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

FORM 10-K

(Mark One)
☑ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934**
FOR THE FISCAL YEAR ENDED MAY 31, 2025

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934**
FOR THE TRANSITION PERIOD FROM TO .

Commission File No. 1-10635

NIKE, Inc.

(Exact name of Registrant as specified in its charter)

Oregon	**93-0584541**
(State or other jurisdiction of incorporation)	*(IRS Employer Identification No.)*

One Bowerman Drive, Beaverton, Oregon 97005-6453
(Address of principal executive offices and zip code)

(503) 671-6453
(Registrant's telephone number, including area code)

SECURITIES REGISTERED PURSUANT TO SECTION 12(B) OF THE ACT:

Class B Common Stock	**NKE**	**New York Stock Exchange**
(Title of each class)	*(Trading symbol)*	*(Name of each exchange on which registered)*

SECURITIES REGISTERED PURSUANT TO SECTION 12(G) OF THE ACT:

NONE

Indicate by check mark:	**Yes**	**No**
• if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.	☑	☐
• if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.	☐	☑
• 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.	☑	☐
• 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).	☑	☐
• 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, 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.	☐	
• whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.	☑	
• if securities are registered pursuant to Section 12(b) of the Act, whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements.	☐	
• whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to § 240.10D-1(b).	☐	
• whether the registrant is a shell company (as defined in Rule 12b-2 of the Act).	☐	☑

As of November 30, 2024, the aggregate market values of the Registrant's Common Stock held by non-affiliates were:

Class A	$	5,603,520,725
Class B		92,655,504,471
	$	98,259,025,196

As of July 9, 2025, the number of shares of the Registrant's Common Stock outstanding were:

Class A	288,887,752
Class B	1,188,015,740
	1,476,903,492

DOCUMENTS INCORPORATED BY REFERENCE:

Parts of Registrant's Proxy Statement for the Annual Meeting of Shareholders to be held on September 9, 2025, are incorporated by reference into Part III of this report.

NIKE, INC.
ANNUAL REPORT ON FORM 10-K
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PART I

ITEM 1. BUSINESS

GENERAL

NIKE, Inc. was incorporated in 1967 under the laws of the State of Oregon. As used in this Annual Report on Form 10-K (this "Annual Report"), the terms "we," "us," "our," "NIKE" and the "Company" refer to NIKE, Inc. and its predecessors, subsidiaries and affiliates, collectively, unless the context indicates otherwise.

Our principal business activity is the design, development and worldwide marketing and selling of athletic footwear, apparel, equipment, accessories and services. NIKE is the largest seller of athletic footwear and apparel in the world. We sell our products through NIKE Direct operations, which are comprised of both NIKE-owned retail stores and sales through our digital platforms (also referred to as "NIKE Brand Digital") and to wholesale accounts, which include a mix of independent distributors, licensees and sales representatives in nearly all countries around the world. We also offer interactive consumer services and experiences. Nearly all of our products are manufactured by independent contractors. Nearly all footwear and apparel products are manufactured outside the United States, while equipment products are manufactured both in the United States and abroad.

All references to fiscal 2025, 2024 and 2023 are to NIKE, Inc.'s fiscal years ended May 31, 2025, 2024 and 2023, respectively. Any references to other fiscal years refer to a fiscal year ending on May 31 of that year.

PRODUCTS

We offer our products under the NIKE, Jordan and Converse brands. Our strategy is to achieve sustainable, profitable long-term growth by leading with sport, creating innovative, “must-have” products, building deep personal consumer connections with our brands and delivering compelling consumer experiences through digital platforms and at retail. We believe this approach will allow us to create products that better meet individual consumer needs while accelerating our largest growth opportunities.

NIKE's athletic footwear products are designed primarily for specific athletic use, although a large percentage of the products are worn for casual or leisure purposes. We place considerable emphasis on innovation and high-quality construction in the development and manufacturing of our products.

We also sell sports apparel, which features the same trademarks and are sold predominantly through the same marketing and distribution channels as athletic footwear. Our sports apparel, similar to our athletic footwear products, is designed primarily for athletic use, although many of the products are worn for casual or leisure purposes, and demonstrates our commitment to innovation and high-quality construction. We often market footwear, apparel and accessories in "collections" of similar use. We also market apparel with licensed college and professional team and league logos.

We sell a line of performance equipment and accessories under the NIKE Brand name, including bags, socks, sport balls, eyewear, timepieces, digital devices, bats, gloves, protective equipment and other equipment designed for sports activities. We also sell small amounts of various plastic products to other manufacturers through our wholly-owned subsidiary, doing business as Air Manufacturing Innovation.

Our Jordan Brand designs, distributes and licenses athletic and casual footwear, apparel and accessories predominantly focused on sport performance and streetwear using the Jumpman trademark. Sales and operating results for Jordan Brand products are reported within the respective NIKE Brand geographic operating segments.

Our wholly-owned subsidiary brand, Converse, headquartered in Boston, Massachusetts, designs, distributes and licenses casual sneakers, apparel and accessories under the Converse, Chuck Taylor, All Star, One Star, Star Chevron and Jack Purcell trademarks. Operating results of the Converse brand are reported on a stand-alone basis.

In addition to the products we sell to our wholesale customers and directly to consumers through our NIKE Direct operations, we have also entered into license agreements that permit unaffiliated parties to manufacture and sell, using NIKE-owned trademarks, certain apparel, digital devices and applications and other equipment designed for sports activities.

We also offer interactive consumer services and experiences, including sport focused events and activations; fitness and activity apps; sport, fitness and wellness content; and digital services and features in retail stores that enhance the consumer experience.

SALES AND MARKETING

We experience moderate fluctuations in aggregate sales volume during the year. Historically, revenues in the first and fourth fiscal quarters have slightly exceeded those in the second and third fiscal quarters. However, the mix of product sales may vary considerably as a result of changes in seasonal and geographic demand for particular types of footwear, apparel and equipment, as well as other macroeconomic, strategic, operating and logistics-related factors.

Because NIKE is a consumer products company, the relative popularity and availability of various sports and fitness activities, as well as changing design trends and consumer preferences, affect the demand for our products. We must, therefore, respond to trends and shifts in consumer preferences by adjusting the mix of existing product offerings and channels, developing new products, styles and categories and influencing sports and fitness preferences through extensive marketing. Failure to respond in a timely and adequate manner could have a material adverse effect on our sales and profitability. This is a continuing risk. Refer to Item 1A. Risk Factors.

OUR MARKETS

We report our NIKE Brand operations based on our internal geographic organization. Each NIKE Brand geographic segment operates predominantly in one industry: the design, development, marketing and selling of athletic footwear, apparel and equipment. The Company's reportable operating segments for the NIKE Brand are: North America; Europe, Middle East & Africa ("EMEA"); Greater China; and Asia Pacific & Latin America ("APLA"), and include results for the NIKE and Jordan brands.

Converse is also a reportable operating segment and operates predominately in one industry: the design, marketing, licensing and selling of casual sneakers, apparel and accessories. Converse direct to consumer operations, including digital commerce, are reported within the Converse operating segment results.

UNITED STATES MARKET

For fiscal 2025, NIKE Brand and Converse sales in the United States accounted for approximately 43% of total revenues, compared to 42% and 43% for fiscal 2024 and fiscal 2023, respectively. We sell our products to wholesale accounts in the United States, including a mix of footwear stores, sporting goods stores, athletic specialty stores, department stores, skate, tennis and golf shops and other wholesale accounts. In the United States, we utilize NIKE sales offices to solicit such sales. During fiscal 2025, our three largest United States customers accounted for approximately 25% of sales in the United States.

Our NIKE Direct and Converse direct to consumer operations sell our products to consumers through various digital platforms, as well as through the following number of retail stores in the United States:

U.S. RETAIL STORES	**NUMBER**
NIKE Brand factory stores	213
NIKE Brand in-line stores (including employee-only stores)	85
Converse stores (including factory stores)	78
TOTAL	**376**

In the United States, NIKE has eight significant distribution centers. Refer to Item 2. Properties for additional information.

INTERNATIONAL MARKETS

For fiscal 2025, non-U.S. NIKE Brand and Converse sales accounted for approximately 57% of total revenues, compared to 58% and 57% for fiscal 2024 and fiscal 2023, respectively. We sell our products to wholesale accounts, which include a mix of independent distributors, licensees and sales representatives around the world. We also ship products from 72 distribution centers outside of the United States. Refer to Item 2. Properties for additional information on distribution facilities outside of the United States. During fiscal 2025, NIKE's three largest customers outside of the United States accounted for approximately 16% of total non-U.S. sales.

In addition to NIKE-owned and Converse-owned digital commerce platforms in over 40 countries, our NIKE Direct and Converse direct to consumer businesses operate the following number of retail stores outside the United States:

NON-U.S. RETAIL STORES	NUMBER
NIKE Brand factory stores	543
NIKE Brand in-line stores (including employee-only stores)	61
Converse stores (including factory stores)	54
TOTAL	**658**

SIGNIFICANT CUSTOMER

No customer accounted for 10% or more of our consolidated net Revenues during fiscal 2025.

PRODUCT RESEARCH, DESIGN AND DEVELOPMENT

We believe our research, design and development efforts are key factors in our success. Technical innovation in the design and manufacturing process of footwear, apparel and athletic equipment receives continued emphasis as we strive to produce products that help to enhance athletic performance, reduce injury and maximize comfort, while decreasing our environmental impact.

In addition to our own staff of specialists in the areas of biomechanics, chemistry, exercise physiology, engineering, digital technologies, industrial design, sustainability and related fields, we also utilize research committees and advisory boards made up of athletes, coaches, trainers, equipment managers, orthopedists, podiatrists, physicians and other experts who consult with us and review certain designs, materials and concepts for product and manufacturing, design and other process improvements and compliance with product safety regulations around the world. Employee athletes, athletes engaged under sports marketing contracts and other athletes wear-test and evaluate products during the design and development process.

As we continue to develop new technologies, we are simultaneously focused on the design of innovative products and experiences incorporating such technologies throughout our products and consumer applications. Using market intelligence and research, our various design teams identify opportunities to leverage new technologies in existing categories to respond to consumer preferences. The proliferation of Nike Air, Zoom, Free, Dri-FIT, Flyknit, FlyEase, ZoomX, Air Max, and React technologies, among others, typifies our dedication to designing innovative products.

MANUFACTURING

Nearly all of our footwear and apparel products are manufactured outside the United States by independent contract manufacturers ("contract manufacturers"), many of which operate multiple factories. We are also supplied, primarily indirectly, by a number of materials, or "Tier 2", suppliers who provide the principal materials used in footwear and apparel finished goods products. As of May 31, 2025, we had 184 strategic Tier 2 suppliers.

As of May 31, 2025, contract manufacturers operated 97 finished goods footwear factories located in 11 countries. For fiscal 2025, NIKE Brand footwear finished goods were manufactured by 15 contract manufacturers, many of which operate multiple factories. The largest single finished goods footwear factory accounted for approximately 11% of total fiscal 2025 NIKE Brand footwear production. For fiscal 2025, factories in Vietnam, Indonesia and China manufactured approximately 51%, 28% and 17% of total NIKE Brand footwear, respectively. For fiscal 2025, four footwear contract manufacturers each accounted for greater than 10% of footwear production and in the aggregate accounted for approximately 59% of NIKE Brand footwear production.

As of May 31, 2025, contract manufacturers operated 303 finished goods apparel factories located in 34 countries. For fiscal 2025, NIKE Brand apparel finished goods were manufactured by 67 contract manufacturers, many of which operate multiple factories. The largest single finished goods apparel factory accounted for approximately 8% of total fiscal 2025 NIKE Brand apparel production. For fiscal 2025, factories in Vietnam, China and Cambodia manufactured approximately 31%, 15% and 15%

of total NIKE Brand apparel, respectively. For fiscal 2025, two apparel contract manufacturers accounted for more than 10% of apparel production, and the top five contract manufacturers in the aggregate accounted for approximately 51% of NIKE Brand apparel production.

NIKE's contract manufacturers buy raw materials for the manufacturing of our footwear, apparel and equipment products from Tier 2 suppliers. Most raw materials are available and purchased by those contract manufacturers in the countries where manufacturing takes place.

The principal materials used in our footwear products are natural and synthetic rubber, plastic compounds, foam cushioning materials, natural and synthetic leather, nylon, polyester and natural fiber textiles, as well as polyurethane films used to make NIKE Air-Sole cushioning components. During fiscal 2025, Air Manufacturing Innovation, a wholly-owned subsidiary, with facilities near Beaverton, Oregon, in Dong Nai Province, Vietnam, and St. Charles, Missouri, as well as contract manufacturers in China and Vietnam, were our suppliers of NIKE Air-Sole and other cushioning components used in footwear.

The principal materials used in our apparel products are natural and synthetic fabrics, yarns, trims and threads (both virgin and recycled); specialized performance fabrics designed to efficiently wick moisture away from the body, retain heat and repel rain and/or snow; and plastic and metal hardware.

From time to time, certain materials used in the production of our products experience periods of high demand, shortages and price volatility. In fiscal 2025, contract manufacturers were able to source sufficient quantities of raw materials for use in our footwear and apparel products. Refer to Item 1A. Risk Factors, for additional discussion of the impact of sourcing risks on our business.

Since 1972, Sojitz Corporation of America ("Sojitz America"), a large Japanese trading company and the sole owner of our redeemable preferred stock, has performed import-export financing services for us.

INTERNATIONAL OPERATIONS AND TRADE

Our international operations and sources of supply are subject to the usual risks of doing business abroad, such as the implementation of, or potential changes in, foreign and domestic trade policies, increases in import duties, anti-dumping measures, quotas, trade agreement enforcement practices, safeguard measures, trade restrictions, restrictions on the transfer of funds and, in certain parts of the world, political tensions, instability, conflicts, nationalism and terrorism, and resulting sanctions and other measures imposed in response to such issues.

In 2025 and in other recent years, uncertain global and regional economic and political conditions have affected international trade and increased protectionist actions around the world. These trends are affecting many global manufacturing and service sectors, and the footwear and apparel industries, as a whole, are not immune. Companies in our industry are facing trade protectionism in many different regions, and, in nearly all cases, we are working together with industry groups to address trade issues and reduce the impact to the industry, while observing applicable competition laws. Notwithstanding our efforts, protectionist measures have resulted in increases in the cost of our products, and additional measures, if implemented, will adversely affect sales and/or profitability for NIKE, as well as the imported footwear and apparel industry as a whole, possibly materially.

We monitor protectionist trends and developments throughout the world that may materially impact our industry, and we engage in administrative and judicial processes to mitigate trade restrictions. We are actively monitoring actions that may result in additional anti-dumping measures and could affect our industry. We are also monitoring for other impediments that may limit or delay customs clearance for imports of footwear, apparel and equipment and advocating for trade facilitation. NIKE also advocates for trade liberalization for footwear and apparel in a number of bilateral and multilateral free trade agreements. Changes in, and responses to, U.S. trade policies, including the imposition of tariffs or penalties on imported goods or retaliatory measures by other countries, have negatively affected, and could in the future materially negatively affect, U.S. corporations, including NIKE, with business operations and/or consumer markets in those countries, which could also make it necessary for us to change the way we conduct business, either of which may have an adverse effect on our business, financial condition or our results of operations. In addition, we work with a broad coalition of global businesses and trade associations representing a wide variety of sectors to help support the development and implementation of legislation that (i) addresses legitimate and core concerns, (ii) is consistent with international trade rules and (iii) reflects and considers domestic economies and the important role they may play in the global economic community.

Where trade protection measures are implemented, we believe we have the ability to develop, over a period of time, adequate alternative sources of supply for the products obtained from our present suppliers. If events prevented us from acquiring products from our suppliers in a particular country, our operations could be temporarily disrupted and we could experience an adverse financial impact. However, we believe we could abate any such disruption, and that much of the adverse impact on supply would, therefore, be of a short-term nature, although alternate sources of supply might not be as cost-effective and could have an ongoing adverse impact on profitability.

Our international operations are also subject to compliance with the U.S. Foreign Corrupt Practices Act (the "FCPA"), and other anti-bribery laws applicable to our operations. We source a significant portion of our products from, and have important consumer markets, outside of the United States. We have an ethics and compliance program to address compliance with the FCPA and similar laws by us, our employees, agents, suppliers and other partners. Refer to Item 1A. Risk Factors for additional information on risks relating to our international operations.

COMPETITION

The athletic footwear, apparel and equipment industry is highly competitive on a worldwide basis. We compete internationally with a significant number of athletic and leisure footwear companies, athletic and leisure apparel companies, sports equipment companies and large companies having diversified lines of athletic and leisure footwear, apparel and equipment, including adidas, Anta, ASICS, Deckers, Li Ning, lululemon athletica, New Balance, On, Puma, Under Armour and V.F. Corporation, among others. The intense competition and the rapid changes in technology and consumer preferences in the markets for athletic and leisure footwear and apparel and athletic equipment constitute significant risk factors in our operations. Refer to Item 1A. Risk Factors for additional information.

NIKE is the largest seller of athletic footwear and apparel in the world. Important aspects of competition in this industry are:

- Product attributes such as quality; innovation and development; performance and reliability; new product style, and design; as well as consumer price/value.
- Consumer connection, engagement and affinity for brands and products, developed through marketing, promotion and digital experiences; social media interaction; customer support and service; identification with prominent and influential athletes, influencers, public figures, coaches, teams, colleges and sports leagues who endorse our brands and use our products and active engagement through sponsored sporting events and clinics.
- Effective sourcing and distribution of products, with attractive merchandising and presentation at retail, both in-store and on digital platforms.

We believe that we are competitive in all of these areas. See Item 1A. Risk Factors, including the risk factor titled "Our products, services and experiences face intense competition."

TRADEMARKS AND PATENTS

We believe that our intellectual property rights are important to our brand, our success and our competitive position. We strategically pursue available protections of these rights and vigorously protect and enforce them against third-party theft and infringement.

We use trademarks on nearly all of our products and packaging, and in our marketing materials, and believe having distinctive marks that are readily identifiable is an important factor in creating a market for our goods, in identifying our brands and the Company, and in distinguishing our goods from the goods of others. We consider our NIKE and Swoosh Design trademarks to be among our most valuable assets and we have registered these trademarks in over 190 jurisdictions worldwide. In addition, we own many other trademarks that we use in marketing our products. Throughout the world, we own common law rights in the trade dress of several distinctive shoe designs and elements. For certain trade dress, we have sought and obtained trademark registrations.

We have copyright protection in our designs, graphics, software applications, digital goods and other original works. When appropriate, we also obtain registered copyrights.

We file for, own and maintain many U.S. and foreign utility and design patents protecting components, technologies, materials, manufacturing techniques, features, functionality, and industrial designs used in and for the manufacture of various athletic, performance, and leisure footwear and apparel, including physical and digital versions thereof, athletic equipment, and digital devices, and related software applications. These patents expire at various times.

We believe our success depends upon our capabilities in areas such as design, research and development, production and marketing and is supported and protected by our intellectual property rights, such as trademarks, utility and design patents, copyrights, and trade secrets, among others.

We have followed a policy of applying for and registering intellectual property rights in the United States and select foreign countries on trademarks, inventions, innovations and designs that we deem protectable and valuable. We also continue to vigorously protect and enforce our intellectual property, including trademarks, patents and trade secrets against third-party infringement and misappropriation.

HUMAN CAPITAL RESOURCES

At NIKE, we consider the strength and effective management of our workforce to be essential to the ongoing success of our business. We believe that it is important to attract, develop and retain an engaged workforce with diverse experiences, backgrounds and perspectives at all levels of our business and that such a workforce fosters creativity and accelerates innovation.

CULTURE

Each employee shapes NIKE's culture through behaviors and practices. This starts with our Maxims, which represent our core values and, along with our Code of Conduct, feature the fundamental behaviors that help anchor, inform and guide us and apply to all employees. Our mission is to bring inspiration and innovation to every athlete in the world, which includes the belief that if you have a body, you are an athlete. We aim to do this by creating groundbreaking sport innovations, making our products more sustainably, building a creative global team with diverse experiences, backgrounds and perspectives, supporting the well-being of our employees and making a positive impact in communities where we live and work. Our mission is aligned with our deep commitment to maintaining an environment where all NIKE employees have the opportunity to reach their full potential, to connect to our brands and to shape our workplace culture. We believe providing for growth and retention of our employees is essential in fostering such a culture and are dedicated to providing access to training programs and career development opportunities, including trainings on NIKE's values, history and business, trainings on developing leadership skills at all levels, tools and resources for managers and qualified tuition reimbursement opportunities.

We are committed to having an inclusive and diverse team and culture, and accessible workplace. We achieve this through recruitment, development and retention of qualified talent with diverse experiences, backgrounds and perspectives through traditional channels, initiatives and partnerships, including those that serve colleges and universities. Additionally, we provide access to education so that all NIKE employees and leaders have the cultural knowledge and understanding to lead inclusively and build diverse and inclusive teams. We also have employee resource groups, collectively known as NikeUNITED, that promote NIKE cultural awareness and are open to all.

In empowering our employees to help shape our culture, we source employee feedback through a variety of survey tools: our annual Engagement Survey program, corporate pulse surveys and listening sessions. These tools provide employees throughout the globe an opportunity to provide confidential feedback on key areas known to drive employee engagement, including their satisfaction with their managers, their work and the Company generally. These tools also measure our employees' connection to NIKE's culture. NIKE also provides multiple points of contact for employees to speak up if they experience something that does not align with our values or otherwise violates our workplace policies, even if they are uncertain what they observed or heard is a violation of company policy.

As part of our commitment to making a positive impact on our communities, we maintain a goal of investing 2% of our prior fiscal year's pre-tax income into global communities. The focus of this investment continues to be inspiring youth to be active through play and sport as well as uniting and inspiring communities. Through our investments we bring the power of sport into our communities, with the goal of making play and sport more accessible. Our community investments are an important part of our culture, and we support employees in giving back to community organizations through volunteering and donations, which are matched by the NIKE Foundation where eligible.

EMPLOYEE BASE

As of May 31, 2025, we had approximately 77,800 employees worldwide, including retail and part-time employees. We also utilize independent contractors and temporary personnel to supplement our workforce.

Most of our employees are not represented by unions, except for certain employees in the EMEA and APLA geographies who are members of and/or are represented by trade unions, as allowed or required by local law and/or collective bargaining agreements. Also, in some countries outside of the United States, local laws require employee representation by works councils (which may be entitled to information and consultation on certain subsidiary decisions) or by organizations similar to a union. In certain European countries, we are required by local law to enter into, and/or comply with, industry-wide or national collective bargaining agreements. NIKE has never experienced a material interruption of operations due to labor disagreements.

COMPENSATION AND BENEFITS

NIKE's total rewards are intended to be competitive and equitable, meet the varied needs of our global teammates and reinforce our values. We are committed to providing comprehensive, competitive and equitable pay and benefits to our employees, and we have invested, and aim to continue to invest, in our employees through growth and development and holistic well-being initiatives. Our initiatives in this area include:

- We are committed to competitive pay, pay equity and to reviewing our pay and promotion practices annually.
- We have an annual company bonus plan and a retail-focused bonus plan applicable to all eligible employees. Both programs are focused on rewarding employees for company performance, which we believe reinforces our culture and rewards behaviors that support collaboration and teamwork.
- We provide comprehensive family care benefits in the U.S. and globally where practicable, including family planning coverage, backup care and child/elder care assistance as well as an income-based childcare subsidy for eligible employees.
- Our Military Leave benefit provides up to 12 weeks of paid time off every 12 months.
- We offer free access to our sport centers at our World Headquarters for our full-time employees and North America store employees.
- We provide employees free access to mindfulness and meditation resources, as well as live classes through our sport centers.
- We provide all employees and their families globally with free and confidential visits with a mental health counselor through a third-party provider and our global Employee Assistance Program (EAP).
- We provide support to our employees in a variety of ways during times of crisis, including pay continuity under certain circumstances, and our natural disaster assistance program.
- We provide a hybrid work approach for the majority of employees, as well as a Four Week Flex program, which provides employees an opportunity to work remotely for up to four weeks per year.
- We offer a Well-Being Week where we close our corporate offices for a full week in the summer and Well-Being Days for our teammates in our retail stores and distribution centers, and encourage our teammates to focus on their well-being.
- We provide inclusive healthcare coverage and family planning benefits for eligible employees covered on the U.S. Health Plan, including access to both restorative services and personal care.
- We provide all U.S. employees with unlimited free financial coaching through a third-party provider.

Additional information related to our human capital strategy can be found on the Mission section of about.nike.com. Information contained on or accessible through our websites is not incorporated into, and does not form a part of, this Annual Report or any other report or document we file with the United States Securities and Exchange Commission (the "SEC"), and any references to our websites are intended to be inactive textual references only.

AVAILABLE INFORMATION AND WEBSITES

Our NIKE digital commerce website is located at www.nike.com. On our NIKE corporate website, located at investors.nike.com, we post the following filings as soon as reasonably practicable after they are electronically filed with, or furnished to, the SEC: our annual report on Form 10-K, our quarterly reports on Form 10-Q, our current reports on Form 8-K and any amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities and Exchange Act of 1934, as amended. Our proxy statements are also posted on our corporate website. All such filings on our corporate website are available free of charge. Copies of these filings are also available on the SEC's website at www.sec.gov. Also available on our corporate website are the charters of the committees of our Board of Directors, as well as our corporate governance guidelines and code of ethics. Copies of any of these documents will be provided in print to any shareholder who submits a request in writing to NIKE Investor Relations, One Bowerman Drive, Beaverton, Oregon 97005-6453. Information contained on or accessible through our website is not incorporated into, and does not form a part of, this Annual Report or any other report or document we file with the SEC, and any references to our website are intended to be inactive textual references only.

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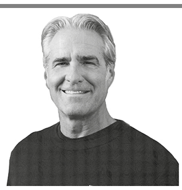
INFORMATION ABOUT OUR EXECUTIVE OFFICERS

The executive officers of NIKE, Inc. as of July 17, 2025, are as follows:

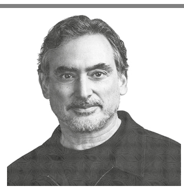
Mark Parker, Executive Chairman — Mr. Parker, 69, joined NIKE in 1979 and has served as Executive Chairman of the Board of Directors since 2020. Prior to his current role, Mr. Parker served as President and Chief Executive Officer of NIKE, Inc. from 2006 to 2020. During his employment with NIKE, he has had primary responsibilities in product research, design and development, marketing and brand management. Mr. Parker previously served in various roles at NIKE including President of the NIKE Brand, Vice President of Global Footwear, General Manager, corporate Vice President and divisional Vice President in charge of product development.



Elliott Hill, President and Chief Executive Officer — Mr. Hill, 61, joined NIKE in 1988 and has served as President and Chief Executive Officer of NIKE, Inc. since October 2024. Previously, Mr. Hill served as President – Consumer and Marketplace from 2018 until his retirement in 2020, in which role he led all commercial and marketing operations for the NIKE and Jordan brands. During his employment with NIKE, he has served in various roles, including Apparel Sales Director in Europe, Retail Development Director in Europe, Vice President of Sales and Retail in EMEA, General Manager of U.S. Retail, Vice President of U.S. Sales, Retail and NIKE.com, Vice President of Global Retail, President of Geographies and Sales and Vice President and General Manager of North America.

Matthew Friend, Executive Vice President and Chief Financial Officer — Mr. Friend, 47, joined NIKE in 2009 and has served as Executive Vice President and Chief Financial Officer of NIKE, Inc. since 2020. In this role, Mr. Friend leads the Company's strategy, finance and business services organizations. Mr. Friend previously served in various roles at NIKE including as Vice President of Investor Relations and Chief Financial Officer of the NIKE Brand. Prior to joining NIKE, Mr. Friend worked in the financial industry, including as Vice President in the investment banking and mergers and acquisitions groups at Goldman Sachs and Morgan Stanley.

Treasure Heinle, Executive Vice President, Chief People Officer — Ms. Heinle, 55, joined NIKE in 2012 and has served as Executive Vice President, Chief People Officer of NIKE, Inc. since January 2025. She leads the Company's global Human Resources function and its People vision and strategy. Ms. Heinle was previously Vice President, Chief Talent Officer and Vice President, HR Business Partner for the Global Operations & Technology and Global Consumer & Marketplace teams, inclusive of Jordan Brand and Converse. Prior to joining NIKE as Vice President, HR Business Partner for North America, Ms. Heinle held Human Resources leadership positions at Danaher Corporation, Tektronix, Inc. and InFocus Corporation.



Rob Leinwand, Executive Vice President, Chief Legal Officer — Mr. Leinwand, 57, joined NIKE in 2004 and has served as Executive Vice President, Chief Legal Officer of NIKE, Inc. since 2024. In this role, Mr. Leinwand leads the strategic vision for the Company's Legal, Social and Community Impact, Government and Public Affairs and Resilience teams. Mr. Leinwand previously served as Vice President, Deputy General Counsel, Enterprise which included oversight of the Company's Global Litigation, Employment Law/Employee Relations, Brand Protection, Supply Chain and Corporate Governance functions. Prior to joining NIKE, Mr. Leinwand was a shareholder at the law firm of Littler Mendelson.

Phil McCartney, Executive Vice President, Chief Innovation, Design & Product Officer — Mr. McCartney, 50, joined NIKE in 1998 and has served as Executive Vice President, Chief Innovation, Design & Product Officer of NIKE, Inc. since May 2025. In this role, Mr. McCartney is responsible for the creation of innovative product and oversees how NIKE, Jordan and Converse innovate, design and create products for athletes around the world. Previously, Mr. McCartney was Vice President and General Manager of Global Footwear, a position held since 2016. He also previously served in various roles, including Vice President of Sport, Vice President of Running, Vice President of Football Footwear and started at NIKE as a brand ambassador and product expert, known as an EKIN. Prior to joining NIKE, Mr. McCartney was a professional athlete.

Amy Montagne, President, Nike — Ms. Montagne, 53, joined NIKE in 2005 and has served as President, Nike of NIKE, Inc. since May 2025. In this role, Ms. Montagne is responsible for serving consumers across all sports and driving future growth for the NIKE Brand. Previously, Ms. Montagne served in various Vice President and General Manager roles at NIKE, including APLA, Global Men's, Global Categories, Global Women's and Global Merchandising, as well as in other leadership positions in North America, Running, Women's Training, and Sportswear. Prior to joining NIKE, Ms. Montagne worked in allocation, planning and merchandising at Gap Inc., Mervyn's and Walmart Inc.

Craig Williams, Executive Vice President, Chief Commercial Officer — Mr. Williams, 56, joined NIKE in 2019 and has served as Executive Vice President, Chief Commercial Officer of NIKE, Inc. since June 2025. In this role, Mr. Williams leads NIKE's four geographic operating units, the global direct to consumer business and wholesale marketplace partnerships. Mr. Williams previously served as President of Geographies & Marketplace of NIKE, Inc. and President of Jordan Brand, overseeing the global business and team of designers, footwear and apparel developers, marketers and geography leaders. Prior to joining NIKE, Mr. Williams held executive leadership positions at The Coca-Cola Company as well as roles at CIBA Vision, a subsidiary of Novartis AG, and Kraft Foods Inc. Mr. Williams also served five years in the U.S. Navy as a Naval Nuclear Power Officer.

ITEM 1A. RISK FACTORS

Special Note Regarding Forward-Looking Statements and Analyst Reports

Certain written and oral statements, other than purely historic information, including estimates, projections, statements relating to NIKE's business plans, objectives and expected operating or financial results and the assumptions upon which those statements are based, made or incorporated by reference from time to time by NIKE or its representatives in this Annual Report, other reports, filings with the SEC, press releases, conferences or otherwise, are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995 and Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking statements include, without limitation, any statement that may predict, forecast, indicate or imply future results, performance or achievements, and may contain the words "believe," "anticipate," "expect," "estimate," "project," "will be," "will continue," "will likely result" or words or phrases of similar meaning. Forward-looking statements involve risks and uncertainties which may cause actual results to differ materially from the forward-looking statements. The risks and uncertainties are detailed from time to time in reports filed by NIKE with the SEC, including reports filed on Forms 8-K, 10-Q and 10-K, and include, among others, the following: risks relating to our business strategy, including, but not limited to, risks related to an increased focus on sport and rebalancing of our channel mix; intense competition among designers, marketers, distributors and sellers of athletic or leisure footwear, apparel and equipment for consumers and endorsers; NIKE's ability to successfully innovate and compete in various categories; new product development and innovation; demographic changes; changes in consumer preferences and channel mix; popularity of particular designs, categories of products and sports; seasonal and geographic demand for NIKE products; difficulties in anticipating or forecasting, and responding to changes in consumer preferences, consumer demand for NIKE products, changes in channel mix and the various market factors described above; the size and growth of the overall athletic or leisure footwear, apparel and equipment markets; general risks associated with operating a global business, including, without limitation, exchange rate fluctuations, inflation, import duties, quotas, sanctions, political and economic instability, conflicts and terrorism; the potential impact of new and existing laws, regulations or policies, including, without limitation, those relating to tariffs, import/export, trade, taxes, wages, labor and immigration; international, national and local political, civil, economic and market conditions, including volatility and uncertainty regarding inflation and interest rates; difficulties in implementing, operating and maintaining NIKE's increasingly complex information technology systems and controls, including, without limitation, the systems related to demand and supply planning and inventory control; interruptions in data and information technology systems; consumer data security; risks related to our sustainability strategy; fluctuations and difficulty in forecasting operating results, including, without limitation, the fact that advance orders may not be indicative of future revenues due to changes in shipment timing, the changing mix of orders with shorter lead times, and discounts, order cancellations and returns; the ability of NIKE to sustain, manage or forecast its growth and inventories; the size, timing and mix of purchases of NIKE's products; increases in the cost of materials, labor and energy used to manufacture products; the ability to secure and protect trademarks, patents and other intellectual property; product performance and quality; customer service; adverse publicity and an inability to maintain NIKE's reputation and brand image, including without limitation, through social media or in connection with brand damaging events; the loss of significant customers or suppliers; dependence on distributors and licensees; business disruptions; increased costs of freight and transportation to meet delivery deadlines; increases in borrowing costs due to any decline in NIKE's debt ratings; changes in business strategy or development plans; the impact of, including business and legal developments relating to, climate change, extreme weather conditions and natural disasters; litigation, regulatory proceedings, sanctions or any other claims asserted against NIKE; the ability to attract and retain qualified employees, and any negative public perception with respect to key personnel or our corporate culture, values or purpose; the effects of NIKE's decision to invest in or divest of businesses or capabilities; health epidemics, pandemics and similar outbreaks; and other factors referenced or incorporated by reference in this Annual Report and other reports.

