance period over period, analyze underlying trends in the businesses, and establish operational goals and forecasts. We establish constant-currency rates based on internally derived management estimates which are closely aligned with the currencies we have hedged.

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

- (2) Translation gain on Japanese yen-denominated debt: We have excluded the impact of the translation gain of the yen-denominated debt to U.S. dollars.
- (3) Translated earnings contract (loss) gain: We have excluded the impact of the realized and unrealized gains and losses of 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 the British pound-denominated foreign currency hedges related to translated earnings.
- (4) Acquisition-related costs: These expenses include intangible amortization, inventory valuation adjustments, external acquisition-related deal costs, and other transaction related costs.
- (5) Discrete tax items and other tax-related adjustments: These include discrete period tax items such as changes of tax reserves and changes in our permanently reinvested foreign income position.
- (6) Restructuring, impairment and other charges and credits: These include accelerated depreciation and asset write-offs, impairments and other related charges, which are not related to on-going operations and are not classified as restructuring expense. The activity during the third quarter of 2022 primarily relates to capacity optimization of an emerging growth business. The activity during the third quarter of 2021 relates to asset write-offs and charges related to facility repairs resulting from the impact of power outages.
- (7) Litigation, regulatory and other legal matters: Includes amounts that reflect developments in commercial litigation, intellectual property disputes, adjustments to the estimated liability for environmental-related items and other legal matters.
- (8) Pension mark-to-market adjustment: 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) Contingent consideration: This amount represents the fair value mark-to-market cost adjustment of contingent consideration resulting from the Hemlock transaction on September 9, 2020.
- (10) Loss on investments: Amount represents the loss recognized due to mark-to-mark adjustments capturing the change in fair value based on the closing stock market price.
- (11) Gain on sale of business: Amount represents the gain recognized for the sale of a certain business.
- (12) Preferred stock conversion: This amount includes the fair value of the put option from the Share Repurchase Agreement with Samsung Display Co., Ltd.
- (13) Bond redemption loss: Amount represents premiums on redemption of debentures.