UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended July 27, 2025

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

Commission File Number: 0-23985

NVIDIA CORPORATION

(Exact name of registrant as specified in its charter)

Delaware	**94-3177549**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**
2788 San Tomas Expressway, Santa Clara, California	**95051**
(Address of principal executive offices)	**(Zip Code)**

(408) 486-2000
(Registrant's telephone number, including area code)

N/A
(Former name, former address and former fiscal year, if changed since last report)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, $0.001 par value per share	NVDA	The Nasdaq Global Select Market

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of “large accelerated filer,” “accelerated filer,” “smaller reporting company,” and “emerging growth company” in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☒ Accelerated filer ☐ Non-accelerated filer ☐ Smaller reporting company ☐ Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

The number of shares of common stock, $0.001 par value, outstanding as of August 22, 2025, was 24.3 billion.

NVIDIA Corporation
Form 10-Q
For the Quarter Ended July 27, 2025

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Where You Can Find More Information

Investors and others should note that we announce material financial information to our investors using our investor relations website, press releases, SEC filings and public conference calls and webcasts. We also use the following social media channels as a means of disclosing information about the company, our products, our planned financial and other announcements and attendance at upcoming investor and industry conferences, and other matters, and for complying with our disclosure obligations under Regulation FD:

NVIDIA Corporate Blog (http://blogs.nvidia.com)

NVIDIA Technical Blog (http://developer.nvidia.com/blog/)

NVIDIA LinkedIn Page (http://www.linkedin.com/company/nvidia)

NVIDIA Facebook Page (https://www.facebook.com/nvidia)

NVIDIA Instagram Page (https://www.instagram.com/nvidia)

NVIDIA X Account (https://x.com/nvidia)

NVIDIA Threads Page (https://www.threads.com/@nvidia)

In addition, investors and others can view NVIDIA videos on YouTube (https://www.YouTube.com/nvidia).

The information we post through these social media channels may be deemed material. Accordingly, investors should monitor these accounts and the blog, in addition to following our press releases, SEC filings and public conference calls and webcasts. This list may be updated from time to time. The information we post through these channels is not a part of this Quarterly Report on Form 10-Q. These channels may be updated from time to time on NVIDIA's investor relations website.

Part I. Financial Information

Item 1. Financial Statements (Unaudited)

NVIDIA Corporation and Subsidiaries
Condensed Consolidated Statements of Income
(In millions, except per share data)
(Unaudited)

	Three Months Ended		Six Months Ended	
	Jul 27, 2025	Jul 28, 2024	Jul 27, 2025	Jul 28, 2024
Revenue	$ 46,743	$ 30,040	$ 90,805	$ 56,084
Cost of revenue	12,890	7,466	30,284	13,105
Gross profit	33,853	22,574	60,521	42,979
Operating expenses				
Research and development	4,291	3,090	8,280	5,810
Sales, general and administrative	1,122	842	2,163	1,618
Total operating expenses	5,413	3,932	10,443	7,428
Operating income	28,440	18,642	50,078	35,551
Interest income	592	444	1,108	803
Interest expense	(62)	(61)	(124)	(125)
Other income (expense), net	2,236	189	2,055	264
Total other income (expense), net	2,766	572	3,039	942
Income before income tax	31,206	19,214	53,117	36,493
Income tax expense	4,784	2,615	7,920	5,013
Net income	$ 26,422	$ 16,599	$ 45,197	$ 31,480
Net income per share:				
Basic	$ 1.08	$ 0.68	$ 1.85	$ 1.28
Diluted	$ 1.08	$ 0.67	$ 1.84	$ 1.27
Weighted average shares used in per share computation:				
Basic	24,366	24,578	24,404	24,599
Diluted	24,532	24,848	24,571	24,869

See accompanying Notes to Condensed Consolidated Financial Statements.

NVIDIA Corporation and Subsidiaries
Condensed Consolidated Statements of Comprehensive Income
(In millions)
(Unaudited)

	Three Months Ended		Six Months Ended	
	Jul 27, 2025	**Jul 28, 2024**	**Jul 27, 2025**	**Jul 28, 2024**
Net income	$ 26,422	$ 16,599	$ 45,197	$ 31,480
Other comprehensive income (loss), net of tax				
Available-for-sale securities:				
Net change in unrealized gain (loss)	(52)	150	87	22
Cash flow hedges:				
Change in unrealized gain	31	23	54	20
Reclassification adjustments for net realized gain (loss) included in net income	5	(8)	1	(13)
Net change in unrealized gain	36	15	55	7
Other comprehensive income (loss), net of tax	(16)	165	142	29
Total comprehensive income	$ 26,406	$ 16,764	$ 45,339	$ 31,509

See accompanying Notes to Condensed Consolidated Financial Statements.

NVIDIA Corporation and Subsidiaries
Condensed Consolidated Balance Sheets
(In millions)
(Unaudited)

	Jul 27, 2025	Jan 26, 2025
Assets		
Current assets:		
Cash and cash equivalents	$ 11,639	$ 8,589
Marketable securities	45,152	34,621
Accounts receivable, net	27,808	23,065
Inventories	14,962	10,080
Prepaid expenses and other current assets	2,658	3,771
Total current assets	102,219	80,126
Property and equipment, net	9,141	6,283
Operating lease assets	2,084	1,793
Goodwill	5,755	5,188
Intangible assets, net	755	807
Deferred income tax assets	13,570	10,979
Other assets	7,216	6,425
Total assets	$ 140,740	$ 111,601
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable	$ 9,064	$ 6,310
Accrued and other current liabilities	15,193	11,737
Total current liabilities	24,257	18,047
Long-term debt	8,466	8,463
Long-term operating lease liabilities	1,831	1,519
Other long-term liabilities	6,055	4,245
Total liabilities	40,609	32,274
Commitments and contingencies - see Note 11		
Shareholders’ equity:		
Preferred stock	—	—
Common stock	24	24
Additional paid-in capital	11,200	11,237
Accumulated other comprehensive income	170	28
Retained earnings	88,737	68,038
Total shareholders' equity	100,131	79,327
Total liabilities and shareholders' equity	$ 140,740	$ 111,601

See accompanying Notes to Condensed Consolidated Financial Statements.

NVIDIA Corporation and Subsidiaries
Condensed Consolidated Statements of Shareholders' Equity
(Unaudited)

	Common Stock Outstanding		Additional Paid-in Capital	Accumulated Other Comprehensive Income (Loss)	Retained Earnings	Total Shareholders' Equity
	Shares	Amount				
(In millions, except per share data)						
Balances as of Apr 27, 2025	24,388	$ 24	$ 11,475	$ 186	$ 72,158	$ 83,843
Net income	—	—	—	—	26,422	26,422
Other comprehensive loss	—	—	—	(16)	—	(16)
Issuance of common stock	39	—	—	—	—	—
Tax withholding related to common stock	(13)	—	(1,848)	—	—	(1,848)
Shares repurchased	(67)	—	(59)	—	(9,599)	(9,658)
Cash dividends declared and paid ($0.01 per common share)	—	—	—	—	(244)	(244)
Stock-based compensation	—	—	1,632	—	—	1,632
Balances as of Jul 27, 2025	24,347	$ 24	$ 11,200	$ 170	$ 88,737	$ 100,131
Balances as of Apr 28, 2024	24,598	$ 25	$ 12,628	$ (109)	$ 36,598	$ 49,142
Net income	—	—	—	—	16,599	16,599
Other comprehensive income	—	—	—	165	—	165
Issuance of common stock	38	—	—	—	—	—
Tax withholding related to common stock	(11)	—	(1,637)	—	—	(1,637)
Shares repurchased	(63)	—	(38)	—	(6,990)	(7,028)
Cash dividends declared and paid ($0.01 per common share)	—	—	—	—	(246)	(246)
Stock-based compensation	—	—	1,162	—	—	1,162
Balances as of Jul 28, 2024	24,562	$ 25	$ 12,115	$ 56	$ 45,961	$ 58,157

See accompanying Notes to Condensed Consolidated Financial Statements.

NVIDIA Corporation and Subsidiaries
Condensed Consolidated Statements of Shareholders' Equity
(Unaudited)

	Common Stock Outstanding		Additional Paid-in Capital	Accumulated Other Comprehensive Income	Retained Earnings	Total Shareholders' Equity
	Shares	Amount				
(In millions, except per share data)						
Balances, Jan 26, 2025	24,477	$ 24	$ 11,237	$ 28	$ 68,038	$ 79,327
Net income	—	—	—	—	45,197	45,197
Other comprehensive income	—	—	—	142	—	142
Issuance of common stock	89	—	370	—	—	370
Tax withholding related to common stock	(26)	—	(3,380)	—	—	(3,380)
Shares repurchased	(193)	—	(151)	—	(24,010)	(24,161)
Cash dividends declared and paid ($0.02 per common share)	—	—	—	—	(488)	(488)
Fair value of partially vested equity awards assumed in connection with acquisitions	—	—	22	—	—	22
Stock-based compensation	—	—	3,102	—	—	3,102
Balances as of Jul 27, 2025	24,347	$ 24	$ 11,200	$ 170	$ 88,737	$ 100,131
Balances, Jan 28, 2024	24,643	$ 25	$ 13,109	$ 27	$ 29,817	$ 42,978
Net income	—	—	—	—	31,480	31,480
Other comprehensive income	—	—	—	29	—	29
Issuance of common stock	113	—	285	—	—	285
Tax withholding related to common stock	(32)	—	(3,389)	—	—	(3,389)
Shares repurchased	(162)	—	(71)	—	(14,992)	(15,063)
Cash dividends declared and paid ($0.014 per common share)	—	—	—	—	(344)	(344)
Stock-based compensation	—	—	2,181	—	—	2,181
Balances as of Jul 28, 2024	24,562	$ 25	$ 12,115	$ 56	$ 45,961	$ 58,157

See accompanying Notes to Condensed Consolidated Financial Statements.

NVIDIA Corporation and Subsidiaries
Condensed Consolidated Statements of Cash Flows
(In millions)
(Unaudited)

	Six Months Ended	
	Jul 27, 2025	**Jul 28, 2024**
Cash flows from operating activities:		
Net income	$ 45,197	$ 31,480
Adjustments to reconcile net income to net cash provided by operating activities:		
Stock-based compensation expense	3,099	2,164
Depreciation and amortization	1,280	843
Deferred income taxes	(2,160)	(3,276)
Gains on non-marketable equity securities and publicly-held equity securities, net	(2,073)	(264)
Other	(196)	(288)
Changes in operating assets and liabilities, net of acquisitions:		
Accounts receivable	(4,743)	(4,133)
Inventories	(4,880)	(1,380)
Prepaid expenses and other assets	946	(12)
Accounts payable	2,255	801
Accrued and other current liabilities	3,075	3,314
Other long-term liabilities	979	584
Net cash provided by operating activities	42,779	29,833
Cash flows from investing activities:		
Proceeds from maturities of marketable securities	6,252	8,098
Proceeds from sales of marketable securities	487	164
Proceeds from sales of non-marketable equity securities	70	105
Purchases of marketable securities	(14,358)	(15,047)
Purchases related to property and equipment and intangible assets	(3,122)	(1,346)
Purchases of non-marketable equity securities	(995)	(534)
Acquisitions, net of cash acquired	(677)	(317)
Net cash used in investing activities	(12,343)	(8,877)
Cash flows from financing activities:		
Proceeds related to employee stock plans	370	285
Payments related to repurchases of common stock	(23,815)	(14,898)
Payments related to employee stock plan taxes	(3,380)	(3,389)
Dividends paid	(488)	(344)
Principal payments on property and equipment and intangible assets	(73)	(69)
Repayment of debt	—	(1,250)
Net cash used in financing activities	(27,386)	(19,665)
Change in cash and cash equivalents	3,050	1,291
Cash and cash equivalents at beginning of period	8,589	7,280
Cash and cash equivalents at end of period	$ 11,639	$ 8,571
Supplemental disclosure of cash flow information:		
Cash paid for income taxes, net	$ 8,451	$ 7,449

See accompanying Notes to Condensed Consolidated Financial Statements.

NVIDIA Corporation and Subsidiaries
Notes to Condensed Consolidated Financial Statements
(Unaudited)

Note 1 - Summary of Significant Accounting Policies

Basis of Presentation

The accompanying unaudited condensed consolidated financial statements were prepared in accordance with accounting principles generally accepted in the United States of America, or U.S. GAAP, for interim financial information and with the instructions to Form 10-Q and Article 10 of Securities and Exchange Commission, or SEC, Regulation S-X. The January 26, 2025 consolidated balance sheet was derived from our audited consolidated financial statements included in our Annual Report on Form 10-K for the fiscal year ended January 26, 2025, as filed with the SEC, but does not include all disclosures required by U.S. GAAP. In the opinion of management, all adjustments, consisting only of normal recurring adjustments considered necessary for a fair presentation of results of operations and financial position, have been included. The results for the interim periods presented are not necessarily indicative of the results expected for any future period. The following information should be read in conjunction with the audited consolidated financial statements and notes thereto included in our Annual Report on Form 10-K for the fiscal year ended January 26, 2025.

Certain balances from the prior fiscal year have been reclassified to conform to the current period presentation.

Significant Accounting Policies

There have been no material changes to our significant accounting policies disclosed in Note 1 - Organization and Summary of Significant Accounting Policies, of the Notes to the Consolidated Financial Statements included in our Annual Report on Form 10-K for the fiscal year ended January 26, 2025.

Fiscal Year

Fiscal years 2026 and 2025 are both 52-week years ending on the last Sunday in January. The second quarters of fiscal years 2026 and 2025 were both 13-week quarters.

