(Unaudited; in millions, except per share amounts)

	Three months ended June 30,		Six months ended June 30,	
	2026	2025	2026	2025
Net sales	$ 4,505	$ 3,862	$ 8,649	$ 7,314
Cost of sales	2,877	2,470	5,493	4,708
Gross margin	1,628	1,392	3,156	2,606
Operating expenses:				
Selling, general and administrative expenses	608	515	1,196	986
Research, development and engineering expenses	299	276	577	546
Amortization of purchased intangibles	23	28	46	56
Operating income	698	573	1,337	1,018
Interest income	12	5	21	17
Interest expense	(94)	(83)	(186)	(165)
Translated earnings contract gain, net	90	131	74	30
Other expense, net	(57)	(42)	(68)	(76)
Income before income taxes	649	584	1,178	824
Provision for income taxes	(40)	(84)	(161)	(139)
Net income	609	500	1,017	685
Net income attributable to non-controlling interest	(50)	(31)	(87)	(59)
Net income attributable to Corning Incorporated	$ 559	$ 469	$ 930	$ 626
Earnings per common share available to common shareholders:				
Basic	$ 0.65	$ 0.55	$ 1.08	$ 0.73
Diluted	$ 0.64	$ 0.54	$ 1.06	$ 0.72

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

	June 30, 2026	December 31, 2025
Assets		
Current assets:		
Cash and cash equivalents	$ 2,504	$ 1,526
Trade accounts receivable, net of doubtful accounts	2,932	2,779
Inventories	3,426	3,077
Other current assets	2,055	1,554
Total current assets	10,917	8,936
Property, plant and equipment, net of accumulated depreciation	14,927	14,825
Goodwill	2,476	2,489
Other intangible assets, net	610	657
Deferred income taxes	1,610	1,515
Other assets	2,416	2,554
Total Assets	$ 32,956	$ 30,976
Liabilities and Equity		
Current liabilities:		
Current portion of long-term debt and short-term borrowings	$ 668	$ 804
Accounts payable	2,361	1,979
Other accrued liabilities	2,992	2,845
Total current liabilities	6,021	5,628
Long-term debt	7,756	7,630
Postretirement benefits other than pensions	325	314
Other liabilities	5,727	5,097
Total liabilities	19,829	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	927	924
Additional paid-in capital – common stock	18,636	17,580
Retained earnings	16,747	16,551
Treasury stock, at cost; Shares held: 994 million and 992 million	(21,429)	(21,143)
Accumulated other comprehensive loss	(2,321)	(2,105)
Total Corning Incorporated shareholders’ equity	12,560	11,807
Non-controlling interest	567	500
Total equity	13,127	12,307
Total Liabilities and Equity	$ 32,956	$ 30,976

(Unaudited; in millions)

	Three months ended June 30,		Six months ended June 30,	
	2026	2025	2026	2025
Cash Flows from Operating Activities:				
Net income	$ 609	$ 500	$ 1,017	$ 685
Adjustments to reconcile net income to net cash provided by operating activities:				
Depreciation	368	312	702	603
Amortization of purchased intangibles	23	28	46	56
Share-based compensation expense	135	63	250	117
Translation loss (gain) on foreign denominated debt, net	1	27	(5)	70
Deferred tax (benefit) provision	(39)	11	(101)	(39)
Translated earnings contract gain, net	(90)	(131)	(74)	(30)
Changes in assets and liabilities:				
Trade accounts receivable	(267)	(213)	(255)	(203)
Inventories	(145)	(92)	(377)	(238)
Other current assets	(88)	(75)	(144)	(105)
Accounts payable and other current liabilities	275	194	195	(59)
Customer deposits and government incentives	880	59	709	43
Deferred income	(64)	(41)	(102)	(70)
Other, net	119	66	218	29
Net cash provided by operating activities	1,717	708	2,079	859
Cash Flows from Investing Activities:				
Capital expenditures	(422)	(308)	(754)	(516)
Proceeds from government incentives			8	
Realized gains on translated earnings contracts and other	128	51	278	107
Premiums paid on hedging contracts	(63)	(26)	(102)	(34)
Other, net	(2)	(18)	8	(23)
Net cash used in investing activities	(359)	(301)	(562)	(466)
Cash Flows from Financing Activities:				
Repayments of debt	(678)	(232)	(691)	(279)
Proceeds from issuance of debt and short-term borrowings	22	285	449	285
Proceeds from cross currency swap				24
Proceeds from warrants	500		500	
Payments of employee withholding tax on stock awards	(216)	(41)	(279)	(70)
Proceeds from exercise of stock options	9	1	23	12
Purchases of common stock for treasury		(33)		(133)
Dividends paid	(251)	(261)	(495)	(503)
Other, net	(17)	(12)	(79)	(32)
Net cash used in financing activities	(631)	(293)	(572)	(696)
Effect of exchange rates on cash	5	18		26
Net increase (decrease) in cash and cash equivalents and restricted cash	732	132	945	(277)
Cash and cash equivalents and restricted cash at beginning of period	1,779	1,359	1,566	1,768
Cash and cash equivalents and restricted cash at end of period	$ 2,511	$ 1,491	$ 2,511	$ 1,491
Restricted cash included in other current assets	7		7	
Cash and cash equivalents at end of year	$ 2,504	$ 1,491	$ 2,504	$ 1,491