Investors should also be aware that while NIKE does, from time to time, communicate with securities analysts, it is against NIKE's policy to disclose to them any material non-public information or other confidential commercial information. Accordingly, shareholders should not assume that NIKE agrees with any statement or report issued by any analyst irrespective of the content of the statement or report. Furthermore, NIKE has a policy against confirming financial forecasts or projections issued by others. Thus, to the extent that reports issued by securities analysts contain any projections, forecasts or opinions, such reports are not the responsibility of NIKE.

Risk Factors

The risks included here are not exhaustive. Other sections of this Annual Report may include additional factors which could adversely affect NIKE's business and financial performance. Moreover, NIKE operates in a very competitive and rapidly changing environment. New risks emerge from time to time and it is not possible for management to predict all such risks, nor can it assess the impact of all such risks on NIKE's business or the extent to which any risk, or combination of risks, may cause actual results to differ materially from those contained in any forward-looking statements. Given these risks and uncertainties, investors should not place undue reliance on forward-looking statements as a prediction of actual results.

Economic and Industry Risks

Global economic conditions have in the past had and could in the future have a material adverse effect on our business, operating results and financial condition.

The uncertain state of the global economy, including volatility in, and uncertainty regarding, inflation and interest rates and the risk of a recession, continues to impact businesses around the world. If global economic and financial market conditions continue to be volatile or deteriorate, the following factors, among others, could have a material adverse effect on our business, operating results and financial condition:

- Our sales are impacted by discretionary spending by consumers. Declines in consumer spending have in the past resulted in and may in the future result in reduced demand for our products, increased inventories, reduced orders from retailers for our products, order cancellations or returns, lower revenues, higher discounts and lower gross margins.
- In the future, we may be unable to access financing in the credit and capital markets at reasonable rates in the event we find it desirable to do so.
- We conduct transactions in various currencies, which creates exposure to fluctuations in foreign currency exchange rates relative to the U.S. Dollar. Continued volatility in the markets and exchange rates for foreign currencies and contracts in foreign currencies has had and could continue to have a significant impact on our reported operating results and financial condition.
- Continued volatility in the availability and prices for commodities and raw materials we use in our products and in our supply chain (such as cotton or petroleum derivatives) has had and could in the future have a material adverse effect on our costs, gross margins and profitability. In addition, supply chain issues caused by factors, including geopolitical conflicts, tariffs and trade policies and pandemics, have impacted and may in the future impact the availability, pricing and timing for obtaining commodities and raw materials.
- If retailers of our products experience declining revenues or experience difficulty obtaining financing to purchase our products, this could result in reduced orders for our products, order cancellations, late retailer payments, extended payment terms, higher accounts receivable, reduced cash flows, greater expense associated with collection efforts and increased bad debt expense.
- In the past, certain retailers of our products have experienced severe financial difficulty, become insolvent and ceased business operations, and this could occur in the future, which could negatively impact the sale of our products to consumers.
- If contract manufacturers of our products or other participants in our supply chain experience difficulty obtaining financing to purchase raw materials or to finance capital equipment and other general working capital needs, it may result in delays or non-delivery of shipments of our products.

Our products, services and experiences face intense competition.

NIKE is a consumer products company and the relative popularity of various sports and fitness activities and changing design trends affect the demand for our products, services and experiences. The athletic footwear, apparel and equipment industry is highly competitive both in the United States and worldwide. We compete with a significant number of athletic and leisure footwear companies, athletic and leisure apparel companies, sports equipment companies, private label brands offered by major retailers and various other large companies that have diversified lines of athletic and leisure footwear, apparel and equipment. New competitors frequently enter the markets we serve. We also compete with other companies for the production capacity of contract manufacturers that produce our products. In addition, we and our contract manufacturers compete with other companies and industries for raw materials used in our products. Our NIKE Direct operations, both through our digital commerce operations and retail stores, also compete with multi-brand retailers, which sell our products through their digital platforms and physical stores, and with digital commerce platforms. In addition, we compete with respect to the digital services and experiences we are able to offer our consumers, including fitness and activity apps; sport, fitness and wellness content and services; and digital services and features in retail stores that enhance the consumer experience.

Product offerings, product innovations and technologies, marketing expenditures (including expenditures for advertising and endorsements), pricing, costs of production, customer service, digital commerce platforms, digital services and experiences and social media presence are areas of intense competition. These, in addition to ongoing rapid changes in technology (including marketing and advertising technology) and artificial intelligence ("AI"), a reduction in barriers to starting new footwear and apparel companies and an increase in the number of such companies (some of which may be able to react more nimbly to changes in consumer preferences) and changes in consumer preferences in the markets for athletic and leisure footwear, apparel, and equipment, services and experiences, constitute significant risk factors in our operations. In addition, the competitive nature of retail, including shifts in the ways in which consumers shop, constitutes a risk factor implicating our NIKE Direct and wholesale operations. If we do not adequately and timely anticipate and respond to our competitors, our costs may increase, demand for our products may decline, possibly significantly, or we may need to reduce wholesale or suggested retail prices for our products.

Economic factors beyond our control, and changes in the global economic environment, including fluctuations in and uncertainty regarding inflation and currency exchange rates, could result in lower revenues, higher costs and decreased margins and earnings.

A majority of our products are manufactured and sold outside of the United States, and we conduct purchase and sale transactions in various currencies, which creates exposure to the volatility of global economic conditions, including fluctuations in and uncertainty regarding inflation and foreign currency exchange rates. Central banks deploy various strategies to combat inflation, including increasing interest rates, which impact our borrowing costs. Government shutdowns or the risk of government shutdowns, as well as the impact or expected impact of elections, both in the United States and in other countries around the world, may also increase volatility. Additionally, there has been, and may continue to be, volatility in currency exchange rates that impact the U.S. Dollar value relative to other international currencies. Our international revenues and expenses generally are derived from sales and operations in foreign currencies, and these revenues and expenses are affected by currency fluctuations, specifically amounts recorded in foreign currencies and translated into U.S. Dollars for consolidated financial reporting, as weakening of foreign currencies relative to the U.S. Dollar adversely affects the U.S. Dollar value of the Company's foreign currency-denominated sales and earnings. Currency exchange rate fluctuations could also disrupt the business of the independent manufacturers that produce our products by making their purchases of raw materials more expensive and more difficult to finance. Foreign currency fluctuations have adversely affected and could continue to have an adverse effect on our results of operations and financial condition.

We hedge certain foreign currency exposures to lessen and delay, but not to completely eliminate, the effects of foreign currency fluctuations on our financial results. Since the hedging activities are designed to lessen volatility, they not only reduce the negative impact of a stronger U.S. Dollar or other trading currency, but they also reduce the positive impact of a weaker U.S. Dollar or other trading currency. Our future financial results have in the past been and could in the future be significantly affected by the value of the U.S. Dollar in relation to the foreign currencies in which we conduct business. The degree to which our financial results are affected for any given time period will depend in part upon our hedging activities.

We may be adversely affected by the financial health of our wholesale customers.

We extend credit to our customers based on an assessment of a customer's financial condition, generally without requiring collateral. To assist in the scheduling of production and the shipping of our products, we offer certain customers the opportunity to place orders five to six months ahead of delivery under our futures ordering program. These advance orders may be canceled under certain conditions, and the risk of cancellation increases when dealing with financially unstable retailers or retailers struggling with economic uncertainty. In the past, some customers have experienced financial difficulties up to and including bankruptcies, which have had an adverse effect on our sales, our ability to collect on receivables and our financial condition. When the retail economy weakens or as consumer behavior shifts, retailers tend to be more cautious with orders. A slowing or changing economy in our key markets, including a recession, could adversely affect the financial health of our customers, which in turn could have an adverse effect on our results of operations and financial condition. In addition, product sales are dependent in part on high quality merchandising and an appealing retail environment to attract consumers, which requires continuing investments by retailers. Retailers that experience financial difficulties may fail to make such investments or delay them, resulting in lower sales and orders for our products.

Climate change, extreme weather conditions and natural disasters may have an adverse impact on our business and results of operations.

There are concerns that increased levels of carbon dioxide and other greenhouse gases in the atmosphere have caused, and may continue to cause, potentially at a growing rate, increases in global temperatures, changes in weather patterns and increasingly frequent and/or prolonged extreme weather and climate events. Climate change may also exacerbate challenges relating to the availability and quality of water and raw materials, including those used in the production of our products.

Given the broad and global scope of our operations, we are particularly vulnerable to the physical risks of climate change, such as shifts in weather patterns. Extreme weather conditions in the areas in which our retail stores, suppliers, manufacturers, customers, distribution centers, offices, headquarters and vendors are located could adversely affect our operating results and financial condition. Moreover, natural disasters such as earthquakes, hurricanes, wildfires, tsunamis, floods or droughts, whether occurring in the United States or abroad, and their related consequences and effects, including energy shortages and public health issues, have in the past temporarily disrupted, and could in the future disrupt, our operations, the operations of our vendors, manufacturers and other suppliers or have in the past resulted in, and in the future could result in, economic instability that may negatively impact our operating results and financial condition. In particular, if a natural disaster or severe weather event were to occur in an area in which we or our suppliers, manufacturers, employees, customers, distribution centers or vendors are located, our continued success would depend, in part, on the safety and availability of the relevant personnel and facilities and proper functioning of our or third parties' computer, network, telecommunication and other systems and operations. In addition, a natural disaster or severe weather event could negatively impact retail traffic to our stores or stores that carry our products and could have an adverse impact on consumer spending, any of which could in turn result in negative point-of-sale trends for our merchandise. Further, climate change may increase both the frequency and severity of extreme weather conditions and natural disasters, which may affect our business operations, either in a particular region or globally, as well as the activities of our third-party vendors and other suppliers, manufacturers and customers. The diversity of locations in which we operate, our operational size, disaster recovery and business continuity planning and our information technology systems and networks, including the Internet and third-party services ("Information Technology Systems"), may not be sufficient for all or for concurrent eventualities. If we were to experience a local or regional disaster or other business continuity event or concurrent events, we could experience operational challenges, in particular depending upon how a local or regional event may affect our human capital across our operations or with regard to particular aspects of our operations, such as key executive officers or personnel. For example, our World Headquarters is located in a seismic zone, which is at a higher risk for earthquakes and the related consequences or effects. Further, if we are unable to find alternative suppliers, replace capacity at key manufacturing or distribution locations or quickly repair damage to our Information Technology Systems or supply systems, we could be late in delivering, or be unable to deliver, products to our customers. These events could result in reputational damage, lost sales, cancellation charges or markdowns, all of which could have an adverse effect on our business, results of operations and financial condition.

Globally, the expectations of regulators and other key stakeholders on corporate responsibility and sustainability-related topics continue to evolve and diverge, and our ability to meet these requirements and expectations could negatively impact our operating results and financial condition.

Corporate responsibility and sustainability-related topics, including climate change and diversity, as well as companies' actions and initiatives on such issues, have received significant attention from a wide range of stakeholders. Our ability to meet the expectations and requirements of key stakeholders, particularly in light of rapid changes in regulations, interpretations of existing regulations or consumer preferences, could affect our business, operating results and financial condition, as well as our policies and procedures relating to corporate responsibility and sustainability-related matters. For example, federal, state or local governmental authorities in various countries are implementing, have proposed and are likely to continue to propose, legislative and regulatory initiatives regarding corporate responsibility and sustainability-related matters, ranging from the disclosure of corporate greenhouse gas emissions to limitations on corporate diversity programs, among others. Compliance with such laws, regulations or policies, including any that may be adopted in the future, could increase the costs of operating our businesses, reduce the demand for our products and impact the prices we charge our customers, any or all of which could adversely affect our results of operations. in addition, various countries and regions have adopted or proposed laws, regulations and policies that diverge from, or potentially conflict with, those in other jurisdictions, which could increase the complexity of, and potential cost related to complying with, such regulations. Failure to comply with any legislation, regulation or policy, including as a result of making good faith interpretations that may differ from those taken by authorities in relevant jurisdictions, could potentially result in legal, reputational and operational risks.

Moreover, our consumers, customers, employees and other stakeholders on products have diverse expectations, demands and perspectives on sustainability matters, which are subject to continued evolution. In order to meet their expectations, we may need to incur increased costs, including to conduct additional due diligence or make additional investments in facilities and equipment. These efforts may in turn impact the availability and cost of key raw materials used in the production of our products or the demand for our products, and could adversely impact our business, operating results and financial condition.

We may not be able to meet the diverse expectations and demands of all of our stakeholders, which could harm our reputation, reduce customer demand for our products and services, and subject us to legal, reputational and operational risks. Although we have announced corporate responsibility and sustainability-related goals and targets, there can be no assurance that our stakeholders will agree with our goals, targets or strategies, or be satisfied with our efforts to implement them. Any perception, whether or not valid, that we have failed to achieve, or to act responsibly with respect to, such matters or to effectively respond to new or additional legal or regulatory requirements, could result in adverse publicity and adversely affect our business and reputation. Execution of these strategies and achievement of our goals and targets is subject to risks and uncertainties, many of which are outside of our control. In particular, with respect to our sustainability efforts, these risks and uncertainties include, but are not limited to, our ability to execute our strategies and achieve our goals within the currently projected costs and the expected timeframes; the availability and cost of raw materials and renewable energy; unforeseen production, design, operational and technological difficulties; the outcome of research efforts and future technology developments, including the ability to scale projects and technologies on a commercially competitive basis; compliance with, changes or additions to, and divergence in, global and regional regulations, taxes, charges, mandates or requirements relating to greenhouse gas emissions, carbon costs or climate-related goals; adapting products to customer preferences and customer acceptance of sustainable supply chain solutions; diverging and evolving expectations and demands from key stakeholders, including as a result of changing regulations in their jurisdictions; and the actions of competitors and competitive pressures. As a result, there is no assurance that we will be able to adequately meet stakeholder expectations, successfully execute our strategies or achieve our corporate responsibility and sustainability-related goals, which could damage our reputation and customer and other stakeholder relationships and have an adverse effect on our business, results of operations and financial condition.

Our financial condition and results of operations have been, and could in the future be, adversely affected by a pandemic, epidemic or other public health emergency.

Pandemics and other public health emergencies, and preventative measures taken to contain or mitigate such crises have caused, and may in the future cause, business slowdown or shutdown in affected areas and significant disruption in the financial markets, both globally and in the United States. These events have led to and could again lead to adverse impacts to our global supply chain, factory cancellation costs, store closures, and a decline in retail traffic and discretionary spending by consumers and, in turn, materially impact our business, sales, financial condition and results of operations as well as cause a volatile effective tax rate driven by changes in the mix of earnings across our jurisdictions. We cannot predict whether, and to what degree, our sales, operations and financial results could in the future be affected by a pandemic and preventative measures. Risks presented by pandemics and other public health emergencies include, but are not limited to:

- Deterioration in economic conditions in the United States and globally;
- Disruptions to our distribution centers, contract manufacturers, finished goods factories and other vendors impacting our planned inventory production and distribution, including higher inventory levels or inventory shortages in various markets;
- Supply chain impacts;
- Decreased retail traffic;
- Reduced consumer demand for, or spend on, our products;
- Cancellation or postponement of sports seasons and sporting events;
- Bankruptcies or other financial difficulties facing our wholesale customers; and
- Significant disruption of and volatility in global financial markets.

We cannot reasonably predict the ultimate impact of any pandemic or public health emergency, including the extent of any adverse impact on our business, results of operations and financial condition, which will depend on, among other things, the duration and spread of the pandemic or public health emergency, the impact of governmental regulations that have been, and may continue to be, imposed in response, the effectiveness of actions taken to contain or mitigate the outbreak, the availability, safety and efficacy of vaccines, including against emerging variants of the infectious disease, and global economic conditions. Any pandemic or public health emergency may also affect our business, results of operations or financial condition in a manner that is not presently known to us or that we currently do not consider to present significant risks and may also exacerbate, or occur concurrently with, other risks discussed in this Item 1A. Risk Factors, any of which could have a material effect on us.

Business and Operational Risks

Failure to maintain our reputation, brand image and culture could negatively impact our business.

Our iconic brands have worldwide recognition, and our success depends on our ability to maintain and enhance our brand image and reputation. Maintaining, promoting and growing our brands will depend on our design and marketing efforts, including product innovation, product quality and advertising and consumer campaigns. Our commitment to product innovation, quality and sustainability, and our continuing investment in design (including materials), marketing and sustainability measures may not have the desired impact on our brand image and reputation. In addition, our success in maintaining, extending and expanding our brand image depends on our ability to adapt to a rapidly changing media and digital environment, including our reliance on social media, digital advertising networks, digital and advertising technology, and digital dissemination of advertising campaigns on our digital platforms and through our digital experiences and products. We could be adversely impacted if we fail to achieve any of these objectives.

Our brand value also depends on our ability to maintain a positive consumer perception of our corporate integrity, purpose and brand culture. Negative claims or publicity involving us, our culture and values, our products, services and experiences, consumer data, or any of our key employees, endorsers, sponsors, suppliers or partners could seriously damage our reputation and brand image, regardless of whether such claims are accurate. For example, while we require our suppliers of our products to operate their business in compliance with applicable laws and regulations, we do not control their practices. Negative publicity relating to a violation or an alleged violation of policies or laws by such suppliers could damage our brand image and diminish consumer trust in our brand. Further, our reputation and brand image could be damaged as a result of our support of, association with or lack of support or disapproval of certain social causes and public personalities, including those related to political and social issues, catastrophic events, human capital practices, climate change and sustainability-related matters, as well as any decisions we make to continue to conduct, or change, certain of our activities in response to such considerations. Social media, which accelerates and potentially amplifies the scope of negative publicity or fictitious information, can increase the challenges of responding to negative claims. Adverse publicity about regulatory or legal action against us, or by us, could also damage our reputation and brand image, undermine consumer confidence in us and reduce long-term demand for our products, even if the regulatory or legal action is unfounded or not material to our operations. If the reputation, culture or image of any of our brands is tarnished or if we receive negative publicity, then our sales, financial condition and results of operations could be materially and adversely affected.

If we are unable to anticipate consumer preferences and develop new products, we may not be able to maintain or increase our revenues and profits.

Our success depends on our ability to identify, originate and define product trends as well as to anticipate, gauge and react to changing consumer demands in a timely manner so that our product offerings evolve and are responsive to consumer demands. However, lead times for many of our products make it more difficult for us to respond rapidly to new or changing product trends or consumer preferences. All of our products are subject to changing consumer preferences that cannot be predicted with certainty. Our new products may not receive consumer acceptance as consumer preferences could shift rapidly to different types of products or away from these types of products altogether, and our future success depends in part on our ability to anticipate and respond to these changes. If we fail to anticipate accurately and respond to trends and shifts in consumer preferences by adjusting the mix of existing product offerings, developing new products, designs, styles and categories, and influencing sports and fitness preferences through extensive marketing, we could experience lower sales, excess inventories or lower profit margins, any of which could have an adverse effect on our results of operations and financial condition. In addition, we market our products globally through a diverse spectrum of advertising and promotional programs and campaigns, including social media and other digital advertising networks. If we do not successfully market our products, if advertising and promotional costs increase or if certain advertising networks are no longer available, these factors could have an adverse effect on our business, financial condition and results of operations.

We rely on technical innovation and high-quality products to compete.

Technical innovation and quality control in the design and manufacturing processes of footwear, apparel, equipment and other products and services are essential to the commercial success of our products and development of new products. Research and development play a key role in technical innovation. We rely upon specialists in the fields of biomechanics, chemistry, exercise physiology, engineering, digital technologies, industrial design, sustainability and related fields, as well as research committees and advisory boards made up of athletes, coaches, trainers, equipment managers, orthopedists, podiatrists and other experts to develop and test cutting-edge performance products. While we strive to produce products that help to enhance athletic performance and reduce injury and maximize comfort, if we fail to introduce technical innovation in our products, consumer demand for our products could decline, and if we experience problems with the quality of our products (including the introduction of bias or inaccuracies in our products), we may incur substantial expense to remedy the problems and loss of consumer confidence.

Our business is affected by seasonality, which could result in fluctuations in our operating results.

We experience moderate fluctuations in aggregate sales volume during the year. Historically, revenues in the first and fourth fiscal quarters have slightly exceeded those in the second and third fiscal quarters. However, the mix of product sales may vary considerably from time to time or in the future as a result of strategic shifts in our business and seasonal or geographic demand for particular types of footwear, apparel and equipment and in connection with the timing of significant sporting events, such as the NBA Finals, Olympics or the World Cup, among others. In addition, our customers may, and from time to time do, cancel orders, change delivery schedules or change the mix of products ordered with minimal notice. As a result, we may not be able to accurately predict our quarterly sales. Accordingly, our results of operations are likely to fluctuate significantly from period to period. This seasonality, along with other factors that are beyond our control, including economic conditions, changes in consumer preferences, weather conditions, outbreaks of disease, social or political unrest, availability of import quotas, transportation disruptions and currency exchange rate fluctuations, has in the past adversely affected and could in the future adversely affect our business and cause our results of operations to fluctuate. Our operating margins are also sensitive to a number of additional factors that are beyond our control, including manufacturing and transportation costs, shifts in product sales mix and geographic sales trends, all of which we expect to continue. Results of operations in any period should not be considered indicative of the results to be expected for any future period.

Failure to continue to obtain or maintain high-quality endorsers of our products could harm our business.

We establish relationships with professional athletes, sports teams and leagues, as well as other public figures, including artists, designers and influencers, to develop, evaluate and promote our products, as well as establish product authenticity with consumers. However, as competition in our industry has increased, the costs associated with establishing and retaining such sponsorships and other relationships have increased, and competition to attract and retain high-quality endorsers has increased. If we are unable to negotiate new, or maintain our current, associations with professional athletes, sports teams and leagues, or other public figures, or to do so at a reasonable cost, we could lose the high visibility or on-field authenticity associated with our products, and we may be required to modify and substantially increase our marketing investments. As a result, our brands, net revenues, expenses and profitability could be harmed.

Furthermore, if certain endorsers were to stop using our products contrary to their endorsement agreements, our business could be adversely affected. Poor or non-performance by our endorsers, a failure to continue to correctly identify promising athletes, public figures or sports organizations, to use and endorse our products and brand or a failure to enter into cost-effective endorsement arrangements with prominent athletes, public figures and sports organizations could adversely affect our brand, sales and profitability. In addition, actions taken or statements made by athletes, teams or leagues, or other endorsers, associated with our products or brand that harm their reputations, or our decisions to cease collaborating with certain endorsers in light of actions taken or statements made by them, have in the past harmed and could in the future seriously harm our brand image with consumers and, as a result, could have an adverse effect on our sales and financial condition.

Failure to accurately forecast consumer demand has in the past led and could in the future lead to excess inventories or inventory shortages, which has in the past resulted and could in the future result in decreased operating margins, reduced cash flows and harm to our business.

To meet anticipated demand for our products, we purchase products from manufacturers outside of our futures ordering program and in advance of customer orders, which we hold in inventory and resell to customers. There is a risk we may be unable to sell excess products ordered from manufacturers. Inventory levels in excess of customer demand have in the past resulted and may in the future result in inventory write-downs, and the sale of excess inventory at discounted prices could significantly impair our brand image and have an adverse effect on our operating results, financial condition and cash flows. Conversely, if we underestimate consumer demand for our products or if our manufacturers fail to supply products we require at the time we need them, we may experience inventory shortages. Inventory shortages could delay shipments to customers, negatively impact retailer, distributor and consumer relationships and diminish brand loyalty. The difficulty in forecasting demand also makes it difficult to estimate our future results of operations, financial condition and cash flows from period to period. A failure to accurately predict the level of demand for our products could adversely affect our net revenues and net income, and we are unlikely to forecast such effects with any certainty in advance.

Our NIKE Direct operations have required and will continue to require a substantial investment and commitment of resources and are subject to numerous risks and uncertainties.

Our NIKE Direct operations, including our retail stores and digital platforms, have required and will continue to require significant investment. Our NIKE Direct stores have required and will continue to require substantial fixed investment in equipment and leasehold improvements and personnel. We have entered into substantial operating lease commitments for retail space. Certain stores have been designed and built to serve as high-profile venues to promote brand awareness and marketing activities and to integrate with our digital platforms. Because of their unique design and technological elements, locations and size, these stores require substantially more investment than other stores. Due to the high fixed-cost structure associated with our NIKE Direct retail stores, a decline in sales, a shift in consumer behavior away from brick-and-mortar retail, or the closure, temporary or otherwise, or poor performance of individual or multiple stores could result in significant lease termination costs, write-offs of equipment and leasehold improvements and employee-related costs.

Many factors unique to retail operations, some of which are beyond our control, pose risks and uncertainties. Risks include, but are not limited to: credit card fraud and theft in both our retail stores and on digital platforms; mismanagement of existing retail channel partners; inability to manage costs associated with store construction and operation; and supply chain and inventory management, including difficulty in forecasting consumer demand.

In addition, we have made significant investments in digital technologies and information systems for the digital aspect of our NIKE Direct operations, and our digital offerings will require continued investment in the development and upgrading of our technology platforms. In order to deliver high-quality digital experiences, our digital platforms must be designed effectively and work well with a range of other technologies, systems, networks, and standards that we do not control. We may not be successful in developing platforms that operate effectively with these technologies, systems, networks or standards. A growing portion of consumers access our NIKE Direct digital platforms, but in the event that it is more difficult for consumers to access and use our digital platforms, consumers find that our digital platforms do not effectively meet their needs or expectations or consumers choose not to access or use our digital platforms or use devices that do not offer access to our platforms, the success of our NIKE Direct operations could be adversely impacted. Our competitors may develop, or have already developed, digital experiences, features, content, services or technologies that are similar to ours or that achieve greater acceptance.

We may not realize a satisfactory return on our investment in our NIKE Direct operations and management's attention from our other business opportunities could be diverted, which could have an adverse effect on our business, financial condition or results of operations.

If the technology-based systems, applications and platforms that give our consumers the ability to shop or interact with us online do not function effectively, our operating results, as well as our ability to grow our digital commerce business globally or to retain our customer base, could be materially adversely affected.

Many of our consumers shop with us through our digital platforms. Consumers frequently use mobile-based devices and applications to shop online with us and with our competitors, and to do comparison shopping, as well as to engage with us and our competitors through digital services and experiences that are offered on mobile platforms. We use social media and proprietary mobile applications to interact with our consumers and as a means to enhance their shopping experience. Any failure on our part to provide attractive, effective, reliable, secure and user-friendly digital commerce platforms that offer a wide assortment of merchandise with rapid delivery options and that continually meet the changing expectations of online shoppers or any failure to provide attractive digital experiences to our customers could place us at a competitive disadvantage, result in the loss of digital commerce and other sales, harm our reputation with consumers, have a material adverse impact on the growth of our digital commerce business globally and have a material adverse impact on our business and results of operations. In addition, if use of our digital platforms continues to grow, we will need an increasing amount of technical infrastructure to continue to satisfy our consumers' needs. If we fail to continue to effectively scale and adapt our digital platforms to accommodate increased consumer demand, our business may be subject to interruptions, delays or failures and consumer demand for our products and digital experiences could decline.

Risks specific to our digital commerce business also include diversion of sales from our and our retailers' brick and mortar stores, pricing pressure on our products, difficulty in recreating the in-store experience through our digital commerce business and liability for online content. Our failure to successfully respond to these risks might adversely affect sales in our digital commerce business, as well as damage our reputation and brands.

We rely significantly on information technology to operate our business, including our supply chain and retail operations, and any failure, inadequacy or interruption of that technology could harm our ability to effectively operate our business.

We are heavily dependent on Information Technology Systems, across our supply chain, including product design, production, forecasting, ordering, manufacturing, transportation, sales and distribution, as well as for processing financial information for external and internal reporting purposes, retail operations and other business activities. Information Technology Systems are critical to many of our operating activities and our business processes and may be negatively impacted by any service interruption or shutdown. For example, our ability to effectively manage and maintain our inventory and to ship products to customers on a timely basis depends significantly on the reliability of these Information Technology Systems. Over a number of years, we have implemented Information Technology Systems in all of the geographical regions in which we operate. Our work to integrate, secure and enhance these systems and related processes in our global operations is ongoing and NIKE will continue to invest in these efforts. We cannot provide assurance, however, that the measures we take to secure and enhance these systems will be sufficient to protect our Information Technology Systems and prevent cyberattacks, system failures or data or information loss. The failure of these systems to operate effectively, including as a result of security breaches, viruses, hackers, malware, ransomware, denial of service attacks, natural disasters, vendor business interruptions or other causes, failure to properly maintain, protect, repair or upgrade systems, or problems with transitioning to upgraded or replacement systems could cause delays in product fulfillment and reduced efficiency of our operations, could require significant time and capital investments to remediate the problem which may not be sufficient to cover all eventualities, and may have an adverse effect on our reputation, results of operations and financial condition. In addition, the use of employee-owned devices for communications as well as hybrid work arrangements, present additional operational risks to our Information Technology Systems, including, but not limited to, increased risks of cyberattacks. Further, like other companies in the retail industry, we have in the past experienced, and we expect to continue to experience, cyberattacks, including phishing, and other attempts to breach, or gain unauthorized access to, our systems. To date, these attacks have not had a material impact on our operations, but we cannot provide assurance that they will not have an impact in the future.

We also use Information Technology Systems to process financial information and results of operations for internal reporting purposes and to comply with regulatory financial reporting, legal and tax requirements. From time to time, we have expended, and expect to continue to expend, significant resources to modify, update and enhance our Information Technology Systems and to investigate and remediate vulnerabilities or other exposures. These modifications, updates and enhancements may cost more than initially expected and may not be effective in preventing issues and disruptions. Moreover, due to the complexity of our Information Technology Systems, the process of implementing modifications or enhancements can itself create a risk of systems disruptions and security issues. If Information Technology Systems suffer severe damage, disruption or shutdown and our business continuity plans, or those of our vendors, do not effectively resolve the issues in a timely manner, we could experience delays in reporting our financial results, which could result in lost revenues and profits, as well as reputational damage.

Furthermore, we depend on Information Technology Systems and personal data collection for digital marketing, digital commerce, consumer engagement and the marketing and use of our digital products and services. We also rely on our ability to engage in electronic communications throughout the world between and among our employees as well as with other third parties, including customers, suppliers, vendors and consumers. Any interruption in Information Technology Systems may impede our ability to engage in the digital space and result in lost revenues, damage to our reputation, and loss of users.

Given the increasing complexity and sophistication of techniques used by bad actors to obtain unauthorized access to or disable information technology systems, and the fact that cyberattacks are being made by groups and individuals with a wide range of expertise and motives, it is increasingly difficult to anticipate and defend against cyberattacks, and a cyberattack could occur and persist for an extended period of time before being detected. Moreover, the extent of a particular cyber incident and the steps that we may need to take to investigate the incident may not be immediately clear, and it may take a significant amount of time before such investigation can be finalized and completed and reliable information about the incident is known. During the pendency of any such investigation, we may not necessarily know the extent of the harm or how best to remediate it and we may be required to disclose incidents before their full extent is known.

Moreover, as we integrate AI into our operations, there may be increased cybersecurity and privacy risks, including the risk of unauthorized or misuse of AI tools, and threat actors may leverage AI to engage in automated, targeted and coordinated attacks against our systems.

We are subject to the risk our licensees may not generate expected sales or maintain the value of our brands.

We currently license, and expect to continue licensing, certain of our proprietary rights, such as trademarks or copyrighted material, to third parties. If our licensees fail to successfully market and sell licensed products, or fail to obtain sufficient capital or effectively manage their business operations, customer relationships, labor relationships, supplier relationships or credit risks, it could adversely affect our revenues, both directly from reduced royalties received and indirectly from reduced sales of our other products.

We also rely on our licensees to help preserve the value of our brands. Although we attempt to protect our brands through approval rights over the design, production processes, quality, packaging, merchandising, distribution, advertising and promotion of our licensed products, we cannot completely control the use of our licensed brands by our licensees. The misuse of a brand by or negative publicity involving a licensee could have a material adverse effect on that brand and on us.

Consolidation of retailers or concentration of retail market share among a few retailers may increase and concentrate our credit risk and impair our ability to sell products.

The athletic footwear, apparel and equipment retail markets in some countries are dominated by a few large athletic footwear, apparel and equipment retailers with many stores and accelerating digital commerce capabilities. The market shares of these retailers may increase through acquisitions and construction of additional stores and investments in digital capacity, and as a result of attrition as struggling retailers exit the market. Consolidation of our retailers will concentrate our credit risk with a smaller set of retailers, any of whom may experience declining sales or a shortage of liquidity. In addition, increasing market share concentration among a few retailers in a particular country or region increases the risk that if any one of them substantially reduces their purchases of our products, we may be unable to find sufficient retail outlets for our products to sustain the same level of sales and revenues.

If one or more of our counterparty financial institutions default on their obligations to us or fail, we may incur significant losses.

As part of our hedging activities, we enter into transactions involving derivative financial instruments, which may include forward contracts, commodity futures contracts, option contracts, collars and swaps with various financial institutions. In addition, we have significant amounts of cash, cash equivalents and other investments on deposit or in accounts with banks or other financial institutions in the United States and abroad. As a result, we are exposed to the risk of default by or failure of counterparty financial institutions. The risk of counterparty default or failure may be heightened during periods of sustained high interest rates and uncertainty in the financial markets as well as economic downturns. If one of our counterparties were to become insolvent or file for bankruptcy, our ability to recover losses incurred as a result of default, or our assets deposited or held in accounts with such counterparty, may be limited by the counterparty's liquidity or the applicable laws governing the insolvency or bankruptcy proceedings. In the event of default or failure of one or more of our counterparties, we could incur significant losses, which could negatively impact our results of operations and financial condition.

We rely on a concentrated source base of contract manufacturers to supply a significant portion of our footwear products.