Principles of Consolidation

Our condensed consolidated financial statements include the accounts of NVIDIA Corporation and our wholly-owned subsidiaries. All intercompany balances and transactions have been eliminated in consolidation.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ materially from our estimates. On an on-going basis, we evaluate our estimates, including those related to accounts receivable, cash equivalents and marketable securities, goodwill, income taxes, inventories and product purchase commitments, investigation and settlement costs, litigation, non-marketable equity securities, other contingencies, property, plant, and equipment, restructuring and other charges, revenue recognition, and stock-based compensation. These estimates are based on historical facts and various other assumptions that we believe are reasonable.

Recently Issued Accounting Pronouncements

Recent Accounting Pronouncements Not Yet Adopted

In December 2023, the FASB issued a new accounting standard which includes new and updated income tax disclosures, including disaggregation of information in the rate reconciliation and income taxes paid. We will adopt this standard in our fiscal year 2026 annual report. We are currently assessing the effect of the adoption of this standard on our disclosures that will be included in our Form 10-K for the fiscal year ending January 25, 2026.

In November 2024, the FASB issued a new accounting standard requiring disclosures of certain additional expense information on an annual and interim basis, including, among other items, the amounts of purchases of inventory, employee compensation, depreciation and intangible asset amortization included within each income statement expense caption, as applicable. We will adopt this standard in our fiscal year 2028 annual report. We do not expect the adoption of this standard to have a material impact on our Consolidated Financial Statements other than additional disclosures.

Note 2 - Stock-Based Compensation

Stock-based compensation expense includes restricted stock units, or RSUs, performance stock units, or PSUs, market-based PSUs, and our employee stock purchase plan, or ESPP.

NVIDIA CORPORATION AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Unaudited)

Condensed Consolidated Statements of Income include stock-based compensation expense, net of amounts capitalized into inventory, as follows:

	Three Months Ended		Six Months Ended	
	Jul 27, 2025	Jul 28, 2024	Jul 27, 2025	Jul 28, 2024
	(In millions)			
Cost of revenue	$ 58	$ 40	$ 123	$ 75
Research and development	1,191	832	2,254	1,559
Sales, general and administrative	375	282	722	530
Total	$ 1,624	$ 1,154	$ 3,099	$ 2,164

Equity Award Activity

The following is a summary of our equity award transactions under our equity incentive plans:

	RSUs, PSUs and Market-based PSUs Outstanding	
	Number of Shares	Weighted Average Grant-Date Fair Value Per Share
	(In millions, except per share data)	
Balance as of Jan 26, 2025	274	$ 44.75
Granted	48	$ 108.52
Vested	(78)	$ 36.00
Canceled and forfeited	(5)	$ 52.34
Balance as of Jul 27, 2025	239	$ 60.19

As of July 27, 2025, aggregate unearned stock-based compensation expense was $14.0 billion, which is expected to be recognized over a weighted average period of 2.2 years for RSUs, PSUs, and market-based PSUs, and one year for ESPP.

Note 3 - Net Income Per Share

The following is the basic and diluted net income per share computations for the periods presented:

	Three Months Ended		Six Months Ended	
	Jul 27, 2025	Jul 28, 2024	Jul 27, 2025	Jul 28, 2024
	(In millions, except per share data)			
Numerator:				
Net income	$ 26,422	$ 16,599	$ 45,197	$ 31,480
Denominator:				
Basic weighted average shares	24,366	24,578	24,404	24,599
Dilutive impact of outstanding equity awards	166	270	167	270
Diluted weighted average shares	24,532	24,848	24,571	24,869
Net income per share:				
Basic (1)	$ 1.08	$ 0.68	$ 1.85	$ 1.28
Diluted (2)	$ 1.08	$ 0.67	$ 1.84	$ 1.27
Anti-dilutive equity awards excluded from diluted net income per share	3	5	60	68

(1) Net income divided by basic weighted average shares.
(2) Net income divided by diluted weighted average shares.

Diluted net income per share was computed using the weighted average number of common and potentially dilutive shares outstanding during the period, using the treasury stock method.

NVIDIA CORPORATION AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Unaudited)

Note 4 - Income Taxes

Income tax expense was $4.8 billion and $2.6 billion for the second quarter, and $7.9 billion and $5.0 billion for the first half, of fiscal years 2026 and 2025, respectively. Income tax as a percentage of income before income tax was an expense of 15.3% and 13.6% for the second quarter, and 14.9% and 13.7% for the first half, of fiscal years 2026 and 2025, respectively.

The effective tax rate increased primarily due to a lower tax benefit from stock-based compensation, partially offset by an increase in tax benefit from foreign-derived deduction eligible income.

Our effective tax rates for the first half of fiscal years 2026 and 2025 were lower than the U.S. federal statutory rate of 21% primarily due to tax benefits from foreign-derived deduction eligible income, stock-based compensation, income earned in jurisdictions that are subject to taxes at rates lower than the U.S. federal statutory tax rate, and the U.S. federal research tax credit.

In July 2025, the One Big Beautiful Bill Act (OBBBA) was enacted into law and contains several changes to key U.S. federal income tax laws. As of July 27, 2025, we have recognized the tax effects of certain OBBBA provisions, which did not have a material impact on our second quarter.

Given our current and possible future earnings, we believe that we may release the valuation allowance associated with certain state deferred tax assets in the near term, which would decrease our income tax expense for the period the release is recorded. The timing and amount of the valuation allowance release could vary based on our assessment of all available information.

While we believe that we have adequately provided for all uncertain tax positions, or tax positions where we believe it is not more-likely-than-not that the position will be sustained upon review, amounts asserted by tax authorities could be greater or less than our accrued position. Accordingly, our provisions on federal, state and foreign tax related matters to be recorded in the future may change as revised estimates are made or the underlying matters are settled or otherwise resolved with the respective tax authorities.

Note 5 - Cash Equivalents and Marketable Securities

The fair values of our financial assets are determined using quoted market prices of identical assets or market prices of similar assets from active markets. We review fair value classification on a quarterly basis. The following is a summary of cash equivalents and marketable securities:

	Jul 27, 2025						
						Reported as	
	Pricing Category	Amortized Cost	Unrealized Gain	Unrealized Loss	Estimated Fair Value	Cash Equivalents	Marketable Securities
				(In millions)			
Debt securities issued by the U.S. Treasury	Level 2	$ 23,967	$ 76	$ (11)	$ 24,032	$ 3,784	$ 20,248
Corporate debt securities	Level 2	21,564	81	(9)	21,636	2,214	19,422
Money market funds	Level 1	5,245	—	—	5,245	5,245	—
Debt securities issued by U.S. government agencies	Level 2	2,238	7	(2)	2,243	—	2,243
Certificates of deposit	Level 2	108	—	—	108	108	—
Foreign government bonds	Level 2	40	—	—	40	—	40
Total debt securities with fair value adjustments recorded in other comprehensive income		53,162	164	(22)	53,304	11,351	41,953
Publicly-held equity securities (1)	Level 1				3,199	—	3,199
Total		$ 53,162	$ 164	$ (22)	$ 56,503	$ 11,351	$ 45,152

(1) In the first quarter of fiscal year 2026, one investment was reclassified from non-marketable equity securities to marketable securities following public market trading. The fair value of the investment as of July 27, 2025 was $2.8 billion and was subject to a short-term restriction on the ability to sell.

Publicly-held equity securities are subject to market price volatility. Net unrealized gains on investments in publicly-held equity securities held at period end were $1.9 billion and $1.7 billion for the second quarter and first half of fiscal year 2026, respectively. Net unrealized gains on investments in publicly-held equity securities held at period end were $132 million and $181 million for the second quarter and first half of fiscal year 2025, respectively.

NVIDIA CORPORATION AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Unaudited)

	Jan 26, 2025						
						Reported as	
	Pricing Category	Amortized Cost	Unrealized Gain	Unrealized Loss	Estimated Fair Value	Cash Equivalents	Marketable Securities
	(In millions)						
Corporate debt securities	Level 2	$ 18,504	$ 51	$ (29)	$ 18,526	$ 2,071	$ 16,455
Debt securities issued by the U.S. Treasury	Level 2	16,749	42	(22)	16,769	1,801	14,968
Money market funds	Level 1	3,760	—	—	3,760	3,760	—
Debt securities issued by U.S. government agencies	Level 2	2,775	7	(5)	2,777	—	2,777
Foreign government bonds	Level 2	177	—	—	177	137	40
Certificates of deposit	Level 2	97	—	—	97	97	—
Total debt securities with fair value adjustments recorded in other comprehensive income		42,062	100	(56)	42,106	7,866	34,240
Publicly-held equity securities	Level 1				381	—	381
Total		$ 42,062	$ 100	$ (56)	$ 42,487	$ 7,866	$ 34,621

The following table provides the breakdown of unrealized losses, aggregated by investment category and length of time that individual debt securities have been in a continuous loss position:

	Jul 27, 2025		Jan 26, 2025	
	Less than 12 Months		Less than 12 Months	
	Estimated Fair Value	Gross Unrealized Loss	Estimated Fair Value	Gross Unrealized Loss
	(In millions)			
Debt securities issued by the U.S. Treasury	$ 7,319	$ (11)	$ 6,315	$ (22)
Corporate debt securities	3,539	(9)	5,291	(29)
Debt securities issued by U.S. government agencies	768	(2)	816	(5)
Total	$ 11,626	$ (22)	$ 12,422	$ (56)

Gross unrealized losses related to debt securities in a continuous loss position of twelve months or greater, with balances of $15 million and $213 million as of July 27, 2025 and January 26, 2025, respectively, were not significant.

Gross unrealized losses are related to fixed income securities, driven primarily by changes in interest rates.

NVIDIA CORPORATION AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Unaudited)

The estimated fair value of debt securities included in cash equivalents and marketable securities are shown below by contractual maturity.

	Jul 27, 2025
	(In millions)
Less than one year	$ 22,521
Due in 1 - 5 years	30,783
Total	$ 53,304

Note 6 - Fair Value of Non-marketable Equity Securities

Our non-marketable equity securities are recorded in long-term other assets on our Condensed Consolidated Balance Sheets and valued under the measurement alternative. Gains and losses on these investments, realized and unrealized, are recognized in Other income (expense), net on our Condensed Consolidated Statements of Income.

Adjustments to the carrying value of our non-marketable equity securities during the second quarter and first half of fiscal years 2026 and 2025 were as follows:

	Three Months Ended		Six Months Ended	
	Jul 27, 2025	Jul 28, 2024	Jul 27, 2025	Jul 28, 2024
	(In millions)			
Balance at beginning of period	$ 3,240	$ 1,463	$ 3,387	$ 1,321
Adjustments related to non-marketable equity securities:				
Net additions	299	294	948	421
Unrealized gains	267	77	330	92
Reclassification (1)	(5)	—	(848)	—
Impairments and unrealized losses	(2)	(15)	(18)	(15)
Balance at end of period	$ 3,799	$ 1,819	$ 3,799	$ 1,819

(1) Represents reclassifications from non-marketable equity securities to marketable securities following public market trading.

Non-marketable equity securities had cumulative gross unrealized gains of $661 million and $362 million, and cumulative gross unrealized losses and impairments of $93 million and $60 million on securities held as of July 27, 2025 and July 28, 2024, respectively.

Note 7 - Amortizable Intangible Assets and Goodwill

The components of our amortizable intangible assets are as follows:

	Jul 27, 2025			Jan 26, 2025		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
	(In millions)					
Acquisition-related intangible assets	$ 3,054	$ (2,484)	$ 570	$ 2,900	$ (2,264)	$ 636
Patents and licensed technology	473	(288)	185	449	(278)	171
Total intangible assets	$ 3,527	$ (2,772)	$ 755	$ 3,349	$ (2,542)	$ 807

Amortization expense associated with intangible assets was $84 million and $146 million for the second quarter, and $243 million and $289 million for the first half, of fiscal years 2026 and 2025, respectively.

The following table outlines the estimated future amortization expense related to the net carrying amount of intangible assets as of July 27, 2025:

	Future Amortization Expense
	(In millions)
Fiscal Year:	
2026 (excluding the first half of fiscal year 2026)	$ 160
2027	300
2028	145
2029	46
2030	11
2031 and thereafter	93
Total	$ 755

In the first half of fiscal year 2026, goodwill increased by $567 million from acquisitions and was allocated to our Compute & Networking reporting unit.

Note 8 - Balance Sheet Components

We refer to customers who purchase products directly from NVIDIA as direct customers, such as add-in board manufacturers, distributors, original device manufacturers, or ODMs, original equipment manufacturers, or OEMs, and system integrators. We have certain customers that may purchase products directly from NVIDIA and may use either internal resources or third-party system integrators to complete their build. Three direct customers accounted for 23%, 19% and 14% of our accounts receivable balance as of July 27, 2025. Two direct customers accounted for 17% and 16% of our accounts receivable balance as of January 26, 2025.

Certain balance sheet components are as follows:

	Jul 27, 2025	Jan 26, 2025
Inventories:	*(In millions)*	
Raw materials	$ 1,843	$ 3,408
Work in process	4,411	3,399
Finished goods	8,708	3,273
Total inventories (1)	$ 14,962	$ 10,080

(1) We recorded an inventory provision of $886 million and $345 million for the second quarter of fiscal years 2026 and 2025, respectively, and $3.2 billion and $555 million for the first half of fiscal years 2026 and 2025, respectively, in cost of revenue.

Property and Equipment:

Property, equipment and intangible assets acquired but not paid for the first half of fiscal years 2026 and 2025 were $1.1 billion and not significant, respectively.