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,	
	2026	2025	2026	2025
Net income attributable to Corning Incorporated	$ 559	$ 469	$ 930	$ 626
Weighted-average common shares outstanding - basic	862	855	860	855
Effect of dilutive securities:				
Stock options, awards and warrants	13	10	17	11
Weighted-average common shares outstanding - diluted	**875**	**865**	**877**	**866**
Basic earnings per common share	$ 0.65	$ 0.55	$ 1.08	$ 0.73
Diluted earnings per common share	**$ 0.64**	**$ 0.54**	**$ 1.06**	**$ 0.72**

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,	
	2026	2025	2026	2025
Core net income	$ 680	$ 523	$ 1,292	$ 990
Weighted-average common shares outstanding - basic	862	855	860	855
Effect of dilutive securities:				
Stock options, awards and warrants	13	10	17	11
Weighted-average common shares outstanding - diluted	**875**	**865**	**877**	**866**
Core earnings per share	**$ 0.78**	**$ 0.60**	**$ 1.47**	**$ 1.14**

CORE PERFORMANCE MEASURES

Management uses non-GAAP financial measures (our "core performance measures"), together with GAAP financial measures, to evaluate operating performance, make financial and operational decisions, and allocate resources. Management believes that core performance measures, when considered together with the Company's GAAP results, provide investors with useful supplemental information by facilitating a functional view of operating results and providing additional insight into factors and trends affecting the Company's performance.

Specifically, in managing the Company and assessing our financial performance, we supplement certain measures included in our consolidated financial statements by excluding specific items and making certain adjustments to arrive at our core performance measures. These measures are intended to supplement, and should not be viewed as a substitute for, the Company's GAAP financial measures.

Items excluded from certain core performance measures include realized and unrealized gains and losses on our undesignated foreign exchange forward or option contracts and cross-currency swaps, which we refer to as our translated earnings contracts, and on the translation of our foreign-denominated debt. Other excluded items include 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 that do not reflect the ongoing operating results of the Company.

Prior to April 1, 2026, we included an adjustment to derive our core performance measures that utilized long-term management-determined core rates, which were used in our presentation of the "constant-currency adjustment." These core rates were applied to all foreign currency exposures for which we were significantly hedged during the applicable period, even though we may have been less than 100% hedged.

Effective April 1, 2026, we prospectively replaced constant-currency reporting with a new non-GAAP adjustment, which we refer to as our "adjustment for hedged exposures" as discussed in more detail below. The prior constant-currency adjustment and the current adjustment for hedged exposures are distinct non-GAAP adjustments determined using different methodologies.

Because a significant portion of the Company's revenues and expenses are denominated in currencies other than the U.S. dollar, the Company maintains a foreign currency risk management program whereby it hedges its foreign currency exposure to the Japanese yen, Mexican peso, Chinese yuan, South Korean won, euro and New Taiwan dollar. Management utilizes the adjustment for hedged exposures for the Optical Communications, Glass Innovations and Automotive segments to reflect the Company's foreign currency risk management program with respect to these currencies, as applicable to each segment. The most significant adjustment relates to the Japanese yen exposure within the Glass Innovations segment. Management believes that this adjustment for hedged exposures is useful for analyzing underlying business trends and establishing operational goals and forecasts by illustrating results aligned with the currency environment established by the Company's foreign currency risk management program.