We rely upon a concentrated amount of contract manufacturers, which we do not own or operate, to manufacture all of the footwear products we sell, see "Manufacturing" for additional information. Our ability to meet our customers' needs depends on our ability to maintain a steady supply of products from our contract manufacturers. If one or more of our significant suppliers were to sever their relationship with us or significantly alter the terms of our relationship, including due to changes in applicable trade policies, or be unable to perform, we may not be able to obtain replacement products in a timely manner, which could have a material adverse effect on our business operations, sales, financial condition or results of operations. Additionally, if any of our primary footwear contract manufacturers fail to make timely shipments, do not meet our quality standards or otherwise fail to deliver us product in accordance with our plans, there could be a material adverse effect on our results of operations.

Certain of our contract manufacturers are highly specialized and only produce a specific type of product. Such contract manufacturers may go out of business if consumer preferences or market conditions change such that there is no longer sufficient demand for the types of products they produce. If, in the future, the relevant products are again in demand and the specialized contract manufacturers no longer exist, we may not be able to locate replacement facilities to manufacture certain footwear products in a timely manner or at all, which could have a material adverse effect on our sales, financial condition or results of operations.

The success of our business depends, in part, on high-quality employees, including key personnel as well as our ability to maintain our workplace culture and values.

Our success depends in part on the continued service of high-quality employees, including key executive officers and personnel. The loss of the services of key individuals, or any negative perception with respect to these individuals, or our workplace culture or values, could harm our business. Our success also depends on our ability to recruit, retain and engage our personnel sufficiently, both to maintain our current business and to execute our strategic initiatives. Competition for employees in our industry is intense and we may not be successful in attracting and retaining such personnel. Changes to our current and future work models may not meet the needs or expectations of our employees or may not be perceived as favorable compared to other companies' policies, which could negatively impact our ability to attract, hire and retain our employees. In addition, shifts in U.S. immigration and work permit policies or other changes in the legal and regulatory environment could negatively impact our ability to attract, hire and retain highly skilled employees who are from outside the United States. Our policies and practices have been, and may further be, affected by legal and regulatory scrutiny of, as well as changes in regulations (or changes in the interpretation of existing regulations) relating to, policies related to inclusion and belonging, employee engagement and climate change, which may further impact our ability to attract, hire and retain employees. We also believe that our corporate culture has been a key driver of our success, and we have invested substantial time and resources in building, maintaining and evolving our culture. Any failure to preserve and evolve our culture could negatively affect our future success, including our ability to retain and recruit employees.

The market for prime real estate is competitive.

Our ability to effectively obtain real estate to open new retail stores and otherwise conduct our operations, both domestically and internationally, depends on the availability of real estate that meets our criteria for traffic, square footage, co-tenancies, lease economics, demographics and other factors. We also must be able to effectively renew our existing real estate leases. In addition, from time to time, we seek to downsize, consolidate, reposition or close some of our real estate locations, which may require modification of an existing lease. Failure to secure adequate new locations or successfully modify leases for existing locations, or failure to effectively manage the profitability of our existing fleet of retail stores, could have an adverse effect on our operating results and financial condition.

Additionally, the economic environment may make it difficult to determine the fair market rent of real estate properties domestically and internationally. This could impact the quality of our decisions to exercise lease options at previously negotiated rents and to renew expiring leases at negotiated rents. Any adverse effect on the quality of these decisions could impact our ability to retain real estate locations adequate to meet our targets or efficiently manage the profitability of our existing fleet of stores, which could have an adverse effect on our operating results and financial condition.

Our business operations and financial performance could be adversely affected by changes in our relationship with our workforce or changes to United States or foreign employment regulations.

We have significant exposure to changes in domestic and foreign laws governing our relationships with our workforce, including wage and hour laws and regulations, fair labor standards, minimum wage requirements, overtime pay, unemployment tax rates, workers' compensation rates, citizenship requirements and payroll taxes, which could have a direct impact on our operating costs. A significant increase in minimum wage or overtime rates in countries where we have workforce could have a significant impact on our operating costs and may require that we relocate those operations or take other steps to mitigate such increases, all of which may cause us to incur additional costs. There is also a risk of potential claims that we have violated laws related to discrimination and harassment, health and safety, wage and hour laws, criminal activity, personal injury and other claims. In addition, if there were a significant increase in the number of members of our workforce who are members of labor organizations or become parties to collective bargaining agreements, we could be vulnerable to a strike, work stoppage or other labor action, as well as additional expenses, expectations or requirements, which could have an adverse effect on our business.

Risks Related to Operating a Global Business

Our international operations involve inherent risks which could result in harm to our business.

Nearly all of our athletic footwear and apparel is manufactured outside of the United States, and the majority of our products are sold outside of the United States. Accordingly, we are subject to the risks generally associated with global trade and doing business abroad, which include foreign laws and regulations, varying consumer preferences across geographic regions, political tensions, unrest, disruptions or delays in cross-border shipments and changes in economic conditions in countries in which our products are manufactured or where we sell products. Changes in U.S. or international social, political, regulatory and economic conditions could impact our business, reputation, financial condition and results of operations. In particular, political and economic instability, geopolitical conflicts, political unrest, civil strife, terrorist activity, acts of war, public corruption, expropriation, nationalism and other economic or political uncertainties in the United States or internationally could interrupt and negatively affect the sale of our products or other business operations. Any negative sentiment toward the United States as a result of any such changes could also adversely affect our business.

In addition, terrorist acts, military conflict and disease outbreaks have increased the risks of doing business abroad. These factors, among others, could affect our ability to manufacture products or procure materials, or our costs for manufacturing and procuring materials, our ability to import products, our ability to sell products in international markets and our cost of doing business. If any of these or other factors make the conduct of business in a particular country undesirable or impractical, our business could be adversely affected.

Our products are subject to risks associated with overseas sourcing, manufacturing and financing.

The principal materials used in our footwear products — natural and synthetic rubber, plastic compounds, foam cushioning materials, natural and synthetic leather, nylon, polyester and natural fiber textiles and polyurethane films — are locally available to manufacturers. The principal materials used in our apparel products — natural and synthetic fabrics, yarns and threads (both virgin and recycled), specialized performance fabrics designed to efficiently wick moisture away from the body, retain heat and repel rain and/or snow as well as plastic and metal hardware — are also available in countries where our manufacturing takes place. Both our apparel and footwear products are dependent upon the ability of our contract manufacturers to locate, train, employ and retain adequate personnel. NIKE contract manufacturers and materials suppliers buy raw materials and are subject to wage rates and other labor standards that are oftentimes regulated by the governments of the countries in which our products are manufactured.

There could be a significant disruption in the supply of fabrics or raw materials from current sources or, in the event of a disruption or heightened competition for such materials, our contract manufacturers might not be able to locate alternative suppliers of materials of comparable quality at an acceptable price or at all. Further, our contract manufacturers have experienced and may continue to experience in the future, unexpected closures, unexpected increases in work wages or other changes in labor standards, whether government mandated or otherwise, and increases in compliance costs due to governmental regulation concerning certain metals, fabrics or raw materials used in the manufacturing of our products. In addition, we cannot be certain that manufacturers that we do not contract and that we refer to as "unaffiliated manufacturers" will be able to fill our orders in a timely manner. If we experience significant increases in demand, or reductions in the availability of materials, or need to replace an existing contract manufacturer or materials supplier, there can be no assurance additional supplies of fabrics or raw materials or additional manufacturing capacity will be available when required on terms acceptable to us, or at all, or that any contract manufacturer, unaffiliated manufacturer, or any materials supplier would allocate sufficient capacity to us in order to meet our requirements. Even if we are able to expand existing or find new manufacturing capacity or sources of materials, we may encounter delays in production and added costs as a result of the time it takes to train suppliers and manufacturers in our methods, products, quality control standards and labor, health and safety standards. In addition, changes we make in managing the supply of our products, such as changes to decrease the supply of certain products, pose the risk that we may not be able to meet demand for, or ramp up production of, certain products timely or without additional cost. Any delays, interruption or increased costs in labor or wages, in the supply of materials or in the manufacturing of our products could have an adverse effect on our ability to meet retail customer and consumer demand for our products and result in lower revenues and net income both in the short- and long-term.

Because contract manufacturers make a majority of our products outside of our principal sales markets, our products must be transported by third parties over large geographic distances. Delays in the shipment or delivery of our products due to the availability of transportation, container shortages, labor shortages, including work stoppages or port strikes, infrastructure and port congestion or other factors, and costs and delays associated with consolidating or transitioning between manufacturers, have adversely impacted, and could in the future adversely impact the availability of our products and, in turn, our financial performance. In addition, delays in the shipment or delivery of our products, manufacturing delays or unexpected demand for our products have required us, and may in the future require us to use faster, but more expensive, transportation methods such as air freight, which could adversely affect our profit margins. The cost of oil is a significant component in manufacturing and transportation costs, so increases in the price of petroleum products can adversely affect our profit margins. Changes in U.S. trade policies, including modifications to import tariffs and existing trade policies and agreements, have also had, and could continue to have a significant impact on our activities in domestic and foreign jurisdictions, and could adversely affect our reputation or results of operations.

In addition, we have become, and expect to continue to be, subject to a number of regulations that require us to develop new policies and procedures for, strive to mitigate, and report, certain supply chain risks related to sourcing internationally. These regulations have resulted and may continue to result in increased operating costs and affect how and where we source materials for our products.

Changes to U.S. or other countries' trade policies and tariff and import/export regulations or our failure to comply with such regulations may have a material adverse effect on our reputation, business, financial condition and results of operations.

Changes in the import and export policies of the U.S. government or other countries, including trade restrictions, sanctions and countersanctions, increased tariffs or quotas, trade agreement enforcement practices, embargoes or safeguards, could require us to change the way we conduct business and adversely affect our results of operations.

In addition, changes in (or announcements regarding proposed changes in) laws and policies governing foreign trade, manufacturing, development and investment in the territories or countries where we currently sell our products or conduct our business could adversely affect our business, including increased cost of sales. U.S. presidential administrations have instituted or proposed changes in trade policies that include the negotiation of new trade agreements, negotiation or termination of existing trade agreements, the imposition of higher tariffs on imports into the U.S., economic sanctions on individuals, corporations or countries, and other government regulations affecting trade between the U.S. and other countries where we conduct our business. It may be time-consuming and expensive for us to alter our business operations in order to adapt to or comply with any such changes.

Changes or proposed changes in U.S. or other countries' trade policies have resulted and may further result in restrictions and economic disincentives on international trade. Tariffs and other changes in U.S. trade policy have in the past and could in the future trigger retaliatory actions by affected countries, and certain foreign governments have instituted or are considering imposing retaliatory measures on certain U.S. goods. Further, protectionist or nationalist trends in the United States or in other countries affect the trade environment. The Company, similar to many other multinational corporations, does a significant amount of business that is impacted by changes to the trade policies of the United States and foreign countries (including governmental action related to tariffs, international trade agreements, or economic sanctions). Such changes have adversely impacted, and may continue to adversely impact, the U.S. economy or certain sectors thereof or the economy of another country in which we conduct operations, our industry and the global demand for our products, and as a result, could have a material adverse effect on our business, financial condition and results of operations.

In addition, many of our imported products are subject to duties, tariffs or quotas that affect the cost and quantity of various types of goods imported into the United States and other countries. Any country in which our products are produced or sold may eliminate, adjust or impose new quotas, duties, tariffs, safeguard measures, anti-dumping duties, cargo restrictions to prevent terrorism, restrictions on the transfer of currency, climate change legislation, product safety regulations or other charges or restrictions, any of which could have an adverse effect on our results of operations and financial condition.

Furthermore, we are subject to the FCPA as well as the anti-corruption laws of other countries in which we operate. Although we implement policies and procedures designed to promote compliance with these laws, our employees, independent contractors, contract manufacturers, suppliers and agents, as well as those companies to which we outsource certain of our business operations, may take actions in violation of our policies. Any such violation could result in sanctions or other penalties and have an adverse effect on our business, reputation and operating results.

Our success depends on our global distribution facilities.

We distribute our products to customers directly from the factory and through distribution centers located throughout the world. Our ability to meet customer expectations, manage inventory, complete sales and achieve objectives for operating efficiencies and growth, particularly in emerging markets, depends on the proper operation of our distribution facilities, the development or expansion of additional distribution capabilities and the timely performance of services by third parties (including those involved in shipping product to and from our distribution facilities). Our distribution facilities have in the past and could in the future be interrupted by information technology problems, disasters such as earthquakes or fires or outbreaks of disease or government actions taken to mitigate their spread. Any significant failure in our distribution facilities could result in an adverse effect on our business. We maintain business interruption insurance, but it may not adequately protect us from adverse effects caused by significant disruptions in our distribution facilities.

Legal, Regulatory, and Compliance Risks

We are subject to a complex array of laws and regulations and litigation and other legal and regulatory proceedings, which could have an adverse effect on our business, financial condition and results of operations.

As a multinational corporation with operations and distribution channels throughout the world, we are subject to and must comply with extensive laws and regulations in the United States and other jurisdictions in which we have operations and distribution channels. If we or our employees, agents, suppliers, and other partners fail to comply with any of these laws or regulations, such failure could subject us to fines, sanctions or other penalties that could negatively affect our reputation, business, financial condition and results of operations. Furthermore, laws, regulations and policies, as well as the evolving interpretation of such, can conflict among jurisdictions and compliance in one jurisdiction may result in legal or reputational risks in another jurisdiction. We are involved in various types of claims, lawsuits, regulatory proceedings and government investigations relating to our business, our products and the actions of our employees and representatives, including contractual and employment relationships, product liability, antitrust, trademark rights and a variety of other matters. It is not possible to predict with certainty the outcome of any such legal or regulatory proceedings or investigations, and we could in the future incur judgments, fines or penalties, or enter into settlements of lawsuits and claims that could have a material adverse effect on our business, financial condition and results of operations and negatively impact our reputation. The global nature of our business means legal and compliance risks, such as anti-bribery, anti-corruption, fraud, trade, environmental, competition, privacy and other regulatory matters, will continue to exist or might increase and additional legal proceedings and other contingencies have and will continue to arise from time to time, which could adversely affect us. In addition, the adoption of new laws or regulations, or changes in the interpretation of existing laws or regulations, may result in significant unanticipated legal and reputational risks. Moreover, the regulation of certain transactions we engage in, including those involving virtual goods and cryptocurrencies, remains in an early stage and subject to significant uncertainty. As a result, we are required to exercise our judgment as to whether or how certain laws or regulations apply, or may in the future apply, and it is possible that legislators, regulators and courts may disagree with our conclusions. Any current or future legal or regulatory proceedings could divert management's attention from our operations and result in substantial legal fees.

Failure to adequately protect or enforce our intellectual property rights could adversely affect our business.

We periodically discover counterfeit reproductions of our products or products that otherwise infringe our intellectual property rights. If we are unsuccessful in enforcing our intellectual property rights, continued sales of these products could adversely affect our sales and our brand and could result in a shift of consumer preference away from our products.

The actions we take to establish and protect our intellectual property rights may not be adequate to prevent imitation of our products by others. We also may be unable to prevent others from seeking to block sales of our products as violations of proprietary rights.

We may be subject to liability if third parties successfully claim we infringe their intellectual property rights. Defending infringement claims could be expensive and time-consuming and might result in our entering into costly license agreements. We also may be subject to significant damages or injunctions against development, manufacturing, use, importation and/or sale of certain products.

We take various actions to prevent the unauthorized use and/or disclosure of our confidential information and intellectual property rights. These actions include contractual measures such as entering into non-disclosure and non-compete agreements and agreements relating to our collaborations with third parties and providing confidential information awareness training. Our controls and efforts to prevent unauthorized use and/or disclosure of confidential information and intellectual property rights might not always be effective. For example, confidential information related to business strategy, innovations, new technologies, mergers and acquisitions, unpublished financial results or personal data could be prematurely, inadvertently, or improperly used and/or disclosed, resulting in a loss of reputation, loss of intellectual property rights, a decline in our stock price and/or a negative impact on our market position, and could lead to damages, fines, penalties or injunctions. In addition, new products we offer, such as virtual goods, may raise various novel intellectual property law considerations, including adequacy and scope of assignment, licensing, transfer, copyright and other right-of-use issues.

In addition, the laws of certain countries may not protect or allow enforcement of intellectual property rights to the same extent as the laws of the United States. We may face significant expenses and liability in connection with the protection of our intellectual property rights, including outside the United States, and if we are unable to successfully protect our rights or resolve intellectual property conflicts with others, our business or financial condition may be adversely affected.

Regulations and best practices with respect to new technological developments, including generative AI, are in the process of being developed globally. These developments may affect aspects of our business that leverage these tools, and give rise to risks related to intellectual property infringement claims or harm to our reputation or brand image.

We are subject to data security and privacy risks that could negatively affect our results, operations or reputation.

In addition to our own sensitive and proprietary business information, we handle transactional and personal information about our wholesale customers and consumers and users of our digital experiences, which include online distribution channels and product engagement, adaptive products and personal fitness applications. Hackers and data thieves are increasingly sophisticated and operate social engineering, such as phishing, and large-scale, complex automated attacks that can evade detection for long periods of time. Any breach of our or our service providers' networks, or other vendor systems, may result in the loss of confidential business and financial data, misappropriation of our consumers', users' or employees' personal information or a disruption of our business. Any of these outcomes could have a material adverse effect on our business, including unwanted media attention, impairment of our consumer and customer relationships, damage to our reputation; resulting in lost sales and consumers, fines, lawsuits, or significant legal and remediation expenses. We also may need to expend significant resources to protect against, respond to and/or redress problems caused by any breach.

In addition, we must comply with increasingly complex and rigorous, and sometimes conflicting, regulatory standards enacted to protect business and personal data in the United States, Europe and elsewhere. For example, the European Union adopted the General Data Protection Regulation (the "GDPR"); the United Kingdom enacted the UK General Data Protection Regulation (which implements the GDPR into UK law); several states in the United States have passed data privacy laws; China enacted the Data Security Law and Personal Information Protection Law; and additional jurisdictions have adopted or are considering proposing or adopting similar regulations. These laws impose additional obligations on companies regarding the handling of personal data and provide certain individual privacy rights to persons whose data is stored. Compliance with existing, proposed and recently enacted laws and regulations is costly and time consuming, and any failure to comply with these regulatory standards could subject us to legal, operational and reputational risks. Misuse of or failure to secure personal information could also result in violation of data privacy laws and regulations, proceedings against the Company by governmental entities or others, imposition of fines by governmental authorities and damage to our reputation and credibility and could have a negative impact on revenues and profits.

We could be subject to changes in tax rates, adoption of new tax laws or regulations, or changes in the interpretations thereof, additional tax liabilities or increased volatility in our effective tax rate.

We earn a substantial portion of our income in foreign countries and, as such, we are subject to the tax laws in the United States and numerous foreign jurisdictions. Current economic and political conditions make tax laws and regulations, or their interpretation and application, in any jurisdiction subject to significant change.

Proposals to reform U.S. and foreign tax laws could significantly impact how U.S. multinational corporations are taxed on global earnings and could increase the U.S. corporate tax rate. For example, the Organization for Economic Co-operation and Development (the "OECD") and the G20 Inclusive Framework on Base Erosion and Profit Shifting (the "Inclusive Framework") has put forth two proposals—Pillar One and Pillar Two—that revise the existing profit allocation and nexus rules and ensure a minimal level of taxation, respectively. Several countries in which we operate, including several European Union member states' have adopted domestic legislation to implement the Inclusive Framework's global corporate minimum tax rate of 15% which became effective for the Company beginning fiscal 2025. Other countries are also actively considering changes to their tax laws to adopt certain parts of the Inclusive Framework's proposals. Although we cannot predict whether or in what form these proposals, or any other changes in the U.S. or foreign tax laws or regulations, will be enacted into law, these changes, if enacted into law, could have an adverse impact on our effective tax rate, income tax expense and cash flows.

Portions of our operations are subject to a reduced tax rate or are under a tax holiday. We also utilize tax rulings and other agreements to obtain certainty in treatment of certain tax matters. Tax holidays and rulings can expire from time to time and may be extended when certain conditions are met, or terminated if certain conditions are not met. The impact of any changes in conditions would be the loss of certainty in treatment thus potentially impacting our effective income tax rate. For example, in January 2019, the European Commission opened a formal investigation to examine whether the Netherlands has breached State Aid rules when granting certain tax rulings to the Company. If this matter is adversely resolved, the Netherlands may be required to assess additional amounts with respect to prior periods, and the Company's income taxes related to prior periods in the Netherlands could increase.

We are also subject to the examination of our tax returns by the United States Internal Revenue Service ("IRS") and other tax authorities. We regularly assess the likelihood of an adverse outcome resulting from these examinations to determine the adequacy of our provision for income taxes. Although we believe our tax provisions are adequate, the final determination of tax audits and any related disputes could be materially different from our historical income tax provisions and accruals. The results of audits or related disputes could have an adverse effect on our financial statements for the period or periods for which the applicable final determinations are made. For example, we and our subsidiaries are also engaged in a number of intercompany transactions across multiple tax jurisdictions. Although we believe we have clearly reflected the economics of these transactions and the proper local transfer pricing documentation is in place, tax authorities may propose and sustain adjustments that could result in changes that may impact our mix of earnings in countries with differing statutory tax rates.

Failure of our contractors or our licensees' contractors to comply with our code of conduct, local laws and other standards could harm our business.

We have license agreements that permit independent parties to manufacture or contract for the manufacture of products using our intellectual property. We require the contractors that directly manufacture our products and our licensees that make products using our intellectual property (including, indirectly, their contract manufacturers) to comply with a code of conduct and other environmental, human rights, health and safety standards for the benefit of workers. We also require our contract manufacturers and the contractors of our licensees to comply with applicable standards for product safety. Notwithstanding their contractual obligations, from time to time contractors may not comply with such standards or applicable local law or our licensees may fail to enforce such standards or applicable local law on their contractors. If one or more of our direct or indirect contractors violates or fails to comply with, or is accused of violating or failing to comply with, such standards and laws, this could harm our reputation or result in a product recall and, as a result, could have an adverse effect on our sales and financial condition. Negative publicity regarding production methods, alleged unethical or illegal practices or workplace or related conditions of any of our suppliers, manufacturers or licensees could adversely affect our brand image and sales, force us to locate alternative suppliers, manufacturers or licenses or result in the imposition of additional regulations, including new or additional quotas, tariffs, sanctions, product safety regulations or other regulatory measures, by governmental authorities.

Risks Related to Our Securities, Investments and Liquidity

Our financial results may be adversely affected if substantial investments in businesses and operations fail to produce expected returns.

From time to time, we may invest in product offering and manufacturing innovation and expansion of existing businesses, such as our NIKE Direct operations, technology, business infrastructure, new businesses or capabilities, which require substantial cash investments and management attention. We believe cost-effective investments are essential to business growth and profitability; however, significant investments are subject to typical risks and uncertainties inherent in developing a new business or expanding an existing business. The failure of any significant investment to provide expected returns or profitability could have a material adverse effect on our financial results and divert management attention from more profitable business operations. See also "*Our NIKE Direct operations have required and will continue to require a substantial investment and commitment of resources and are subject to numerous risks and uncertainties*."

The sale of a large number of shares of common stock by our principal shareholder could depress the market price of our common stock.

As of June 30, 2025, Swoosh, LLC beneficially owned approximately 78% of our Class A Common Stock. If, on June 30, 2025, all of these shares were converted into Class B Common Stock, Swoosh, LLC's commensurate ownership percentage of our Class B Common Stock would be approximately 16%. The shares are available for resale, subject to the requirements of the U.S. securities laws and the terms of the limited liability company agreement governing Swoosh, LLC. The sale or prospect of a sale of a substantial number of these shares could have an adverse effect on the market price of our common stock. Swoosh, LLC was formed by Mr. Philip Knight, our Chairman Emeritus, to hold the majority of his shares of Class A Common Stock. Mr. Knight does not have voting rights with respect to Swoosh, LLC, although Travis Knight, his son and a NIKE director, has a significant role in the management of the Class A Common Stock owned by Swoosh, LLC.

Changes in our credit ratings or macroeconomic conditions may affect our liquidity, increasing borrowing costs and limiting our financing options.

Our long-term debt is currently rated Investment Grade by Standard & Poor's and Moody's Investors Service. While we have maintained our Investment Grade rating, in July 2025, our rating was downgraded by Standard & Poor's. Any negative change to our credit rating will increase borrowing costs for our existing facilities and may increase our borrowing costs for future long-term debt or short-term credit facilities. In addition, our financing options, including our access to credit or capital markets, could be adversely affected. We may also be subject to restrictive covenants that would reduce our flexibility to, among other things, incur additional indebtedness, make restricted payments, pledge assets as security, make investments, loans, advances, guarantees and acquisitions, undergo fundamental changes and enter into transactions with affiliates. Failure to comply with such covenants could result in a default, and as a result, the commitments of our lenders under our credit agreements may be terminated and the maturity of amounts owed may be accelerated. In addition, macroeconomic conditions, such as increased volatility or disruption in the credit or capital markets, could adversely affect our ability to refinance existing debt.

If our internal controls are ineffective, our operating results could be adversely affected.

Our internal control over financial reporting may not prevent or detect misstatements because of its inherent limitations, including the possibility of human error, the circumvention or overriding of controls or fraud. Even effective internal controls can provide only reasonable assurance with respect to the preparation and fair presentation of financial statements. If we fail to maintain the adequacy of our internal controls, including any failure to implement required new or improved controls, or if we experience difficulties in their implementation, our business and operating results could be harmed and we could fail to meet our financial reporting obligations.

If our estimates or judgments relating to our critical accounting estimates prove to be incorrect, our operating results could be adversely affected.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. We base our estimates on historical experience and on various other assumptions we believe to be reasonable under the circumstances, as provided in "Management's Discussion and Analysis of Financial Condition and Results of Operations". The results of these estimates form the basis for making judgments about the carrying values of assets, liabilities and equity, and the amount of revenues and expenses that are not readily apparent from other sources. Significant assumptions and estimates used in preparing our consolidated financial statements include those related to sales-related reserves, inventory reserves, hedge accounting for derivatives, income taxes and other contingencies. Our operating results may be adversely affected if our assumptions change or if actual circumstances differ from those in our assumptions, which could cause our operating results to fall below the expectations of securities analysts and investors, resulting in a decline in the price of our Class B Common Stock.

Anti-takeover provisions may impair an acquisition of the Company or reduce the price of our common stock.

There are provisions within our articles of incorporation and Oregon law intended to protect shareholder interests by providing the Board of Directors a means to attempt to deny coercive takeover attempts or to negotiate with a potential acquirer in order to obtain more favorable terms. Such provisions include a control share acquisition statute, a freeze-out statute, two classes of stock that vote separately on certain issues, and the fact that holders of Class A Common Stock elect three-quarters of the Board of Directors rounded down to the next whole number. However, such provisions could discourage, delay or prevent an unsolicited merger, acquisition or other change in control of the Company that some shareholders might believe to be in their best interests or in which shareholders might receive a premium for their common stock over the prevailing market price. These provisions could also discourage proxy contests for control of the Company.

We have in the past failed and may in the future fail to meet market expectations, which has caused and could in the future cause the price of our stock to decline.

Our Class B Common Stock is traded publicly, and at any given time various securities analysts follow our financial results and issue reports on us. These reports include information about our historical financial results as well as analysts' opinions of our future performance, which may, in part, be based upon any guidance we have provided. Analysts' estimates are often different from our estimates or expectations. If our operating results are below the estimates or expectations of public market analysts and investors, our stock price could decline (which has happened in the past and could happen in the future). We are currently subject to multiple securities class action and shareholder derivative lawsuits relating to a drop in our stock price and could become involved in additional litigation of this type in the future if our stock price is volatile for any reason. Any litigation could result in reputational damage, substantial costs and a diversion of management's attention and resources needed to successfully run our business.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 1C. CYBERSECURITY

At NIKE, cybersecurity risk management is an important part of our overall risk management efforts. We have cybersecurity processes, technologies and controls in place to aid in our efforts to assess, identify and manage material risks associated with cybersecurity threats. We assess cybersecurity risk at both the board and management levels.

Management's Role in Managing Risk

At the management level, primary responsibility for assessing and managing material risks from cybersecurity threats rests with our Vice President, Corporate Information Security, Risk & Compliance ("VP, CIS"). Our VP, CIS has over two decades of experience in information technology and cybersecurity. The VP, CIS reports to our Chief Information Officer ("CIO") who has significant experience leading technology teams at large public companies and our CIO reports to our Chief Technology Officer.

Our approach to managing cybersecurity risk is informed by the industry-standard National Institute for Standards and Technology Cybersecurity Framework. The VP, CIS has primary responsibility for implementing and overseeing our enterprise-wide cybersecurity strategy, policy, architecture and processes. We use various tools and methodologies to identify and manage cybersecurity risk, including risk assessments and a vulnerability management program that includes periodic penetration testing. We have a third-party cyber risk management program that conducts assessments on third parties who integrate with our data, network, systems and applications. These tools and methodologies inform our remediation activities, which are tracked and reported to senior management.

In addition, our internal audit function periodically conducts independent testing of the overall operations of our cybersecurity program and supporting control frameworks, and reports the results to the Audit & Finance Committee. We also engage third parties to assess our cybersecurity program maturity and to perform audits of portions of our cybersecurity control environment based on risk or where necessary to ensure regulatory compliance.

Our cybersecurity team meets frequently to monitor the prevention, detection, mitigation and remediation of cybersecurity threats and incidents. In the event of a cybersecurity incident, we have an incident response plan that governs our immediate response including detection, escalation, assessment, management and remediation. As part of incident response, the cybersecurity team will also coordinate with external advisors and other key stakeholders as needed. The cybersecurity team routinely tests this plan across the organization to validate the procedures for appropriately escalating potentially material cybersecurity risks and incidents. Also, we provide an annual, mandatory cybersecurity training program for employees that is intended to help them understand cybersecurity risks and comply with our cybersecurity policies.

Board Oversight

Our Board of Directors has ultimate oversight of cybersecurity risk as part of its risk management oversight responsibilities, including with respect to cybersecurity risk priorities, resource allocation and oversight structures. The Board of Directors receives an update on our cybersecurity program on a quarterly basis, or more frequently as determined to be necessary or advisable. The Board of Directors has delegated risk management oversight responsibility for information security and data protection to the Audit & Finance Committee, which regularly reviews our cybersecurity program and related matters with management and reports to the Board of Directors. Topics discussed at the board level include our approach to cybersecurity risk management, key initiatives, the threat landscape and recent developments and trends. The Board of Directors is aware of the critical nature of managing risks associated with cybersecurity threats and is actively engaged in our cybersecurity risk management strategy.

Risks from Cybersecurity Threats

Even though, to date, cybersecurity risks have not materially affected our business or our results of operations, we face numerous and evolving cybersecurity threats. There can be no assurance that we, or the third parties with which we interact, will not face a cybersecurity incident in the future that will materially affect us. For more information about the cybersecurity risks we face, see the risk factor entitled "We rely significantly on information technology to operate our business, including our supply chain and retail operations, and any failure, inadequacy or interruption of that technology could harm our ability to effectively operate our business" in Item 1A. Risk Factors.

ITEM 2. PROPERTIES

The following is a summary of principal properties owned or leased by NIKE:

The NIKE World Headquarters, owned by NIKE and located near Beaverton, Oregon, USA, is an approximately 400-acre site consisting of over 40 buildings which, together with adjacent leased properties, functions as our global headquarters and is occupied by approximately 10,500 employees engaged in management, research, design, development, marketing, finance and other administrative functions serving nearly all of our segments. We lease a similar, but smaller, administrative facility in Hilversum, the Netherlands, which serves as the headquarters for our Europe, Middle East & Africa geography and management of certain brand functions for our non-U.S. operations. We also lease an office complex in Shanghai, China, our headquarters for our Greater China geography, occupied by employees focused on implementing our wholesale, NIKE Direct and merchandising strategies in the region, among other functions.

In the United States, NIKE has eight significant distribution centers. Five are located in or near Memphis, Tennessee, two of which are owned and three of which are leased. Two other distribution centers, one located near Indianapolis, Indiana and one located in Dayton, Tennessee, are leased and operated by third-party logistics providers. One distribution center for Converse is located in Ontario, California, which is leased. NIKE has a number of distribution facilities outside the United States, some of which are leased and operated by third-party logistics providers. The most significant distribution facilities outside the United States are located in Laakdal, Belgium; Taicang, China; Tomisato, Japan and Icheon, Korea, all of which we own.

Air Manufacturing Innovation manufactures cushioning components used in footwear at NIKE-owned and leased facilities located near Beaverton, Oregon, and in Dong Nai Province, Vietnam, as well as at NIKE-owned facilities in St. Charles, Missouri.

Aside from the principal properties described above, we lease many offices worldwide for sales and administrative purposes. We lease approximately 1,029 retail stores worldwide, which primarily consist of factory stores. See "United States Market" and "International Markets" for additional information regarding our retail stores. Our leases expire at various dates through the fiscal year 2058.

ITEM 3. LEGAL PROCEEDINGS

We do not believe there are any material pending legal proceedings, other than ordinary routine litigation incidental to our business, to which we are a party or of which any of our property is the subject. Refer to Note 16 — Commitments and Contingencies in the accompanying Notes to the Consolidated Financial Statements for additional information.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

NIKE's Class B Common Stock is listed on the New York Stock Exchange and trades under the symbol NKE. At July 9, 2025, there were 20,485 holders of record of NIKE's Class B Common Stock and 16 holders of record of NIKE's Class A Common Stock. These figures do not include beneficial owners who hold shares in nominee name. The Class A Common Stock is not publicly traded, but each share is convertible upon request of the holder into one share of Class B Common Stock. Refer to our Consolidated Statements of Shareholders' Equity for dividends declared on the Class A and Class B Common Stock.

In June 2022, the Board of Directors approved a four-year, $18 billion share repurchase program. As of May 31, 2025, the Company had repurchased 122.6 million shares at an average price of $98.00 per share for a total approximate cost of $12.0 billion under this program.