	Jul 27, 2025	Jan 26, 2025
Other Assets (Long Term):	*(In millions)*	
Non-marketable equity securities	$ 3,799	$ 3,387
Prepaid supply and capacity agreements (1)	1,776	1,747
Income tax receivable	1,042	750
Prepaid royalties	327	340
Other	272	201
Total other assets	$ 7,216	$ 6,425

(1) $1.8 billion and $3.3 billion were included in short-term Prepaid expenses and other current assets as of July 27, 2025 and January 26, 2025, respectively.

NVIDIA CORPORATION AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Unaudited)

	Jul 27, 2025	Jan 26, 2025
Accrued and Other Current Liabilities:	*(In millions)*	
Customer program accruals	$ 4,705	$ 4,880
Excess inventory purchase obligations (1)	3,154	2,095
Product warranty and return provisions	2,245	1,373
Taxes payable	1,910	881
Accrued payroll and related expenses	1,227	848
Deferred revenue (2)	980	837
Operating leases	301	288
Licenses and royalties	284	175
Unsettled share repurchases	185	132
Other	202	228
Total accrued and other current liabilities	$ 15,193	$ 11,737

(1) We recorded $137 million and $563 million for the second quarter of fiscal years 2026 and 2025, respectively, and $3.1 billion and $746 million for the first half of fiscal years 2026 and 2025, respectively, in cost of revenue

(2) Includes customer advances and unearned revenue related to hardware support, software support, cloud services, and license and development arrangements. The balance as of July 27, 2025 and January 26, 2025 included $80 million and $81 million of customer advances, respectively.

	Jul 27, 2025	Jan 26, 2025
Other Long-Term Liabilities:	*(In millions)*	
Income tax payable (1)	$ 3,081	$ 2,188
Deferred income tax	1,351	886
Deferred revenue (2)	1,055	976
Licenses payable	325	116
Other	243	79
Total other long-term liabilities	$ 6,055	$ 4,245

(1) Primarily comprised of unrecognized tax benefits and related interest and penalties.

(2) Includes unearned revenue related to hardware support, software support, and cloud services.

Deferred Revenue

The following table shows the changes in short- and long-term deferred revenue during the first half of fiscal years 2026 and 2025:

	Six Months Ended	
	Jul 27, 2025	Jul 28, 2024
	(In millions)	
Balance at beginning of period	$ 1,813	$ 1,337
Deferred revenue additions (1)	8,275	1,478
Revenue recognized (2)	(8,053)	(1,094)
Balance at end of period	$ 2,035	$ 1,721

(1) Includes $7.5 billion and $770 million of customer advances for the first half of fiscal years 2026 and 2025, respectively.

(2) Includes $7.5 billion and $664 million related to customer advances for the first half of fiscal years 2026 and 2025, respectively.

We recognized revenue of $479 million and $323 million in the first half of fiscal years 2026 and 2025, respectively, that were included in the prior year end deferred revenue balance.

As of July 27, 2025, revenue related to remaining performance obligations from contracts greater than one year in length was $1.9 billion, which includes $1.8 billion from deferred revenue and $118 million which has not yet been billed nor recognized as revenue. Approximately 40% of revenue from contracts greater than one year in length will be recognized over the next twelve months.

NVIDIA CORPORATION AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Unaudited)

Note 9 - Derivative Financial Instruments

We utilize foreign currency forward contracts to mitigate the impact of foreign currency exchange rate movements on our operating expenses. The foreign currency forward contracts for operating expenses are designated as accounting hedges. Gains or losses on the contracts are recorded in accumulated other comprehensive income or loss and reclassified to operating expense when the related operating expenses are recognized in earnings. During the first half of fiscal years 2026 and 2025, the impact of foreign currency forward contracts designated as accounting hedges on other comprehensive income or loss was not significant and all such instruments were determined to be highly effective.

We also entered into foreign currency forward contracts mitigating the impact of foreign currency movements on monetary assets and liabilities. For our foreign currency contracts for assets and liabilities, the change in fair value of these non-designated contracts was recorded in other income or expense and offsets the change in fair value of the hedged foreign currency denominated monetary assets and liabilities, which was also recorded in other income or expense.

The table below presents the notional value of our foreign currency contracts outstanding:

	Jul 27, 2025	Jan 26, 2025
	(In millions)	
Designated as accounting hedges	$ 1,577	$ 1,424
Not designated as accounting hedges	$ 939	$ 1,297

The unrealized gains and losses or fair value of our foreign currency contracts were not significant as of July 27, 2025 and January 26, 2025.

As of July 27, 2025, all foreign currency contracts mature within eighteen months. The expected realized gains and losses deferred into accumulated other comprehensive income or loss related to foreign currency forward contracts within the next twelve months were not significant.

Note 10 - Debt

Long-Term Debt

	Expected Remaining Term (years)	Effective Interest Rate	Carrying Value at Jul 27, 2025	Carrying Value at Jan 26, 2025
			(In millions)	
3.20% Notes Due 2026	1.1	3.31%	$ 1,000	$ 1,000
1.55% Notes Due 2028	2.9	1.64%	1,250	1,250
2.85% Notes Due 2030	4.7	2.93%	1,500	1,500
2.00% Notes Due 2031	5.9	2.09%	1,250	1,250
3.50% Notes Due 2040	14.7	3.54%	1,000	1,000
3.50% Notes Due 2050	24.7	3.54%	2,000	2,000
3.70% Notes Due 2060	34.7	3.73%	500	500
Unamortized debt discount and issuance costs			(34)	(37)
Net long-term carrying amount			$ 8,466	$ 8,463

As of July 27, 2025 and January 26, 2025, the estimated fair value of debt was $7.4 billion and $7.2 billion, respectively. The estimated fair values are based on Level 2 inputs.

Our notes are unsecured senior obligations. Existing and future liabilities of our subsidiaries will be effectively senior to the notes. Our notes pay interest semi-annually. We may redeem each of our notes prior to maturity, subject to a make-whole premium. The maturity of the notes is calendar year.

As of July 27, 2025, we complied with the required covenants, which are non-financial in nature, under the outstanding notes.

Commercial Paper

We have a $575 million commercial paper program to support general corporate purposes. As of July 27, 2025 and January 26, 2025, we had no commercial paper outstanding.

Note 11 - Commitments and Contingencies

Commitments

Our commitments include obligations to purchase components used to manufacture our products, including certain software and technology licenses, investments, long-lived assets, long-term supply and capacity agreements, multi-year cloud service agreements, and other goods and services.

We enter into agreements with contract manufacturers that allow them to procure inventory based upon our defined criteria, and in certain instances, these agreements are cancellable, able to be rescheduled, or adjustable for our business needs prior to placing firm orders. Though, changes to these agreements may result in additional costs.

Total future commitments as of July 27, 2025 are as follows:

	Commitments
	(In millions)
Fiscal Year:	
2026 (excluding the first half of fiscal year 2026)	$ 30,930
2027	6,573
2028	3,915
2029	2,736
2030	1,402
2031 and thereafter	218
Total	$ 45,774

Accrual for Product Warranty Liabilities

The estimated amount of product warranty liabilities was $2.1 billion and $1.3 billion as of July 27, 2025 and January 26, 2025, respectively. The estimated product returns and product warranty activity consisted of the following:

	Three Months Ended		Six Months Ended	
	Jul 27, 2025	Jul 28, 2024	Jul 27, 2025	Jul 28, 2024
	(In millions)			
Balance at beginning of period	$ 2,080	$ 532	$ 1,290	$ 306
Additions	220	237	1,090	471
Utilization	(156)	(28)	(236)	(36)
Balance at end of period	$ 2,144	$ 741	$ 2,144	$ 741

We have provided indemnities for matters such as tax, product, and employee liabilities. We have included intellectual property indemnification provisions in our technology-related agreements with third parties. Maximum potential future payments cannot be estimated because many of these agreements do not have a maximum stated liability. We have not recorded any liability in our Condensed Consolidated Financial Statements for such indemnifications.

Litigation

Securities Class Action and Derivative Lawsuits

The plaintiffs in the putative securities class action lawsuit, captioned 4:18-cv-07669-HSG, initially filed on December 21, 2018 in the United States District Court for the Northern District of California, and titled In Re NVIDIA Corporation Securities Litigation, filed an amended complaint on May 13, 2020. The amended complaint asserted that NVIDIA and certain NVIDIA executives violated Section 10(b) of the Securities Exchange Act of 1934, as amended, or the Exchange Act, and SEC Rule 10b-5, by making materially false or misleading statements related to channel inventory and the impact of cryptocurrency mining on GPU demand between May 10, 2017 and November 14, 2018. Plaintiffs also alleged that the

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NVIDIA executives who they named as defendants violated Section 20(a) of the Exchange Act. Plaintiffs sought class certification, an award of unspecified compensatory damages, an award of reasonable costs and expenses, including attorneys' fees and expert fees, and further relief as the Court may deem just and proper. On March 2, 2021, the district court granted NVIDIA's motion to dismiss the complaint without leave to amend, entered judgment in favor of NVIDIA and closed the case. On March 30, 2021, plaintiffs filed an appeal from judgment in the United States Court of Appeals for the Ninth Circuit, case number 21-15604. On August 25, 2023, a majority of a three-judge Ninth Circuit panel affirmed in part and reversed in part the district court's dismissal of the case, with a third judge dissenting on the basis that the district court did not err in dismissing the case. On November 15, 2023, the Ninth Circuit denied NVIDIA's petition for rehearing *en banc* of the Ninth Circuit panel's majority decision to reverse in part the dismissal of the case, which NVIDIA had filed on October 10, 2023. On December 5, 2023, the Ninth Circuit granted NVIDIA's motion to stay the mandate pending NVIDIA's petition for a writ of certiorari in the Supreme Court of the United States and the Supreme Court's final disposition of the matter. NVIDIA filed a petition for a writ of certiorari on March 4, 2024. On June 17, 2024, the Supreme Court of the United States granted NVIDIA's petition for a writ of certiorari. After briefing and argument, the Supreme Court dismissed NVIDIA's writ of certiorari as improvidently granted on December 11, 2024, and issued judgment on January 13, 2025. On February 20, 2025, the Ninth Circuit's judgment, entered August 25, 2023 and corrected August 28, 2023, took effect, and the case was remanded to the district court for further proceedings.

The putative derivative lawsuit pending in the United States District Court for the Northern District of California, captioned 4:19-cv-00341-HSG, initially filed January 18, 2019 and titled In re NVIDIA Corporation Consolidated Derivative Litigation, was stayed pending resolution of the plaintiffs' appeal in the In Re NVIDIA Corporation Securities Litigation action. On February 22, 2022, the court administratively closed the case, but stated that it would reopen the case once the appeal in the In Re NVIDIA Corporation Securities Litigation action is resolved. The case has not yet been reopened by the court. The lawsuit asserts claims, purportedly on behalf of us, against certain officers and directors of the Company for breach of fiduciary duty, unjust enrichment, waste of corporate assets, and violations of Sections 14(a), 10(b), and 20(a) of the Exchange Act based on the dissemination of allegedly false and misleading statements related to channel inventory and the impact of cryptocurrency mining on GPU demand. The plaintiffs are seeking unspecified damages and other relief, including reforms and improvements to NVIDIA's corporate governance and internal procedures.

The putative derivative actions initially filed September 24, 2019 and pending in the United States District Court for the District of Delaware, Lipchitz v. Huang, et al. (Case No. 1:19-cv-01795-MN) and Nelson v. Huang, et. al. (Case No. 1:19-cv-01798-MN), were stayed pending resolution of the plaintiffs' appeal in the In Re NVIDIA Corporation Securities Litigation action. On March 7, 2025, after the Supreme Court issued its judgment dismissing the Company's petition for writ of certiorari as improvidently granted in the In Re NVIDIA Securities Litigation action, the district court adopted the parties' stipulation to extend the stay until the final and complete resolution of the In Re NVIDIA Corporation Securities Litigation action. The lawsuits assert claims, purportedly on behalf of us, against certain officers and directors of the Company for breach of fiduciary duty, unjust enrichment, insider trading, misappropriation of information, corporate waste and violations of Sections 14(a), 10(b), and 20(a) of the Exchange Act based on the dissemination of allegedly false, and misleading statements related to channel inventory and the impact of cryptocurrency mining on GPU demand. The plaintiffs seek unspecified damages and other relief, including disgorgement of profits from the sale of NVIDIA stock and unspecified corporate governance measures.

Another putative derivative action was filed on October 30, 2023 in the Court of Chancery of the State of Delaware, captioned Horanic v. Huang, et al. (Case No. 2023-1096-KSJM). This lawsuit asserts claims, purportedly on behalf of us, against certain officers and directors of the Company for breach of fiduciary duty and insider trading based on the dissemination of allegedly false and misleading statements related to channel inventory and the impact of cryptocurrency mining on GPU demand. The plaintiffs seek unspecified damages and other relief, including disgorgement of profits from the sale of NVIDIA stock and reform of unspecified corporate governance measures. On August 11, 2025, the court granted the parties' stipulation to voluntarily dismiss with prejudice plaintiff City of Westland Police and Fire Retirement System. This derivative matter is stayed pending the final resolution of In Re NVIDIA Corporation Securities Litigation action.

Accounting for Loss Contingencies

As of July 27, 2025, there are no accrued contingent liabilities associated with the legal proceedings described above based on our belief that liabilities, while reasonably possible, are not probable. Further, any possible loss or range of loss in these matters cannot be reasonably estimated at this time. We are engaged in legal actions not described above arising in the ordinary course of business and, while there can be no assurance of favorable outcomes, we believe that the ultimate outcome of these actions will not have a material adverse effect on our operating results, liquidity or financial position.