The adjustment for hedged exposures is calculated by applying our hedge rates (as defined below) to the portion of foreign currency exposure that is hedged by the Company's hedging instruments during the applicable period. These hedging instruments include our translated earnings contracts and non-derivative instruments such as foreign-denominated debt. The identification of hedged exposures is consistent with the Company's documented foreign exchange risk management practices. The remaining portion of foreign currency exposure that is not hedged is not adjusted and continues to be reflected at the exchange rates used in the Company's GAAP results during the applicable period. The currency rates used in calculating this adjustment for hedged exposures (our "hedge rates") reflect the weighted average of the contractual exchange rates of the Company's hedging instruments in place for foreign currency exposure for the applicable period. The realized and unrealized gains or losses from our translated earnings contracts and non-derivative instruments are excluded from our core performance measures in our GAAP to core reconciliation, and we include the adjustment for hedged exposures to reflect the underlying hedge rates related to these hedging instruments. The adjustment for hedged exposures, when applied to net sales, reflects only the impact of foreign currency exchange rate movements on the hedged portion of exposure

Management believes the adjustment for hedged exposures provides investors with useful supplemental information regarding operating performance by reflecting the effect of the Company's foreign currency risk management program on the portion of exposure actually hedged during the applicable period.

Core performance measures for the comparative prior period as presented herein are the amounts as historically reported. The prior constant-currency adjustment and the current adjustment for hedged exposures are distinct non-GAAP adjustments determined using different methodologies and reflect different foreign currency hedging approaches in the periods presented. Prior-period amounts have not been recast to the current-period presentation. Application of the current adjustment for hedged exposures in place of the prior constant-currency adjustment for the comparative 2025 periods would have resulted in higher year-over-year growth rates for core net sales, core net income and core earnings per share for the three and six months ended June 30, 2026.

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.

(Unaudited; in millions, except per share amounts)

	Three months ended June 30, 2026								
		Net sales		Income before income taxes		Net income attributable to Corning Incorporated	Effective tax rate (a)(b)		Per Share
As reported - GAAP	**$**	**4,505**	**$**	**649**	**$**	**559**	**6.2%**	**$**	**0.64**
Adjustment for hedged exposures [1]		233		208		159			0.18
Translation loss on foreign denominated debt, net [2]				1		1			0.00
Translated earnings contract gain, net [3]				(90)		(68)			(0.08)
Acquisition-related costs [4]				26		18			0.02
Discrete tax items and other tax-related adjustments [5]						(79)			(0.09)
Restructuring, impairment and other charges and credits [6]				71		60			0.07
Pension mark-to-market adjustment [7]				22		18			0.02
Loss on investments [8]				13		13			0.01
Gain on sale of business [9]				(2)		(1)			(0.00)
Core performance measures	$	4,738	$	898	$	680	18.5%	$	0.78

(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 $50 million and $51 million, respectively.

	Three months ended June 30, 2025								
		Net sales		Income before income taxes		Net income attributable to Corning Incorporated	Effective tax rate (a)(b)		Per Share
As reported - GAAP	**$**	**3,862**	**$**	**584**	**$**	**469**	**14.4%**	**$**	**0.54**
Constant-currency adjustment [1]		183		159		125			0.14
Translation loss on foreign denominated debt, net [2]				27		21			0.02
Translated earnings contract gain, net [3]				(131)		(100)			(0.12)
Acquisition-related costs [4]				29		21			0.02
Discrete tax items and other tax-related adjustments [5]						(28)			(0.03)
Restructuring, impairment and other charges and credits [6]				1		1			0.00
Pension mark-to-market adjustment [7]				16		12			0.01
Gain on investments [8]				(6)		(6)			(0.01)
Loss on sale of assets [10]				1		1			0.00
Litigation, regulatory and other legal matters [11]				(3)		(2)			(0.00)
Equity in losses of affiliated companies [12]				12		9			0.01
Core performance measures	$	4,045	$	689	$	523	19.5%	$	0.60

(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 $31 million and $32 million, respectively.

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

(Unaudited; in millions, except per share amounts)

	Six months ended June 30, 2026				
	Net sales	Income before income taxes	Net income attributable to Corning Incorporated	Effective tax rate (a)(b)	Per Share
As reported - GAAP	**$ 8,649**	**$ 1,178**	**$ 930**	**13.7%**	**$ 1.06**
Adjustment for hedged exposures [1]	233	208	159		0.18
Constant-currency adjustment [1]	201	180	135		0.15
Translation gain on foreign denominated debt, net [2]		(5)	(4)		(0.00)
Translated earnings contract gain, net [3]		(74)	(56)		(0.06)
Acquisition-related costs [4]		71	52		0.06
Discrete tax items and other tax-related adjustments [5]			(49)		(0.06)
Restructuring, impairment and other charges and credits [6]		115	102		0.12
Pension mark-to-market adjustment [7]		21	17		0.02
Loss on investments [8]		19	19		0.02
Gain on sale of business [9]		(2)	(1)		(0.00)
Gain on sale of assets [10]		(16)	(12)		(0.01)
Core performance measures	$ 9,083	$ 1,695	$ 1,292	18.5%	$ 1.47

(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 $87 million and $89 million, respectively.