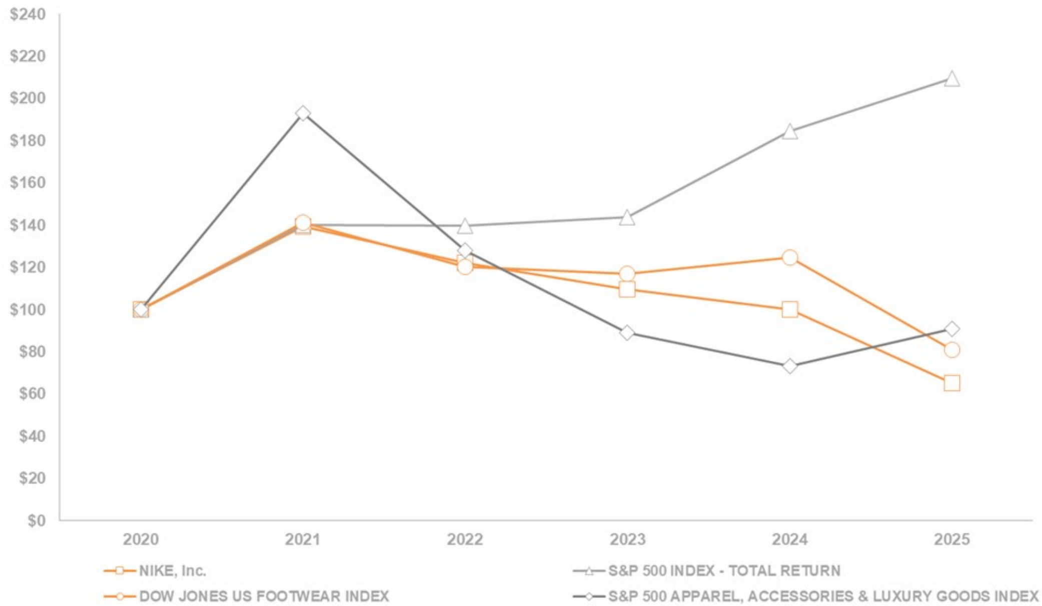
All share repurchases were made under NIKE's publicly announced program, and there are no other programs under which the Company repurchases shares. The following table presents a summary of share repurchases made during the quarter ended May 31, 2025:

PERIOD	TOTAL NUMBER OF SHARES PURCHASED	AVERAGE PRICE PAID PER SHARE	APPROXIMATE DOLLAR VALUE OF SHARES THAT MAY YET BE PURCHASED UNDER THE PLANS OR PROGRAMS (IN MILLIONS)
March 1 — March 31, 2025	936,074	$ 72.39	$ 6,124
April 1 — April 30, 2025	1,189,613	$ 56.01	$ 6,058
May 1 — May 31, 2025	1,116,872	$ 60.77	$ 5,990
	3,242,559	**$ 62.38**	

PERFORMANCE GRAPH

The following graph demonstrates a five-year comparison of cumulative total returns for NIKE's Class B Common Stock; the Standard & Poor's 500 Stock Index; the Dow Jones U.S. Footwear Index; and the Standard & Poor's Apparel, Accessories & Luxury Goods Index. The graph assumes an investment of $100 on May 31, 2020, in each of the indices and our Class B Common Stock. Each of the indices assumes that all dividends were reinvested on the day of issuance.

COMPARISON OF 5-YEAR CUMULATIVE TOTAL RETURN AMONG NIKE, INC.; S&P 500 INDEX; THE DOW JONES U.S. FOOTWEAR INDEX; AND S&P APPAREL, ACCESSORIES & LUXURY GOODS INDEX



The Dow Jones U.S. Footwear Index and the Standard & Poor's Apparel, Accessories & Luxury Goods Index include companies in two major lines of business in which the Company competes. The indices do not encompass all of the Company's competitors, nor all product categories and lines of business in which the Company is engaged. Because NIKE is part of the Dow Jones U.S. Footwear Index, the price and returns of NIKE stock have a substantial effect on this index.

The stock performance shown on the performance graph above is not necessarily indicative of future performance. The Company will not make or endorse any predictions as to future stock performance.

The performance graph above is being furnished solely to accompany this Annual Report pursuant to Item 201(e) of Regulation S-K, is not being filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and is not to be incorporated by reference into any filing of the Company, whether made before or after the date hereof, regardless of any general incorporation language in such filing.

ITEM 6. [RESERVED]

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

OVERVIEW

NIKE designs, develops, markets and sells athletic footwear, apparel, equipment, accessories and services worldwide. We are the largest seller of athletic footwear and apparel in the world. We sell our products through two distribution channels: NIKE Direct operations, which are comprised of both NIKE-owned retail stores and sales through our digital platforms (also referred to as "NIKE Brand Digital"), and to wholesale accounts, which include a mix of independent distributors, licensees and sales representatives in nearly all countries around the world. Our goal is to deliver value to our shareholders by building a profitable global portfolio of branded footwear, apparel, equipment and accessories.

Our strategy is to achieve sustainable, profitable long-term revenue growth by leading with sport, creating innovative, "must-have" products, building deep personal consumer connections with our brands and delivering compelling consumer experiences through digital platforms and at retail.

FISCAL 2025 FINANCIAL HIGHLIGHTS

- NIKE, Inc. Revenues for fiscal 2025 were $46.3 billion compared to $51.4 billion for fiscal 2024
- NIKE Direct revenues declined 13% from $21.5 billion in fiscal 2024 to $18.8 billion in fiscal 2025, and represented approximately 42% of total NIKE Brand revenues for fiscal 2025
- NIKE Brand wholesale revenues decreased 7% on a reported basis and 6% on a currency-neutral basis
- Gross margin decreased 190 basis points to 42.7%, primarily due to higher discounts, changes in channel mix and higher inventory obsolescence reserves, partially offset by lower product costs
- Inventories as of May 31, 2025 were $7.5 billion, flat compared to the prior year
- We returned $5.3 billion to our shareholders in fiscal 2025 through share repurchases and dividends
- Return on Invested Capital ("ROIC") was 20.2% as of May 31, 2025, compared to 34.9% as of May 31, 2024. ROIC is considered a non-GAAP financial measure, see "Use of Non-GAAP Financial Measures" for additional information.

Our results for fiscal 2025 reflected a decrease in traffic across NIKE Direct and our actions to reduce supply of certain footwear products in the marketplace through increased markdowns across NIKE Direct and discounts and higher sales returns with our wholesale partners, which negatively impacted our Revenues and gross margin.

For discussion related to the results of operations and changes in financial condition for fiscal 2024 compared to fiscal 2023 refer to Part II, Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations in our fiscal 2024 Form 10-K, which was filed with the United States Securities and Exchange Commission on July 25, 2024.

FACTORS IMPACTING OUR BUSINESS

We are navigating through several external factors that create uncertainty and volatility in the operating environment including, but not limited to, geopolitical dynamics, tax regulation, fluctuating foreign exchange rates and new tariffs. As a result of the new tariffs, we expect to incur a material gross incremental increase to Cost of sales. Over the next several quarters, we are taking actions to mitigate the impact of the new tariffs, however for fiscal 2026, we expect a negative impact on gross margin. We will continue to monitor changes to the import and export policies of the U.S. and other countries that could require us to change the way in which we do business. These factors, and any changes to these factors, among others, could have a material adverse impact on consumer behavior and on our future Revenues and overall profitability.

Despite these factors, we are focused on driving distinction within key sports, building a complete product portfolio, creating stories to inspire and emotionally connect with consumers, and elevating and growing the entire marketplace as we continue to take actions across the following areas:

- **Product Management:** Reducing the supply of certain footwear products in the marketplace as we shift to new and innovative products and rebalance the mix of our footwear portfolio.
- **Marketplace Management:** Repositioning NIKE Brand Digital as a full-price platform and reinvesting in wholesale distribution. This includes liquidating inventory through increased markdowns across NIKE Direct, and higher sales returns and discounts with our wholesale partners to reduce inventory and create capacity for new product.
- **Brand Management:** Increasing investment in demand creation including brand marketing and sports marketing to support key product launches and sports moments.

These actions have had, and in the future could have, a negative impact on our Revenues and gross margin as well as higher Demand creation expense. However, we believe these actions will reignite brand momentum and reposition our business to drive long-term shareholder value.

For more information refer to Item 1A Risk Factors, within Part 1, Item 1, Business.

USE OF NON-GAAP FINANCIAL MEASURES

Throughout this Annual Report on Form 10-K, we discuss non-GAAP financial measures, which should be considered in addition to, and not in lieu of, the financial measures calculated and presented in accordance with generally accepted accounting principles in the United States of America ("U.S. GAAP"). References to these measures should not be considered in isolation or as a substitute for other financial measures calculated and presented in accordance with U.S. GAAP and may not be comparable to similarly titled measures used by other companies. Management uses these non-GAAP measures when evaluating the Company's performance, including when making financial and operating decisions. Additionally, management believes these non-GAAP financial measures provide investors with additional financial information that should be considered when assessing our underlying business performance and trends.

Earnings Before Interest and Taxes ("EBIT"): Calculated as Net income before Interest expense (income), net and Income tax expense in the Consolidated Statements of Income. Total NIKE, Inc. EBIT for fiscal 2025, 2024 and 2023 are as follows:

	YEAR ENDED MAY 31,		
(Dollars in millions)	2025	2024	2023
Net income	$ 3,219	$ 5,700	$ 5,070
Add: Interest expense (income), net	(107)	(161)	(6)
Add: Income tax expense	666	1,000	1,131
EARNINGS BEFORE INTEREST AND TAXES	**$ 3,778**	**$ 6,539**	**$ 6,195**

EBIT Margin: Calculated as total NIKE, Inc. EBIT divided by total NIKE, Inc. Revenues. Our EBIT Margin calculation for fiscal 2025, 2024 and 2023 are as follows:

	YEAR ENDED MAY 31,		
(Dollars in millions)	2025	2024	2023
Numerator			
Earnings before interest and taxes	$ 3,778	$ 6,539	$ 6,195
Denominator			
Total NIKE, Inc. Revenues	$ 46,309	$ 51,362	$ 51,217
EBIT MARGIN	**8.2%**	**12.7%**	**12.1%**

Return on Invested Capital ("ROIC"): Represents a performance measure that management believes is useful information in understanding the Company's ability to effectively manage invested capital. Our ROIC calculation as of May 31, 2025 and 2024 is as follows:

	FOR THE TRAILING FOUR QUARTERS ENDED	
(Dollars in millions)	MAY 31, 2025	MAY 31, 2024
Numerator		
Net income	$ 3,219	$ 5,700
Add: Interest expense (income), net	(107)	(161)
Add: Income tax expense	666	1,000
Earnings before interest and taxes	3,778	6,539
Income tax adjustment[1]	(645)	(976)
Earnings before interest and after taxes	$ 3,133	$ 5,563

	AVERAGE FOR THE TRAILING FIVE QUARTERS ENDED	
	MAY 31, 2025	MAY 31, 2024
Denominator		
Total debt[2]	$ 11,814	$ 12,110
Add: Shareholders' equity	13,926	14,155
Less: Cash and equivalents and Short-term investments	10,236	10,309
Total invested capital	$ 15,504	$ 15,956
RETURN ON INVESTED CAPITAL	**20.2%**	**34.9%**

(1) Equals Earnings before interest and taxes multiplied by the effective tax rate as of each of the respective quarter ends.

(2) Total debt includes the following: 1) Current portion of long-term debt, 2) Notes Payable, 3) Current portion of operating lease liabilities, 4) Long-term debt and 5) Operating lease liabilities.

Currency-neutral revenues: Currency-neutral revenues enhance visibility to underlying business trends, excluding the impact of translation arising from foreign currency exchange rate fluctuations. Currency-neutral revenues are calculated using actual exchange rates in use during the comparative prior year period in place of the exchange rates in use during the current period.

COMPARABLE STORE SALES

Comparable store sales: This key metric, which excludes NIKE Brand Digital sales, comprises revenues from NIKE-owned in-line and factory stores for which all three of the following requirements have been met: (1) the store has been open at least one year, (2) square footage has not changed by more than 15% within the past year and (3) the store has not been permanently repositioned within the past year. Comparable store sales represents a performance metric that we believe is useful information for management and investors in understanding the performance of our established NIKE-owned in-line and factory stores. Management considers this metric when making financial and operating decisions. The method of calculating comparable store sales varies across the retail industry. As a result, our calculation of this metric may not be comparable to similarly titled metrics used by other companies.

RESULTS OF OPERATIONS

(Dollars in millions, except per share data)	FISCAL 2025	FISCAL 2024	% CHANGE	FISCAL 2023	% CHANGE
Revenues	$ 46,309	$ 51,362	-10 %	$ 51,217	0 %
Cost of sales	26,519	28,475	-7 %	28,925	-2 %
Gross profit	19,790	22,887	-14 %	22,292	3 %
Gross margin	*42.7 %*	*44.6 %*		*43.5 %*	
Demand creation expense	4,689	4,285	9 %	4,060	6 %
Operating overhead expense	11,399	12,291	-7 %	12,317	0 %
Total selling and administrative expense	16,088	16,576	-3 %	16,377	1 %
% of revenues	*34.7 %*	*32.3 %*		*32.0 %*	
Interest expense (income), net	(107)	(161)	—	(6)	—
Other (income) expense, net	(76)	(228)	—	(280)	—
Income before income taxes	3,885	6,700	-42 %	6,201	8 %
Income tax expense	666	1,000	-33 %	1,131	-12 %
Effective tax rate	*17.1 %*	*14.9 %*		*18.2 %*	
NET INCOME	**$ 3,219**	**$ 5,700**	**-44 %**	**$ 5,070**	**12 %**
Diluted earnings per common share	$ 2.16	$ 3.73	-42 %	$ 3.23	15 %

CONSOLIDATED OPERATING RESULTS

REVENUES

(Dollars in millions)		FISCAL 2025		FISCAL 2024	% CHANGE	% CHANGE EXCLUDING CURRENCY CHANGES(1)		FISCAL 2023	% CHANGE	% CHANGE EXCLUDING CURRENCY CHANGES(1)
NIKE, Inc. Revenues:										
NIKE Brand Revenues by:										
Footwear	$	29,510	$	33,427	-12 %	-11 %	$	33,135	1 %	1 %
Apparel		12,965		13,775	-6 %	-5 %		13,843	0 %	0 %
Equipment		2,191		2,075	6 %	6 %		1,727	20 %	20 %
Global Brand Divisions(2)		48		45	7 %	10 %		58	-22 %	-25 %
TOTAL NIKE BRAND REVENUES	**$**	**44,714**	**$**	**49,322**	**-9 %**	**-9 %**	**$**	**48,763**	**1 %**	**1 %**
Converse		1,692		2,082	-19 %	-18 %		2,427	-14 %	-15 %
Corporate(3)		(97)		(42)	—	—		27	—	—
TOTAL NIKE, INC. REVENUES	**$**	**46,309**	**$**	**51,362**	**-10 %**	**-9 %**	**$**	**51,217**	**0 %**	**1 %**
Supplemental NIKE Brand Revenues Details:										
NIKE Brand Revenues by:										
Sales to Wholesale Customers	$	25,883	$	27,758	-7 %	-6 %	$	27,397	1 %	2 %
Sales through NIKE Direct		18,783		21,519	-13 %	-12 %		21,308	1 %	1 %
Global Brand Divisions(2)		48		45	7 %	10 %		58	-22 %	-25 %
TOTAL NIKE BRAND REVENUES	**$**	**44,714**	**$**	**49,322**	**-9 %**	**-9 %**	**$**	**48,763**	**1 %**	**1 %**
Supplemental NIKE Brand Revenue Details:										
NIKE Brand Revenues by:(4)										
Men's	$	23,216	$	24,785	-6 %	-6 %	$	24,445	1 %	2 %
Women's		9,719		10,366	-6 %	-5 %		10,274	1 %	2 %
Kids'		5,695		6,019	-5 %	-5 %		5,889	2 %	2 %
Jordan Brand		7,270		8,701	-16 %	-16 %		8,460	3 %	3 %
Others(5)		(1,234)		(594)	-108 %	-106 %		(363)	-64 %	-67 %
Global Brand Divisions(2)		48		45	7 %	10 %		58	-22 %	-25 %
TOTAL NIKE BRAND REVENUES	**$**	**44,714**	**$**	**49,322**	**-9 %**	**-9 %**	**$**	**48,763**	**1 %**	**1 %**

(1) *The percent change excluding currency changes represents a non-GAAP financial measure. For additional information, see "Use of Non-GAAP Financial Measures".*

(2) *Global Brand Divisions revenues include NIKE Brand licensing and other miscellaneous revenues that are not part of a geographic operating segment.*

(3) *Corporate revenues primarily consist of foreign currency hedge gains and losses related to revenues generated by entities within the NIKE Brand geographic operating segments and Converse, but managed through our central foreign exchange risk management program.*

(4) *Beginning in fiscal 2025, with the continued rollout of a new Enterprise Resource Planning Platform, we have removed the non-GAAP financial measure of wholesale equivalent revenues. There is no change to our reported revenues or gross margin. Prior year amounts have been recast to conform to fiscal 2025 presentation.*

(5) *Others include products not allocated to Men's, Women's, Kids' and Jordan Brand, as well as certain adjustments that are not allocated to products designated by consumer.*

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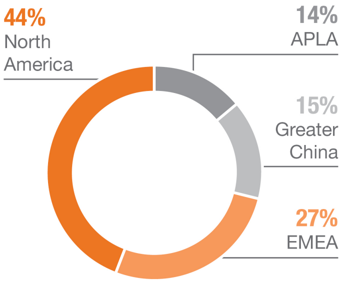
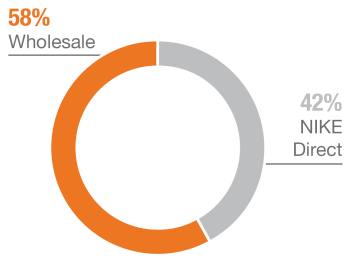
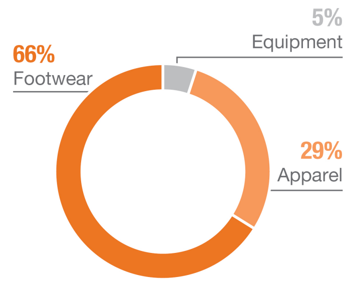
FISCAL 2025 NIKE BRAND REVENUE HIGHLIGHTS

The following tables present NIKE Brand revenues disaggregated by reportable operating segment, distribution channel and major product line:







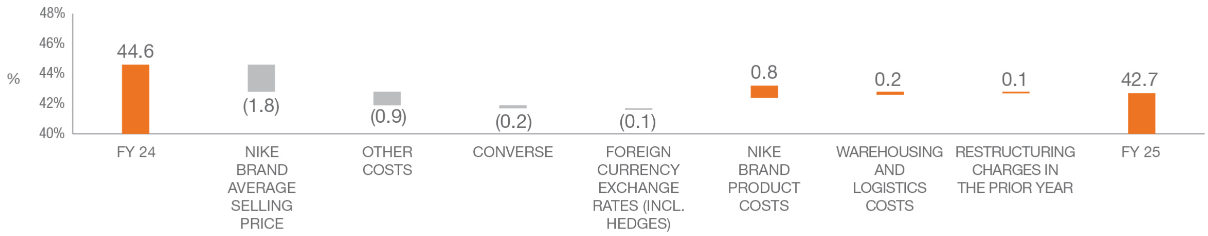
FISCAL 2025 COMPARED TO FISCAL 2024

- NIKE, Inc. Revenues were $46.3 billion in fiscal 2025 compared to $51.4 billion for fiscal 2024, which decreased 10% and 9% on a reported and currency-neutral basis, respectively. On a currency-neutral basis, the decrease was primarily due to lower revenues in North America, Europe, Middle East & Africa ("EMEA") and Greater China which each decreased NIKE, Inc. Revenues by 4, 3 and 2 percentage points, respectively.
- NIKE Brand revenues, which represented over 90% of NIKE, Inc. Revenues, decreased 9% on both a reported and currency-neutral basis. The decrease, on a currency-neutral basis, was due to lower revenues in Men's, the Jordan Brand, Women's and Kids'.
  - NIKE Brand footwear revenues decreased 11% on a currency-neutral basis. Unit sales of footwear decreased 8%, while lower average selling price ("ASP") per pair reduced footwear revenues by approximately 3 percentage points. Lower ASP per pair was primarily due to higher discounts and changes in channel mix, partially offset by strategic pricing actions.
  - NIKE Brand apparel revenues decreased 5% on a currency-neutral basis. Unit sales of apparel decreased 5%, while ASP per unit was flat as strategic pricing actions were offset by changes in channel mix and higher discounts.
- NIKE Brand wholesale revenues decreased 7% on a reported basis and 6% on a currency-neutral basis, compared to fiscal 2024. The decrease, on a currency-neutral basis, was driven by lower revenues across all geographies.
- NIKE Direct revenues were $18.8 billion in fiscal 2025 compared to $21.5 billion in fiscal 2024. On a currency-neutral basis, NIKE Direct revenues decreased 12% due to declines in NIKE Brand Digital sales of 20% from $12.1 billion in fiscal 2024 to $9.6 billion in fiscal 2025, while NIKE store sales were flat. Comparable store sales decreased 1%. For additional information regarding comparable store sales, including the definition, see "Comparable Store Sales".

GROSS MARGIN

FISCAL 2025 COMPARED TO FISCAL 2024

For fiscal 2025, our consolidated gross profit decreased 14% to $19,790 million compared to $22,887 million for fiscal 2024. Gross margin decreased 190 basis points to 42.7% for fiscal 2025 compared to 44.6% for fiscal 2024 due to the following:



- Lower NIKE Brand ASP (decreasing gross margin approximately 180 basis points), primarily due to higher discounts and changes in channel mix, partially offset by strategic pricing actions;
- Higher other costs (decreasing gross margin approximately 90 basis points), including higher inventory obsolescence reserves;
- Lower gross margin from Converse (decreasing gross margin approximately 20 basis points); and
- Unfavorable changes in net foreign currency exchange rates, including hedges (decreasing gross margin approximately 10 basis points).

This was partially offset by:

- Lower NIKE Brand product costs (increasing gross margin approximately 80 basis points);
- Lower warehousing and logistics costs (increasing gross margin approximately 20 basis points); and
- Restructuring charges in the prior year (increasing gross margin approximately 10 basis points).

TOTAL SELLING AND ADMINISTRATIVE EXPENSE

(Dollars in millions)	FISCAL 2025	FISCAL 2024	% CHANGE	FISCAL 2023	% CHANGE
Demand creation expense[1]	$ 4,689	$ 4,285	9 %	$ 4,060	6 %
Operating overhead expense[2]	11,399	12,291	-7 %	12,317	0 %
Total selling and administrative expense	$ 16,088	$ 16,576	-3 %	$ 16,377	1 %
% of revenues	*34.7 %*	*32.3 %*	*240 bps*	*32.0 %*	*30 bps*

(1) Demand creation expense consists of brand marketing expense and sports marketing expense. Brand marketing expense includes advertising and promotion costs such as production and media costs, digital marketing expense, brand events and retail brand presentation costs. Sports marketing expense includes expenses related to endorsement contracts, complimentary product and sports marketing events.

(2) Operating overhead expense consists primarily of wage and benefit-related expenses and other administrative expenses, such as research and development costs, bad debt expense, rent, depreciation and amortization and costs related to professional services, certain technology investments, meetings and travel.

FISCAL 2025 COMPARED TO FISCAL 2024

Demand creation expense increased 9%, due to higher brand marketing expense, reflecting investment in key sports events, and higher sports marketing expense. Changes in foreign currency exchange rates did not have a material impact on Demand creation expense.

Operating overhead expense decreased 7%, due to restructuring charges in the prior year, lower wage-related expenses and lower other administrative costs. Changes in foreign currency exchange rates did not have a material impact on Operating overhead expense.

OTHER (INCOME) EXPENSE, NET

(Dollars in millions)	FISCAL 2025	FISCAL 2024	FISCAL 2023
Other (income) expense, net	$ (76)	$ (228)	$ (280)

Other (income) expense, net comprises foreign currency conversion gains and losses from the remeasurement of monetary assets and liabilities denominated in non-functional currencies and the impact of certain foreign currency derivative instruments, as well as unusual or non-operating transactions that are outside the normal course of business.

FISCAL 2025 COMPARED TO FISCAL 2024

Other (income) expense, net decreased from $228 million of other income, net, to $76 million of other income, net, primarily due to a net unfavorable change in foreign currency conversion gains and losses, including hedges.

INCOME TAXES

	FISCAL 2025	FISCAL 2024	% CHANGE	FISCAL 2023	% CHANGE
Effective tax rate	17.1 %	14.9 %	220 bps	18.2 %	(330) bps

FISCAL 2025 COMPARED TO FISCAL 2024

Our effective tax rate was 17.1% for fiscal 2025, compared to 14.9% for fiscal 2024, primarily due to changes in earnings mix, decreased benefits from stock-based compensation and non-recurring one-time benefits in fiscal 2024 including the impact of the delay of the effective date of certain U.S. foreign tax credit regulations. These impacts were partially offset by a one-time, non-cash deferred tax benefit in fiscal 2025 provided by US tax regulations related to foreign currency gains and losses.

On July 4, 2025, the U.S. government enacted The One Big Beautiful Bill Act of 2025 which includes, among other provisions, changes to the U.S. corporate income tax system including the allowance of immediate expensing of qualifying research and development expenses and permanent extensions of certain provisions within the Tax Cuts and Jobs Act. Certain provisions are effective for NIKE beginning fiscal 2026. We are evaluating the future impact of these tax law changes on our financial statements.

SEGMENT INFORMATION

See Note 15 — Segment Information in the accompanying Notes to the Consolidated Financial Statements for a description of our segments and related information.

The breakdown of Revenues is as follows:

(Dollars in millions)	FISCAL 2025	FISCAL 2024	% CHANGE	% CHANGE EXCLUDING CURRENCY CHANGES(1)	FISCAL 2023	% CHANGE	% CHANGE EXCLUDING CURRENCY CHANGES(1)
North America	$ 19,572	$ 21,396	-9 %	-8 %	$ 21,608	-1 %	-1 %
Europe, Middle East & Africa	12,257	13,607	-10 %	-10 %	13,418	1 %	0 %
Greater China	6,586	7,545	-13 %	-12 %	7,248	4 %	8 %
Asia Pacific & Latin America	6,251	6,729	-7 %	-3 %	6,431	5 %	5 %
Global Brand Divisions(2)	48	45	7 %	10 %	58	-22 %	-25 %
TOTAL NIKE BRAND	**$ 44,714**	**$ 49,322**	**-9 %**	**-9 %**	**$ 48,763**	**1 %**	**1 %**
Converse	1,692	2,082	-19 %	-18 %	2,427	-14 %	-15 %
Corporate(3)	(97)	(42)	—	—	27	—	—
TOTAL NIKE, INC. REVENUES	**$ 46,309**	**$ 51,362**	**-10 %**	**-9 %**	**$ 51,217**	**0 %**	**1 %**

(1) The percent change excluding currency changes represents a non-GAAP financial measure. For additional information, see "Use of Non-GAAP Financial Measures".

(2) Global Brand Divisions revenues include NIKE Brand licensing and other miscellaneous revenues that are not part of a geographic operating segment.

(3) Corporate revenues primarily consist of foreign currency hedge gains and losses related to revenues generated by entities within the NIKE Brand geographic operating segments and Converse, but managed through our central foreign exchange risk management program.

The primary financial measure used by the Company to evaluate performance of its segments is EBIT. For additional information on our segments, refer to Note 15 — Segment Information in the accompanying Notes to the Consolidated Financial Statements.

The breakdown of EBIT is as follows:

(Dollars in millions)	FISCAL 2025	FISCAL 2024	% CHANGE	FISCAL 2023	% CHANGE
North America	$ 4,735	$ 5,822	-19 %	$ 5,454	7 %
Europe, Middle East & Africa	2,575	3,388	-24 %	3,531	-4 %
Greater China	1,602	2,309	-31 %	2,283	1 %
Asia Pacific & Latin America	1,527	1,885	-19 %	1,932	-2 %
Global Brand Divisions	(4,699)	(4,720)	0 %	(4,841)	2 %
TOTAL NIKE BRAND(1)	**$ 5,740**	**$ 8,684**	**-34 %**	**$ 8,359**	**4 %**
Converse	240	474	-49 %	676	-30 %
Corporate	(2,202)	(2,619)	16 %	(2,840)	8 %
TOTAL NIKE, INC. EARNINGS BEFORE INTEREST AND TAXES(1)	**$ 3,778**	**$ 6,539**	**-42 %**	**$ 6,195**	**6 %**
EBIT margin(1)	*8.2 %*	*12.7 %*		*12.1 %*	
Interest expense (income), net	(107)	(161)	—	(6)	—
TOTAL NIKE, INC. INCOME BEFORE INCOME TAXES	**$ 3,885**	**$ 6,700**	**-42 %**	**$ 6,201**	**8 %**

(1) Total NIKE Brand EBIT, Total NIKE, Inc. EBIT and EBIT Margin represent non-GAAP financial measures. See "Use of Non-GAAP Financial Measures" for additional information.

NORTH AMERICA

(Dollars in millions)	FISCAL 2025	FISCAL 2024	% CHANGE	% CHANGE EXCLUDING CURRENCY CHANGES	FISCAL 2023	% CHANGE	% CHANGE EXCLUDING CURRENCY CHANGES
Revenues by:							
Footwear	$ 12,684	$ 14,537	-13 %	-13 %	$ 14,897	-2 %	-2 %
Apparel	5,837	5,953	-2 %	-2 %	5,947	0 %	0 %
Equipment	1,051	906	16 %	16 %	764	19 %	19 %
TOTAL REVENUES	**$ 19,572**	**$ 21,396**	**-9 %**	**-8 %**	**$ 21,608**	**-1 %**	**-1 %**
Revenues by:							
Sales to Wholesale Customers	$ 10,484	$ 11,004	-5 %	-5 %	$ 11,273	-2 %	-2 %
Sales through NIKE Direct	9,088	10,392	-13 %	-12 %	10,335	1 %	1 %
TOTAL REVENUES	**$ 19,572**	**$ 21,396**	**-9 %**	**-8 %**	**$ 21,608**	**-1 %**	**-1 %**
Cost of Sales	11,056	11,899	-7 %		12,497	-5 %	
Gross profit	8,516	9,497	-10 %		9,111	4 %	
Gross margin	*43.5%*	*44.4%*	*-90 bps*		*42.2%*	*220 bps*	
Demand creation expense	1,633	1,495	9 %		1,455	3 %	
Operating overhead expense	2,150	2,189	-2 %		2,207	-1 %	
Total selling and administrative expense	3,783	3,684	3 %		3,662	1 %	
Other segment items	(2)	(9)	—		(5)	—	
EARNINGS BEFORE INTEREST AND TAXES	**$ 4,735**	**$ 5,822**	**-19 %**		**$ 5,454**	**7 %**	

FISCAL 2025 COMPARED TO FISCAL 2024

- North America revenues decreased 8% on a currency-neutral basis primarily due to lower revenues in the Jordan Brand, Men's and Women's. Wholesale revenues decreased 5%. NIKE Direct revenues decreased 12% due to declines in digital sales of 19% and store sales of 1%. Comparable store sales decreased 1%.
- Footwear revenues decreased 13% on a currency-neutral basis. Unit sales of footwear decreased 10%, while lower ASP per pair reduced footwear revenues by approximately 3 percentage points. Lower ASP per pair was primarily due to higher discounts and changes in channel mix, partially offset by product mix.
- Apparel revenues decreased 2% on a currency-neutral basis. Unit sales of apparel decreased 1%, while lower ASP per unit reduced apparel revenues by approximately 1 percentage point. Lower ASP per unit was primarily due to higher discounts and changes in channel mix, partially offset by product mix.

Reported EBIT decreased 19% reflecting lower revenues and the following:

- Gross margin contraction of 90 basis points primarily due to lower ASP and higher inventory obsolescence reserves, partially offset by lower product costs. Lower ASP primarily reflects higher discounts and changes in channel mix.
- Demand creation expense increased 9% primarily due to higher brand marketing expense, reflecting investment in key sports events.
- Operating overhead expense decreased 2% due to lower wage-related expenses and lower other administrative costs.

EUROPE, MIDDLE EAST & AFRICA

(Dollars in millions)	FISCAL 2025	FISCAL 2024	% CHANGE	% CHANGE EXCLUDING CURRENCY CHANGES	FISCAL 2023	% CHANGE	% CHANGE EXCLUDING CURRENCY CHANGES
Revenues by:							
Footwear	$ 7,569	$ 8,473	-11 %	-10 %	$ 8,260	3 %	1 %
Apparel	3,971	4,380	-9 %	-9 %	4,566	-4 %	-6 %
Equipment	717	754	-5 %	-5 %	592	27 %	24 %
TOTAL REVENUES	**$ 12,257**	**$ 13,607**	**-10 %**	**-10 %**	**$ 13,418**	**1 %**	**0 %**
Revenues by:							
Sales to Wholesale Customers	$ 8,022	$ 8,562	-6 %	-6 %	$ 8,522	0 %	0 %
Sales through NIKE Direct	4,235	5,045	-16 %	-16 %	4,896	3 %	0 %
TOTAL REVENUES	**$ 12,257**	**$ 13,607**	**-10 %**	**-10 %**	**$ 13,418**	**1 %**	**0 %**
Cost of Sales	6,967	7,589	-8 %		7,340	3 %	
Gross profit	5,290	6,018	-12 %		6,078	-1 %	
Gross margin	*43.2%*	*44.2%*	*-100 bps*		*45.3%*	*-110 bps*	
Demand creation expense	1,222	1,114	10 %		1,050	6 %	
Operating overhead expense	1,479	1,517	-3 %		1,500	1 %	
Total selling and administrative expense	2,701	2,631	3 %		2,550	3 %	
Other segment items	14	(1)	—		(3)	—	
EARNINGS BEFORE INTEREST AND TAXES	**$ 2,575**	**$ 3,388**	**-24 %**		**$ 3,531**	**-4 %**	

FISCAL 2025 COMPARED TO FISCAL 2024

- EMEA revenues decreased 10% on a currency-neutral basis due to lower revenues in Men's, the Jordan Brand, Kids' and Women's. Wholesale revenues decreased 6%. NIKE Direct revenues decreased 16% due to a decline in digital sales of 30%, partially offset by an increase in store sales of 5%. Comparable store sales increased 5%.
- Footwear revenues decreased 10% on a currency-neutral basis. Unit sales of footwear decreased 8%, while lower ASP per pair reduced footwear revenues by approximately 2 percentage points. Lower ASP per pair was primarily due to changes in channel mix and higher discounts, partially offset by strategic pricing actions and product mix.
- Apparel revenues decreased 9% on a currency-neutral basis. Unit sales of apparel decreased 6%, while lower ASP per unit reduced apparel revenues by approximately 3 percentage points. Lower ASP per unit was primarily due to changes in channel mix, product mix and higher discounts.