Note 12 - Shareholders' Equity

Capital Return Program

We repurchased 67 million and 63 million shares of our common stock for $9.7 billion and $7.0 billion during the second quarter of fiscal years 2026 and 2025, respectively, and 193 million and 162 million shares of our common stock for $24.2 billion and $15.1 billion during the first half of fiscal years 2026 and 2025, respectively. As of July 27, 2025, we were authorized, subject to certain specifications, to repurchase up to $14.7 billion of our common stock.

From July 28, 2025 through August 26, 2025, we repurchased 20 million shares for $3.5 billion pursuant to a pre-established trading plan. On August 26, 2025, our Board of Directors approved an additional $60.0 billion in share repurchase authorization, without expiration. As of August 26, 2025, a total of $71.2 billion was available for repurchase.

We paid cash dividends to our shareholders of $244 million and $246 million during the second quarter, and $488 million and $344 million during the first half, of fiscal years 2026 and 2025, respectively. The payment of future cash dividends is subject to our Board of Directors' continuing determination that the declaration of dividends is in the best interests of our shareholders.

Note 13 - Segment Information

Our Chief Executive Officer is our chief operating decision maker, or CODM, and reviews financial information presented on an operating segment basis for purposes of making decisions and assessing financial performance. Our CODM assesses operating performance of each segment based on regularly provided segment revenue and segment operating income. Operating results by segment include costs or expenses directly attributable to each segment, and costs or expenses that are leveraged across our unified architecture and therefore allocated between our two segments. Our CODM reviews expenses on a consolidated basis, and expenses attributable to each segment are not regularly provided to our CODM.

The Compute & Networking segment includes our Data Center accelerated computing platforms and artificial intelligence, or AI, solutions and software; networking; automotive platforms and autonomous and electric vehicle solutions; Jetson for robotics and other embedded platforms; and DGX Cloud computing services.

The Graphics segment includes GeForce GPUs for gaming and PCs, the GeForce NOW game streaming service and related infrastructure, and solutions for gaming platforms; Quadro/NVIDIA RTX GPUs for enterprise workstation graphics; virtual GPU software for cloud-based visual and virtual computing; automotive platforms for infotainment systems; and Omniverse Enterprise software for building and operating industrial AI and digital twin applications.

Certain expenses are not allocated to either Compute & Networking or Graphics for purposes of making operating decisions or assessing financial performance. The expenses include stock-based compensation expense, corporate infrastructure and support costs, acquisition-related and other costs, and other non-recurring charges and benefits that our CODM deems to be enterprise in nature.

Our CODM does not review any information regarding total assets on a reportable segment basis. There are no intersegment transactions. The accounting policies for segment reporting are the same as for our consolidated financial statements. The table below presents details of our reportable segments.

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NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)
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	Compute & Networking	Graphics	Total
		(In millions)	
Three Months Ended Jul 27, 2025			
Revenue	$ 41,331	$ 5,412	$ 46,743
Other segment items (1)	12,968	3,170	16,138
Operating income (loss)	$ 28,363	$ 2,242	$ 30,605
Three Months Ended Jul 28, 2024			
Revenue	$ 26,446	$ 3,594	$ 30,040
Other segment items (1)	7,598	2,225	9,823
Operating income (loss)	$ 18,848	$ 1,369	$ 20,217
Six Months Ended Jul 27, 2025			
Revenue	$ 80,920	$ 9,885	$ 90,805
Other segment items (1)	30,503	6,003	36,506
Operating income (loss)	$ 50,417	$ 3,882	$ 54,299
Six Months Ended Jul 28, 2024			
Revenue	$ 49,121	$ 6,963	$ 56,084
Other segment items (1)	13,225	4,354	17,579
Operating income (loss)	$ 35,896	$ 2,609	$ 38,505

(1) Other segment items for the Compute & Networking and Graphics reportable segments primarily include product costs and inventory provisions, compensation and benefits excluding stock-based compensation expense, compute and infrastructure expenses, and engineering development costs.

Depreciation and amortization expense attributable to our Compute and Networking segment was $383 million and $161 million for the second quarter, and $684 million and $307 million for the first half, of fiscal years 2026 and 2025, respectively. Depreciation and amortization expense attributable to our Graphics segment was $148 million and $86 million for the second quarter, and $252 million and $171 million for the first half, of fiscal years 2026 and 2025, respectively. Acquisition-related intangible amortization expense is not allocated to either Compute & Networking or Graphics for purposes of making operating decisions or assessing financial performance.

A reconciliation of segment operating income to consolidated income before income tax for the second quarter and first half of fiscal years 2026 and 2025 were as follows:

	Three Months Ended		Six Months Ended	
	Jul 27, 2025	Jul 28, 2024	Jul 27, 2025	Jul 28, 2024
		(In millions)		
Segment operating income	$ 30,605	$ 20,217	$ 54,299	$ 38,505
Stock-based compensation expense	(1,624)	(1,154)	(3,099)	(2,164)
Unallocated cost of revenue and operating expenses	(440)	(280)	(859)	(508)
Acquisition-related and other costs	(101)	(141)	(263)	(282)
Interest income	592	444	1,108	803
Interest expense	(62)	(61)	(124)	(125)
Other income (expense), net	2,236	189	2,055	264
Consolidated income before income tax	$ 31,206	$ 19,214	$ 53,117	$ 36,493

NVIDIA CORPORATION AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Unaudited)

Revenue by geographic area is based upon the billing location of the customer. The end customer and shipping location may be different from our customer's billing location.

	Three Months Ended		Six Months Ended	
	Jul 27, 2025	Jul 28, 2024	Jul 27, 2025	Jul 28, 2024
	(In millions)			
Geographic Revenue based upon Customer Billing Location:				
United States	$ 23,470	$ 13,022	$ 44,209	$ 26,518
Singapore (1)	10,156	5,622	19,173	9,659
Taiwan	8,529	5,740	15,687	10,113
China (including Hong Kong)	2,769	3,667	8,291	6,158
Other	1,819	1,989	3,445	3,636
Total revenue	$ 46,743	$ 30,040	$ 90,805	$ 56,084

(1) Singapore represented 22%, and 21% of the second quarter and first half of fiscal year 2026 total revenue based upon customer billing location, respectively. Customers use Singapore to centralize invoicing while our products are almost always shipped elsewhere. Over 99% of controlled Data Center compute revenue billed to Singapore was for orders from U.S.-based customers for the second quarter and first half of fiscal year 2026. Controlled Data Center compute refers to products that meet the characteristics of Export Control Classification Numbers 3A090.a or 4A090.a.

Revenue from sales to customers outside of the United States accounted for 50% and 51% of total revenue for the second quarter and first half of fiscal year 2026, respectively, and 57% and 53% of total revenue for the second quarter and first half of fiscal year 2025, respectively.

We refer to customers who purchase products directly from NVIDIA as direct customers, such as add-in board manufacturers, distributors, ODMs, OEMs, and system integrators. We have certain customers that may purchase products directly from NVIDIA and may use either internal resources or third-party system integrators to complete their build. We also have indirect customers, who purchase products through our direct customers; indirect customers include cloud service providers, or CSPs, consumer internet companies, enterprises, and public sector entities.

For the second quarter of fiscal year 2026, sales to one direct customer, Customer A, represented 23% of total revenue; and sales to a second direct customer, Customer B, represented 16% of total revenue, respectively, both of which were attributable to the Compute & Networking segment. For the first half of fiscal year 2026, sales to one direct customer, Customer A, represented 20% of total revenue; and sales to a second direct customer, Customer B, represented 15% of total revenue, respectively, both of which were attributable to the Compute & Networking segment.

Sales to four direct customers represented 14%, 11%, 11%, and 10% of revenue for the second quarter, and sales to three direct customers represented 14%, 10%, and 10% of revenue for the first half, of fiscal year 2025, all of which were attributable to the Compute & Networking segment.

The following table summarizes revenue by specialized markets:

	Three Months Ended		Six Months Ended	
	Jul 27, 2025	Jul 28, 2024	Jul 27, 2025	Jul 28, 2024
	(In millions)			
Revenue by End Market:				
Data Center	$ 41,096	$ 26,272	$ 80,208	$ 48,835
Compute	33,844	22,604	67,999	41,996
Networking	7,252	3,668	12,209	6,839
Gaming	4,287	2,880	8,050	5,527
Professional Visualization	601	454	1,110	881
Automotive	586	346	1,153	675
OEM and Other	173	88	284	166
Total revenue	$ 46,743	$ 30,040	$ 90,805	$ 56,084

NVIDIA Corporation and Subsidiaries
Notes to Condensed Consolidated Financial Statements (Continued)
(Unaudited)

Note 14 - Leases

Our lease obligations primarily consist of operating leases for our offices and data centers, with lease periods expiring between fiscal years 2026 and 2041.

Future minimum lease obligations under our non-cancelable lease agreements as of July 27, 2025 were as follows:

	Operating Lease Obligations
	(In millions)
Fiscal Year:	
2026 (excluding the first half of fiscal year 2026)	$ 174
2027	418
2028	397
2029	353
2030	277
2031 and thereafter	925
Total	2,544
Less imputed interest	412
Present value of net future minimum lease payments	2,132
Less short-term operating lease liabilities	301
Long-term operating lease liabilities	$ 1,831

Between the third quarter of fiscal year 2026 and fiscal year 2030, we expect to commence leases with future obligations of $7.1 billion primarily of data center leases, with lease terms of 2 to 15 years.

Operating lease expenses were $109 million and $84 million for the second quarter, and $210 million and $164 million for the first half, of fiscal years 2026 and 2025, respectively. Short-term and variable lease expenses for the second quarter and first half of fiscal years 2026 and 2025 were not significant.

Other information related to leases was as follows:

	Six Months Ended	
	Jul 27, 2025	Jul 28, 2024
	(In millions)	
Supplemental cash flows information		
Operating cash flow used for operating leases	$ 200	$ 146
Operating lease assets obtained in exchange for lease obligations	$ 458	$ 405

As of July 27, 2025, our operating leases have a weighted average remaining lease term of 7.5 years and a weighted average discount rate of 4.35%. As of January 26, 2025, our operating leases had a weighted average remaining lease term of 6.5 years and a weighted average discount rate of 4.16%.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Forward-Looking Statements

This Quarterly Report on Form 10-Q contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, which are subject to the “safe harbor” created by those sections based on management’s beliefs and assumptions and on information currently available to management. In some cases, you can identify forward-looking statements by terms such as “may,” “will,” “should,” “could,” “goal,” “would,” “expect,” “plan,” “anticipate,” “believe,” “estimate,” “project,” “predict,” “potential” and similar expressions intended to identify forward-looking statements. These statements involve known and unknown risks, uncertainties and other factors, which may cause our actual results, performance, time frames or achievements to be materially different from any future results, performance, time frames or achievements expressed or implied by the forward-looking statements. We discuss many of these risks, uncertainties and other factors in this Quarterly Report on Form 10-Q and our Annual Report on Form 10-K for the fiscal year ended January 26, 2025 in greater detail under the heading “Risk Factors” of such reports. Given these risks, uncertainties, and other factors, you should not place undue reliance on these forward-looking statements. Also, these forward-looking statements represent our estimates and assumptions only as of the date of this filing. You should read this Quarterly Report on Form 10-Q completely and understand that our actual future results may be materially different from what we expect. We hereby qualify our forward-looking statements by these cautionary statements. Except as required by law, we assume no obligation to update these forward-looking statements publicly, or to update the reasons actual results could differ materially from those anticipated in these forward-looking statements, even if new information becomes available in the future.

All references to “NVIDIA,” “we,” “us,” “our” or the “Company” mean NVIDIA Corporation and its subsidiaries.

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with the risk factors set forth in Item 1A. “Risk Factors” of our Annual Report on Form 10-K for the fiscal year ended January 26, 2025 and Part II, Item 1A. “Risk Factors” of this Quarterly Report on Form 10-Q and our Condensed Consolidated Financial Statements and related Notes thereto, as well as other cautionary statements and risks described elsewhere in this Quarterly Report on Form 10-Q and our other filings with the SEC, before deciding to purchase, hold, or sell shares of our common stock.

Overview

Our Company and Our Businesses

NVIDIA pioneered accelerated computing to help solve the most challenging computational problems. Since our original focus on PC graphics, we have expanded to several other large and important computationally intensive fields. Fueled by the sustained demand for exceptional 3D graphics and the scale of the gaming market, NVIDIA has leveraged its GPU architecture to create platforms for scientific computing, AI, data science, autonomous vehicles, robotics, and digital twin applications.

Our two operating segments are "Compute & Networking" and "Graphics," as described in Note 13 of the Notes to Condensed Consolidated Financial Statements in Part I, Item 1 of this Quarterly Report on Form 10-Q.

Headquartered in Santa Clara, California, NVIDIA was incorporated in California in April 1993 and reincorporated in Delaware in April 1998.

Recent Developments, Future Objectives and Challenges

Revenue growth in the second quarter and the first half of fiscal year 2026 was driven by data center compute and networking platforms for accelerated computing and AI solutions. Our Blackwell GPU revenue ramp continued during the first half of the year, including our transition to Blackwell Ultra platforms.