	Six months ended June 30, 2025				
	Net sales	Income before income taxes	Net income attributable to Corning Incorporated	Effective tax rate (a)(b)	Per Share
As reported - GAAP	**$ 7,314**	**$ 824**	**$ 626**	**16.9%**	**$ 0.72**
Constant-currency adjustment [1]	410	339	293		0.34
Translation loss on foreign denominated debt, net [2]		70	54		0.06
Translated earnings contract gain, net [3]		(30)	(23)		(0.03)
Acquisition-related costs [4]		59	43		0.05
Discrete tax items and other tax-related adjustments [5]			(35)		(0.04)
Restructuring, impairment and other charges and credits [6]		(6)	(4)		(0.00)
Pension mark-to-market adjustment [7]		15	12		0.01
Gain on investments [8]		(1)	(1)		(0.00)
Loss on sale of business [9]		11	7		0.01
Loss on sale of assets [10]		5	4		0.00
Litigation, regulatory and other legal matters [11]		7	5		0.01
Equity in losses of affiliated companies [12]		12	9		0.01
Core performance measures	$ 7,724	$ 1,305	$ 990	19.5%	$ 1.14

(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 $59 million and $61 million, respectively.

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

(Unaudited; in millions)

	Three months ended June 30, 2026					
	Gross margin	Gross margin %	Selling, general and administrative expenses	Research, development and engineering expenses	Operating income	Operating margin %
As reported - GAAP	**$ 1,628**	**36.1%**	**$ 608**	**$ 299**	**$ 698**	**15.5%**
Adjustment for hedged exposures [1]	207		1		206	
Acquisition-related costs [4]			(1)		24	
Restructuring, impairment and other charges and credits [6]	39				39	
Pension mark-to-market adjustment [7]			(18)	(4)	22	
Core performance measures	$ 1,874	39.6%	$ 590	$ 295	$ 989	20.9%

	Three months ended June 30, 2025					
	Gross margin	Gross margin %	Selling, general and administrative expenses	Research, development and engineering expenses	Operating income	Operating margin %
As reported - GAAP	**$ 1,392**	**36.0%**	**$ 515**	**$ 276**	**$ 573**	**14.8%**
Constant-currency adjustment [1]	159			1	158	
Acquisition-related costs [4]			1		27	
Pension mark-to-market adjustment [7]			(11)	(3)	14	
Loss on sale of assets [10]	1				1	
Litigation, regulatory and other legal matters [11]			3		(3)	
Core performance measures	$ 1,552	38.4%	$ 508	$ 274	$ 770	19.0%

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

(Unaudited; in millions)

	Six months ended June 30, 2026					
	Gross margin	Gross margin %	Selling, general and administrative expenses	Research, development and engineering expenses	Operating income	Operating margin %
As reported - GAAP	**$ 3,156**	**36.5%**	**$ 1,196**	**$ 577**	**$ 1,337**	**15.5%**
Adjustment for hedged exposures [1]	207		1		206	
Constant-currency adjustment [1]	177		1		176	
Acquisition-related costs [4]			(20)		66	
Restructuring, impairment and other charges and credits [6]	50		(25)		75	
Pension mark-to-market adjustment [7]			(17)	(4)	21	
Gain on sale of assets [10]	(16)				(16)	
Core performance measures	$ 3,574	39.3%	$ 1,136	$ 573	$ 1,865	20.5%

	Six months ended June 30, 2025					
	Gross margin	Gross margin %	Selling, general and administrative expenses	Research, development and engineering expenses	Operating income	Operating margin %
As reported - GAAP	**$ 2,606**	**35.6%**	**$ 986**	**$ 546**	**$ 1,018**	**13.9%**
Constant-currency adjustment [1]	339		3	1	335	
Acquisition-related costs [4]			1		55	
Restructuring, impairment and other charges and credits [6]	(3)		(1)		(2)	
Pension mark-to-market adjustment [7]			(11)	(2)	13	
Loss on sale of assets [10]	5				5	
Litigation, regulatory and other legal matters [11]			(7)		7	
Core performance measures	$ 2,947	38.2%	$ 971	$ 545	$ 1,431	18.5%