Reported EBIT decreased 24% reflecting lower revenues and the following:

- Gross margin contraction of 100 basis points primarily due to lower ASP, partially offset by lower warehousing, logistics and product costs. Lower ASP primarily reflects changes in channel mix and higher discounts, partially offset by strategic pricing actions.
- Demand creation expense increased 10% primarily due to higher brand marketing expense, reflecting investment in key sports events, and higher sports marketing expense.
- Operating overhead expense decreased 3% primarily due to lower wage-related expenses.

GREATER CHINA

(Dollars in millions)	FISCAL 2025	FISCAL 2024	% CHANGE	% CHANGE EXCLUDING CURRENCY CHANGES	FISCAL 2023	% CHANGE	% CHANGE EXCLUDING CURRENCY CHANGES
Revenues by:							
Footwear	$ 4,805	$ 5,552	-13 %	-13 %	$ 5,435	2 %	6 %
Apparel	1,616	1,828	-12 %	-12 %	1,666	10 %	14 %
Equipment	165	165	0 %	1 %	147	12 %	17 %
TOTAL REVENUES	**$ 6,586**	**$ 7,545**	**-13 %**	**-12 %**	**$ 7,248**	**4 %**	**8 %**
Revenues by:							
Sales to Wholesale Customers	$ 3,699	$ 4,262	-13 %	-13 %	$ 3,866	10 %	15 %
Sales through NIKE Direct	2,887	3,283	-12 %	-12 %	3,382	-3 %	1 %
TOTAL REVENUES	**$ 6,586**	**$ 7,545**	**-13 %**	**-12 %**	**$ 7,248**	**4 %**	**8 %**
Cost of Sales	3,558	3,761	-5 %		3,552	6 %	
Gross profit	3,028	3,784	-20 %		3,696	2 %	
Gross margin	*46.0%*	*50.2%*	*-420 bps*		*51.0%*	*-80 bps*	
Demand creation expense	529	519	2 %		499	4 %	
Operating overhead expense	973	1,019	-5 %		1,012	1 %	
Total selling and administrative expense	1,502	1,538	-2 %		1,511	2 %	
Other segment items	(76)	(63)	—		(98)	—	
EARNINGS BEFORE INTEREST AND TAXES	**$ 1,602**	**$ 2,309**	**-31 %**		**$ 2,283**	**1 %**	

FISCAL 2025 COMPARED TO FISCAL 2024

- Greater China revenues decreased 12% on a currency-neutral basis due to lower revenues in Men's, the Jordan Brand, Women's and Kids'. Wholesale revenues decreased 13%. NIKE Direct revenues decreased 12% due to declines in digital sales of 22% and store sales of 6%. Comparable store sales decreased 7%.
- Footwear revenues decreased 13% on a currency-neutral basis. Unit sales of footwear decreased 11%, while lower ASP per pair reduced footwear revenues by approximately 2 percentage points. Lower ASP per pair was primarily due to higher discounts and changes in channel mix, partially offset by strategic pricing actions.
- Apparel revenues decreased 12% on a currency-neutral basis. Unit sales of apparel decreased 17%, while higher ASP per unit contributed approximately 5 percentage points of apparel revenue growth. Higher ASP per unit was primarily due to strategic pricing actions, partially offset by higher discounts.

Reported EBIT decreased 31% reflecting lower revenues and the following:

- Gross margin contraction of approximately 420 basis points, primarily due to unfavorable changes in standard foreign currency exchange rates and higher inventory obsolescence reserves, partially offset by higher ASP. Higher ASP primarily reflects strategic pricing actions, partially offset by higher discounts.
- Demand creation expense increased 2% primarily due to higher sports marketing expense and higher brand marketing expense.
- Operating overhead expense decreased 5% primarily due to lower wage-related expenses and lower other administrative costs.

ASIA PACIFIC & LATIN AMERICA

(Dollars in millions)	FISCAL 2025	FISCAL 2024	% CHANGE	% CHANGE EXCLUDING CURRENCY CHANGES	FISCAL 2023	% CHANGE	% CHANGE EXCLUDING CURRENCY CHANGES
Revenues by:							
Footwear	$ 4,452	$ 4,865	-8 %	-4 %	$ 4,543	7 %	7 %
Apparel	1,541	1,614	-5 %	-1 %	1,664	-3 %	-2 %
Equipment	258	250	3 %	7 %	224	12 %	12 %
TOTAL REVENUES	**$ 6,251**	**$ 6,729**	**-7 %**	**-3 %**	**$ 6,431**	**5 %**	**5 %**
Revenues by:							
Sales to Wholesale Customers	$ 3,678	$ 3,930	-6 %	-3 %	$ 3,736	5 %	6 %
Sales through NIKE Direct	2,573	2,799	-8 %	-3 %	2,695	4 %	4 %
TOTAL REVENUES	**$ 6,251**	**$ 6,729**	**-7 %**	**-3 %**	**$ 6,431**	**5 %**	**5 %**
Cost of Sales	3,502	3,639	-4 %		3,337	9 %	
Gross profit	2,749	3,090	-11 %		3,094	0 %	
Gross margin	*44.0%*	*45.9%*	*-190 bps*		*48.1%*	*-220 bps*	
Demand creation expense	421	407	3 %		373	9 %	
Operating overhead expense	804	801	0 %		789	2 %	
Total selling and administrative expense	1,225	1,208	1 %		1,162	4 %	
Other segment items	(3)	(3)	—		—	—	
EARNINGS BEFORE INTEREST AND TAXES	**$ 1,527**	**$ 1,885**	**-19 %**		**$ 1,932**	**-2 %**	

FISCAL 2025 COMPARED TO FISCAL 2024

- Asia Pacific & Latin America ("APLA") revenues decreased 3% on a currency-neutral basis primarily due to lower revenues in Southeast Asia & India and Korea, partially offset by higher revenues in Mexico. Revenues decreased primarily due to lower revenues in the Jordan Brand and Men's. Wholesale revenues decreased 3%. NIKE Direct revenues decreased 3% due to a decline in digital sales of 9%, partially offset by an increase in store sales of 4%. Comparable store sales increased 1%.
- Footwear revenues decreased 4% on a currency-neutral basis. Unit sales of footwear decreased 2%, while lower ASP per pair reduced footwear revenues by approximately 2 percentage points. Lower ASP per pair was primarily due to higher discounts and changes in channel mix.
- Apparel revenues decreased 1% on a currency-neutral basis. Unit sales of apparel decreased 3%, while higher ASP per unit contributed approximately 2 percentage points of apparel revenue growth. Higher ASP per unit was primarily due to strategic pricing actions, partially offset by higher discounts.

Reported EBIT decreased 19% reflecting lower revenues and the following:

- Gross margin contraction of approximately 190 basis points primarily due to unfavorable changes in standard foreign currency exchange rates, lower ASP and higher warehousing and logistics costs. Lower ASP reflects product mix, higher discounts and changes in channel mix, partially offset by strategic pricing actions.
- Demand creation expense increased 3%, due to higher brand marketing expense and higher sports marketing expense, partially offset by favorable changes in foreign currency exchange rates.
- Operating overhead expense was flat due to higher wage-related expenses and higher other administrative costs, offset by favorable changes in foreign currency exchange rates.

GLOBAL BRAND DIVISIONS

(Dollars in millions)	FISCAL 2025	FISCAL 2024	% CHANGE	FISCAL 2023	% CHANGE
Revenues	$ 48	$ 45	7 %	$ 58	-22 %
Cost of Sales	634	602	5 %	516	17 %
Gross profit	(586)	(557)	-5 %	(458)	-22 %
Demand creation expense	716	596	20 %	511	17 %
Operating overhead expense	3,401	3,534	-4 %	3,881	-9 %
Total selling and administrative expense	4,117	4,130	0 %	4,392	-6 %
Other segment items	(4)	33	—	(9)	—
EARNINGS (LOSS) BEFORE INTEREST AND TAXES	**$ (4,699)**	**$ (4,720)**	**0 %**	**$ (4,841)**	**2 %**

Global Brand Divisions primarily represents costs, including product creation and design expenses, that are centrally managed for the NIKE Brand, as well as costs associated with NIKE Direct global digital operations and enterprise technology. Global Brand Divisions revenues include NIKE Brand licensing and other miscellaneous revenues that are not part of a geographic operating segment.

FISCAL 2025 COMPARED TO FISCAL 2024

Global Brand Divisions' loss before interest and taxes was flat primarily due to lower Operating overhead expense, offset by higher Demand creation expense. Lower Operating overhead expense was primarily due to lower wage-related expenses. Higher Demand creation expense was primarily due to higher brand marketing expense and higher sports marketing expense.

CONVERSE

(Dollars in millions)	FISCAL 2025	FISCAL 2024	% CHANGE	% CHANGE EXCLUDING CURRENCY CHANGES	FISCAL 2023	% CHANGE	% CHANGE EXCLUDING CURRENCY CHANGES
Revenues by:							
Footwear	$ 1,457	$ 1,800	-19 %	-19 %	$ 2,155	-16 %	-17 %
Apparel	80	93	-14 %	-14 %	90	3 %	4 %
Equipment	32	37	-14 %	-14 %	28	32 %	34 %
Other	123	152	-19 %	-20 %	154	-1 %	-2 %
TOTAL REVENUES	**$ 1,692**	**$ 2,082**	**-19 %**	**-18 %**	**$ 2,427**	**-14 %**	**-15 %**
Revenues by:							
Sales to Wholesale Customers	$ 875	$ 1,098	-20 %	-20 %	$ 1,299	-15 %	-16 %
Sales through Direct to Consumer	694	832	-17 %	-17 %	974	-15 %	-14 %
Other(1)	123	152	-19 %	-19 %	154	-1 %	-2 %
TOTAL REVENUES	**$ 1,692**	**$ 2,082**	**-19 %**	**-18 %**	**$ 2,427**	**-14 %**	**-15 %**
Cost of sales	868	989	-12 %		1,121	-12 %	
Gross profit	824	1,093	-25 %		1,306	-16 %	
Gross margin	*48.7%*	*52.5%*	*-380 bps*		*53.8%*	*-130 bps*	
Demand Creation Expense	156	140	11 %		138	1 %	
Operating overhead expense	430	485	-11 %		499	-3 %	
Total selling and administrative expense	586	625	-6 %		637	-2 %	
Other segment items	(2)	(6)	—		(7)	—	
EARNINGS BEFORE INTEREST AND TAXES	**$ 240**	**$ 474**	**-49 %**		**$ 676**	**-30 %**	

(1) Other revenues consist of territories serviced by third-party licensees who pay royalties to Converse for the use of its registered trademarks and other intellectual property rights. We do not own the Converse trademarks in Japan and accordingly do not earn revenues in Japan.

FISCAL 2025 COMPARED TO FISCAL 2024

- Converse revenues decreased 18% on a currency-neutral basis driven by revenue declines across all territories. Unit sales decreased 12%, while lower ASP reduced revenues by approximately 6 percentage points. Lower ASP per unit primarily reflects higher discounts in direct to consumer.
- Wholesale revenues decreased 20% on a currency-neutral basis, as declines in Western Europe and Asia were partially offset by growth in North America.
- Direct to consumer revenues decreased 17% on a currency-neutral basis due to reduced traffic in all territories and lower ASP due to higher discounts.

Reported EBIT decreased 49% reflecting lower revenues and the following:

- Gross margin contraction of approximately 380 basis points due to lower ASP and higher warehousing and logistics costs, partially offset by lower product costs. Lower ASP primarily reflects higher discounts.
- Demand creation expense increased 11% primarily due to higher brand marketing expense.
- Operating overhead expense decreased 11% primarily due to lower wage-related expenses and lower other administrative costs.

CORPORATE

(Dollars in millions)	FISCAL 2025	FISCAL 2024	% CHANGE	FISCAL 2023	% CHANGE
Revenues	$ (97)	$ (42)	—	$ 27	—
Cost of Sales	(66)	(4)	—	562	—
Gross profit	(31)	(38)	—	(535)	—
Demand creation expense	12	14	-14 %	34	-59 %
Operating overhead expense	2,162	2,746	-21 %	2,429	13 %
Total selling and administrative expense	2,174	2,760	-21 %	2,463	12 %
Other segment items	(3)	(179)	—	(158)	—
EARNINGS (LOSS) BEFORE INTEREST AND TAXES	**$ (2,202)**	**$ (2,619)**	**16 %**	**$ (2,840)**	**8 %**

Corporate primarily consists of unallocated general and administrative expenses, including expenses associated with centrally managed departments; depreciation and amortization related to our corporate headquarters; unallocated insurance, benefit and compensation programs, including stock-based compensation; and certain foreign currency gains and losses.

Corporate revenues primarily consist of foreign currency hedge gains and losses related to revenues generated by entities within the NIKE Brand geographic operating segments and Converse, but managed through our central foreign exchange risk management program.

In addition to the foreign currency gains and losses recognized in Corporate revenues, foreign currency results in Corporate include gains and losses resulting from the difference between actual foreign currency exchange rates and standard rates used to record non-functional currency denominated product purchases within the NIKE Brand geographic operating segments and Converse; related foreign currency hedge results; conversion gains and losses arising from remeasurement of monetary assets and liabilities in non-functional currencies; and certain other foreign currency derivative instruments.

FISCAL 2025 COMPARED TO FISCAL 2024

Corporate's loss before interest and taxes decreased $417 million, primarily due to the following:

- a favorable change of $443 million related to restructuring charges in the prior year, $379 million reported as a component of consolidated Operating overhead expense and $64 million reported as a component of consolidated Gross profit;
- a favorable change of $205 million primarily related to lower wage-related expenses and lower other administrative costs, reported as a component of consolidated Operating overhead expense;
- an unfavorable change of $92 million related to the remeasurement of monetary assets and liabilities denominated in non-functional currencies and the impact of certain foreign currency derivative instruments, reported as a component of consolidated Other (income) expense, net; and
- an unfavorable change in net foreign currency gains and losses of $88 million related to the difference between actual foreign currency exchange rates and standard foreign currency exchange rates assigned to the NIKE Brand geographic operating segments and Converse, net of hedge gains and losses; these results are reported as a component of consolidated Gross profit.

FOREIGN CURRENCY EXPOSURES AND HEDGING PRACTICES

OVERVIEW

As a global company with significant operations outside the United States, in the normal course of business we are exposed to risk arising from changes in currency exchange rates. Our primary foreign currency exposures arise from the recording of transactions denominated in non-functional currencies and the translation of foreign currency denominated results of operations, financial position and cash flows into U.S. Dollars.

Our foreign exchange risk management program is intended to lessen both the positive and negative effects of currency fluctuations on our consolidated results of operations, financial position and cash flows. We manage global foreign exchange risk centrally on a portfolio basis to address those risks material to NIKE, Inc. We manage these exposures by taking advantage of natural offsets and currency correlations existing within the portfolio and, where practical and material, by hedging a portion of the remaining exposures using derivative instruments such as forward contracts and options. As described below, the implementation of the NIKE Trading Company ("NTC") and our foreign currency adjustment program enhanced our ability to manage our foreign exchange risk by increasing the natural offsets and currency correlation benefits existing within our portfolio of foreign exchange exposures. Our hedging policy is designed to partially or entirely offset the impact of exchange rate changes on the underlying net exposures being hedged. Where exposures are hedged, our program has the effect of delaying the impact of exchange rate movements on our Consolidated Financial Statements; the length of the delay is dependent upon hedge horizons. We do not hold or issue derivative instruments for trading or speculative purposes.

Refer to Note 4 — Fair Value Measurements and Note 12 — Risk Management and Derivatives in the accompanying Notes to the Consolidated Financial Statements for additional description of outstanding derivatives at each reported period end.

TRANSACTIONAL EXPOSURES

We conduct business in various currencies and have transactions which subject us to foreign currency risk. Our most significant transactional foreign currency exposures are:

- Product Costs — NIKE's product costs are exposed to fluctuations in foreign currencies in the following ways:
  1. Product purchases denominated in currencies other than the functional currency of the transacting entity:
     a. Certain NIKE entities purchase product from the NTC, a wholly-owned sourcing hub that buys NIKE branded products from third-party factories, predominantly in U.S. Dollars. The NTC, whose functional currency is the U.S. Dollar, then sells the products to NIKE entities in their respective functional currencies. NTC sales to a NIKE entity with a different functional currency results in a foreign currency exposure for the NTC.
     b. Other NIKE entities purchase product directly from third-party factories predominantly in U.S. Dollars. These purchases generate a foreign currency exposure for those NIKE entities with a functional currency other than the U.S. Dollar.

     In both purchasing scenarios, a weaker U.S. Dollar reduces inventory costs incurred by NIKE whereas a stronger U.S. Dollar increases its cost.
  2. Factory input costs: NIKE operates a foreign currency adjustment program with certain factories. The program is designed to more effectively manage foreign currency risk by assuming certain of the factories' foreign currency exposures, some of which are natural offsets to our existing foreign currency exposures. Under this program, our payments to these factories are adjusted for rate fluctuations in the basket of currencies ("factory currency exposure index") in which the labor, materials and overhead costs incurred by the factories in the production of NIKE branded products ("factory input costs") are denominated.

     As an offset to the impacts of the fluctuating U.S. Dollar on our non-functional currency denominated product purchases described above, a strengthening U.S. Dollar against the foreign currencies within the factory currency exposure indices reduces NIKE's U.S. Dollar inventory cost. Conversely, a weakening U.S. Dollar against the indexed foreign currencies increases our inventory cost.
- Non-Functional Currency Denominated External Sales — A portion of our NIKE Brand and Converse revenues associated with European operations are earned in currencies other than the Euro (e.g., the British Pound) but are recognized at a subsidiary that uses the Euro as its functional currency. These sales generate a foreign currency exposure.
- Other Costs — Non-functional currency denominated costs, such as endorsement contracts, also generate foreign currency risk, though to a lesser extent.

- Non-Functional Currency Denominated Monetary Assets and Liabilities — Our global subsidiaries have various assets and liabilities, primarily receivables and payables, including intercompany receivables and payables, denominated in currencies other than their functional currencies. These balance sheet items are subject to remeasurement which may create fluctuations in Other (income) expense, net within our Consolidated Statements of Income.

MANAGING TRANSACTIONAL EXPOSURES

Transactional exposures are managed on a portfolio basis within our foreign currency risk management program. We manage these exposures by taking advantage of natural offsets and currency correlations that exist within the portfolio and may also elect to use currency forward and option contracts to hedge the remaining effect of exchange rate fluctuations on probable forecasted future cash flows, including certain product cost exposures, non-functional currency denominated external sales and other costs described above. Generally, these are accounted for as cash flow hedges.

Certain currency forward contracts used to manage the foreign exchange exposure of non-functional currency denominated monetary assets and liabilities subject to remeasurement are not formally designated as hedging instruments. Accordingly, changes in fair value of these instruments are recognized in Other (income) expense, net and are intended to offset the foreign currency impact of the remeasurement of the related non-functional currency denominated asset or liability being hedged.

TRANSLATIONAL EXPOSURES

Many of our foreign subsidiaries operate in functional currencies other than the U.S. Dollar. Fluctuations in currency exchange rates create volatility in our reported results as we are required to translate the balance sheets, operational results and cash flows of these subsidiaries into U.S. Dollars for consolidated reporting. The translation of foreign subsidiaries' non-U.S. Dollar denominated balance sheets into U.S. Dollars for consolidated reporting results in a cumulative translation adjustment to Accumulated other comprehensive income (loss) within Shareholders' equity. In the translation of our Consolidated Statements of Income, a weaker U.S. Dollar in relation to foreign functional currencies benefits our consolidated earnings whereas a stronger U.S. Dollar reduces our consolidated earnings. The impact of foreign exchange rate fluctuations on the translation of our consolidated Revenues was a detriment of approximately $419 million for the year ended May 31, 2025. The impact of foreign exchange rate fluctuations on the translation of our Income before income taxes was a detriment of approximately $97 million for the year ended May 31, 2025.

MANAGING TRANSLATIONAL EXPOSURES

To minimize the impact of translating foreign currency denominated revenues and expenses into U.S. Dollars for consolidated reporting, certain foreign subsidiaries use excess cash to purchase U.S. Dollar denominated available-for-sale investments. The variable future cash flows associated with the purchase and subsequent sale of these U.S. Dollar denominated investments at non-U.S. Dollar functional currency subsidiaries creates a foreign currency exposure that qualifies for hedge accounting under U.S. GAAP. We utilize forward contracts and/or options to mitigate the variability of the forecasted future purchases and sales of these U.S. Dollar investments. The combination of the purchase and sale of the U.S. Dollar investment and the hedging instrument has the effect of partially offsetting the year-over-year foreign currency translation impact on net earnings in the period the investments are sold. Hedges of the purchase of U.S. Dollar denominated available-for-sale investments are accounted for as cash flow hedges.

We estimate the combination of translation of foreign currency-denominated profits from our international businesses and the year-over-year change in foreign currency related gains and losses included in Other (income) expense, net had an unfavorable impact of approximately $188 million on our Income before income taxes for the year ended May 31, 2025.

NET INVESTMENTS IN FOREIGN SUBSIDIARIES

We are also exposed to the impact of foreign exchange fluctuations on our investments in wholly-owned foreign subsidiaries denominated in a currency other than the U.S. Dollar, which could adversely impact the U.S. Dollar value of these investments and therefore the value of future repatriated earnings. We have, in the past, hedged and may, in the future, hedge net investment positions in certain foreign subsidiaries to mitigate the effects of foreign exchange fluctuations on these net investments. These hedges are accounted for as net investment hedges in accordance with U.S. GAAP. There were no outstanding net investment hedges as of May 31, 2025 and 2024. There were no cash flows from net investment hedge settlements for the years ended May 31, 2025, 2024 and 2023.

LIQUIDITY AND CAPITAL RESOURCES

CASH FLOW ACTIVITY

(Dollars in millions)	FISCAL 2025	FISCAL 2024	$ CHANGE
Cash provided (used by):			
Operating activities	$ 3,698	$ 7,429	$ (3,731)
Investing activities	(275)	894	(1,169)
Financing activities	(5,820)	(5,888)	68
Effect of exchange rate changes on cash and equivalents	1	(16)	17
NET INCREASE (DECREASE) IN CASH AND EQUIVALENTS	**$ (2,396)**	**$ 2,419**	**$ (4,815)**

Cash provided by operating activities decreased $3,731 million. This was driven by a decrease of $2,228 million in Net income, adjusted for non-cash items, and changes in certain working capital components and other assets and liabilities, which decreased $1,503 million. The change in working capital was impacted by changes to Inventories, primarily due to reduced inventory purchases in the prior year as well as unfavorable changes in standard foreign currency exchange rates in the current year.

Cash used by investing activities increased $1,169 million, from an inflow in fiscal 2024 to an outflow in fiscal 2025, primarily driven by the net change in short-term investments (including sales, maturities and purchases).

Cash used by financing activities decreased $68 million, primarily driven by lower share repurchases, largely offset by a $1.0 billion bond repayment and slightly higher dividend payments.

In fiscal 2025, we purchased a total of 37.6 million shares of NIKE's Class B Common Stock for $3.0 billion (an average price of $78.50 per share) under the four-year, $18 billion share repurchase plan authorized by the Board of Directors in June 2022. As of May 31, 2025, we had repurchased 122.6 million shares at a cost of approximately $12.0 billion (an average price of $98.00 per share) under this program. We have moderated, and intend to continue moderating, share repurchases. The timing and the amount of share repurchases will be dictated by our liquidity, capital needs and operating cash flows. We continue to expect funding of share repurchases from operating cash flows and excess cash.

CAPITAL RESOURCES

On July 21, 2022, we filed a shelf registration statement (the "Shelf") with the U.S. Securities and Exchange Commission (the "SEC") which permits us to issue an unlimited amount of debt securities from time to time. The Shelf expires on July 21, 2025, and we plan to file a new shelf registration with the SEC in July 2025.

On March 7, 2025, we entered into a 364-day committed credit facility agreement with a syndicate of banks which provides for up to $1 billion of borrowings, with the option to increase borrowings up to $1.5 billion in total with lender approval. The facility matures on March 6, 2026, with an option to extend the maturity date an additional 364 days. This facility replaces the prior $1 billion 364-day credit facility agreement entered into on March 8, 2024, which matured on March 7, 2025. Refer to Note 5 — Short-Term Borrowings and Credit Lines for additional information.

On March 7, 2025, we entered into a five-year committed credit facility agreement with a syndicate of banks which provides for up to $2 billion of borrowings, with the option to increase borrowings up to $3 billion in total with lender approval. The facility matures on March 7, 2030, with options to extend the maturity date up to an additional two years. This facility replaces the prior $2 billion five-year credit facility agreement entered into on March 11, 2022, which would have matured on March 11, 2027. Refer to Note 5 — Short-Term Borrowings and Credit Lines for additional information.

We currently have long-term debt ratings of A+ and A1 from Standard and Poor's Corporation and Moody's Investor Services, respectively. As it relates to our committed credit facilities entered into on March 7, 2025, if our long-term debt ratings were to decline, the facility fees and interest rates would increase. Conversely, if our long-term debt ratings were to improve, the facility fees and interest rates would decrease. In July 2025, Standard and Poor's Corporation downgraded our debt rating from AA- to A+, and, as a result, our facility fees and interest rates will increase compared to what they were prior to the downgrade. Refer to Note 5 — Short-Term Borrowings and Credit Lines for additional information. Changes in our long-term debt ratings would not trigger acceleration of maturity of any then-outstanding borrowings or any future borrowings under the committed credit facilities. Under these facilities, we have agreed to various covenants. These covenants include limits on the disposal of assets and the amount of debt secured by liens we may incur. In the event we were to have any borrowings outstanding under these facilities, failed to meet any covenant and were unable to obtain a waiver from a majority of the banks in the applicable syndicate, any borrowings would become immediately due and payable. As of May 31, 2025, we were in full compliance with each of these covenants, and we believe it is unlikely we will fail to meet any of these covenants in the foreseeable future.

Liquidity is also provided by our $3 billion commercial paper program. As of and for the fiscal years ended May 31, 2025 and 2024, we did not have any borrowings outstanding under our $3 billion program. We may issue commercial paper or other debt securities depending on general corporate needs.

To date, we have not experienced difficulty accessing the capital or credit markets; however, future volatility may increase costs associated with issuing commercial paper or other debt instruments or affect our ability to access those markets.

As of May 31, 2025, we had Cash and equivalents and Short-term investments totaling $9.2 billion, primarily consisting of commercial paper, corporate notes, deposits held at major banks, money market funds, U.S. Treasury obligations and other investment grade fixed-income securities. Our fixed-income investments are exposed to both credit and interest rate risk. All of our investments are investment grade to minimize our credit risk. While individual securities have varying durations, as of May 31, 2025, the weighted-average days to maturity of our cash equivalents and short-term investments portfolio was 96 days.

We believe that existing Cash and equivalents, Short-term investments and cash generated by operations, together with access to external sources of funds as described above, will be sufficient to meet our domestic and foreign capital needs for the next twelve months and beyond.

Our material cash requirements as of May 31, 2025, were as follows:

- Debt Obligations — Refer to Note 5 — Short-Term Borrowings and Credit Lines and Note 6 — Long-Term Debt in the accompanying Notes to the Consolidated Financial Statements for additional information.
- Operating Leases — Refer to Note 17 — Leases in the accompanying Notes to the Consolidated Financial Statements for additional information.
- Endorsement Contracts — As of May 31, 2025, we had endorsement contract obligations, including associated marketing commitments, of $16.2 billion, with $1.6 billion payable within 12 months, primarily representing approximate amounts of base compensation and minimum guaranteed royalty fees we are obligated to pay athlete, public figure, sport team and league endorsers of our products. Actual payments under some contracts may be higher than these amounts as these contracts provide for bonuses to be paid to the endorsers based upon athletic achievements and/or royalties on product sales in future periods. Actual payments under some contracts may also be lower as these contracts include provisions for reduced payments if athletic performance declines in future periods. In addition to the cash payments, we are obligated to furnish our endorsers with NIKE product for their use. It is not possible to determine how much we will spend on this product on an annual basis as the amount of product provided to the endorsers will depend on many factors and the contracts generally do not stipulate a minimum amount of cash to be spent on the product.
- Product Purchase Obligations — As of May 31, 2025, we had product purchase obligations of $7.9 billion, all of which are payable within the next 12 months. Product purchase obligations represent agreements (including open purchase orders) to purchase products in the ordinary course of business that are enforceable and legally binding and specify all significant terms. We generally order product at least four to five months in advance of sale based primarily on advanced orders received from external wholesale customers and internal orders from our direct to consumer operations. In some cases, prices are subject to change throughout the production process.
- Other Purchase Obligations — As of May 31, 2025, we had $3.1 billion of other purchase obligations, with $1.9 billion payable within the next 12 months. Other purchase obligations primarily include technology investments, construction, service and marketing commitments made in the ordinary course of business. The amounts represent the minimum payments required by legally binding contracts and agreements that specify all significant terms, and may include open purchase orders for non-product purchases.

As of May 31, 2025, we had approximately $260 million in estimated future income tax obligations payable within 12 months related to expected resolution with the Internal Revenue Service of certain U.S. federal income tax matters for fiscal years 2017 through 2019 related to transfer pricing adjustments, research and development credits and other items.

As a part of the transition tax related to the Tax Cuts and Jobs Act, as of May 31, 2025, we had $268 million in estimated future cash payments payable within the next 12 months. These amounts represent the transition tax on deemed repatriation of undistributed earnings of foreign subsidiaries, which are reflected net of foreign tax credits we utilized.

In addition to the above, we have long-term obligations for uncertain tax positions and various post-retirement benefits for which we are not able to reasonably estimate when cash payments will occur. Refer to Note 7 — Income Taxes and Note 11 — Benefit Plans in the accompanying Notes to the Consolidated Financial Statements for additional information related to uncertain tax positions and post-retirement benefits, respectively.

Refer to Note 16 — Commitments and Contingencies in the accompanying Notes to the Consolidated Financial Statements for additional information related to our off-balance sheet arrangements, bank guarantees and letters of credit.

OFF-BALANCE SHEET ARRANGEMENTS

As of May 31, 2025, we did not have any off-balance sheet arrangements that have, or are reasonably likely to have, a material effect on our current and future financial condition, results of operations, liquidity, capital expenditures or capital resources. In connection with various contracts and agreements, we routinely provide indemnification relating to the enforceability of intellectual property rights, coverage for legal issues that arise and other items where we are acting as the guarantor. Currently, we have several such agreements in place. Based on our historical experience and the estimated probability of future loss, we have determined that the fair value of such indemnification is not material to our financial position or results of operations.

RECENT ACCOUNTING PRONOUNCEMENTS

Refer to Note 1 — Summary of Significant Accounting Policies within the accompanying Notes to the Consolidated Financial Statements for recently adopted and issued accounting pronouncements.

CRITICAL ACCOUNTING ESTIMATES

The preparation of our Consolidated Financial Statements in accordance with U.S. GAAP requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses and related disclosure of contingent assets and liabilities. We believe the assumptions and judgments involved in the accounting estimates described below have the greatest potential impact on our Consolidated Financial Statements, so we consider these to be our critical accounting estimates. Management has reviewed and discussed these critical accounting estimates with the Audit & Finance Committee of the Board of Directors.

Because of the uncertainty inherent in these matters, actual results could differ from the estimates we use in the preparation of our Consolidated Financial Statements. Within the context of these critical accounting estimates, we are not currently aware of any reasonably likely events or circumstances that would result in materially different amounts being reported. During fiscal 2025, we have not made any material changes to the accounting methodologies used to develop the estimates discussed below.

For a description of our significant accounting policies and methods used in the preparation of our Consolidated Financial Statements, refer to Note 1 — Summary of Significant Accounting Policies in the accompanying Notes to the Consolidated Financial Statements.

SALES-RELATED RESERVES

Provisions for anticipated sales returns consist of both contractual return rights and discretionary authorized returns. Provisions for post-invoice sales discounts consist of both contractual programs and discretionary discounts that are expected to be granted at a later date.

Estimates of discretionary authorized returns, discounts and claims are based on (1) historical rates, (2) specific identification of outstanding returns not yet received from customers and outstanding discounts and claims and (3) estimated returns, discounts and claims expected but not yet finalized with customers based on current marketplace needs. Actual returns, discounts and claims in any future period are inherently uncertain and may differ from estimates recorded. If actual or expected future returns, discounts or claims were significantly different than reserves established, a reduction or increase to net revenues would be recorded in the period in which such determination was made. For fiscal 2025, any variances between actual and expected sales-related reserves were not material to reported Revenues.

Refer to Note 14 — Revenues in the accompanying Notes to the Consolidated Financial Statements for additional information.

INVENTORY RESERVES

We make ongoing estimates relating to the net realizable value of inventories based upon our assumptions about future demand, market conditions, existing inventory levels, sales trends and historical experience with similar products. If we estimate the net realizable value of our inventory is less than the cost of the inventory, we record a reserve equal to the difference between the cost of the inventory and the estimated net realizable value. If changes in market conditions result in reductions to the estimated net realizable value of our inventory below our previous estimate, we would increase our reserve in the period in which such a determination is made.

Refer to Inventory Valuation within Note 1 — Summary of Significant Accounting Policies in the accompanying Notes to the Consolidated Financial Statements for additional information.