In April 2025, the U.S. government, or USG, informed us that a license is required for exports of our H20 product into the China market. As a result of these new requirements, we incurred a $4.5 billion charge in the first quarter of fiscal year 2026 associated with H20 for excess inventory and purchase obligations, as the demand for H20 diminished. In August 2025, the USG granted licenses that would allow us to ship certain H20 products to certain China-based customers, but to date, we have not generated any revenue or shipped any H20 products under those licenses. USG officials have expressed an expectation that the USG will receive 15% of the revenue generated from licensed H20 sales, but to date, the USG has not published a regulation codifying such requirement. In the second quarter, we recognized approximately $650 million of H20 revenue from sales to an unrestricted customer outside of China, resulting in a $180 million release of previously reserved H20 inventory. There were no H20 sales to China-based customers in the second quarter.

We continue to execute Data Center compute product introductions, bringing new advanced architectures on a one-year product cadence. We began shipping production units of our new Blackwell Ultra platforms including GB300 in the second quarter of fiscal year 2026. Our product transitions and sophisticated system configurations may create challenges in managing supply and demand. This could result in revenue volatility, quality or production issues, increased

inventory provisions, warranty costs, or product delays. Customers may postpone purchasing existing products due to frequent new releases or may adopt new technologies more gradually than anticipated, affecting our revenue timing and supply chain expenses. The recent rise of high-quality open-source foundation models is making advanced AI capabilities broadly accessible. Open-source AI is becoming increasingly important across the ecosystem and it is dependent on developer adoption. If the most widely adopted open-source models are developed or deployed on our competitors' platforms, it could significantly weaken the influence of our platform, reduce developer engagement, and limit demand for our products and services. Future demand for our platform will depend on our ability to support, scale, and optimize the next generation of AI models—including open-source large language models—across our full stack of software and hardware offerings.

The availability of data centers, energy, and capital to support the buildout of NVIDIA AI infrastructure by our customers is crucial, and any shortage of these resources could impact our future revenue and financial performance.

In January 2025, the USG published the "AI Diffusion" IFR in the Federal Register. The IFR would have imposed a worldwide licensing requirement on our most popular data center products, such as our H200, GB200 and GB300. In May 2025, the USG announced that it would rescind the AI Diffusion IFR and implement a replacement rule. The scope, timing, and requirements of the forthcoming rule remain uncertain. The replacement rule may impose new restrictions on our products or operations and/or add license requirements that could have a material impact on our business, operating results, and financial condition.

The rapid evolution of global trade policies, such as new export controls and tariffs, has added complexity and increased costs throughout our supply chain, and these challenges are likely to persist. Ongoing uncertainty regarding the scope and application of such measures may adversely affect investment decisions by us and our partners, disrupt supply chain operations, and impact the timing and volume of customer purchases due to challenges in forecasting future costs and demand.

We plan to increase our U.S.-based manufacturing and invest in specialized equipment and processes to support domestic production. This move is expected to strengthen our supply chain, boost resiliency and redundancy, and meet the growing demand for AI infrastructure. Our ability to increase manufacturing capabilities will depend on the domestic manufacturing ecosystem's capacity to ramp production supply to the required volume and on a timely basis.

Macroeconomic factors, including tariffs, inflation, interest rate changes, capital market volatility, global supply chain constraints, and global economic and geopolitical developments, have direct and indirect impacts on our results of operations, particularly demand for our products. While difficult to isolate and quantify, these macroeconomic factors impact our supply chain and manufacturing costs, employee wages, costs for capital equipment and value of our investments. Our product and solution pricing generally does not fluctuate with short-term changes in our costs. Within our supply chain, we continuously manage product availability and costs with our vendors.

Refer to "Item 1A. Risk Factors" for a discussion of these factors and other risks.

Second Quarter of Fiscal Year 2026 Summary

	Three Months Ended			Quarter-over-Quarter Change	Year-over-Year Change
	Jul 27, 2025	Apr 27, 2025	Jul 28, 2024		
	($ in millions, except per share data)				
Revenue	$ 46,743	$ 44,062	$ 30,040	6 %	56 %
Gross margin	72.4 %	60.5 %	75.1 %	11.9 pts	(2.7) pts
Operating expenses	$ 5,413	$ 5,030	$ 3,932	8 %	38 %
Operating income	$ 28,440	$ 21,638	$ 18,642	31 %	53 %
Net income	$ 26,422	$ 18,775	$ 16,599	41 %	59 %
Net income per diluted share	$ 1.08	$ 0.76	$ 0.67	42 %	61 %

We benefited from a $180 million release of previously reserved H20 inventory related to the sale of approximately $650 million of H20 to an unrestricted customer outside of China. There were no H20 sales to China-based customers in the second quarter of fiscal year 2026.

Revenue was $46.7 billion, up 56% from a year ago and up 6% sequentially.

Data Center revenue was $41.1 billion, up 56% from a year ago and up 5% sequentially. The strong year-on-year and sequential growth was driven by demand for our accelerated computing platform used for large language models, recommendation engines, and generative and agentic AI applications. We continue to ramp our Blackwell architecture, which grew 17% sequentially, including our newest architecture, Blackwell Ultra. We recognized Blackwell revenue across

all customer categories, led by large cloud service providers, which represented approximately 50% of Data Center revenue.

Data Center compute revenue was $33.8 billion, up 50% from a year ago. Sequentially, compute revenue declined 1%, driven by a $4.0 billion reduction in H20 sales. Networking revenue was $7.3 billion, up 98% from a year ago and up 46% sequentially, driven by the growth of NVLink compute fabric for GB200 and GB300 systems, the ramp of XDR InfiniBand products, and adoption of Ethernet for AI solutions at cloud service providers and consumer internet companies.

Gaming revenue was up 49% from a year ago and up 14% sequentially, with strong sales and increased supply of our Blackwell product.

Professional Visualization revenue was up 32% from a year ago and up 18% sequentially, driven by the acceleration of Blackwell sales in our Notebook products, addressing AI workflows, real-time graphics rendering and data simulation.

Automotive revenue was up 69% from a year ago and up 3% sequentially, driven by strong adoption of our self-driving platforms.

Gross margin decreased from a year ago as our Blackwell revenue consists primarily of full-scale datacenter systems compared to Hopper HGX systems last year. Gross margin increased sequentially as the prior quarter included a $4.5 billion charge associated with H20 excess inventory and purchase obligations.

Operating expenses were up 38% from a year ago and up 8% sequentially. The increases were primarily driven by compute and infrastructure costs and higher compensation and benefits due to compensation increases and employee growth.

Financial Information by Business Segment and Geographic Data

Refer to Note 13 of the Notes to the Condensed Consolidated Financial Statements for disclosure regarding segment information.

Critical Accounting Policies and Estimates

Refer to Part II, Item 7, "Critical Accounting Policies and Estimates" of our Annual Report on Form 10-K for the fiscal year ended January 26, 2025. There have been no material changes to our Critical Accounting Policies and Estimates.

Results of Operations

The following table sets forth, for the periods indicated, certain items in our Condensed Consolidated Statements of Income expressed as a percentage of revenue.

	Three Months Ended		Six Months Ended	
	Jul 27, 2025	**Jul 28, 2024**	**Jul 27, 2025**	**Jul 28, 2024**
Revenue	100.0 %	100.0 %	100.0 %	100.0 %
Cost of revenue	27.6	24.9	33.4	23.4
Gross profit	72.4	75.1	66.6	76.6
Operating expenses				
Research and development	9.2	10.3	9.1	10.4
Sales, general and administrative	2.4	2.8	2.4	2.9
Total operating expenses	11.6	13.1	11.5	13.3
Operating income	60.8	62.0	55.1	63.3
Interest income	1.3	1.5	1.2	1.4
Interest expense	(0.1)	(0.2)	(0.1)	(0.2)
Other income (expense), net	4.8	0.6	2.3	0.5
Total other income (expense), net	6.0	1.9	3.4	1.7
Income before income tax	66.8	63.9	58.5	65.0
Income tax expense	10.2	8.7	8.7	8.9
Net income	56.6 %	55.2 %	49.8 %	56.1 %

Revenue by Reportable Segments

	Three Months Ended				Six Months Ended			
	Jul 27, 2025	Jul 28, 2024	$ Change	% Change	Jul 27, 2025	Jul 28, 2024	$ Change	% Change
	($ in millions)							
Compute & Networking	$ 41,331	$ 26,446	$ 14,885	56 %	$ 80,920	$ 49,121	$ 31,799	65 %
Graphics	5,412	3,594	1,818	51 %	9,885	6,963	2,922	42 %
Total	$ 46,743	$ 30,040	$ 16,703	56 %	$ 90,805	$ 56,084	$ 34,721	62 %

Operating Income by Reportable Segments

	Three Months Ended				Six Months Ended			
	Jul 27, 2025	Jul 28, 2024	$ Change	% Change	Jul 27, 2025	Jul 28, 2024	$ Change	% Change
	($ in millions)							
Compute & Networking	$ 28,363	$ 18,848	$ 9,515	50 %	$ 50,417	$ 35,896	$ 14,521	40 %
Graphics	2,242	1,369	873	64 %	$ 3,882	2,609	1,273	49 %
Total	$ 30,605	$ 20,217	$ 10,388	51 %	$ 54,299	$ 38,505	$ 15,794	41 %

Compute & Networking revenue – The year over year increase in the second quarter and first half of fiscal year 2026 was driven by demand for our accelerated computing platform used for large language models, recommendation engines, and generative and agentic AI applications. Revenue from Data Center computing grew 62% year-on-year compared to the first half of fiscal year 2025, driven by demand for our Blackwell computing platform. Revenue from Data Center networking grew 79% year-on-year compared to the first half of fiscal year 2025 driven by the growth of NVLink compute fabric for GB200 and GB300 systems, the ramp of XDR InfiniBand products, and adoption of Ethernet for AI solutions at cloud service providers and consumer internet companies.

Graphics revenue – The year over year increase in the second quarter and first half of fiscal year 2026 was driven by sales of our Blackwell architecture.

Reportable segment operating income – The year over year increase in Compute & Networking segment operating income in the second quarter of fiscal year 2026 was driven by the growth in revenue. The year over year increase in Compute & Networking segment operating income in the first half of fiscal year 2026 was driven by the growth in revenue, partially offset by a $4.5 billion charge associated with H20 excess inventory and purchase obligations in the first quarter of fiscal year 2026. The year over year increase in Graphics segment operating income in the second quarter and first half of fiscal year 2026 was driven by the growth in revenue.

Concentration of Revenue

We refer to customers who purchase products directly from NVIDIA as direct customers, such as add-in board manufacturers, distributors, ODMs, OEMs, and system integrators. We have certain customers that may purchase products directly from NVIDIA and may use either internal resources or third-party system integrators to complete their build. We also have indirect customers, who purchase products through our direct customers; indirect customers include CSPs, consumer internet companies, enterprises, and public sector entities.

Direct Customers – For the second quarter of fiscal year 2026, sales to one direct customer, Customer A, represented 23% of total revenue; and sales to a second direct customer, Customer B, represented 16% of total revenue, respectively, both of which were attributable to the Compute & Networking segment. For the first half of fiscal year 2026, sales to one direct customer, Customer A, represented 20% of total revenue; and sales to a second direct customer, Customer B, represented 15% of total revenue, respectively, both of which were attributable to the Compute & Networking segment.

Sales to four direct customers represented 14%, 11%, 11%, and 10% of revenue for the second quarter, and sales to three direct customers represented 14%, 10%, and 10% of revenue for the first half, of fiscal year 2025, all of which were attributable to the Compute & Networking segment.

Indirect Customers – Indirect customer revenue is an estimation based upon multiple factors including customer purchase order information, product specifications, internal sales data, and other sources. Actual indirect customer revenue may differ from our estimates. Indirect customers primarily purchase our products through system integrators and distributors. For the second quarter of fiscal year 2026, two indirect customers—primarily purchasing our products through Direct Customers A and B—are each estimated to represent 10% or more of total revenue and attributable to the

Compute & Networking segment. For the first half of fiscal year 2026, one indirect customer—primarily purchasing through Direct Customer A—is estimated to represent 10% or more of total revenue and attributable to the Compute & Networking segment.

We estimate that in the second quarter and first half of fiscal year 2026, an AI research and deployment company contributed to a meaningful amount of our revenue, through various direct and indirect customers.

We have experienced periods where we receive a significant amount of our revenue from a limited number of customers, and this trend may continue.

Revenue by geographic region is designated based on the billing location of direct customers even if the estimated revenue may be attributable to indirect customers in a different location. Revenue from sales to customers outside of the United States accounted for 50% and 51% of total revenue for the second quarter and first half of fiscal year 2026, respectively, and 57% and 53% of total revenue for the second quarter and first half of fiscal year 2025, respectively.

Gross Profit and Gross Margin

Gross profit consists of total net revenue less cost of revenue. Cost of revenue consists primarily of the cost of semiconductors, including wafer fabrication, assembly, testing and packaging, board and device costs, manufacturing support costs, including labor and overhead associated with such purchases, final test yield fallout, inventory and warranty provisions, memory and component costs, tariffs, and shipping costs. Cost of revenue also includes acquisition-related intangible amortization expense, costs for license and development and service arrangements, IP-related costs, and stock-based compensation related to personnel associated with manufacturing operations.

Gross margins decreased to 72.4% for the second quarter of fiscal year 2026 compared to 75.1% for the second quarter of fiscal year 2025, and 66.6% for the first half of fiscal year 2026 compared to 76.6% for the first half of fiscal year 2025, as our Blackwell revenue consists primarily of full-scale datacenter systems compared to Hopper HGX systems last year. Gross margin for the first half of fiscal year 2026 was also impacted by a $4.5 billion charge associated with H20 excess inventory and purchase obligations.