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

(Unaudited; in millions)

	Three months ended June 30,				Six months ended June 30,			
	2026		2025		2026		2025	
Cash flows from operating activities	$	1,717	$	708	$	2,079	$	859
Realized gains on translated earnings contracts and other	$	128	$	51	$	278	$	107
Adjusted cash flows from operating activities	$	1,845	$	759	$	2,357	$	966
Less: Capital expenditures	$	422	$	308	$	754	$	516
Plus: Proceeds from government incentives					$	8		
Adjusted free cash flow	$	1,423	$	451	$	1,611	$	450

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 (losses) 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 June 30, 2026 and 2025 is calculated by annualizing the after-tax return for the respective period.

	Three months ended June 30,			
	2026		2025	
Core operating income [(1)]	$	989	$	770
Core equity (losses) earnings in affiliated companies [(2)]	$	(3)	$	3
Core operating income before interest and taxes	$	986	$	773
Less: Income tax [(3)]	$	182	$	151
Core operating income tax adjusted	$	804	$	622
Equity	$	13,127	$	11,545
Debt	$	8,424	$	7,500
Invested capital	$	21,551	$	19,045
Core ROIC		14.9%		13.1%

(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 a loss of $5 million and $11 million for the three months ended June 30, 2026 and June 30, 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 hedged exposures reporting for the three months ended June 30, 2026 and an adjustment for constant currency reporting for the three months ended June 30, 2025, as described within "Core Performance Measures." For the three months ended June 30, 2025, the difference also included an adjustment of $12 million for restructuring charges associated with an affiliated company as described within the "Reconciliation on non-GAAP 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 June 30, 2026 and June 30, 2025, respectively.

Items Adjusted from GAAP Measures

Items adjusted from GAAP measures to arrive at core performance measures are as follows:

(1) Adjustment for hedged exposures: Effective April 1, 2026, the Company replaced its prior constant-currency adjustment with an adjustment for hedged exposures. Because a significant portion of the Company's revenues and expenses are denominated in currencies other than the U.S. dollar, the Company maintains a foreign currency risk management program whereby it hedges its exposure to the Japanese yen, Mexican peso, Chinese yuan, South Korean won, euro and New Taiwan dollar. Management uses the adjustment for hedged exposures for the Optical Communications, Glass Innovations and Automotive segments to reflect the impact of that program, as applicable to each segment. The most significant adjustment relates to Japanese yen exposure within the Glass Innovations segment, which primarily impacts net sales.

The prior constant-currency adjustment and the current adjustment for hedged exposures are distinct non-GAAP adjustments determined using different methodologies. Under the prior methodology, management-determined rates were applied to all foreign currency exposures for which we were significantly hedged during the applicable period, even though we may have been less than 100% hedged. Under the current adjustment for hedged exposures, contractual hedge rates are applied only to the portion of exposure actually hedged during the applicable period, and the remaining unhedged exposure is reflected at the exchange rates included in the Company's consolidated GAAP results. The prior-period amounts presented herein are the amounts as historically reported.

The table below presents the hedge rates used in calculating the adjustment for hedged exposures for the three months ended June 30, 2026 as well as the percentage of exposure hedged for the same period. Percentages are calculated relative to after-tax earnings exposure.

Currency	Japanese yen	Mexican peso	Chinese yuan	South Korean won	Euro	New Taiwan dollar
Hedge Rate	¥120	MX$20	¥6.8	₩1,269	€0.88	NT$31
% of Exposure Hedged	98%	94%	93%	100%	89%	95%

Constant-currency adjustment: Prior to April 1, 2026, the constant-currency rates used were as follows and were applied to all relevant foreign currency exposures during the three months ended March 31, 2026 and three and six months ended June 30, 2025:

Currency	Japanese yen	Mexican peso	Chinese yuan	South Korean won	Euro	New Taiwan dollar
Core Rate	¥120	MX$21	¥6.9	₩1,250	€0.88	NT$31

(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, Mexican peso, Chinese yuan, South Korean won, euro and New Taiwan dollar 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) Gain or loss on investments: Amount reflects the gain or 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 business: Amount reflects the gain or loss recognized for the sale of a business, recorded in other expense, net, on the consolidated statements of income.

(10) 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.

(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.

(12) Equity in losses of affiliated companies: Amount reflects costs not related to continuing operations of affiliated companies, such as restructuring, impairment losses, inventory adjustments, and other charges and credits.