HEDGE ACCOUNTING FOR DERIVATIVES

We use derivative contracts to hedge certain anticipated foreign currency and interest rate transactions as well as certain non-functional currency monetary assets and liabilities. When the specific criteria to qualify for hedge accounting has been met, changes in the fair value of contracts hedging probable forecasted future cash flows are recorded in Accumulated other comprehensive income (loss), rather than Net income, until the underlying hedged transaction affects Net income. In most cases, this results in gains and losses on hedge derivatives being released from Accumulated other comprehensive income (loss) into Net income sometime after the maturity of the derivative. One of the criteria for this accounting treatment is that the designated notional value of these derivative contracts should not be in excess of the amount of anticipated transactions. By their very nature, our estimates of anticipated transactions may fluctuate over time and may ultimately vary from actual transactions. When the amount of anticipated or actual transactions decline below designated hedged levels and it is no longer probable the forecasted transaction will occur by the end of the originally specified time period or within an additional two-month period of time thereafter, we reclassify the cumulative change in fair value of the over-hedged portion of the related hedge contract from Accumulated other comprehensive income (loss) to Other (income) expense, net during the quarter in which the decrease occurs. In rare circumstances, the additional period of time may exceed two months due to extenuating circumstances related to the nature of the forecasted transaction that are outside our control or influence.

Refer to Note 12 — Risk Management and Derivatives in the accompanying Notes to the Consolidated Financial Statements for additional information.

INCOME TAXES

We are subject to taxation in the United States, as well as various state and foreign jurisdictions. The determination of our provision for income taxes requires significant judgment, the use of estimates and the interpretation and application of complex tax laws. On an interim basis, we estimate our effective tax rate for the full fiscal year. This estimated annual effective tax rate is then applied to the year-to-date Income before income taxes excluding infrequently occurring or unusual items, to determine the year-to-date Income tax expense. The income tax effects of infrequent or unusual items are recognized in the interim period in which they occur. As the fiscal year progresses, we continually refine our estimate based upon actual events and earnings by jurisdiction during the year. This continual estimation process periodically results in a change to our expected effective tax rate for the fiscal year. When this occurs, we adjust the income tax provision during the quarter in which the change in estimate occurs.

On a quarterly basis, we evaluate the probability a tax position will be effectively sustained and the appropriateness of the amount recognized for uncertain tax positions based on factors including changes in facts or circumstances, changes in tax law, settled audit issues and new audit activity. Changes in our assessment may result in the recognition of a tax benefit or an additional charge to the tax provision in the period our assessment changes. We recognize interest and penalties related to income tax matters in Income tax expense.

Refer to Note 7 — Income Taxes in the accompanying Notes to the Consolidated Financial Statements for additional information.

OTHER CONTINGENCIES

In the ordinary course of business, we are subject to various legal proceedings, claims and government investigations related to our business, products and actions of our employees and representatives, including contractual and employment relationships, product liability, antitrust, customs, tax, intellectual property and other matters. We record contingent liabilities resulting from claims against us when a loss is assessed to be probable and the amount of the loss is reasonably estimable. Assessing probability of loss and estimating probable losses requires analysis of multiple factors, including in some cases judgments about the potential actions of third-party claimants and courts. Recorded contingent liabilities are based on the best information available and actual losses in any future period are inherently uncertain. If future adjustments to estimated probable future losses or actual losses exceed our recorded liability for such claims, we would record additional charges during the period in which the actual loss or change in estimate occurred. In addition to contingent liabilities recorded for probable losses, we disclose contingent liabilities when there is a reasonable possibility the ultimate loss will materially exceed the recorded liability.

Refer to Note 16 — Commitments and Contingencies in the accompanying Notes to the Consolidated Financial Statements for additional information.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

In the normal course of business and consistent with established policies and procedures, we employ a variety of financial instruments to manage exposure to fluctuations in the value of foreign currencies and interest rates. It is our policy to utilize these financial instruments only where necessary to finance our business and manage such exposures; we do not enter into these transactions for trading or speculative purposes.

We are exposed to foreign currency fluctuations, primarily as a result of our international sales, product sourcing and funding activities. Our foreign exchange risk management program is intended to lessen both the positive and negative effects of currency fluctuations on our consolidated results of operations, financial position and cash flows. We use forward and option contracts to hedge certain anticipated, but not yet firmly committed, transactions as well as certain firm commitments and the related receivables and payables, including third-party and intercompany transactions. Where exposures are hedged, our program has the effect of delaying the impact of exchange rate movements on our Consolidated Financial Statements.

The timing for hedging exposures, as well as the type and duration of the hedge instruments employed, are guided by our hedging policies and determined based upon the nature of the exposure and prevailing market conditions. Typically, the Company may enter into hedge contracts starting 12 to 24 months in advance of the forecasted transaction and may place incremental hedges up to 100% of the exposure by the time the forecasted transaction occurs. The majority of derivatives outstanding as of May 31, 2025, are designated as foreign currency cash flow hedges, primarily for Euro/U.S. Dollar, Chinese Yuan/U.S. Dollar, British Pound/Euro, and Japanese Yen/U.S. Dollar currency pairs. Refer to Note 12 — Risk Management and Derivatives in the accompanying Notes to the Consolidated Financial Statements for additional information.

Our earnings are also exposed to movements in short- and long-term market interest rates. Our objective in managing this interest rate exposure is to limit the impact of interest rate changes on earnings and cash flows and to reduce overall borrowing costs. To achieve these objectives, we maintain a mix of commercial paper, bank loans, and fixed-rate debt of varying maturities and have entered into receive-fixed, pay-variable interest rate swaps for a portion of our fixed-rate debt.

MARKET RISK MEASUREMENT

We monitor foreign exchange risk, interest rate risk and related derivatives using a variety of techniques including a review of market value, sensitivity analysis and Value-at-Risk ("VaR"). Our market-sensitive derivative and other financial instruments are foreign currency forward contracts, foreign currency option contracts, interest rate swaps, intercompany loans denominated in non-functional currencies and fixed interest rate U.S. Dollar denominated debt.

We use VaR to monitor the foreign exchange risk of our foreign currency forward and foreign currency option derivative instruments only. The VaR determines the maximum potential one-day loss in the fair value of these foreign exchange rate-sensitive financial instruments. The VaR model estimates assume normal market conditions and a 95% confidence level. There are various modeling techniques that can be used in the VaR computation. Our computations are based on interrelationships between currencies and interest rates (a "variance/co-variance" technique). These interrelationships are a function of foreign exchange currency market changes and interest rate changes over the preceding one-year period. The value of foreign currency options does not change on a one-to-one basis with changes in the underlying currency rate. We adjust the potential loss in option value for the estimated sensitivity (the "delta" and "gamma") to changes in the underlying currency rate. This calculation reflects the impact of foreign currency rate fluctuations on the derivative instruments only and does not include the impact of such rate fluctuations on non-functional currency transactions (such as anticipated transactions, firm commitments, cash balances and accounts and loans receivable and payable), including those which are hedged by these instruments.

The VaR model is a risk analysis tool and does not purport to represent actual losses in fair value we will incur nor does it consider the potential effect of favorable changes in market rates. It also does not represent the full extent of the possible loss that may occur. Actual future gains and losses will differ from those estimated because of changes or differences in market rates and interrelationships, hedging instruments and hedge percentages, timing and other factors.

The estimated maximum one-day loss in fair value on our foreign currency sensitive derivative financial instruments, derived using the VaR model, was $107 million and $57 million as of May 31, 2025 and 2024, respectively. The VaR increased year-over-year as a result of an increase in foreign currency volatilities as well as increased trade volumes as of May 31, 2025. Such a hypothetical loss in the fair value of our derivatives would be offset by increases in the value of the underlying transactions being hedged. The average monthly change in the fair values of foreign currency forward and foreign currency option derivative instruments was $200 million and $180 million during fiscal 2025 and fiscal 2024, respectively.

The instruments not included in the VaR are intercompany loans denominated in non-functional currencies, fixed interest rate U.S. Dollar denominated debt, and interest rate swaps. Intercompany loans and related interest amounts are eliminated in consolidation. Furthermore, our non-functional currency intercompany loans are substantially hedged against foreign exchange risk through the use of forward contracts, which are included in the VaR calculation above. Therefore, we consider the interest rate and foreign currency market risks associated with our non-functional currency intercompany loans to be immaterial to our consolidated financial position, results of operations and cash flows.

Details of third-party debt and interest rate swaps are provided in the table below. The table presents principal cash flows and related weighted average interest rates by expected maturity dates. The weighted average variable interest rates for the fixed rate swapped to variable rate swaps reflect the effective interest rates at May 31, 2025.

	EXPECTED MATURITY DATE YEAR ENDING MAY 31,							
(Dollars in millions)	**2026**	**2027**	**2028**	**2029**	**2030**	**THEREAFTER**	**TOTAL**	**FAIR VALUE**
Interest Rate Risk								
Long-term U.S. Dollar debt — Fixed rate								
Principal payments	$ —	$ 2,000	$ —	$ —	$ 1,500	$ 4,500	$ 8,000	$ 6,673
Average interest rate	0.0 %	2.6 %	0.0 %	0.0 %	2.9 %	3.5 %	3.1 %	
Interest Rate Swaps — Fixed rate swapped to variable rate								
Notional amount	$ —	$ —	$ —	$ —	$ —	$ 2,400	$ 2,400	$ 21
Average fixed interest rate	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	3.6 %	3.6 %	
Average variable interest rate	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	3.8 %	3.8 %	

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

Management of NIKE, Inc. is responsible for the information and representations contained in this Annual Report. The financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP") and include certain amounts based on our best estimates and judgments. Other financial information in this Annual Report is consistent with these financial statements.

Our accounting systems include controls designed to reasonably assure assets are safeguarded from unauthorized use or disposition and provide for the preparation of financial statements in conformity with U.S. GAAP. These systems are supplemented by the selection and training of qualified financial personnel and an organizational structure providing for appropriate segregation of duties.

An internal corporate audit department reviews the results of its work with the Audit & Finance Committee of the Board of Directors, presently comprised of three outside, independent directors. The Audit & Finance Committee is responsible for the appointment of the independent registered public accounting firm and reviews, with the independent registered public accounting firm, management and the internal corporate audit staff, the scope and the results of the annual audit, the effectiveness of the accounting control system and other matters relating to the financial affairs of NIKE as the Audit & Finance Committee deems appropriate. The independent registered public accounting firm and the internal corporate auditors have full access to the Audit & Finance Committee, with and without the presence of management, to discuss any appropriate matters.

MANAGEMENT'S ANNUAL REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

Management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Rule 13(a) - 15(f) and Rule 15(d) - 15(f) of the Securities Exchange Act of 1934, as amended. Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the financial statements for external purposes in accordance with generally accepted accounting principles in the United States of America. Internal control over financial reporting includes those policies and procedures that: (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of assets of the Company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of our management and directors; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of assets of the Company that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Under the supervision and with the participation of our Chief Executive Officer and Chief Financial Officer, our management conducted an evaluation of the effectiveness of our internal control over financial reporting based upon the framework in *Internal Control — Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Based on the results of our evaluation, our management concluded that our internal control over financial reporting was effective as of May 31, 2025.

PricewaterhouseCoopers LLP, an independent registered public accounting firm, has audited (1) the Consolidated Financial Statements and (2) the effectiveness of our internal control over financial reporting as of May 31, 2025, as stated in their report herein.

Elliott Hill	**Matthew Friend**
President and Chief Executive Officer	*Executive Vice President and Chief Financial Officer*

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Shareholders of NIKE, Inc.

Opinions on the Financial Statements and Internal Control over Financial Reporting

We have audited the accompanying consolidated balance sheets of NIKE, Inc. and its subsidiaries (the "Company") as of May 31, 2025 and 2024, and the related consolidated statements of income, of comprehensive income, of shareholders' equity and of cash flows for each of the three years in the period ended May 31, 2025, including the related notes (collectively referred to as the "consolidated financial statements"). We also have audited the Company's internal control over financial reporting as of May 31, 2025, based on criteria established in Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of May 31, 2025 and 2024, and the results of its operations and its cash flows for each of the three years in the period ended May 31, 2025 in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of May 31, 2025, based on criteria established in Internal Control - Integrated Framework (2013) issued by the COSO.

Basis for Opinions

The Company's management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Annual Report on Internal Control over Financial Reporting. Our responsibility is to express opinions on the Company's consolidated financial statements and on the Company's internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Critical Audit Matters

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the audit committee and that (i) relates to accounts or disclosures that are material to the consolidated financial statements and (ii) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Accounting for Income Taxes

As described in Notes 1 and 7 to the consolidated financial statements, the Company is subject to taxation in the United States, as well as various state and foreign jurisdictions. The Company accounts for income taxes using the asset and liability method. This approach requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the carrying amounts and the tax basis of assets and liabilities. As disclosed by management, the determination of the provision for income taxes by management requires significant judgment, the use of estimates, and the interpretation and application of complex tax laws. Furthermore, as part of determining its provision for income taxes, management evaluates the probability a tax position will be effectively sustained and the appropriateness of the amount recognized for uncertain tax positions based on factors including changes in facts or circumstances, changes in tax law, settled audit issues and new audit activity. The Company recognizes a tax benefit from uncertain tax positions in the consolidated financial statements only when it is more likely than not the position will be sustained upon examination by relevant tax authorities. The majority of the total gross unrecognized tax benefits are long-term in nature and included within deferred income taxes and other liabilities on the consolidated balance sheets. The Company recorded income tax expense of $666 million for the year ended May 31, 2025. As of May 31, 2025, total gross unrecognized tax benefits, excluding related interest and penalties, were $1,026 million, of which $738 million would affect the Company's effective tax rate if recognized in future periods.

The principal considerations for our determination that performing procedures relating to the accounting for income taxes is a critical audit matter are (i) the significant judgment by management when determining the provision for income taxes and interpreting and applying complex tax laws as it relates to determining the provision for income taxes and uncertain tax positions; (ii) a high degree of auditor judgment and effort in performing procedures and evaluating audit evidence related to management’s interpretation and application of complex tax laws as it relates to the determination of the provision for income taxes and the assessment of whether tax positions are more likely than not to be sustained; and (iii) the audit effort involved the use of professionals with specialized skill and knowledge.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls relating to income taxes. These procedures also included, among others (i) testing the provision for income taxes, which included the effective tax rate reconciliation and assessing management’s interpretation and application of complex tax laws; (ii) evaluating the completeness of management’s identification of uncertain tax positions by considering changes in facts or circumstances, changes in and compliance with tax laws, settled audit issues, new authoritative cases, or new audit activity, where applicable; and (iii) for certain tax positions, evaluating management’s assessment of the technical merits of the tax positions by obtaining and inspecting third party income tax documentation. Professionals with specialized skill and knowledge were used to assist in evaluating (i) changes in and compliance with the tax laws; (ii) management’s interpretation and application of certain complex tax laws as it relates to the determination of the provision for income taxes; and (iii) the reasonableness of management's assessment of whether certain tax positions are more likely than not of being sustained.

/s/ PricewaterhouseCoopers LLP
Portland, Oregon
July 17, 2025

We have served as the Company's auditor since 1974.

NIKE, INC.

CONSOLIDATED STATEMENTS OF INCOME

	YEAR ENDED MAY 31,		
(In millions, except per share data)	**2025**	**2024**	**2023**
Revenues	$ 46,309	$ 51,362	$ 51,217
Cost of sales	26,519	28,475	28,925
Gross profit	19,790	22,887	22,292
Demand creation expense	4,689	4,285	4,060
Operating overhead expense	11,399	12,291	12,317
Total selling and administrative expense	16,088	16,576	16,377
Interest expense (income), net	(107)	(161)	(6)
Other (income) expense, net	(76)	(228)	(280)
Income before income taxes	3,885	6,700	6,201
Income tax expense	666	1,000	1,131
NET INCOME	**$ 3,219**	**$ 5,700**	**$ 5,070**
Earnings per common share:			
Basic	$ 2.17	$ 3.76	$ 3.27
Diluted	$ 2.16	$ 3.73	$ 3.23
Weighted average common shares outstanding:			
Basic	1,484.9	1,517.6	1,551.6
Diluted	1,487.6	1,529.7	1,569.8

The accompanying Notes to the Consolidated Financial Statements are an integral part of this statement.

NIKE, INC.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	YEAR ENDED MAY 31,		
(Dollars in millions)	**2025**	**2024**	**2023**
Net income	$ 3,219	$ 5,700	$ 5,070
Other comprehensive income (loss), net of tax:			
Change in net foreign currency translation adjustment	142	(3)	267
Change in net gains (losses) on cash flow hedges	(454)	(184)	(348)
Change in net gains (losses) on other	1	9	(6)
Total other comprehensive income (loss), net of tax	(311)	(178)	(87)
TOTAL COMPREHENSIVE INCOME	**$ 2,908**	**$ 5,522**	**$ 4,983**

The accompanying Notes to the Consolidated Financial Statements are an integral part of this statement.

NIKE, INC.

CONSOLIDATED BALANCE SHEETS

(In millions)	MAY 31, 2025	MAY 31, 2024
ASSETS		
Current assets:		
Cash and equivalents	$ 7,464	$ 9,860
Short-term investments	1,687	1,722
Accounts receivable, net	4,717	4,427
Inventories	7,489	7,519
Prepaid expenses and other current assets	2,005	1,854
Total current assets	23,362	25,382
Property, plant and equipment, net	4,828	5,000
Operating lease right-of-use assets, net	2,712	2,718
Identifiable intangible assets, net	259	259
Goodwill	240	240
Deferred income taxes and other assets	5,178	4,511
TOTAL ASSETS	**$ 36,579**	**$ 38,110**
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Current portion of long-term debt	$ —	$ 1,000
Notes payable	5	6
Accounts payable	3,479	2,851
Current portion of operating lease liabilities	502	477
Accrued liabilities	5,911	5,725
Income taxes payable	669	534
Total current liabilities	10,566	10,593
Long-term debt	7,961	7,903
Operating lease liabilities	2,550	2,566
Deferred income taxes and other liabilities	2,289	2,618
Commitments and contingencies (Note 16)		
Redeemable preferred stock	—	—
Shareholders' equity:		
Common stock at stated value:		
Class A convertible — 290 and 298 shares outstanding	—	—
Class B — 1,186 and 1,205 shares outstanding	3	3
Capital in excess of stated value	14,195	13,409
Accumulated other comprehensive income (loss)	(258)	53
Retained earnings (deficit)	(727)	965
Total shareholders' equity	13,213	14,430
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**$ 36,579**	**$ 38,110**

The accompanying Notes to the Consolidated Financial Statements are an integral part of this statement.

NIKE, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Dollars in millions)	YEAR ENDED MAY 31, 2025	2024	2023
Cash provided (used) by operations:			
Net income	$ 3,219	$ 5,700	$ 5,070
Adjustments to reconcile net income to net cash provided (used) by operations:			
Depreciation and amortization	775	796	703
Deferred income taxes	(288)	(497)	(117)
Stock-based compensation	709	804	755
Impairment and other	33	48	156
Net foreign currency adjustments	37	(138)	(213)
Changes in certain working capital components and other assets and liabilities:			
(Increase) decrease in accounts receivable	(257)	(329)	489
(Increase) decrease in inventories	120	908	(133)
(Increase) decrease in prepaid expenses, operating lease right-of-use assets and other current and non-current assets	(224)	(260)	(644)
Increase (decrease) in accounts payable, accrued liabilities, operating lease liabilities and other current and non-current liabilities	(426)	397	(225)
Cash provided (used) by operations	3,698	7,429	5,841
Cash provided (used) by investing activities:			
Purchases of short-term investments	(3,234)	(4,767)	(6,059)
Maturities of short-term investments	319	2,269	3,356
Sales of short-term investments	3,062	4,219	4,184
Additions to property, plant and equipment	(430)	(812)	(969)
Other investing activities	8	(15)	52
Cash provided (used) by investing activities	(275)	894	564
Cash provided (used) by financing activities:			
Increase (decrease) in notes payable, net	(1)	—	(4)
Repayment of borrowings	(1,000)	—	(500)
Proceeds from exercise of stock options and other stock issuances	551	667	651
Repurchase of common stock	(2,985)	(4,250)	(5,480)
Dividends — common and preferred	(2,300)	(2,169)	(2,012)
Other financing activities	(85)	(136)	(102)
Cash provided (used) by financing activities	(5,820)	(5,888)	(7,447)
Effect of exchange rate changes on cash and equivalents	1	(16)	(91)
Net increase (decrease) in cash and equivalents	(2,396)	2,419	(1,133)
Cash and equivalents, beginning of year	9,860	7,441	8,574
CASH AND EQUIVALENTS, END OF YEAR	**$ 7,464**	**$ 9,860**	**$ 7,441**
Supplemental disclosure of cash flow information:			
Cash paid during the year for:			
Interest, net of capitalized interest	$ 389	$ 381	$ 347
Income taxes	1,226	1,299	1,517
Non-cash additions to property, plant and equipment	184	160	211
Dividends declared and not paid	593	558	524

The accompanying Notes to the Consolidated Financial Statements are an integral part of this statement.

NIKE, INC.

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

	COMMON STOCK												
	CLASS A			CLASS B									
(In millions, except per share data)	SHARES		AMOUNT	SHARES		AMOUNT		CAPITAL IN EXCESS OF STATED VALUE		ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)		RETAINED EARNINGS (DEFICIT)	TOTAL
Balance at May 31, 2022	**305**	**$**	**—**	**1,266**	**$**	**3**	**$**	**11,484**	**$**	**318**	**$**	**3,476 $**	**15,281**
Stock options exercised				8				421					421
Conversion to Class B Common Stock	—			—									—
Repurchase of Class B Common Stock				(51)				(378)				(5,131)	(5,509)
Dividends on common stock ($1.325 per share) and preferred stock ($0.10 per share)												(2,059)	(2,059)
Issuance of shares to employees, net of shares withheld for employee taxes				4				130				2	132
Stock-based compensation								755					755
Net income												5,070	5,070
Other comprehensive income (loss)										(87)			(87)
Balance at May 31, 2023	**305**	**$**	**—**	**1,227**	**$**	**3**	**$**	**12,412**	**$**	**231**	**$**	**1,358 $**	**14,004**
Stock options exercised				7				432					432
Conversion to Class B Common Stock	(7)			7									—
Repurchase of Class B Common Stock				(41)				(347)				(3,907)	(4,254)
Dividends on common stock ($1.450 per share) and preferred stock ($0.10 per share)												(2,203)	(2,203)
Issuance of shares to employees, net of shares withheld for employee taxes				5				108				17	125
Stock-based compensation								804					804
Net income												5,700	5,700
Other comprehensive income (loss)										(178)			(178)
Balance at May 31, 2024	**298**	**$**	**—**	**1,205**	**$**	**3**	**$**	**13,409**	**$**	**53**	**$**	**965 $**	**14,430**
Stock options exercised				6				315					315
Conversion to Class B Common Stock	(8)			8									—
Repurchase of Class B Common Stock				(38)				(342)				(2,613)	(2,955)
Dividends on common stock ($1.570 per share) and preferred stock ($0.10 per share)												(2,337)	(2,337)
Issuance of shares to employees, net of shares withheld for employee taxes				5				104				39	143
Stock-based compensation								709					709
Net income												3,219	3,219
Other comprehensive income (loss)										(311)			(311)
Balance at May 31, 2025	**290**	**$**	**—**	**1,186**	**$**	**3**	**$**	**14,195**	**$**	**(258) $**		**(727) $**	**13,213**

The accompanying Notes to the Consolidated Financial Statements are an integral part of this statement.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

DESCRIPTION OF BUSINESS

NIKE, Inc. is a worldwide leader in the design, development and worldwide marketing and selling of athletic footwear, apparel, equipment, accessories and services. NIKE, Inc. portfolio brands include the NIKE Brand, Jordan Brand and Converse. The NIKE Brand is focused on performance athletic footwear, apparel, equipment, accessories and services across Men's, Women's and Kids', amplified with sport-inspired lifestyle products carrying the Swoosh trademark, as well as other NIKE Brand trademarks. The Jordan Brand is focused on athletic and casual footwear, apparel and accessories using the Jumpman trademark. Sales and operating results of Jordan Brand products are reported within the respective NIKE Brand geographic operating segments. Converse designs, distributes, licenses and sells casual sneakers, apparel and accessories under the Converse, Chuck Taylor, All Star, One Star, Star Chevron and Jack Purcell trademarks. In some markets outside the U.S., these trademarks are licensed to third parties who design, distribute, market and sell similar products. Operating results of the Converse brand are reported on a stand-alone basis.

BASIS OF CONSOLIDATION

The Consolidated Financial Statements include the accounts of NIKE, Inc. and its subsidiaries (the "Company" or "NIKE"). All significant intercompany transactions and balances have been eliminated.

MANAGEMENT ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates, including estimates relating to assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

REVENUE RECOGNITION

Revenue transactions associated with the sale of NIKE Brand footwear, apparel and equipment, as well as Converse products, comprise a single performance obligation, which consists of the sale of products to customers either through wholesale or direct to consumer channels. The Company satisfies the performance obligation and records revenues when transfer of control to the customer has occurred, based on the terms of sale. A customer is considered to have control once they are able to direct the use and receive substantially all of the benefits of the product.

Control is transferred to wholesale customers upon shipment or upon receipt depending on the country of the sale and the arrangement with the customer. Control transfers to retail store customers at the time of sale and to substantially all digital commerce customers upon shipment. The transaction price is determined based upon the invoiced sales price, less anticipated sales returns, discounts and claims from customers. Payment terms for wholesale transactions depend on the agreement with the customer, which may be governed by the country of sale, and payment is generally required within 90 days or less of shipment to or receipt by the wholesale customer. Payment is due at the time of sale for retail store and digital commerce transactions.

Consideration for trademark licensing contracts is earned through sales-based or usage-based royalty arrangements, and the associated revenues are recognized over the license period as earned.

Taxes assessed by governmental authorities that are both imposed on and concurrent with a specific revenue-producing transaction, and are collected by the Company from a customer, are excluded from Revenues and Cost of sales in the Consolidated Statements of Income. Shipping and handling costs associated with outbound freight after control over a product has transferred to a customer are accounted for as fulfillment costs and are included in Cost of sales when the related revenues are recognized.

SALES-RELATED RESERVES

Consideration promised in the Company's contracts with customers is variable due to anticipated reductions, such as sales returns, discounts and claims from customers. The Company estimates the most likely amount it will be entitled to receive and records an anticipated reduction against Revenues, with an offsetting increase to Accrued liabilities at the time revenues are recognized. The related estimated cost of inventory for product returns is recorded as a reduction to Cost of sales with an offsetting increase to Prepaid expenses and other current assets.

The provision for anticipated sales returns consists of both contractual return rights and discretionary authorized returns. Provisions for post-invoice sales discounts consist of both contractual programs and discretionary discounts that are expected to be granted at a later date.

Estimates of discretionary authorized returns, discounts and claims are based on (1) historical rates, (2) specific identification of outstanding returns not yet received from customers and outstanding discounts and claims and (3) estimated returns, discounts and claims expected but not yet finalized with customers. Actual returns, discounts and claims in any future period are inherently uncertain and thus may differ from estimates recorded. If actual or expected future returns, discounts or claims are significantly greater or lower than the reserves established, a reduction or increase to net Revenues is recorded in the period in which such determination is made.

COST OF SALES

Cost of sales consists primarily of inventory costs, as well as warehousing costs (including the cost of warehouse labor), shipping and handling costs, third-party royalties, certain foreign currency hedge gains and losses and product design costs.

DEMAND CREATION EXPENSE

Demand creation expense consists of brand marketing expense and sports marketing expense.

Brand marketing expense includes advertising and promotion costs such as production and media costs, digital marketing expense, brand events and retail brand presentation costs. Advertising production costs are expensed the first time an advertisement is run. Advertising media costs are expensed when the advertisement appears. Costs related to brand events are expensed when the event occurs. Costs related to retail brand presentation are expensed when the presentation is complete and delivered.

Sports marketing expense includes expenses related to endorsement contracts, complimentary product and sports marketing events. A significant amount of the Company's promotional expenses result from payments under endorsement contracts. In general, endorsement payments are expensed on a straight-line basis over the term of the contract. However, certain contracts contain elements that may be accounted for differently based upon the facts and circumstances of each individual contract. Prepayments made under contracts are included in Prepaid expenses and other current assets or Deferred income taxes and other assets depending on the period to which the prepayment applies.

Certain contracts provide for contingent payments to endorsers based upon specific achievements in their sport (e.g., winning a championship). The Company records Demand creation expense for these amounts when the endorser achieves the specific goal.

Certain contracts provide for variable payments based upon endorsers maintaining a level of performance in their sport over an extended period of time (e.g., maintaining a specified ranking in a sport for a year). When the Company determines payments are probable, the amounts are reported in Demand creation expense ratably over the contract period based on the Company's best estimate of the endorser's performance. In these instances, to the extent actual payments to the endorser differ from the Company's estimate due to changes in the endorser's performance, adjustments to Demand creation expense may be recorded in a future period.

Certain contracts provide for royalty payments to endorsers based upon a predetermined percent of sales of particular products, which the Company records in Cost of sales as the related sales occur. For contracts containing minimum guaranteed royalty payments, the Company records the amount of any guaranteed payment in excess of that earned through sales of product within Demand creation expense.

Through cooperative advertising programs, the Company reimburses its wholesale customers for certain costs of advertising the Company's products. To the extent the Company receives a distinct good or service in exchange for consideration paid to the customer that does not exceed the fair value of that good or service, the amounts reimbursed are recorded in Demand creation expense.

Total Demand creation expense was $4,689 million, $4,285 million and $4,060 million for the years ended May 31, 2025, 2024 and 2023, respectively. Prepaid demand creation expenses totaled $1,333 million and $814 million at May 31, 2025 and 2024, respectively, of which $498 million and $420 million, respectively, were recorded in Prepaid expenses and other current assets, and $835 million and $394 million, respectively, were recorded in Deferred income taxes and other assets.

OPERATING OVERHEAD EXPENSE

Operating overhead expense consists primarily of wage and benefit-related expenses and other administrative expenses, such as research and development costs, bad debt expense, rent, depreciation and amortization and costs related to professional services, certain technology investments, meetings and travel.

CASH AND EQUIVALENTS

Cash and equivalents represent cash and short-term, highly liquid investments, that are both readily convertible to known amounts of cash and so near their maturity they present insignificant risk of changes in value because of changes in interest rates, with maturities three months or less at the date of purchase.

SHORT-TERM INVESTMENTS

Short-term investments consist of highly liquid investments with maturities over three months at the date of purchase. At May 31, 2025 and 2024, Short-term investments consisted of available-for-sale debt securities, which are recorded at fair value with unrealized gains and losses reported, net of tax, in Accumulated other comprehensive income (loss), unless unrealized losses are determined to be unrecoverable. Realized gains and losses on the sale of securities are determined by specific identification. The Company considers all available-for-sale debt securities, including those with maturity dates beyond 12 months, as available to support current operational liquidity needs and, therefore, classifies all securities with maturity dates beyond three months at the date of purchase as current assets within Short-term investments on the Consolidated Balance Sheets.

Refer to Note 4 — Fair Value Measurements for more information on the Company's Short-term investments.

ALLOWANCE FOR UNCOLLECTIBLE ACCOUNTS RECEIVABLE

Accounts receivable, net consist primarily of amounts due from customers. The Company makes ongoing estimates relating to the collectability of its accounts receivable and maintains an allowance for expected losses resulting from the inability of its customers to make required payments. In addition to judgments about the creditworthiness of significant customers based on ongoing credit evaluations, the Company considers historical levels of credit losses, as well as macroeconomic and industry trends to determine the amount of the allowance. The allowance for uncollectible accounts receivable was $27 million and $35 million as of May 31, 2025 and 2024, respectively.

INVENTORY VALUATION

Inventory costs primarily consist of product cost from the Company's suppliers, as well as inbound freight, import duties, taxes, insurance, logistics and other handling fees. Inventories, substantially all of which are finished goods, are stated at lower of cost and net realizable value and valued on either an average or a specific identification cost basis. In some instances, the Company ships products directly from its suppliers to the customer, with the related inventory and cost of sales recognized on a specific identification basis.

If the net realizable value of inventory is estimated to be less than the cost of the inventory, a reserve is recorded equal to the difference between the cost of the inventory and the estimated net realizable value. This reserve is recorded as a charge to Cost of sales. As of May 31, 2025, the Company's inventory reserve was $233 million compared to $155 million as of May 31, 2024.

PROPERTY, PLANT AND EQUIPMENT AND DEPRECIATION

Property, plant and equipment are recorded at cost. Depreciation is determined on a straight-line basis for land improvements, buildings and leasehold improvements over 2 to 40 years and for machinery and equipment over 2 to 15 years.

Depreciation of assets used in manufacturing, warehousing and product distribution are recorded in Cost of sales. Depreciation of all other assets are recorded in Operating overhead expense.

SOFTWARE DEVELOPMENT COSTS

Expenditures for major software purchases and software developed for internal use are capitalized and amortized over 2 to 12 years on a straight-line basis, once ready for their intended use. The Company's policy provides for the capitalization of external direct costs associated with developing or obtaining internal use computer software. The Company also capitalizes certain payroll and payroll-related costs for employees who are directly associated with internal use computer software projects. The amount of capitalizable payroll costs with respect to these employees is limited to the time directly spent on such projects. Costs associated with preliminary project stage activities, training, maintenance and all other post-implementation stage activities are expensed as incurred.

IMPAIRMENT OF LONG-LIVED ASSETS

The Company reviews the carrying value of long-lived assets or asset groups to be used in operations whenever events or changes in circumstances indicate the carrying amount of the assets might not be recoverable. Factors that would necessitate an impairment assessment include a significant adverse change in the extent or manner in which an asset is used, a significant adverse change in legal factors or the business climate that could affect the value of the asset or a significant decline in the observable market value of an asset, among others. If such facts indicate a potential impairment, the Company would assess the recoverability of an asset group by determining if the carrying value of the asset group exceeds the sum of the projected undiscounted cash flows expected to result from the use and eventual disposition of the assets over the remaining economic life of the primary asset in the asset group. If the recoverability test indicates that the carrying value of the asset group is not recoverable, the Company will estimate the fair value of the asset group using appropriate valuation methodologies, which would typically include an estimate of discounted cash flows. Any impairment would be measured as the difference between the asset group's carrying amount and its estimated fair value.

GOODWILL AND INDEFINITE-LIVED INTANGIBLE ASSETS

The Company performs annual impairment tests on goodwill and intangible assets with indefinite lives in the fourth quarter of each fiscal year or when events occur or circumstances change that would, more likely than not, reduce the fair value of a reporting unit or an intangible asset with an indefinite life below its carrying value.