Provisions for inventory and excess inventory purchase obligations totaled $1.0 billion and $6.3 billion for the second quarter and first half of fiscal year 2026, respectively, including $4.5 billion associated with H20 excess inventory and purchase obligations for the first quarter of fiscal year 2026. Sales of previously reserved inventory and settlements of excess inventory purchase obligations resulted in a provision release of $501 million and $937 million for the second quarter and first half of fiscal year 2026, respectively. The second quarter of fiscal year 2026 included a provision release of $180 million upon the sale of H20 products outside of the China market. The net effect on our gross margin was an unfavorable impact of 1.1% and 5.9% in the second quarter and first half of fiscal year 2026, respectively.

Provisions for inventory and excess inventory purchase obligations totaled $908 million and $1.3 billion for the second quarter and first half of fiscal year 2025, respectively, and were primarily due to low-yielding Blackwell material. Sales of previously reserved inventory and settlements of excess inventory purchase obligations resulted in a provision release of $85 million and $199 million for the second quarter and first half of fiscal year 2025, respectively. The net effect on our gross margin was an unfavorable impact of 2.7% and 2.0% in the second quarter and first half of fiscal year 2025, respectively.

Operating Expenses

	Three Months Ended				Six Months Ended			
	Jul 27, 2025	Jul 28, 2024	$ Change	% Change	Jul 27, 2025	Jul 28, 2024	$ Change	% Change
	($ in millions)							
Research and development expenses	$ 4,291	$ 3,090	$ 1,201	39 %	$ 8,280	$ 5,810	$ 2,470	43 %
Sales, general and administrative expenses	1,122	842	280	33 %	2,163	1,618	545	34 %
Total operating expenses	$ 5,413	$ 3,932	$ 1,481	38 %	$ 10,443	$ 7,428	$ 3,015	41 %

The increases in research and development expenses for the second quarter and first half of fiscal year 2026 were primarily driven by a 68% and 69% increase in compute and infrastructure, 30% and 32% increase in compensation and benefits, including stock-based compensation, reflecting employee growth and compensation increases, and a 68% and 116% increase in engineering development costs for new product introductions, respectively.

The increases in sales, general and administrative expenses for the second quarter and first half of fiscal year 2026 were primarily driven by compensation and benefits, including stock-based compensation, reflecting employee growth and compensation increases.

Total Other Income (Expense), Net

	Three Months Ended			Six Months Ended		
	Jul 27, 2025	Jul 28, 2024	$ Change	Jul 27, 2025	Jul 28, 2024	$ Change
			($ in millions)			
Interest income	$ 592	$ 444	$ 148	$ 1,108	$ 803	$ 305
Interest expense	(62)	(61)	(1)	(124)	(125)	1
Other income (expense), net	2,236	189	2,047	2,055	264	1,791
Total other income (expense), net	$ 2,766	$ 572	$ 2,194	$ 3,039	$ 942	$ 2,097

The increase in interest income for the second quarter and first half of fiscal year 2026 was primarily due to growth in cash, cash equivalents, and debt securities.

Interest expense is comprised of coupon interest and debt discount amortization related to our notes.

Other income (expense), net consists of realized or unrealized gains and losses from investments in non-marketable equity securities, publicly-held equity securities, and the impact of changes in foreign currency rates. The change in Other income (expense), net, compared to the second quarter and first half of fiscal year 2025, was primarily driven by unrealized gains in our publicly-held equity securities. Refer to Notes 5 and 6 of the Notes to Condensed Consolidated Financial Statements in Part I, Item 1 of this Quarterly Report on Form 10-Q for additional information regarding our investments in non-marketable equity securities and publicly-held equity securities.

Income Taxes

Income tax expense was $4.8 billion and $2.6 billion for the second quarter, and $7.9 billion and $5.0 billion for the first half, of fiscal years 2026 and 2025, respectively. Income tax as a percentage of income before income tax was an expense of 15.3% and 13.6% for the second quarter, and 14.9% and 13.7% for the first half, of fiscal years 2026 and 2025, respectively.

The effective tax rate increased primarily due to a lower tax benefit from stock-based compensation, partially offset by an increase in tax benefit from foreign-derived deduction eligible income.

In July 2025, the OBBBA was enacted into law and contains several changes to key U.S. federal income tax laws. As of July 27, 2025, we have recognized the tax effects of certain OBBBA provisions, which did not have a material impact on our second quarter. We will continue to evaluate the impact of these legislative changes as tax authorities provide additional guidance and interpretation.

Given our current and possible future earnings, we believe that we may release the valuation allowance associated with certain state deferred tax assets in the near term, which would decrease our income tax expense for the period the release is recorded. The timing and amount of the valuation allowance release could vary based on our assessment of all available information.

Refer to Note 4 of the Notes to Condensed Consolidated Financial Statements in Part I, Item 1 of this Quarterly Report on Form 10-Q for additional information.

Liquidity and Capital Resources

	Jul 27, 2025	Jan 26, 2025
	(In millions)	
Cash and cash equivalents	$ 11,639	$ 8,589
Marketable securities	45,152	34,621
Cash, cash equivalents and marketable securities	$ 56,791	$ 43,210

	Six Months Ended	
	Jul 27, 2025	Jul 28, 2024
	(In millions)	
Net cash provided by operating activities	$ 42,779	$ 29,833
Net cash used in investing activities	$ (12,343)	$ (8,877)
Net cash used in financing activities	$ (27,386)	$ (19,665)

Our investment policy requires the purchase of highly-rated fixed income securities, the diversification of investment types and credit exposures, and certain maturity limits on our portfolio.

Cash provided by operating activities increased in the first half of fiscal year 2026 compared to the first half of fiscal year 2025 due to higher revenue.

Cash used in investing activities increased in the first half of fiscal year 2026 compared to the first half of fiscal year 2025, primarily driven by lower maturities of marketable securities and higher purchases of property and equipment.

Cash used in financing activities increased in the first half of fiscal year 2026 compared to the first half of fiscal year 2025, mainly due to higher share repurchases.

Liquidity

Our primary sources of liquidity include cash, cash equivalents, marketable securities, and cash generated by our operations. As of July 27, 2025, we had $56.8 billion in cash, cash equivalents, and marketable securities. We believe that we have sufficient liquidity to meet our operating requirements for at least the next twelve months and thereafter for the foreseeable future, including our future supply obligations. We continuously evaluate our liquidity and capital resources, including our access to external capital, to ensure we can finance future capital requirements.

Our marketable securities consist of publicly-held equity securities, debt securities issued by the USG and its agencies, highly-rated corporations and financial institutions, and foreign government entities, as well as certificates of deposit issued by highly-rated financial institutions. These marketable securities are primarily denominated in U.S. dollars. Refer to Note 5 of the Notes to Condensed Consolidated Financial Statements in Part I, Item 1 of this Quarterly Report on Form 10-Q for additional information.

Except for approximately $1.7 billion of cash, cash equivalents, and marketable securities held outside the U.S. for which we have not accrued any related foreign or state taxes if we repatriate these amounts to the U.S., substantially all of our cash, cash equivalents and marketable securities held outside the U.S. at the end of the first half of fiscal year 2026 are available for use in the U.S. without incurring additional U.S. federal income taxes. We made two estimated federal tax payments in the second quarter of fiscal year 2026, as compared with no estimated tax payments in the first quarter of fiscal year 2026. We are evaluating the full effects of the OBBBA on our cash tax position.

Capital Return to Shareholders

We repurchased 67 million and 193 million shares of our common stock for $9.7 billion and $24.2 billion during the second quarter and first half of fiscal year 2026, respectively. As of July 27, 2025, we were authorized, subject to certain specifications, to repurchase up to $14.7 billion of our common stock.

From July 28, 2025 through August 26, 2025, we repurchased 20 million shares for $3.5 billion pursuant to a pre-established trading plan. On August 26, 2025, our Board of Directors approved an additional $60.0 billion in share repurchase authorization, without expiration. As of August 26, 2025, a total of $71.2 billion was available for repurchase. We may execute repurchases from time to time, subject to market conditions, operating requirements and other investment opportunities, in the open market, in privately negotiated transactions, pursuant to a Rule 10b5-1 trading plan or in structured share repurchase agreements in compliance with Rule 10b-18 of the Exchange Act. Our share repurchase program may be suspended at any time at our discretion.

We paid cash dividends to our shareholders of $244 million and $488 million during the second quarter and first half of fiscal year 2026, respectively. The payment of future cash dividends is subject to our Board of Directors' continuing determination that the declaration of dividends is in the best interests of our shareholders.

The U.S. Inflation Reduction Act of 2022 requires a 1% excise tax on certain share repurchases in excess of shares issued for employee compensation made after December 31, 2022. The excise tax is included in our share repurchase cost and was not material for the second quarter and first half of fiscal years 2026 and 2025.

Outstanding Indebtedness and Commercial Paper Program

Our aggregate debt maturities as of July 27, 2025, by year payable, are as follows:

	Jul 27, 2025
	(In millions)
Due in one to five years	$ 3,750
Due in five to ten years	1,250
Due in greater than ten years	3,500
Unamortized debt discount and issuance costs	(34)
Net long-term carrying amount	$ 8,466

We have a $575 million commercial paper program to support general corporate purposes. As of July 27, 2025, we had no commercial paper outstanding.

Refer to Note 10 of the Notes to Condensed Consolidated Financial Statements in Part I, Item 1 of this Quarterly Report on Form 10-Q for further discussion.

Material Cash Requirements and Other Obligations

Unrecognized tax benefits were $2.9 billion, which includes related interest and penalties, were recorded in non-current income tax payable as of July 27, 2025. We are unable to estimate the timing of any potential tax liability, interest payments, or penalties in individual years due to uncertainties in the underlying income tax positions and the timing of the effective settlement of such tax positions. Refer to Note 4 of the Notes to Condensed Consolidated Financial Statements for further information.

Other than the contractual obligations described above, there were no material changes outside the ordinary course of business in our contractual obligations from those disclosed in our Annual Report on Form 10-K for the fiscal year ended January 26, 2025. Refer to Item 7, “Management’s Discussion and Analysis of Financial Condition and Results of Operations - Liquidity and Capital Resources” in our Annual Report on Form 10-K for the fiscal year ended January 26, 2025 for a description of our contractual obligations. For a description of our long-term debt, purchase obligations, and operating lease obligations, refer to Notes 10, 11, and 14 of the Notes to Condensed Consolidated Financial Statements in Part I, Item 1 of this Quarterly Report on Form 10-Q, respectively.

Climate Change

To date, there has been no material impact to our results of operations associated with global sustainability regulations, compliance, costs from sourcing renewable energy or climate-related business trends.

Adoption of New and Recently Issued Accounting Pronouncements

There has been no adoption of any new and recently issued accounting pronouncements.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

Investment and Interest Rate Risk

Financial market risks related to investment and interest rate risk are described in Part II, Item 7A, “Quantitative and Qualitative Disclosures About Market Risk” in our Annual Report on Form 10-K for the fiscal year ended January 26, 2025. Our marketable equity securities consist of publicly-held equity securities, while our non-marketable equity securities are investments in privately-held companies.

Publicly-held equity securities are subject to market price volatility. A hypothetical 10% decrease in our publicly-held equity securities would decrease the fair value of the publicly-held equity securities balance as of July 27, 2025 by $320 million.

Non-marketable equity securities are measured based on cost minus impairment, if any, and are adjusted for observable price changes in orderly transactions for an identical or similar investment in the same issuer. Valuations of our non-marketable equity securities are inherently complex due to the lack of readily available market data and observable transactions, and impact of macroeconomic factors.

For a description of our equity investments, refer to Notes 5 and 6 of the Notes to Condensed Consolidated Financial Statements in Part I, Item 1 of this Quarterly Report on Form 10-Q, respectively.

Foreign Exchange Rate Risk

The impact of foreign currency transactions related to foreign exchange rate risk is described in Part II, Item 7A, “Quantitative and Qualitative Disclosures About Market Risk” in our Annual Report on Form 10-K for the fiscal year ended January 26, 2025. As of July 27, 2025, there have been no material changes to the foreign exchange rate risks described as of January 26, 2025.

Item 4. Controls and Procedures

Controls and Procedures

Disclosure Controls and Procedures

Based on their evaluation as of July 27, 2025, our management, including our Chief Executive Officer and Chief Financial Officer, has concluded that our disclosure controls and procedures (as defined in Rule 13a-15(e) under the Exchange Act) were effective to provide reasonable assurance that the information we are required to disclose in reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and our Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosures.

Changes in Internal Control Over Financial Reporting

There have been no changes in our internal control over financial reporting during the second quarter of fiscal year 2026 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting. We are continuing a phased upgrade of our enterprise resource planning, or ERP, system to update our existing core financial systems. The ERP system is designed to accurately maintain our financial records used to report operating results. We will continue to evaluate each quarter whether there are changes that materially affect our internal control over financial reporting.

Inherent Limitations on Effectiveness of Controls

Our management, including our Chief Executive Officer and Chief Financial Officer, does not expect that our disclosure controls and procedures or our internal controls, will prevent all error and all fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within NVIDIA have been detected.

Part II. Other Information

Item 1. Legal Proceedings

Refer to Part I, Item 1, Note 11 of the Notes to Condensed Consolidated Financial Statements for a discussion of significant developments in our legal proceedings since January 26, 2025. Also refer to Item 3, “Legal Proceedings” in our Annual Report on Form 10-K for the fiscal year ended January 26, 2025 for a prior discussion of our legal proceedings.