For purposes of testing goodwill for impairment, the Company allocates goodwill across its reporting units, which are considered the Company's operating segments. For both goodwill and indefinite-lived intangible assets, which primarily consist of acquired trade names and trademarks, the Company may first assess qualitative factors to determine whether it is more likely than not that the fair value of a reporting unit or an intangible asset with an indefinite life is less than its carrying amount. If, after assessing the totality of events and circumstances, the Company determines it is more likely than not that the fair value of a reporting unit or indefinite-lived intangible asset is greater than its carrying amount, an impairment test is unnecessary.

If an impairment test is necessary, the Company will estimate the fair value of the related reporting unit or indefinite-lived intangible asset. If the carrying value of a reporting unit or indefinite-lived intangible asset exceeds its fair value, the goodwill of that reporting unit or indefinite-lived intangible asset is determined to be impaired and the Company will record an impairment charge equal to the excess of the carrying value over the related fair value.

There were no impairment losses for the year ended May 31, 2025, and an immaterial amount of accumulated impairment losses as of May 31, 2024.

OPERATING LEASES

The Company primarily leases retail store space, certain distribution and warehouse facilities, office space, equipment and other non-real estate assets. The Company determines if an arrangement is a lease at inception and begins recording lease activity at the commencement date, which is generally the date in which the Company takes possession of or controls the physical use of the asset. Lease components are not separated from non-lease components for real estate leases within the Company's lease portfolio. Right-of-use ("ROU") assets and lease liabilities are recognized based on the present value of lease payments over the lease term with lease expense recognized on a straight-line basis. The Company's incremental borrowing rate is used to determine the present value of future lease payments unless the implicit rate is readily determinable.

Lease agreements may contain rent escalation clauses, renewal or termination options, rent holidays or certain landlord incentives, including tenant improvement allowances. ROU assets include amounts for scheduled rent increases and are reduced by the amount of lease incentives. The lease term includes the non-cancelable period of the lease and options to extend or terminate the lease when it is reasonably certain the Company will exercise those options. The Company does not record leases with an initial term of 12 months or less on the Consolidated Balance Sheets and recognizes related lease payments in the Consolidated Statements of Income on a straight-line basis over the lease term. Certain lease agreements include variable lease payments, which are based on a percent of retail sales over specified levels or adjust periodically for inflation as a result of changes in a published index, primarily the Consumer Price Index, and are expensed as incurred.

FAIR VALUE MEASUREMENTS

The Company measures certain financial assets and liabilities at fair value on a recurring basis, including derivatives, equity securities and available-for-sale debt securities. Fair value is the price the Company would receive to sell an asset or pay to transfer a liability in an orderly transaction with a market participant at the measurement date. The Company uses a three-level hierarchy that prioritizes fair value measurements based on the types of inputs used, as follows:

- Level 1: Quoted prices in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly; these include quoted prices for similar assets or liabilities in active markets and quoted prices for identical or similar assets or liabilities in markets that are not active.
- Level 3: Unobservable inputs with little or no market data available, which require the reporting entity to develop its own assumptions.

The Company's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the asset or liability. Financial assets and liabilities are classified in their entirety based on the most conservative level of input that is significant to the fair value measurement.

Pricing vendors are utilized for a majority of Level 1 and Level 2 investments. These vendors either provide a quoted market price in an active market or use observable inputs without applying significant adjustments in their pricing. Observable inputs include broker quotes, interest rates and yield curves observable at commonly quoted intervals, volatilities and credit risks. The fair value of derivative contracts is determined using observable market inputs such as the daily market foreign currency rates, forward pricing curves, currency volatilities, currency correlations and interest rates and considers nonperformance risk of the Company and its counterparties.

The Company's fair value measurement process includes comparing fair values to another independent pricing vendor to ensure appropriate fair values are recorded.

Refer to Note 4 — Fair Value Measurements for additional information.

FOREIGN CURRENCY TRANSLATION AND FOREIGN CURRENCY TRANSACTIONS

Adjustments resulting from translating foreign functional currency financial statements into U.S. Dollars are included in the foreign currency translation adjustment, a component of Accumulated other comprehensive income (loss).

The Company's global subsidiaries have various monetary assets and liabilities, primarily receivables and payables, which are denominated in currencies other than their functional currency. These balance sheet items are subject to remeasurement, the impact of which is recorded in Other (income) expense, net, within the Consolidated Statements of Income.

ACCOUNTING FOR DERIVATIVES AND HEDGING ACTIVITIES

The Company uses derivative financial instruments to reduce its exposure to changes in foreign currency exchange rates and interest rates. All derivatives are recorded at fair value on the Consolidated Balance Sheets and changes in the fair value of derivative financial instruments are either recognized in Accumulated other comprehensive income (loss), Long-term debt or Net income depending on the nature of the underlying exposure, whether the derivative is formally designated as a hedge and, if designated, the extent to which the hedge is effective. The Company classifies the cash flows at settlement from derivatives in the same category as the cash flows from the related hedged items. For undesignated hedges, designated cash flow hedges and fair value hedges, this is primarily within the Cash provided (used) by operations component of the Consolidated Statements of Cash Flows. For designated net investment hedges, this is within the Cash provided (used) by investing activities component of the Consolidated Statements of Cash Flows.

Refer to Note 12 — Risk Management and Derivatives for additional information on the Company's risk management program and derivatives.

STOCK-BASED COMPENSATION

The Company accounts for stock-based compensation by estimating the fair value, net of estimated forfeitures, of equity awards and recognizing the related expense as Cost of sales or Operating overhead expense, as applicable, in the Consolidated Statements of Income on a straight-line basis over the vesting period. Substantially all awards vest ratably over four years of continued employment, with stock options expiring 10 years from the date of grant. Performance-based restricted stock units vest based on the Company's achievement of certain performance criteria throughout the three-year performance period and continued employment through the vesting date. The fair value of options, stock appreciation rights and employees' purchase rights under the employee stock purchase plans ("ESPPs") is determined using the Black-Scholes option pricing model. The fair value of restricted stock and time-vesting restricted stock units is established by the market price on the date of grant. The fair value of performance-based restricted stock units is estimated as of the grant date using a Monte Carlo simulation.

Refer to Note 9 — Common Stock and Stock-Based Compensation for additional information on the Company's stock-based compensation programs.

INCOME TAXES

The Company accounts for income taxes using the asset and liability method. This approach requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the carrying amounts and the tax basis of assets and liabilities. The Company records a valuation allowance to reduce deferred tax assets to the amount management believes is more likely than not to be realized. Realization of deferred tax assets is dependent on future taxable earnings and is therefore uncertain. At least quarterly, the Company assesses taxable income in prior carryback periods, the scheduled reversal of deferred tax liabilities, projected future taxable income and available tax planning strategies. The Company uses forecasts of taxable income and considers foreign tax credit utilization in making this assessment of realization, which are inherently uncertain and can result in variation between estimated and actual results. To the extent the Company believes that recovery is not likely, a valuation allowance is established against the net deferred tax asset, which increases the Company's income tax expense in the period when such determination is made.

The Company recognizes a tax benefit from uncertain tax positions in the consolidated financial statements only when it is more likely than not the position will be sustained upon examination by relevant tax authorities. The Company recognizes interest and penalties related to income tax matters in Income tax expense.

Refer to Note 7 — Income Taxes for further discussion.

EARNINGS PER SHARE

Basic earnings per common share is calculated by dividing Net income by the weighted average number of common shares outstanding during the year. Diluted earnings per common share is calculated by adjusting weighted average outstanding shares, assuming conversion of all potentially dilutive stock options and awards.

Refer to Note 10 — Earnings Per Share for further discussion.

RECENT ACCOUNTING PRONOUNCEMENTS

In November 2023, the Financial Accounting Standards Board (the "FASB") issued Accounting Standards Update ("ASU") 2023-07, Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures, which is intended to improve reportable segment disclosure requirements, primarily through enhanced disclosures about significant expenses. The amendments will require public entities to disclose significant segment expenses that are regularly provided to the chief operating decision maker and included within segment profit and loss. The Company adopted this ASU for fiscal 2025 and the related disclosures are included in Note 15 — Segment Information. The amendments were effective for the Company's annual periods beginning June 1, 2024, and interim periods beginning June 1, 2025 and have been applied retrospectively to all prior periods presented in the financial statements.

In December 2023, the FASB issued ASU 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures, which includes amendments that further enhance income tax disclosures, primarily through standardization and disaggregation of rate reconciliation categories and income taxes paid by jurisdiction. The amendments are effective for the Company's annual periods beginning June 1, 2025, with early adoption permitted, and should be applied either prospectively or retrospectively. The Company is currently evaluating the ASU to determine its impact on the Company's disclosures.

In November 2024, the FASB issued ASU 2024-03, Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses, which requires disclosure about the types of costs and expenses included in certain expense captions presented on the income statement. The new disclosure requirements are effective for the Company's annual periods beginning June 1, 2027, and interim periods beginning June 1, 2028, with early adoption permitted, and may be applied either prospectively or retrospectively. The Company is currently evaluating the ASU to determine its impact on the Company's disclosures.

NOTE 2 — PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment, net included the following:

	MAY 31,	
(Dollars in millions)	2025	2024
Land and improvements	$ 334	$ 329
Buildings	3,510	3,439
Machinery and equipment	2,954	3,123
Internal-use software	1,693	1,807
Leasehold improvements	2,037	2,023
Construction in process	404	193
Total property, plant and equipment, gross	10,932	10,914
Less accumulated depreciation and amortization	6,104	5,914
TOTAL PROPERTY, PLANT AND EQUIPMENT, NET	**$ 4,828**	**$ 5,000**

Capitalized interest was not material for the fiscal years ended May 31, 2025, 2024 and 2023.

NOTE 3 — ACCRUED LIABILITIES

Accrued liabilities included the following:

	MAY 31,	
(Dollars in millions)	2025	2024
Sales-related reserves	$ 1,834	$ 1,282
Compensation and benefits, excluding taxes	1,245	1,291
Dividends payable	598	563
Endorsement compensation	481	578
Other	1,753	2,011
TOTAL ACCRUED LIABILITIES	**$ 5,911**	**$ 5,725**

NOTE 4 — FAIR VALUE MEASUREMENTS

The following tables present information about the Company's financial assets measured at fair value on a recurring basis as of May 31, 2025 and 2024, and indicate the level in the fair value hierarchy in which the Company classifies the fair value measurement.

	MAY 31, 2025		
(Dollars in millions)	ASSETS AT FAIR VALUE	CASH AND EQUIVALENTS	SHORT-TERM INVESTMENTS
Cash	$ 1,221	$ 1,221	$ —
Level 1:			
U.S. Treasury securities	1,046	—	1,046
Level 2:			
Commercial paper and bonds	675	45	630
Money market funds	5,902	5,902	—
Time deposits	297	295	2
U.S. Agency securities	10	1	9
Total Level 2	6,884	6,243	641
TOTAL	**$ 9,151**	**$ 7,464**	**$ 1,687**

	MAY 31, 2024		
(Dollars in millions)	ASSETS AT FAIR VALUE	CASH AND EQUIVALENTS	SHORT-TERM INVESTMENTS
Cash	$ 1,222	$ 1,222	$ —
Level 1:			
U.S. Treasury securities	1,175	155	1,020
Level 2:			
Commercial paper and bonds	591	17	574
Money market funds	8,119	8,119	—
Time deposits	440	347	93
U.S. Agency securities	35	—	35
Total Level 2	9,185	8,483	702
TOTAL	**$ 11,582**	**$ 9,860**	**$ 1,722**

As of May 31, 2025, the Company held $776 million of available-for-sale debt securities with maturity dates within one year and $911 million with maturity dates over one year and less than five years in Short-term investments on the Consolidated Balance Sheets. The fair value of the Company's available-for-sale debt securities approximates their amortized cost.

Included in Interest expense (income), net was interest income related to the Company's investment portfolio of $404 million, $430 million and $297 million for the years ended May 31, 2025, 2024 and 2023, respectively.

The Company records the assets and liabilities of its derivative financial instruments on a gross basis on the Consolidated Balance Sheets. The Company's derivative financial instruments are subject to master netting arrangements that allow for the offset of assets and liabilities in the event of default or early termination of the contract. Any amounts of cash collateral received related to these instruments associated with the Company's credit-related contingent features are recorded in Cash and equivalents and Accrued liabilities, the latter of which would further offset against the Company's derivative asset balance. Any amounts of cash collateral posted related to these instruments associated with the Company's credit-related contingent features are recorded in Prepaid expenses and other current assets, which would further offset against the Company's derivative liability balance. Cash collateral received or posted related to the Company's credit-related contingent features is presented in the Cash provided (used) by operations component of the Consolidated Statements of Cash Flows. The Company does not recognize amounts of non-cash collateral received, such as securities, on the Consolidated Balance Sheets. For additional information related to credit risk, refer to Note 12 — Risk Management and Derivatives.

The following tables present information about the Company's derivative assets and liabilities measured at fair value on a recurring basis and indicate the level in the fair value hierarchy in which the Company classifies the fair value measurement:

(Dollars in millions)	MAY 31, 2025 DERIVATIVE ASSETS ASSETS AT FAIR VALUE	DERIVATIVE ASSETS OTHER CURRENT ASSETS	DERIVATIVE ASSETS OTHER LONG-TERM ASSETS	DERIVATIVE LIABILITIES LIABILITIES AT FAIR VALUE	DERIVATIVE LIABILITIES ACCRUED LIABILITIES	DERIVATIVE LIABILITIES OTHER LONG-TERM LIABILITIES
Level 2:						
Foreign exchange forwards and options[(1)]	$ 107	$ 85	$ 22	$ 368	$ 226	$ 142
Interest rate swaps[(1)]	24	—	24	3	—	3
TOTAL	**$ 131**	**$ 85**	**$ 46**	**$ 371**	**$ 226**	**$ 145**

(1) If the foreign exchange and interest rate swap derivative instruments had been netted on the Consolidated Balance Sheets, the asset and liability positions each would have been reduced by $131 million as of May 31, 2025. As of that date, the Company posted $166 million cash collateral to various counterparties on the derivative liability balance and no amount of collateral was received from counterparties on the derivative asset balance.

(Dollars in millions)	MAY 31, 2024 DERIVATIVE ASSETS ASSETS AT FAIR VALUE	DERIVATIVE ASSETS OTHER CURRENT ASSETS	DERIVATIVE ASSETS OTHER LONG-TERM ASSETS	DERIVATIVE LIABILITIES LIABILITIES AT FAIR VALUE	DERIVATIVE LIABILITIES ACCRUED LIABILITIES	DERIVATIVE LIABILITIES OTHER LONG-TERM LIABILITIES
Level 2:						
Foreign exchange forwards and options[(1)]	$ 343	$ 299	$ 44	$ 120	$ 115	$ 5
Interest rate swaps[(1)]	—	—	—	31	—	31
TOTAL	**$ 343**	**$ 299**	**$ 44**	**$ 151**	**$ 115**	**$ 36**

(1) If the foreign exchange and interest rate swap derivative instruments had been netted on the Consolidated Balance Sheets, the asset and liability positions each would have been reduced by $142 million as of May 31, 2024. As of that date, the Company received $112 million of cash collateral from various counterparties on the derivative asset balance and posted $10 million cash collateral on the derivative liability balance.

For additional information related to the Company's derivative financial instruments, refer to Note 12 — Risk Management and Derivatives. For fair value information regarding Notes payable and Long-term debt, refer to Note 5 — Short-Term Borrowings and Credit Lines and Note 6 — Long-Term Debt, respectively.

The carrying amounts of other current financial assets and other current financial liabilities approximate fair value.

NOTE 5 — SHORT-TERM BORROWINGS AND CREDIT LINES

The carrying amounts reflected on the Consolidated Balance Sheets for Notes payable approximate fair value.

On March 7, 2025, the Company entered into a 364-day committed credit facility agreement with a syndicate of banks, which provides for up to $1 billion of borrowings, with an option to increase borrowings up to $1.5 billion in total with lender approval. The facility matures on March 6, 2026, with an option to extend the maturity date an additional 364 days. This facility replaces the prior $1 billion 364-day credit facility agreement entered into on March 8, 2024, which matured on March 7, 2025. In July 2025, Standard and Poor's Corporation downgraded the Company's senior unsecured debt rating from AA- to A+. Based on the Company's current long-term senior unsecured debt ratings of A+ and A1 from Standard and Poor's Corporation and Moody's Investor Services, respectively, the interest rate charged on any outstanding borrowings would be the prevailing Term Secured Overnight Financing Rate ("Term SOFR") for the applicable interest period plus 0.725%. The facility fee is 0.04% of the total undrawn commitment.

On March 7, 2025, the Company entered into a five-year committed credit facility agreement with a syndicate of banks which provides for up to $2 billion of borrowings, with the option to increase borrowings up to $3 billion in total with lender approval. The facility matures on March 7, 2030, with options to extend the maturity date up to an additional two years. This facility replaces the prior $2 billion five-year credit facility agreement entered into on March 11, 2022, which would have matured on March 11, 2027. In July 2025, Standard and Poor's Corporation downgraded the Company's senior unsecured debt rating from AA- to A+. Based on the Company's current long-term senior unsecured debt ratings of A+ and A1 from Standard and Poor's Corporation and Moody's Investor Services, respectively, the interest rate charged on any outstanding borrowings would be the prevailing Term SOFR for the applicable interest period plus 0.725%. The facility fee is 0.05% of the total undrawn commitment.

As of and for the periods ended May 31, 2025 and 2024, no amounts were outstanding under any of the Company's committed credit facilities.

NOTE 6 — LONG-TERM DEBT

Long-term debt, net of unamortized premiums, discounts, debt issuance costs, and interest rate swap fair value adjustments comprises the following:

				BOOK VALUE OUTSTANDING AS OF MAY 31,	
Scheduled Maturity (Dollars in millions)	ORIGINAL PRINCIPAL	INTEREST RATE	INTEREST PAYMENTS	2025	2024
Corporate Term Debt:[1][2]					
March 27, 2025	1,000	2.40 %	Semi-Annually	$ —	$ 999
November 1, 2026	1,000	2.38 %	Semi-Annually	999	998
March 27, 2027	1,000	2.75 %	Semi-Annually	999	998
March 27, 2030	1,500	2.85 %	Semi-Annually	1,495	1,494
March 27, 2040[3]	1,000	3.25 %	Semi-Annually	993	966
May 1, 2043[3]	500	3.63 %	Semi-Annually	502	488
November 1, 2045[3]	1,000	3.88 %	Semi-Annually	997	986
November 1, 2046	500	3.38 %	Semi-Annually	493	492
March 27, 2050	1,500	3.38 %	Semi-Annually	1,483	1,482
Total				7,961	8,903
Less Current Portion of Long-Term Debt				—	1,000
TOTAL LONG-TERM DEBT				**$ 7,961**	**$ 7,903**

(1) These senior unsecured obligations rank equally with the Company's other unsecured and unsubordinated indebtedness.

(2) The bonds are redeemable at the Company's option at a price equal to the greater of (i) 100% of the aggregate principal amount of the notes to be redeemed or (ii) the sum of the present values of the remaining scheduled payments, plus in each case, accrued and unpaid interest. However, the bonds also feature a par call provision, which allows for the bonds to be redeemed at a price equal to 100% of the aggregate principal amount of the notes being redeemed, plus accrued and unpaid interest on or after the Par Call Date, which can range from one to six months prior to the scheduled maturity, as defined in the respective notes.

(3) The Company entered into interest rate swap agreements pursuant to which the Company receives fixed interest payments at the same rate as the term debt and pays variable interest payments based on SOFR plus a fixed spread. At May 31, 2025, the notional amount outstanding of these swaps was $2.4 billion and had interest rates payable that ranged from 3.6% to 4.5%. These swaps mature during fiscal 2034 and 2035.

The scheduled maturity of Long-term debt in each of the years ending May 31, 2026 through 2030, is $0 million, $2,000 million, $0 million, $0 million and $1,500 million, respectively, at face value.

The Company's Long-term debt is recorded at adjusted cost, net of unamortized premiums, discounts, debt issuance costs, and interest rate swap fair value adjustments. The fair value of long-term debt is estimated based upon quoted prices for similar instruments or quoted prices for identical instruments in inactive markets (Level 2). The fair value of the Company's Long-term debt, including the current portion but excluding interest rate swap fair value adjustments, was approximately $6,673 million and $7,631 million as of May 31, 2025 and 2024, respectively.

NOTE 7 — INCOME TAXES

Income before income taxes is as follows:

(Dollars in millions)	YEAR ENDED MAY 31, 2025	2024	2023
Income before income taxes:			
United States	$ 3,220	$ 5,588	$ 4,663
Foreign	665	1,112	1,538
TOTAL INCOME BEFORE INCOME TAXES	**$ 3,885**	**$ 6,700**	**$ 6,201**

The provision for income taxes is as follows:

(Dollars in millions)	YEAR ENDED MAY 31, 2025	2024	2023
Current:			
United States			
Federal	$ 358	$ 782	$ 430
State	121	201	184
Foreign	475	514	634
Total Current	954	1,497	1,248
Deferred:			
United States			
Federal	(135)	(422)	(162)
State	(12)	(61)	(25)
Foreign	(141)	(14)	70
Total Deferred	(288)	(497)	(117)
TOTAL INCOME TAX EXPENSE	**$ 666**	**$ 1,000**	**$ 1,131**

A reconciliation from the U.S. statutory federal income tax rate to the effective income tax rate is as follows:

	YEAR ENDED MAY 31, 2025	2024	2023
Federal income tax rate	21.0 %	21.0 %	21.0 %
State taxes, net of federal benefit	2.0 %	1.4 %	1.5 %
Foreign earnings	1.1 %	-2.5 %	1.7 %
U.S. tax regulations - foreign currency losses	-3.4 %	0.0 %	0.0 %
Foreign-derived intangible income benefit	-5.3 %	-4.8 %	-6.1 %
Stock-based compensation	1.5 %	-0.5 %	-1.1 %
Income tax audits and contingency reserves	2.7 %	1.8 %	1.0 %
U.S. research and development tax credit	-2.1 %	-2.1 %	-1.2 %
Other, net	-0.4 %	0.6 %	1.4 %
EFFECTIVE INCOME TAX RATE	**17.1 %**	**14.9 %**	**18.2 %**

The increase in the Company's effective tax rate for the fiscal year ended May 31, 2025 compared to the fiscal year ended May 31, 2024 was primarily due to changes in the Company's earnings mix, decreased benefits from stock-based compensation and one-time benefits recognized in fiscal 2024 including the impact of temporary relief provided by the Internal Revenue Service ("IRS") relating to U.S. foreign tax credit regulations. These impacts were partially offset by a one-time, non-cash deferred tax benefit recognized in the third quarter of fiscal 2025 provided by U.S. tax regulations. On December 10, 2024, the U.S. Department of Treasury published final regulations related to Internal Revenue Code (IRC) Section 987 foreign currency gains and losses derived from translation of the operations, assets and liabilities of non-US qualified business units. While these regulations are effective for the Company beginning June 1, 2025, they require computation of a pre-transition foreign currency gain or loss to be included in the determination of future taxable income or loss. Based on the Company’s analysis of the regulations and recognition of temporary differences impacting U.S. taxation of foreign earnings under Subpart F of the Internal

Revenue Code, the Company recognized a non-cash deferred income tax benefit of $133 million in the third quarter of fiscal 2025 related to pre-transition foreign currency losses.

The decrease in the Company's effective tax rate for the fiscal year ended May 31, 2024 compared to the fiscal year ended May 31, 2023 was primarily due to changes in the Company's earning mix and one-time benefits including the impact of temporary relief provided by the IRS relating to U.S. foreign tax credit regulations. On July 21, 2023, the IRS issued Notice 2023-55 which specifically delayed the application of certain U.S. foreign tax credit regulations that had previously limited the Company's ability to claim credits on certain foreign taxes for the fiscal year ended May 31, 2023. As a result of this new guidance, the Company recognized a one-time tax benefit related to fiscal 2023 tax positions in the first three months of fiscal 2024.

The Organization for Economic Co-operation and Development (OECD) and the G20 Inclusive Framework on Base Erosion and Profit Shifting (the "Inclusive Framework") have put forth Pillar Two proposals that ensure a minimal level of taxation. Several countries in which the Company operates, including several European Union member states, have adopted domestic legislation to implement the Inclusive Framework's global corporate minimum tax rate of fifteen percent. This legislation became effective for the Company beginning June 1, 2024. Based on the Company's analysis of Pillar Two provisions, these tax law changes did not have a material impact on the Company's financial statements for fiscal 2025.

Deferred income tax assets and liabilities comprise the following as of:

	MAY 31,	
(Dollars in millions)	**2025**	**2024**
Deferred tax assets:		
Inventories	$ 98	$ 69
Sales return reserves	205	125
Deferred compensation	387	347
Stock-based compensation	285	290
Reserves and accrued liabilities	143	113
Operating lease liabilities	458	474
Intangibles	217	236
Capitalized research and development expenditures	923	878
Net operating loss carry-forwards	75	21
Subpart F deferred tax	315	409
Other	212	214
Total deferred tax assets	3,318	3,176
Valuation allowance	(51)	(29)
Total deferred tax assets after valuation allowance	3,267	3,147
Deferred tax liabilities:		
Foreign withholding tax on undistributed earnings of foreign subsidiaries	(119)	(131)
Property, plant and equipment	(225)	(290)
Right-of-use assets	(377)	(397)
Other	(4)	(9)
Total deferred tax liabilities	(725)	(827)
NET DEFERRED TAX ASSET (1)	**$ 2,542**	**$ 2,320**

(1) Of the total $2,542 million net deferred tax asset for the period ended May 31, 2025, $2,668 million was included within Deferred income taxes and other assets and $(126) million was included within Deferred income taxes and other liabilities on the Consolidated Balance Sheets. Of the total $2,320 million net deferred tax asset for the period ended May 31, 2024, $2,465 million was included within Deferred income taxes and other assets and $(145) million was included within Deferred income taxes and other liabilities on the Consolidated Balance Sheets.

Deferred tax assets as of May 31, 2025 and 2024, were reduced by a valuation allowance provided for U.S. capital loss carryforwards and on tax benefits generated by certain entities with operating losses.

The Company has available pre-tax effected domestic and foreign loss carry-forwards of $261 million as of May 31, 2025. If not utilized, $135 million of losses will expire in the periods between fiscal 2028 and 2044. Approximately $126 million of losses do not expire.

On July 4, 2025, the U.S. government enacted The One Big Beautiful Bill Act of 2025 which includes, among other provisions, changes to the U.S. corporate income tax system including the allowance of immediate expensing of qualifying research and development expenses and permanent extensions of certain provisions within the Tax Cuts and Jobs Act. Certain provisions are effective for the Company beginning fiscal 2026. The Company is evaluating the future impact of these tax law changes on its financial statements.

The following is a reconciliation of the changes in the gross balance of unrecognized tax benefits as of:

	MAY 31,		
(Dollars in millions)	**2025**	**2024**	**2023**
Unrecognized tax benefits, beginning of the period	$ 990	$ 936	$ 848
Gross increases related to prior period tax positions	11	35	95
Gross decreases related to prior period tax positions	(10)	(13)	(17)
Gross increases related to current period tax positions	81	77	50
Settlements	(5)	(22)	(18)
Lapse of statute of limitations	(45)	(24)	(7)
Changes due to currency translation	4	1	(15)
UNRECOGNIZED TAX BENEFITS, END OF THE PERIOD	**$ 1,026**	**$ 990**	**$ 936**

As of May 31, 2025, total gross unrecognized tax benefits, excluding related interest and penalties, were $1,026 million, of which $738 million would affect the Company's effective tax rate if recognized in future periods. The majority of the total gross unrecognized tax benefits were long-term in nature and were included within Deferred income taxes and other liabilities on the Consolidated Balance Sheets.

The Company recognizes interest and penalties related to income tax matters in Income tax expense. As of May 31, 2025 and 2024, accrued interest and penalties related to uncertain tax positions were $376 million and $332 million, respectively (excluding federal benefit) and were included within Deferred income taxes and other liabilities on the Consolidated Balance Sheets.

As of May 31, 2024, long-term income taxes payable unrelated to unrecognized tax benefits were $266 million and were included within Deferred income taxes and other liabilities on the Consolidated Balance Sheets. As of May 31, 2025 these amounts were included within Income taxes payable on the Consolidated Balance Sheets.

The Company is subject to taxation in the U.S., as well as various state and foreign jurisdictions. The Company is currently under audit by the U.S. IRS for fiscal years 2017 through 2019. The Company has closed all U.S. federal income tax matters through fiscal 2016, with the exception of certain transfer pricing adjustments. In certain major foreign jurisdictions, tax years after 2011 remain subject to examination.

Although the timing of resolution of audits is not certain, the Company evaluates all domestic and foreign audit issues in the aggregate, along with the expiration of applicable statutes of limitations, and estimates that it is reasonably possible the total gross unrecognized tax benefits could decrease by up to $249 million within the next 12 months primarily as a result of the expected resolution with the IRS of certain U.S. federal income tax matters for fiscal years 2017 through 2019 related to transfer pricing adjustments, research and development credits and other items.

In January 2019, the European Commission opened a formal investigation to examine whether the Netherlands has breached State Aid rules when granting certain tax rulings to the Company. The Company believes the investigation is without merit. If this matter is adversely resolved, the Netherlands may be required to assess additional amounts with respect to prior periods, and the Company's income taxes related to prior periods in the Netherlands could increase.

A portion of the Company's foreign operations benefit from a tax holiday, which is set to expire in 2031. This tax holiday may be extended when certain conditions are met or may be terminated early if certain conditions are not met. The tax benefit attributable to this tax holiday, before taking into consideration other U.S. indirect tax provisions, was $271 million, $338 million and $263 million for the fiscal years ended May 31, 2025, 2024 and 2023, respectively. The benefit of the tax holiday on diluted earnings per common share, before taking into consideration other U.S. indirect tax provisions, was $0.18, $0.22 and $0.17 for the fiscal years ended May 31, 2025, 2024 and 2023, respectively.

NOTE 8 — REDEEMABLE PREFERRED STOCK

Sojitz America is the sole owner of the Company's authorized redeemable preferred stock, $1 par value, which is redeemable at the option of Sojitz America or the Company at par value aggregating $0.3 million. A cumulative dividend of $0.10 per share is payable annually on May 31, and no dividends may be declared or paid on the common stock of the Company unless dividends on the redeemable preferred stock have been declared and paid in full. There have been no changes in the redeemable preferred stock in the fiscal years ended May 31, 2025, 2024 and 2023. As the holder of the redeemable preferred stock, Sojitz America does not have general voting rights but does have the right to vote as a separate class on the sale of all or substantially all of the assets of the Company and its subsidiaries; on merger, consolidation, liquidation or dissolution of the Company; or on the sale or assignment of the NIKE trademark for athletic footwear sold in the United States. The redeemable preferred stock has been fully issued to Sojitz America and is not blank check preferred stock. The Company's articles of incorporation do not permit the issuance of additional preferred stock.

NOTE 9 — COMMON STOCK AND STOCK-BASED COMPENSATION

COMMON STOCK

The authorized number of shares of Class A Common Stock, no par value, and Class B Common Stock, no par value, are 400 million and 2,400 million, respectively. Each share of Class A Common Stock is convertible into one share of Class B Common Stock. Voting rights of Class B Common Stock are limited in certain circumstances with respect to the election of directors. There are no differences in the dividend and liquidation preferences or participation rights of the holders of Class A and Class B Common Stock. From time to time, the Company's Board of Directors authorizes share repurchase programs for the repurchase of Class B Common Stock. The value of repurchased shares is deducted from Total shareholders' equity through allocation to Capital in excess of stated value and Retained earnings (deficit).

STOCK-BASED COMPENSATION

The NIKE, Inc. Stock Incentive Plan (the "Stock Incentive Plan") provides for the issuance of up to 798 million previously unissued shares of Class B Common Stock in connection with equity awards granted under the Stock Incentive Plan. The Stock Incentive Plan authorizes the grant of non-statutory stock options, incentive stock options, stock appreciation rights, and stock awards, including restricted stock and restricted stock units. Restricted stock units include both time-vesting restricted stock units ("RSUs") as well as performance-based restricted stock units ("PSUs"). A committee of the Board of Directors administers the Stock Incentive Plan and has the authority to determine the employees to whom awards will be made, the amount of the awards and the other terms and conditions of the awards. The Company generally grants stock options, restricted stock and restricted stock units on an annual basis. The exercise price for stock options and stock appreciation rights may not be less than the fair market value of the underlying shares on the date of grant. Substantially all awards under the Stock Incentive Plan vest ratably over 4 years of continued employment, with stock options expiring 10 years from the date of grant.

The following table summarizes the Company's total stock-based compensation expense recognized in Cost of sales or Operating overhead expense, as applicable:

	YEAR ENDED MAY 31,		
(Dollars in millions)	2025	2024	2023
Stock options[1]	$ 292	$ 336	$ 311
ESPPs	69	69	72
Restricted stock and restricted stock units[1][2]	348	399	372
TOTAL STOCK-BASED COMPENSATION EXPENSE	**$ 709**	**$ 804**	**$ 755**

(1) Expense for stock options includes the expense associated with stock appreciation rights.

(2) For the fiscal years ended May 31, 2025, 2024 and 2023, expense for restricted stock units includes an immaterial amount of expense for PSUs.

STOCK OPTIONS

The weighted average fair value per share of stock options granted during the fiscal years ended May 31, 2025, 2024 and 2023, computed as of the grant date using the Black-Scholes pricing model, was $25.90, $32.78 and $31.31, respectively. The weighted average assumptions used to estimate these fair values were as follows:

	YEAR ENDED MAY 31,		
	2025	2024	2023
Dividend yield	1.6 %	1.2 %	0.9 %
Expected volatility	31.1 %	29.3 %	27.1 %
Weighted average expected life (in years)	6.0	5.8	5.8
Risk-free interest rate	3.8 %	4.3 %	3.3 %

Expected volatilities are based on an analysis of the historical volatility of the Company's common stock, the implied volatility in market traded options on the Company's common stock with a term greater than one year, as well as other factors. The weighted average expected life of options is based on an analysis of historical and expected future exercise patterns. The interest rate is based on the U.S. Treasury (constant maturity) risk-free rate in effect at the date of grant for periods corresponding with the expected term of the options.