Item 1A. Risk Factors

Other than the risk factors listed below, there have been no material changes from the risk factors previously described under Item 1A of our Annual Report on Form 10-K for the fiscal year ended January 26, 2025 and Item 1A of our Quarterly Report on Form 10-Q for the fiscal quarter ended April 27, 2025.

Purchasing or owning NVIDIA common stock involves investment risks including, but not limited to, the risks described in Item 1A of our Annual Report on Form 10-K for the fiscal year ended January 26, 2025, and Item 1A of our Quarterly Report on Form 10-Q for the fiscal quarter ended April 27, 2025, and below. Any one of those risks could harm our business, financial condition and results of operations or reputation, which could cause our stock price to decline. Additional risks, trends and uncertainties not presently known to us or that we currently believe are immaterial may also harm our business, financial condition, results of operations or reputation.

We may not be able to realize the potential benefits of business investments or acquisitions, and we may not be able to successfully integrate acquired companies, which could hurt our ability to grow our business, develop new products or sell our products.

We acquire and invest in businesses that offer products, services and technologies that we believe will help expand or enhance our strategic objectives. Acquisitions or investments involve significant challenges and risks and could impair our ability to grow our business, develop new products or sell our products and ultimately could have a negative impact on our

financial results. If we pursue a particular transaction, we may limit our ability to enter into other transactions that could help us achieve our other strategic objectives. If we are unable to timely complete acquisitions, including due to delays and challenges in obtaining regulatory approvals, we may be unable to pursue other transactions, we may not be able to retain critical talent from the target company, technology may evolve and make the acquisition less attractive, and other changes can take place, which could reduce the anticipated benefits of the transaction and negatively impact our business. Regulators could also impose conditions that reduce the ultimate value of our acquisitions. In addition, to the extent that our perceived ability to consummate acquisitions is harmed, future acquisitions may be more difficult, complex or expensive. Our investments in publicly traded and private companies could create volatility and fluctuations in our results. These investments may generate realized and unrealized gains or losses and we could realize losses up to the value of the investments. In addition, we have invested and may continue to invest in private companies to further our strategic objectives and to support certain key business initiatives. These companies can include early-stage companies still defining their strategic direction. Many of the securities in which we invest are non-marketable and illiquid at the time of our initial investment, and we are not always able to achieve a return. To the extent any of the companies in which we invest are not successful, we could recognize an impairment and/or lose all or part of our investment. Our investment portfolio contains industry sector concentration risks, and a decline in any one or multiple industry sectors could increase our impairment losses.

We face additional risks related to acquisitions and strategic investments, including the diversion of capital and other resources, including management's attention; difficulty in realizing a satisfactory return and uncertainties to realize the benefits of an acquisition or strategic investment, if at all; difficulty or inability in obtaining governmental, regulatory approval or restrictions or other consents and approvals or financing; legal proceedings initiated as a result of an acquisition or investment; and potential failure of our due diligence processes to identify significant issues with the assets or company in which we are investing or are acquiring.

Additional risks related to acquisitions include, but are not limited to:

- difficulty in integrating the technology, systems, products, policies, processes, or operations and integrating and retaining the employees, including key personnel, of the acquired business;
- assumption of liabilities and incurring amortization expenses, impairment charges to goodwill or write-downs of acquired assets;
- integrating accounting, forecasting and controls, procedures and reporting cycles;
- coordinating and integrating operations, particularly in countries in which we do not currently operate;
- stock price impact, fines, fees or reputation harm if we are unable to obtain regulatory approval for an acquisition or are otherwise unable to close an acquisition;
- potential issuances of debt to finance our acquisitions, resulting in increased debt, increased interest expense, and compliance with debt covenants or other restrictions;
- the potential for our acquisitions to result in dilutive issuances of our equity securities;
- the potential variability of the amount and form of any performance-based consideration;
- negative changes in general economic conditions in the regions or the industries in which we or our target operate;
- exposure to additional cybersecurity risks and vulnerabilities; and
- impairment of relationships with, or loss of our or our target's employees, vendors and customers.

For example, when integrating acquisition target systems into our own, we have experienced and may continue to experience challenges including lengthy and costly systems integration, delays in purchasing and shipping products, difficulties with system integration via electronic data interchange and other processes with our key suppliers and customers, and training and change management needs of integration personnel. These challenges have impacted our results of operations and may continue to do so in the future.

We are subject to complex laws, rules, regulations, and political and other actions, including restrictions on the export of our products, which may adversely impact our business.

We are subject to laws and regulations domestically and worldwide, affecting our operations in areas including, but not limited to, IP ownership and infringement; taxes; import and export requirements and tariffs; anti-corruption, including the Foreign Corrupt Practices Act; business acquisitions; foreign exchange controls and cash repatriation restrictions; foreign ownership and investment; data privacy requirements; competition and antitrust; advertising; employment; product regulations; cybersecurity; environmental, health, and safety requirements; the responsible use of AI; sustainability; cryptocurrency; and consumer laws. Compliance with such requirements can be onerous and expensive, could impact our competitive position, and may negatively impact our business operations and ability to manufacture and ship our products. There can be no assurance that our employees, contractors, suppliers, customers or agents will not violate applicable laws or the policies, controls, and procedures that we have designed to help ensure compliance with such laws, and violations could result in fines, criminal sanctions against us, our officers, or our employees, prohibitions on the conduct of our business, and damage to our reputation. Changes to the laws, rules and regulations to which we are subject, or changes to their interpretation and enforcement, could lead to materially greater compliance and other costs, and/or further restrictions on our ability to manufacture and supply our products and operate our business. For example, we may face increased compliance costs as a result of changes or increases in antitrust legislation, regulation, administrative rule making, increased focus from regulators on cybersecurity vulnerabilities and risks. Our position in markets relating to AI has led to increased interest in our business from regulators worldwide, including the European Union, the United States, the United Kingdom, South Korea, Japan, and China. For example, the French Competition Authority collected information from us regarding our business and competition in the graphics card and CSP market as part of an ongoing inquiry into competition in those markets. We have also received, and continue to receive, broad requests for information from competition regulators in the European Union, the United States, the United Kingdom, China, and South Korea regarding our sales of GPUs and other NVIDIA products, our efforts to allocate supply, foundation models and our investments, partnerships and other agreements with companies developing foundation models, the markets in which we compete and our competition, our strategies, roadmaps, and efforts to develop, market, and sell hardware, software, and system solutions, and our agreements with customers, suppliers, and partners. We expect to receive additional requests for information in the future. Such requests have been and are likely to be expensive and burdensome and could negatively impact our business and our relationships with customers, suppliers, and partners.

Governments and regulators are also considering, and in certain cases, have imposed restrictions on the hardware, software, and systems used to develop frontier foundation models and generative AI. For example, the EU AI Act became effective on August 1, 2024 and will be fully applicable after a two-year transitional period. The EU AI Act may impact our ability to train, deploy, or release AI models in the EU. Several states are considering enacting or have already enacted regulations concerning AI technologies, which may impact our ability to train, deploy, or release AI models, and increase our compliance costs. Restrictions under these and any other regulations, if implemented, could increase the costs and burdens to us and our customers, delay or halt deployment of new systems using our products, and reduce the number of new entrants and customers, negatively impacting our business and financial results. Revisions to laws or regulations or their interpretation and enforcement could also result in increased taxation, trade sanctions, the imposition of or increase to import duties or tariffs, restrictions and controls on imports or exports, or other retaliatory actions, which could have an adverse effect on our business plans or impact the timing of our shipments. Additionally, changes in the public perception of governments in the regions where we operate or plan to operate could negatively impact our business and results of operations.

Government actions, including trade protection and national and economic security policies of U.S. and foreign government bodies, such as tariffs, import or export regulations, including deemed export restrictions and restrictions on the activities of U.S. persons, trade and economic sanctions, decrees, quotas or other trade barriers and restrictions could affect our ability to ship products, provide services to our customers and employees, do business without an export license with entities on the U.S. Department of Commerce's U.S. Entity List or other USG restricted parties lists (which is expected to change from time to time), and generally fulfill our contractual obligations and have a material adverse effect on our business. If we were ever found to have violated export control laws or sanctions of the U.S. or similar applicable non-U.S. laws, even if the violation occurred without our knowledge, we may be subject to various penalties available under the laws, any of which could have a material and adverse impact on our business, operating results and financial condition.

For example, in response to the war in Ukraine, the United States and other jurisdictions imposed economic sanctions and export control measures which blocked the passage of our products, services and support into Russia, Belarus, and certain regions of Ukraine. In fiscal year 2023, we stopped direct sales to Russia and closed business operations in Russia. Concurrently, the war in Ukraine has impacted sales in EMEA and may continue to do so in the future.

The increasing focus on the risks and strategic importance of AI technologies has resulted in regulatory restrictions that target products and services capable of enabling or facilitating AI and may in the future result in additional restrictions impacting some or all of our product and service offerings.

Concerns regarding third-party use of AI for purposes contrary to local governmental interests, including concerns relating to the misuse of AI applications, models, and solutions, has resulted in and could in the future result in unilateral or multilateral restrictions on products that can be used for training, modifying, tuning, and deploying LLMs and other AI applications. Such restrictions have limited and could in the future limit the ability of downstream customers and users worldwide to acquire, deploy and use systems that include our products, software, and services, and negatively impact our business and financial results.

Such restrictions could include additional unilateral or multilateral export controls on certain products or technology, including but not limited to AI technologies. As geopolitical tensions have increased, semiconductors associated with AI, including GPUs and related products, are increasingly the focus of export control restrictions proposed by stakeholders in the U.S. and its allies. The United States has imposed unilateral worldwide controls restricting GPUs and associated products, and it is likely that additional unilateral or multilateral controls will be adopted. Such controls have been and may again be very broad in scope and application, prohibit us from exporting our products to any or all customers in one or more markets, and could negatively impact our manufacturing, testing and warehousing locations and options, or could impose other conditions that limit our ability to serve demand abroad and could negatively and materially impact our business, revenue and financial results. Export controls targeting GPUs and semiconductors associated with AI, which have been imposed and are increasingly likely to be further tightened, would further restrict our ability to export our technology, products, or services even though competitors may not be subject to similar restrictions, creating a competitive disadvantage for us and negatively impacting our business and financial results. Export controls targeting GPUs and semiconductors associated with AI have subjected and may in the future subject downstream users of our products to additional restrictions on the use, resale, repair, or transfer of our products, negatively impacting our business and financial results. Controls could negatively impact our cost and/or ability to provide services such as NVIDIA AI cloud services and could impact the cost and/or ability for our CSPs and customers to provide services to their end customers, even outside China.

Export controls could disrupt our supply chain and distribution channels, negatively impacting our ability to serve demand, including in markets outside China and for our gaming products. The possibility of additional export controls has negatively impacted and may in the future negatively impact demand for our products, benefiting competitors that offer alternatives less likely to be restricted by further controls. Repeated changes in the export control rules are likely to impose compliance burdens on our business and our customers, negatively and materially impacting our business.

Increasing use of economic sanctions and export controls has impacted and may in the future impact demand for our products or services, negatively impacting our business and financial results. Reduced demand due to export controls has and could in the future lead to excess inventory or cause us to incur related supply charges. Additional unilateral or multilateral controls are also likely to include deemed export control limitations that negatively impact the ability of our research and development teams to execute our roadmap or other objectives in a timely manner. Additional export restrictions may not only impact our ability to serve overseas markets, but also provoke responses from foreign governments, including China, that negatively impact our supply chain or our ability to provide our products and services to customers in all markets worldwide, which could also substantially reduce our revenue. Regulators in China have inquired about our sales and efforts to supply the China market and our fulfillment of the commitments we entered at the close of our Mellanox acquisition. For example, regulators in China are investigating whether complying with applicable U.S. export controls discriminates unfairly against customers in the China market. If regulators conclude that we have failed to fulfill such commitments or we have violated any applicable law in China, we could be subject to financial penalties, restrictions on our ability to conduct our business, restrictions or other orders regarding our networking business, products, and services, or otherwise impact our operations in China, any of which could have a material and adverse impact on our business, operating results and financial condition.

Over the past three years, we have been subject to a series of shifting and expanding export control restrictions, impacting our ability to serve customers outside the United States.

During the third quarter of fiscal year 2023, the USG announced export restrictions and export licensing requirements targeting China's semiconductor and supercomputing industries. These restrictions impacted exports of certain chips, as well as software, hardware, equipment and technology used to develop, produce and manufacture certain chips to China (including Hong Kong and Macau) and Russia, and specifically impact our A100 and H100 integrated circuits, DGX or any other systems or boards which incorporate A100 or H100 integrated circuits. During the second quarter of fiscal year 2024, the USG also informed us of an additional licensing requirement for a subset of A100 and H100 products destined to certain customers and other regions, including some countries in the Middle East.

During the third quarter of fiscal year 2024, the USG announced new and updated licensing requirements for exports to China and Country Groups D:1, D:4, and D:5 (including but not limited to, Saudi Arabia, the United Arab Emirates, and Vietnam, but excluding Israel) of our products exceeding certain performance thresholds, including, but not limited to, the A100, A800, H100, H800, L4, L40, L40S RTX 4090, GB200 NVL72, and B200. The licensing requirements also apply to the export of products exceeding certain performance thresholds to a party headquartered in, or with an ultimate parent headquartered in, Country Group D5, including China.

On April 9, 2025, the USG informed us that it requires a license for export to China (including Hong Kong and Macau) and D:5 countries, or to companies headquartered or with an ultimate parent therein, of our H20 integrated circuits and any other circuits achieving the H20's memory bandwidth, interconnect bandwidth, or combination thereof. As a result of these new requirements, we incurred a $4.5 billion charge in the first quarter of fiscal year 2026 associated with H20 for excess inventory and purchase obligations, as the demand for H20 products diminished.

The export controls applicable to China are complex and address a variety of parameters, including the total processing performance of a chip, the "performance density" of a chip, the interconnect bandwidth of a chip, and the memory bandwidth of a chip. We may be unable to create a competitive product for China's data center market that receives approval from the USG. In that event, we would effectively be foreclosed from competing in China's data center computing/compute market, with a material and adverse impact on our business, operating results, and financial condition.

In addition to controls targeting D:1, D:4 and D:5 countries, the USG has also imposed worldwide export controls impacting our products, and may impose additional controls in the future.

On January 15, 2025, the USG published the "AI Diffusion" IFR in the Federal Register. The IFR would have imposed a worldwide licensing requirement on our data center products, such as our H200, GB200 and GB300. The AI Diffusion IFR would have divided the world into three tiers, relegating most countries to "Tier 2" status, and would have created a complex and burdensome scheme for licensing approvals.

In May 2025, the USG announced that it would rescind the AI Diffusion IFR and implement a replacement rule. The scope, timing, and requirements of the forthcoming rule remain uncertain. The replacement rule may impose new restrictions on our products or operations and/or add license requirements that could have a material impact on our business, operating results, and financial condition.

Our competitive position has been harmed by export controls, and our competitive position and future results may be further harmed, over the long term, if there are further changes in the USG's export controls, including further expansion of the geographic, customer, or product scope of the controls, if customers purchase product from competitors, if customers develop their own internal solution, if we are unable to provide contractual warranty or other extended service obligations, if the USG does not grant licenses in a timely manner or denies licenses to significant customers or if we incur significant transition costs. Even if the USG grants any requested licenses, the licenses may be temporary or impose burdensome conditions that we or our customers or end users cannot or choose not to fulfill. The licensing requirements may benefit certain of our competitors, as the licensing process will make our pre-sale and post-sale technical support efforts more cumbersome and less certain and encourage customers in China to pursue alternatives to our products, including semiconductor suppliers based in China, Europe, and Israel.

In August 2025, the USG granted licenses that would allow us to ship certain H20 products to certain China-based customers, but to date, we have not generated any revenue or shipped any H20 products under those licenses. USG officials have expressed an expectation that the USG will receive 15% of the revenue generated from licensed H20 sales, but to date, the USG has not published a regulation codifying such requirement. Any request for a percentage of the revenue by the USG may subject us to litigation, increase our costs, and harm our competitive position and benefit competitors that are not subject to such arrangements.

Given the increasing strategic importance of AI and rising geopolitical tensions, the USG has changed and may again change the export control rules at any time and further subject a wider range of our products to export restrictions and licensing requirements, negatively impacting our business and financial results. In the event of such change, we may be unable to sell our inventory of such products and may be unable to develop replacement products not subject to the licensing requirements.

For example, the USG has already imposed conditions to limit the ability of foreign firms to create and offer as a service large-scale GPU clusters, for example by imposing license conditions on the use of products to be exported to certain countries, and may impose additional conditions such as requiring chip tracking and throttling mechanisms that could disable or impair GPUs if certain events, including unauthorized system configuration, use, or location, are detected. Such government mandates in chip designs could introduce system vulnerabilities and expose us to significant risk and potential liability, negatively impact demand for our products, and could have a material impact on our business, operating results, and financial condition. Even if not enacted into binding legislation, draft bills have impacted and may in the future negatively impact our business. For example, following U.S. legislative proposals calling for mandatory features in our chips, China's government publicly questioned whether our H20 products have built-in vulnerabilities, discouraging customers from purchasing our products. We provided a public response explaining that our GPUs, including H20, do not include such built-in vulnerabilities, and will respond to any follow-up questions we receive.

Open-source foundation models are rapidly growing in popularity with developers worldwide. Any regulatory control or other restriction that limits our ability to provide products and services that support third-party applications and models,

including applications built on foundation models originating in China such as DeepSeek or Qwen, could have a material impact on our business, operating results, and financial condition.

The USG has already imposed export controls restricting certain gaming GPUs, and if the USG expands such controls to restrict additional gaming products, it may disrupt a significant portion of our supply and distribution chain and negatively impact sales of such products to markets outside China, including the U.S. and Europe. In addition, as the performance of the gaming GPUs increases over time, export controls may have a greater impact on our ability to compete in markets subject to those controls. Export controls may disrupt our supply and distribution chain for a substantial portion of our products, which are warehoused in and distributed from Hong Kong.

Export controls restricting our ability to sell data center GPUs may also negatively impact demand for our networking products used in servers containing our GPUs. The USG may also impose export controls on our networking products, such as high-speed network interconnects, to limit the ability of downstream parties to create large clusters for frontier model training.

Any new control that impacts a wider range of our products would likely have a disproportionate impact on NVIDIA and may disadvantage us against certain of our competitors that sell chips that are outside the scope of such control. Export controls have already and may in the future encourage customers outside China and other impacted regions to “design-out” certain U.S. semiconductors from their products to reduce the compliance burden and risk, and to ensure that they are able to serve markets worldwide. Export controls have already encouraged and may in the future encourage overseas governments to request that our customers purchase from our competitors rather than NVIDIA or other U.S. firms, harming our business, market position, and financial results.

As a result, export controls have in the past and may in the future negatively impact demand for our products and services not only in China, but also in other markets, such as Europe, Latin America, and Southeast Asia. Export controls increase the risk of investing in U.S. advanced semiconductor products, because by the time a new product is ready for market, it may be subject to new unilateral export controls restricting its sale, resulting in excess inventory and purchase obligations as we recently experienced with the H20. At the same time, such controls may increase investment in foreign competitors, which would be less likely to be restricted by U.S. controls.

The increasingly complex export controls impose complex and burdensome compliance obligations on our partners, suppliers, and customers. While we seek to strictly comply with all applicable export control regulators, reports of diversion of controlled products may negatively impact our business, relationships with partners and customers, and our reputation. Incorrect allegations that our compliance efforts satisfy the letter but not the “spirit” of the applicable regulations may negatively impact our business, relationships with partners and customers, and our reputation.

In addition to export controls, the USG may impose restrictions on the import and sale of products that incorporate technologies developed or manufactured in whole or in part in China. For example, the USG adopted “Connected Vehicle” restrictions on the import and sale of certain automotive products in the United States, which if adopted and interpreted broadly, could impact our ability to develop and supply solutions for our automotive customers. The USG is also considering restrictions that would limit our ability to support third-party applications and models built on open-source foundation models originating in China. Such restrictions, if implemented, would favor our foreign competitors and negatively impact our business.

Additionally, restrictions imposed by the Chinese government on the duration of gaming activities and access to games may adversely affect our Gaming revenue, and increased oversight of digital platform companies may adversely affect our Data Center revenue. The Chinese government has and may continue to encourage customers to purchase from our China-based competitors, or impose restrictions on the sale to certain customers of our products, or any products containing components made by our partners and suppliers. For example, the Chinese government announced restrictions relating to certain sales of products containing certain products made by Micron, a supplier of ours. As another example, an agency of the Chinese government announced an Action Plan that endorses new standards regarding the compute performance per watt and per memory bandwidth of accelerators used in new and renovated data centers in China. If the Chinese government modifies or implements the Action Plan in a way that effectively prevents us from being able to design products to meet the new standard, this may restrict the ability of customers to use some of our data center products and may have a material and adverse impact on our business, operating results and financial condition. Further restrictions on our products or the products of our suppliers could negatively impact our business and financial results.

Finally, our business depends on our ability to receive consistent and reliable supply from our overseas partners, especially in Taiwan and South Korea. Any new restrictions that negatively impact our ability to receive supply of components, parts, or services from Taiwan and South Korea, would negatively impact our business and financial results.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Issuer Purchases of Equity Securities

We repurchased 67 million and 193 million shares of our common stock for $9.7 billion and $24.2 billion during the second quarter and first half of fiscal year 2026, respectively. As of July 27, 2025, we were authorized, subject to certain specifications, to repurchase up to $14.7 billion of our common stock.

We paid cash dividends to our shareholders of $244 million and $488 million during the second quarter and first half of fiscal year 2026, respectively. The payment of future cash dividends is subject to our Board of Directors' continuing determination that the declaration of dividends is in the best interests of our shareholders.

The following table presents details of our share repurchase transactions during the second quarter of fiscal year 2026:

Period	Total Number of Shares Purchased (In millions)	Average Price Paid per Share (1)	Total Number of Shares Purchased as Part of Publicly Announced Program (In millions)	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Program (In billions)
April 28, 2025 - May 25, 2025	19.2	$ 120.61	19.2	$ 22.0
May 26, 2025 - June 22, 2025	18.1	$ 141.61	18.1	$ 19.4
June 23, 2025 - July 27, 2025	29.2	$ 161.65	29.2	$ 14.7
Total	66.5		66.5	

(1) Average price paid per share includes broker commissions, but excludes our liability under the 1% excise tax on the net amount of our share repurchases required by the Inflation Reduction Act of 2022.

From July 28, 2025 through August 26, 2025, we repurchased 20 million shares for $3.5 billion pursuant to a pre-established trading plan. On August 26, 2025, our Board of Directors approved an additional $60.0 billion in share repurchase authorization, without expiration. As of August 26, 2025, a total of $71.2 billion was available for repurchase.

We may execute repurchases from time to time, subject to market conditions, operating requirements and other investment opportunities, in the open market, in privately negotiated transactions, pursuant to a Rule 10b5-1 trading plan or in structured share repurchase agreements in compliance with Rule 10b-18 of the Exchange Act. Our share repurchase program may be suspended at any time at our discretion.

Employee Equity Incentive Program Share Withholding

We withhold shares of our common stock associated with net share settlements to cover tax withholding obligations of awards under our employee equity incentive program. During the second quarter and first half of fiscal year 2026, we withheld approximately 13 million and 26 million shares, respectively, for a total value of $1.9 billion and $3.4 billion, respectively, through net share settlements.

Recent Sales of Unregistered Securities and Use of Proceeds

On June 13, 2025, we acquired a company and agreed to issue to key employees a total of 387,158 shares of our common stock, valued at $55 million based on our closing stock price on the acquisition date. The shares will be issued in installments commencing in fiscal year 2027 and through fiscal year 2031.

On June 17, 2025, we acquired a company and issued to key employees a total of 89,338 shares of our common stock, valued at $13 million based on our closing stock price on the issuance date.

The above securities were issued in transactions not involving a public offering pursuant to an exemption from registration set forth in Section 4(a)(2) of the Securities Act (and Regulation D or Regulation S promulgated thereunder).

Item 5. Other Information

The following members of our Board of Directors and/or officers adopted, modified, or terminated a trading arrangement that is intended to satisfy the affirmative defense conditions of Rule 10b5-1(c), or a Rule 10b5-1 Trading Arrangement:

Name	Title of Director or Officer	Action	Date	Total Shares of Common Stock to be Sold
A. Brooke Seawell	Director	Termination	July 14, 2025	1,153,049*

*The Rule 10b5-1 Trading Arrangement was adopted on March 19, 2025 for sales through July 31, 2025, with an estimated formulaic number of shares. 770,522 shares were actually sold under the Rule 10b5-1 Trading Arrangement prior to termination.

Item 6. Exhibits

Exhibit No.	Exhibit Description
10.1+*	Amended and Restated 2007 Equity Incentive Plan - Non-Employee Director Deferred Restricted Stock Unit Grant Notice and Deferred Restricted Stock Unit Agreement (2025)
10.2+*	Amended and Restated 2007 Equity Incentive Plan - Non-Employee Director Restricted Stock Unit Grant Notice and Restricted Stock Unit Agreement (2025)
31.1*	Certification of Chief Executive Officer as required by Rule 13a-14(a) of the Securities Exchange Act of 1934
31.2*	Certification of Chief Financial Officer as required by Rule 13a-14(a) of the Securities Exchange Act of 1934
32.1#*	Certification of Chief Executive Officer as required by Rule 13a-14(b) of the Securities Exchange Act of 1934
32.2#*	Certification of Chief Financial Officer as required by Rule 13a-14(b) of the Securities Exchange Act of 1934
101.INS*	Inline XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
101.SCH*	Inline XBRL Taxonomy Extension Schema Document
101.CAL*	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF*	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB*	Inline XBRL Taxonomy Extension Labels Linkbase Document
101.PRE*	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File - the cover page interactive data file does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.

+ Management contract or compensatory plan or arrangement.

* Filed herewith.

In accordance with Item 601(b)(32)(ii) of Regulation S-K and SEC Release Nos. 33-8238 and 34-47986, Final Rule: Management's Reports on Internal Control Over Financial Reporting and Certification of Disclosure in Exchange Act Periodic Reports, the certifications furnished in Exhibits 32.1 and 32.2 hereto are deemed to accompany this Quarterly Report on Form 10-Q and will not be deemed “filed” for purpose of Section 18 of the Exchange Act. Such certifications will not be deemed to be incorporated by reference into any filing under the Securities Act or the Exchange Act, except to the extent that the registrant specifically incorporates it by reference.

Copies of above exhibits not contained herein are available to any shareholder upon written request to:

Investor Relations: NVIDIA Corporation, 2788 San Tomas Expressway, Santa Clara, CA 95051.

Signature

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Date: August 27, 2025

NVIDIA Corporation

By: /s/ Colette M. Kress

Colette M. Kress
Executive Vice President and Chief Financial Officer (Duly Authorized Officer and Principal Financial Officer)