The following summarizes the stock option transactions under the plan discussed above:

	SHARES[(1)]	WEIGHTED AVERAGE OPTION PRICE
	(In millions)	
Options outstanding as of May 31, 2024	73.7	$ 98.10
Exercised	(5.4)	58.50
Forfeited	(6.5)	101.93
Granted	13.3	83.20
Options outstanding as of May 31, 2025	75.1	$ 97.99

(1) Includes stock appreciation rights transactions.

Options exercisable as of May 31, 2025 were 49.8 million and had a weighted average option price of $98.00 per share. The aggregate intrinsic value for options outstanding and exercisable as of May 31, 2025 was $20 million and $20 million, respectively. The total intrinsic value of the options exercised during the years ended May 31, 2025, 2024 and 2023 was $120 million, $305 million and $438 million, respectively. The intrinsic value is the amount by which the market value of the underlying stock exceeds the exercise price of the options. The weighted average contractual life remaining for options outstanding and options exercisable as of May 31, 2025 was 5.4 years and 3.9 years, respectively. As of May 31, 2025, the Company had $400 million of unrecognized compensation costs from stock options, net of estimated forfeitures, to be recognized in Cost of sales or Operating overhead expense, as applicable, over a weighted average remaining period of 2.4 years.

EMPLOYEE STOCK PURCHASE PLANS

In addition to the Stock Incentive Plan, the Company gives employees the right to purchase shares at a discount from the market price under ESPPs. Subject to the annual statutory limit, employees are eligible to participate through payroll deductions of up to 10% of their compensation. At the end of each six-month offering period, shares are purchased by the participants at 85% of the lower of the fair market value at the beginning or the end of the offering period. Employees purchased 3.6 million, 3.1 million and 3.0 million shares during each of the fiscal years ended May 31, 2025, 2024 and 2023, respectively.

RESTRICTED STOCK AND RESTRICTED STOCK UNITS

Recipients of restricted stock are entitled to cash dividends and to vote their respective shares throughout the period of restriction. Recipients of restricted stock units, which includes RSUs and PSUs, are entitled to dividend equivalent cash payments upon vesting. The number of shares of restricted stock and restricted stock units vested includes shares of common stock withheld by the Company on behalf of employees to satisfy the minimum statutory tax withholding requirements.

The following summarizes the restricted stock and restricted stock units transactions under the plan discussed above:

	SHARES[1]	WEIGHTED AVERAGE GRANT DATE FAIR VALUE
	(In millions)	
Nonvested as of May 31, 2024	9.1	$ 117.52
Vested	(3.3)	116.76
Forfeited	(1.7)	105.68
Granted	6.6	82.32
Nonvested as of May 31, 2025	10.7	$ 94.29

(1) Includes an immaterial amount of PSU transactions

The weighted average fair value per share of restricted stock and restricted stock units granted for the fiscal years ended May 31, 2025, 2024 and 2023, computed as of the grant date, was $82.32, $103.13 and $115.56, respectively. During the fiscal years ended May 31, 2025, 2024 and 2023, the aggregate fair value of vested restricted stock and restricted stock units was $221 million, $340 million and $250 million, respectively, computed as of the date of vesting.

As of May 31, 2025, the Company had $631 million of unrecognized compensation costs from restricted stock and restricted stock units, net of estimated forfeitures, to be recognized in Cost of sales or Operating overhead expense, as applicable, over a weighted average remaining period of 2.5 years.

NOTE 10 — EARNINGS PER SHARE

The following is a reconciliation from basic earnings per common share to diluted earnings per common share. The computations of diluted earnings per common share exclude restricted stock, restricted stock units and options, including shares under ESPPs, to purchase an estimated additional 75.5 million, 41.0 million and 31.7 million shares of common stock outstanding for the fiscal years ended May 31, 2025, 2024 and 2023, respectively, because the awards were assumed to be anti-dilutive.

	YEAR ENDED MAY 31,		
(In millions, except per share data)	2025	2024	2023
Net income available to common stockholders	$ 3,219	$ 5,700	$ 5,070
Determination of shares:			
Weighted average common shares outstanding	1,484.9	1,517.6	1,551.6
Assumed conversion of dilutive stock options and awards	2.7	12.1	18.2
DILUTED WEIGHTED AVERAGE COMMON SHARES OUTSTANDING	**1,487.6**	**1,529.7**	**1,569.8**
Earnings per common share:			
Basic	$ 2.17	$ 3.76	$ 3.27
Diluted	$ 2.16	$ 3.73	$ 3.23

NOTE 11 — BENEFIT PLANS

The Company has a qualified 401(k) Savings and Profit Sharing Plan, in which all U.S. employees are able to participate. The Company matches a portion of employee contributions to the savings plan. Company contributions to the savings plan were $151 million, $153 million and $136 million and included in Cost of sales or Operating overhead expense, as applicable, for the fiscal years ended May 31, 2025, 2024 and 2023, respectively.

The Company allows certain highly compensated employees and non-employee directors of the Company to defer compensation under a nonqualified deferred compensation plan. A rabbi trust was established to fund the Company's nonqualified deferred compensation plan obligation. The assets in the rabbi trust of approximately $1,123 million and $1,037 million as of May 31, 2025 and 2024, respectively, primarily consist of company owned life insurance policies recorded at their cash surrender value and are classified in Deferred income taxes and other assets on the Consolidated Balance Sheets. Deferred compensation plan liabilities were $1,102 million and $1,063 million as of May 31, 2025 and 2024, respectively, and primarily classified in Deferred income taxes and other liabilities on the Consolidated Balance Sheets.

NOTE 12 — RISK MANAGEMENT AND DERIVATIVES

The Company is exposed to global market risks, including the effect of changes in foreign currency exchange rates and interest rates, and uses derivatives to manage financial exposures that occur in the normal course of business. The Company does not hold or issue derivatives for trading or speculative purposes.

The Company may elect to designate certain derivatives as hedging instruments under U.S. GAAP. The Company formally documents all relationships between designated hedging instruments and hedged items, as well as its risk management objectives and strategies for undertaking hedge transactions. This process includes linking all derivatives designated as hedges to either recognized assets or liabilities or forecasted transactions and assessing, both at inception and on an ongoing basis, the effectiveness of the hedging relationships.

The majority of derivatives outstanding as of May 31, 2025, are designated as foreign currency cash flow hedges, primarily for Euro/U.S. Dollar, Chinese Yuan/U.S. Dollar, British Pound/Euro, and Japanese Yen/U.S. Dollar currency pairs. All derivatives are recognized on the Consolidated Balance Sheets at fair value and classified based on the instrument's maturity date.

The following tables present the fair values of derivative instruments included within the Consolidated Balance Sheets:

	DERIVATIVE ASSETS		
		MAY 31,	
(Dollars in millions)	**BALANCE SHEET LOCATION**	**2025**	**2024**
Derivatives formally designated as hedging instruments:			
Foreign exchange forwards and options	Prepaid expenses and other current assets	$ 75	$ 269
Foreign exchange forwards and options	Deferred income taxes and other assets	22	44
Interest rate swaps	Deferred income taxes and other assets	24	—
Total derivatives formally designated as hedging instruments		121	313
Derivatives not designated as hedging instruments:			
Foreign exchange forwards and options	Prepaid expenses and other current assets	10	30
Total derivatives not designated as hedging instruments		10	30
TOTAL DERIVATIVE ASSETS		**$ 131**	**$ 343**

	DERIVATIVE LIABILITIES		
		MAY 31,	
(Dollars in millions)	**BALANCE SHEET LOCATION**	**2025**	**2024**
Derivatives formally designated as hedging instruments:			
Foreign exchange forwards and options	Accrued liabilities	$ 216	$ 110
Foreign exchange forwards and options	Deferred income taxes and other liabilities	142	5
Interest rate swaps	Deferred income taxes and other liabilities	3	31
Total derivatives formally designated as hedging instruments		361	146
Derivatives not designated as hedging instruments:			
Foreign exchange forwards and options	Accrued liabilities	10	5
Total derivatives not designated as hedging instruments		10	5
TOTAL DERIVATIVE LIABILITIES		**$ 371**	**$ 151**

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The following tables present the amounts affecting the Consolidated Statements of Income for the years ended May 31, 2025, 2024 and 2023:

(Dollars in millions)	AMOUNT OF GAIN (LOSS) RECOGNIZED IN OTHER COMPREHENSIVE INCOME (LOSS) ON DERIVATIVES[1] YEAR ENDED MAY 31, 2025	2024	2023	LOCATION OF GAIN (LOSS) RECLASSIFIED FROM ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS) INTO INCOME	AMOUNT OF GAIN (LOSS) RECLASSIFIED FROM ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS) INTO INCOME[1] YEAR ENDED MAY 31, 2025	2024	2023
Derivatives designated as cash flow hedges:							
Foreign exchange forwards and options	$ (67)	$ (66)	$ 16	Revenues	$ (93)	$ (24)	$ 26
Foreign exchange forwards and options	(55)	231	305	Cost of sales	295	294	581
Foreign exchange forwards and options	1	3	(1)	Demand creation expense	1	2	(5)
Foreign exchange forwards and options	(6)	102	207	Other (income) expense, net	145	204	338
Interest rate swaps[2]	—	—	—	Interest expense (income), net	(8)	(8)	(8)
TOTAL DESIGNATED CASH FLOW HEDGES	**$ (127)**	**$ 270**	**$ 527**		**$ 340**	**$ 468**	**$ 932**

(1) *For the fiscal years ended* May 31, 2025, 2024, and 2023, *the amounts recorded in Other (income) expense, net as a result of the discontinuance of cash flow hedges because the forecasted transactions were no longer probable of occurring were immaterial.*

(2) *Gains and losses associated with terminated interest rate swaps, which were previously designated as cash flow hedges and recorded in Accumulated other comprehensive income (loss), will be released through Interest expense (income), net over the term of the issued debt.*

(Dollars in millions)	AMOUNT OF GAIN (LOSS) RECOGNIZED IN INCOME ON DERIVATIVES YEAR ENDED MAY 31, 2025	2024	2023	LOCATION OF GAIN (LOSS) RECOGNIZED IN INCOME ON DERIVATIVES
Derivatives not designated as hedging instruments:				
Foreign exchange forwards and options and embedded derivatives	**$ 2**	**$ 24**	**$ 28**	Other (income) expense, net

CASH FLOW HEDGES

All changes in fair value of derivatives designated as cash flow hedge instruments are recorded in Accumulated other comprehensive income (loss) until Net income is affected by the variability of cash flows of the hedged transaction. Effective hedge results are classified in the Consolidated Statements of Income in the same manner as the underlying exposure. When it is no longer probable the forecasted hedged transaction will occur in the initially identified time period, hedge accounting is discontinued and the Company accounts for the associated derivative as an undesignated instrument as discussed below. Additionally, the gains and losses associated with derivatives no longer designated as cash flow hedge instruments in Accumulated other comprehensive income (loss) are recognized immediately in Other (income) expense, net, if it is probable the forecasted hedged transaction will not occur by the end of the initially identified time period or within an additional two-month period thereafter. In rare circumstances, the additional period of time may exceed two months due to extenuating circumstances related to the nature of the forecasted transaction that are outside the control or influence of the Company.

The purpose of the Company's foreign exchange risk management program is to lessen both the positive and negative effects of currency fluctuations on the Company's consolidated results of operations, financial position and cash flows. Foreign currency exposures the Company may elect to hedge in this manner include product costs, non-functional currency denominated revenues, intercompany revenues, demand creation expenses, investments in U.S. Dollar denominated available-for-sale debt securities and certain other intercompany transactions.

Product cost foreign currency exposures are primarily generated through non-functional currency denominated product purchases. NIKE entities primarily purchase product in two ways: (1) Certain NIKE entities purchase product from the NIKE Trading Company ("NTC"), a wholly-owned sourcing hub that buys NIKE branded products from third-party factories, predominantly in U.S. Dollars. The NTC, whose functional currency is the U.S. Dollar, then sells the product to NIKE entities in their respective functional currencies. NTC sales to a NIKE entity with a different functional currency result in a foreign currency exposure for the NTC. (2) Other NIKE entities purchase product directly from third-party factories in U.S. Dollars. These purchases generate a foreign currency exposure for those NIKE entities with a functional currency other than the U.S. Dollar.

The Company's policy permits the utilization of derivatives to reduce its foreign currency exposures where internal netting or other strategies cannot be effectively employed. Typically, the Company may enter into hedge contracts starting up to 12 to 24 months in advance of the forecasted transaction and may place incremental hedges up to 100% of the exposure by the time the forecasted transaction occurs. The total notional amount of outstanding foreign currency derivatives designated as cash flow hedges was $18.4 billion and $16.2 billion as of May 31, 2025 and 2024, respectively.

As of May 31, 2025, approximately $24 million of deferred net losses (net of tax) on both outstanding and matured derivatives in Accumulated other comprehensive income (loss) are expected to be reclassified to Net income during the next 12 months concurrent with the underlying hedged transactions also being recorded in Net income. Actual amounts ultimately reclassified to Net income are dependent on the exchange rates in effect when derivative contracts currently outstanding mature. As of May 31, 2025, the maximum term over which the Company hedges exposures to the variability of cash flows for its forecasted transactions was 30 months.

FAIR VALUE HEDGES

The Company is exposed to the risk of changes in the fair value of certain fixed-rate debt attributable to changes in interest rates. Derivatives used by the Company to hedge this risk are receive-fixed, pay-variable interest rate swaps which are designated as fair value hedges of the related long-term debt. Changes in the fair values of the interest rate swaps are recorded in Long-term debt or Current portion of long-term debt. The total notional amount of outstanding interest rate swaps designated as fair value hedges was $2.4 billion and $1.8 billion as of May 31, 2025 and 2024, respectively.

UNDESIGNATED DERIVATIVE INSTRUMENTS

The Company may elect to enter into foreign exchange forwards to mitigate the change in fair value of specific assets and liabilities on the Consolidated Balance Sheets. These undesignated instruments are recorded at fair value as a derivative asset or liability on the Consolidated Balance Sheets with their corresponding change in fair value recognized in Other (income) expense, net, together with the remeasurement gain or loss from the hedged balance sheet position. The total notional amount of outstanding undesignated derivative instruments was $4.0 billion and $4.4 billion as of May 31, 2025 and 2024, respectively.

CREDIT RISK

The Company is exposed to credit-related losses in the event of nonperformance by counterparties to hedging instruments. The counterparties to all derivative transactions are major financial institutions with investment grade credit ratings; however, this does not eliminate the Company's exposure to credit risk with these institutions. This credit risk is limited to the unrealized gains in such contracts should any of these counterparties fail to perform as contracted. To manage this risk, the Company has established strict counterparty credit guidelines that are continually monitored.

The Company's derivative contracts contain credit risk-related contingent features designed to protect against significant deterioration in counterparties' creditworthiness and their ultimate ability to settle outstanding derivative contracts in the normal course of business. The Company's bilateral credit-related contingent features generally require the owing entity, either the Company or the derivative counterparty, to post collateral for the fair value of outstanding derivatives per counterparty. For certain counterparties, collateral would only be posted for the fair value of outstanding derivatives per counterparty greater than $50 million. Additionally, for those counterparties, a certain level of decline in credit rating of either the Company or the counterparty could trigger collateral requirements. As of May 31, 2025, the Company was in compliance with all credit risk-related contingent features. The Company considers the impact of the risk of counterparty default to be immaterial.

For additional information related to the Company's derivative financial instruments and collateral, refer to Note 4 — Fair Value Measurements.

NOTE 13 — ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)

The changes in Accumulated other comprehensive income (loss), net of tax, were as follows:

(Dollars in millions)	FOREIGN CURRENCY TRANSLATION ADJUSTMENT(1)	CASH FLOW HEDGES	NET INVESTMENT HEDGES(1)	OTHER	TOTAL
Balance at May 31, 2024	**$ (256)**	**$ 247**	**$ 115**	**$ (53)**	**$ 53**
Other comprehensive income (loss):					
Other comprehensive gains (losses) before reclassifications	142	(132)	—	(5)	5
Reclassifications to net income of previously deferred (gains) losses(2)	—	(322)	—	6	(316)
Total other comprehensive income (loss)	142	(454)	—	1	(311)
Balance at May 31, 2025	**$ (114)**	**$ (207)**	**$ 115**	**$ (52)**	**$ (258)**

(1) The accumulated foreign currency translation adjustment and net investment hedge gains/losses related to an investment in a foreign subsidiary are reclassified to Net income upon sale or upon complete or substantially complete liquidation of the respective entity.

(2) Reclassifications to net income of previously deferred (gains) losses are recorded within Other (income) expense, net for foreign currency translation adjustment, net investment hedges, and other.

(Dollars in millions)	FOREIGN CURRENCY TRANSLATION ADJUSTMENT(1)	CASH FLOW HEDGES	NET INVESTMENT HEDGES(1)	OTHER	TOTAL
Balance at May 31, 2023	**$ (253)**	**$ 431**	**$ 115**	**$ (62)**	**$ 231**
Other comprehensive income (loss):					
Other comprehensive gains (losses) before reclassifications	(4)	239	—	15	250
Reclassifications to net income of previously deferred (gains) losses(2)	1	(423)	—	(6)	(428)
Total other comprehensive income (loss)	(3)	(184)	—	9	(178)
Balance at May 31, 2024	**$ (256)**	**$ 247**	**$ 115**	**$ (53)**	**$ 53**

(1) The accumulated foreign currency translation adjustment and net investment hedge gains/losses related to an investment in a foreign subsidiary are reclassified to Net income upon sale or upon complete or substantially complete liquidation of the respective entity.

(2) Reclassifications to net income of previously deferred (gains) losses are recorded within Other (income) expense, net for foreign currency translation adjustment, net investment hedges, and other.

For additional information related to the Company's cash flow hedges refer to Note 12 — Risk Management and Derivatives.

NOTE 14 — REVENUES

DISAGGREGATION OF REVENUES

The following tables present the Company's Revenues disaggregated by reportable operating segment, major product line and distribution channel:

	YEAR ENDED MAY 31, 2025								
(Dollars in millions)	NORTH AMERICA	EUROPE, MIDDLE EAST & AFRICA	GREATER CHINA	ASIA PACIFIC & LATIN AMERICA	GLOBAL BRAND DIVISIONS	TOTAL NIKE BRAND	CONVERSE	CORPORATE	TOTAL NIKE, INC.
Revenues by:									
Footwear	$ 12,684	$ 7,569	$ 4,805	$ 4,452	$ —	$ 29,510	$ 1,457	$ —	$ 30,967
Apparel	5,837	3,971	1,616	1,541	—	12,965	80	—	13,045
Equipment	1,051	717	165	258	—	2,191	32	—	2,223
Other	—	—	—	—	48	48	123	(97)	74
TOTAL REVENUES	**$ 19,572**	**$ 12,257**	**$ 6,586**	**$ 6,251**	**$ 48**	**$ 44,714**	**$ 1,692**	**$ (97)**	**$ 46,309**
Revenues by:									
Sales to Wholesale Customers	$ 10,484	$ 8,022	$ 3,699	$ 3,678	$ —	$ 25,883	$ 875	$ —	$ 26,758
Sales through Direct to Consumer	9,088	4,235	2,887	2,573	—	18,783	694	—	19,477
Other	—	—	—	—	48	48	123	(97)	74
TOTAL REVENUES	**$ 19,572**	**$ 12,257**	**$ 6,586**	**$ 6,251**	**$ 48**	**$ 44,714**	**$ 1,692**	**$ (97)**	**$ 46,309**

	YEAR ENDED MAY 31, 2024								
(Dollars in millions)	NORTH AMERICA	EUROPE, MIDDLE EAST & AFRICA	GREATER CHINA	ASIA PACIFIC & LATIN AMERICA	GLOBAL BRAND DIVISIONS	TOTAL NIKE BRAND	CONVERSE	CORPORATE	TOTAL NIKE, INC.
Revenues by:									
Footwear	$ 14,537	$ 8,473	$ 5,552	$ 4,865	$ —	$ 33,427	$ 1,800	$ —	$ 35,227
Apparel	5,953	4,380	1,828	1,614	—	13,775	93	—	13,868
Equipment	906	754	165	250	—	2,075	37	—	2,112
Other	—	—	—	—	45	45	152	(42)	155
TOTAL REVENUES	**$ 21,396**	**$ 13,607**	**$ 7,545**	**$ 6,729**	**$ 45**	**$ 49,322**	**$ 2,082**	**$ (42)**	**$ 51,362**
Revenues by:									
Sales to Wholesale Customers	$ 11,004	$ 8,562	$ 4,262	$ 3,930	$ —	$ 27,758	$ 1,098	$ —	$ 28,856
Sales through Direct to Consumer	10,392	5,045	3,283	2,799	—	21,519	832	—	22,351
Other	—	—	—	—	45	45	152	(42)	155
TOTAL REVENUES	**$ 21,396**	**$ 13,607**	**$ 7,545**	**$ 6,729**	**$ 45**	**$ 49,322**	**$ 2,082**	**$ (42)**	**$ 51,362**

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(Dollars in millions)	NORTH AMERICA	EUROPE, MIDDLE EAST & AFRICA	GREATER CHINA	ASIA PACIFIC & LATIN AMERICA	GLOBAL BRAND DIVISIONS	TOTAL NIKE BRAND	CONVERSE	CORPORATE	TOTAL NIKE, INC.
	YEAR ENDED MAY 31, 2023								
Revenues by:									
Footwear	$ 14,897	$ 8,260	$ 5,435	$ 4,543	$ —	$ 33,135	$ 2,155	$ —	$ 35,290
Apparel	5,947	4,566	1,666	1,664	—	13,843	90	—	13,933
Equipment	764	592	147	224	—	1,727	28	—	1,755
Other	—	—	—	—	58	58	154	27	239
TOTAL REVENUES	**$ 21,608**	**$ 13,418**	**$ 7,248**	**$ 6,431**	**$ 58**	**$ 48,763**	**$ 2,427**	**$ 27**	**$ 51,217**
Revenues by:									
Sales to Wholesale Customers	$ 11,273	$ 8,522	$ 3,866	$ 3,736	$ —	$ 27,397	$ 1,299	$ —	$ 28,696
Sales through Direct to Consumer	10,335	4,896	3,382	2,695	—	21,308	974	—	22,282
Other	—	—	—	—	58	58	154	27	239
TOTAL REVENUES	**$ 21,608**	**$ 13,418**	**$ 7,248**	**$ 6,431**	**$ 58**	**$ 48,763**	**$ 2,427**	**$ 27**	**$ 51,217**

Global Brand Divisions revenues included NIKE Brand licensing and other miscellaneous revenues that are not part of a geographic operating segment. Converse Other revenues were primarily attributable to licensing businesses. Corporate revenues primarily consisted of foreign currency hedge gains and losses related to revenues generated by entities within the NIKE Brand geographic operating segments and Converse but managed through the Company's central foreign exchange risk management program.

As of May 31, 2025 and 2024, the Company did not have any contract assets and had an immaterial amount of contract liabilities recorded in Accrued liabilities on the Consolidated Balance Sheets.

SALES-RELATED RESERVES

As of May 31, 2025 and 2024, the Company's sales-related reserve balance, which includes returns, post-invoice sales discounts and claims, was $1,834 million and $1,282 million, respectively, recorded in Accrued liabilities on the Consolidated Balance Sheets. As of May 31, 2025 and 2024, the Company's sales returns reserve balance, included within sales-related reserves, was $1,277 million and $799 million, respectively. The related estimated cost of inventory for expected product returns was $528 million and $331 million as of May 31, 2025 and 2024, respectively, and was recorded in Prepaid expenses and other current assets on the Consolidated Balance Sheets.

NOTE 15 — SEGMENT INFORMATION

The Company's reportable operating segments reflect the structure of the Company's internal organization and the financial information the Chief Operating Decision Maker ("CODM"), the Company's Chief Executive Officer, regularly reviews to assess Company performance and allocate resources. The CODM evaluates the performance of the Company's segments and allocates resources based on earnings before interest and taxes ("EBIT"), which represents Net income before Interest expense (income), net and Income tax expense in the Consolidated Statements of Income.

The Company's segments are defined as follows:

NIKE BRAND

The NIKE Brand reportable segments are: North America; Europe, Middle East & Africa ("EMEA"); Greater China; and Asia Pacific & Latin America ("APLA"), and include results for the NIKE and Jordan brands. Each NIKE Brand segment represents a geographic region operating predominantly in one industry: the design, development, marketing and selling of athletic footwear, apparel and equipment.

Global Brand Divisions is included within the NIKE Brand for presentation purposes to align with the way management views the Company. Global Brand Divisions revenues include NIKE Brand licensing and other miscellaneous revenues that are not part of a geographic operating segment. Global Brand Divisions primarily represents costs, including product creation and design expenses, that are centrally managed for the NIKE Brand, as well as costs associated with NIKE Direct global digital operations and enterprise technology.

CONVERSE

Converse operates in one industry: the design, marketing, licensing and selling of casual sneakers, apparel and accessories.

CORPORATE

Corporate consists primarily of unallocated general and administrative expenses, including expenses associated with centrally managed departments; depreciation and amortization related to the Company's headquarters; unallocated insurance, benefit and compensation programs, including stock-based compensation; and certain foreign currency gains and losses, including certain hedge gains and losses.

As part of the Company's centrally managed foreign exchange risk management program, standard foreign currency rates are assigned twice per year to each NIKE Brand entity in the Company's geographic segments and to Converse. Inventories and Cost of sales for geographic segments and Converse reflect the use of these standard rates to recognize non-functional currency product purchases in the entity's functional currency. Differences between these standard rates and actual market rates are included in Corporate, together with foreign currency hedge gains and losses and other conversion gains and losses.

(Dollars in millions)	NORTH AMERICA	EUROPE, MIDDLE EAST & AFRICA	GREATER CHINA	ASIA PACIFIC & LATIN AMERICA	GLOBAL BRAND DIVISIONS	TOTAL NIKE BRAND	CONVERSE	CORPORATE	TOTAL NIKE, INC.
	YEAR ENDED MAY 31, 2025								
Revenues	$ 19,572	$ 12,257	$ 6,586	$ 6,251	$ 48	$ 44,714	$ 1,692	$ (97)	$ 46,309
Cost of Sales	11,056	6,967	3,558	3,502	634	25,717	868	(66)	26,519
Gross profit	8,516	5,290	3,028	2,749	(586)	18,997	824	(31)	19,790
Demand creation expense	1,633	1,222	529	421	716	4,521	156	12	4,689
Operating overhead expense	2,150	1,479	973	804	3,401	8,807	430	2,162	11,399
Total selling and administrative expense	3,783	2,701	1,502	1,225	4,117	13,328	586	2,174	16,088
Other segment items(1)	(2)	14	(76)	(3)	(4)	(71)	(2)	(3)	(76)
EARNINGS (LOSS) BEFORE INTEREST AND TAXES	**$ 4,735**	**$ 2,575**	**$ 1,602**	**$ 1,527**	**$ (4,699)**	**$ 5,740**	**$ 240**	**$ (2,202)**	
Interest expense (income), net									(107)
TOTAL NIKE, INC. INCOME BEFORE INCOME TAXES									**$ 3,885**
Supplemental information:									
Depreciation and amortization(2)	$ 157	143	49	50	237	636	14	125	$ 775
Inventories	$ 3,198	2,042	951	905	148	7,244	272	(27)	$ 7,489

(1) At the NIKE Brand segments and Converse, other segment items consist of unusual or non-operating transactions that occur outside the normal course of business. At Corporate, this also includes foreign currency conversion gains and losses from the remeasurement of monetary assets and liabilities denominated in non-functional currencies and the impact of certain foreign currency derivative instruments.

(2) The amounts of depreciation and amortization disclosed by segment are included within Cost of sales and Operating overhead expense, as applicable.

(Dollars in millions)	NORTH AMERICA	EUROPE, MIDDLE EAST & AFRICA	GREATER CHINA	ASIA PACIFIC & LATIN AMERICA	GLOBAL BRAND DIVISIONS	TOTAL NIKE BRAND	CONVERSE	CORPORATE	TOTAL NIKE, INC.
	YEAR ENDED MAY 31, 2024								
Revenues	$ 21,396	$ 13,607	$ 7,545	$ 6,729	$ 45	$ 49,322	$ 2,082	$ (42)	$ 51,362
Cost of Sales	11,899	7,589	3,761	3,639	602	27,490	989	(4)	28,475
Gross profit	9,497	6,018	3,784	3,090	(557)	21,832	1,093	(38)	22,887
Demand creation expense	1,495	1,114	519	407	596	4,131	140	14	4,285
Operating overhead expense	2,189	1,517	1,019	801	3,534	9,060	485	2,746	12,291
Total selling and administrative expense	3,684	2,631	1,538	1,208	4,130	13,191	625	2,760	16,576
Other segment items(1)	(9)	(1)	(63)	(3)	33	(43)	(6)	(179)	(228)
EARNINGS (LOSS) BEFORE INTEREST AND TAXES	**$ 5,822**	**$ 3,388**	**$ 2,309**	**$ 1,885**	**$ (4,720)**	**$ 8,684**	**$ 474**	**$ (2,619)**	
Interest expense (income), net									(161)
TOTAL NIKE, INC. INCOME BEFORE INCOME TAXES									**$ 6,700**
Supplemental information:									
Depreciation and amortization(2)	$ 152	146	56	51	236	641	17	138	$ 796
Inventories	$ 3,134	2,028	1,070	810	166	7,208	296	15	$ 7,519

(1) At the NIKE Brand segments and Converse, other segment items consist of unusual or non-operating transactions that occur outside the normal course of business. At Corporate, this also includes foreign currency conversion gains and losses from the remeasurement of monetary assets and liabilities denominated in non-functional currencies and the impact of certain foreign currency derivative instruments.

(2) The amounts of depreciation and amortization disclosed by segment are included within Cost of sales and Operating overhead expense, as applicable.

(Dollars in millions)	NORTH AMERICA	EUROPE, MIDDLE EAST & AFRICA	GREATER CHINA	ASIA PACIFIC & LATIN AMERICA	GLOBAL BRAND DIVISIONS	TOTAL NIKE BRAND	CONVERSE	CORPORATE	TOTAL NIKE, INC.
	YEAR ENDED MAY 31, 2023								
Revenues	$ 21,608	$ 13,418	$ 7,248	$ 6,431	$ 58	$ 48,763	$ 2,427	$ 27	$ 51,217
Cost of Sales	12,497	7,340	3,552	3,337	516	27,242	1,121	562	28,925
Gross profit	9,111	6,078	3,696	3,094	(458)	21,521	1,306	(535)	22,292
Demand creation expense	1,455	1,050	499	373	511	3,888	138	34	4,060
Operating overhead expense	2,207	1,500	1,012	789	3,881	9,389	499	2,429	12,317
Total selling and administrative expense	3,662	2,550	1,511	1,162	4,392	13,277	637	2,463	16,377
Other segment items(1)	(5)	(3)	(98)	—	(9)	(115)	(7)	(158)	(280)
EARNINGS (LOSS) BEFORE INTEREST AND TAXES	**$ 5,454**	**$ 3,531**	**$ 2,283**	**$ 1,932**	**$ (4,841)**	**$ 8,359**	**$ 676**	**$ (2,840)**	
Interest expense (income), net									(6)
TOTAL NIKE, INC. INCOME BEFORE INCOME TAXES									**$ 6,201**
Supplemental information:									
Depreciation and amortization(2)	$ 128	120	54	42	211	555	17	131	$ 703
Inventories	$ 3,806	2,167	973	894	232	8,072	305	77	$ 8,454

(1) At the NIKE Brand segments and Converse, other segment items consist of unusual or non-operating transactions that occur outside the normal course of business. At Corporate, this also includes foreign currency conversion gains and losses from the remeasurement of monetary assets and liabilities denominated in non-functional currencies and the impact of certain foreign currency derivative instruments.

(2) The amounts of depreciation and amortization by segment are included within Cost of sales and Operating overhead expense, as applicable.

REVENUES AND LONG-LIVED ASSETS BY GEOGRAPHIC AREA

After allocation of revenues for Global Brand Divisions, Converse and Corporate to geographical areas based on the location where the sales originated, revenues by geographical area are similar to that as reported above for the NIKE Brand operating segments with the exception of the United States. Revenues derived in the United States were $19,725 million, $21,551 million and $22,007 million for the fiscal years ended May 31, 2025, 2024 and 2023, respectively.

The Company's largest concentrations of long-lived assets primarily consist of the Company's corporate headquarters, retail locations and distribution facilities in the United States, China and the United Kingdom, as well as distribution facilities in Belgium. Long-lived assets attributable to operations in these countries, which consist of property, plant and equipment, net and operating lease ROU assets, net, were as follows:

	MAY 31,	
(Dollars in millions)	2025	2024
United States	$ 4,467	$ 4,837
Belgium	774	757
China	488	501
United Kingdom	422	324
Other	1,389	1,299
TOTAL LONG-LIVED ASSETS	**$ 7,540**	**$ 7,718**

NOTE 16 — COMMITMENTS AND CONTINGENCIES

As of May 31, 2025 and 2024, the Company had bank guarantees and letters of credit outstanding totaling $884 million and $768 million, respectively, issued primarily for real estate agreements, self-insurance programs, other general business obligations and legal matters.

In connection with various contracts and agreements, the Company provides routine indemnification relating to the enforceability of intellectual property rights, coverage for legal issues that arise and other items where the Company is acting as the guarantor. Currently, the Company has several such agreements in place. However, based on the Company's historical experience and the estimated probability of future loss, the Company has determined the fair value of such indemnification is not material to the Company's financial position or results of operations.

In the ordinary course of business, the Company is subject to various legal proceedings, claims and government investigations relating to its business, products and actions of its employees and representatives, including contractual and employment relationships, product liability, antitrust, customs, tax, intellectual property and other matters. The outcome of these legal matters is inherently uncertain, and the Company cannot predict the eventual outcome of currently pending matters, the timing of their ultimate resolution or the eventual losses, fines, penalties or consequences relating to those matters. When a loss related to a legal proceeding or claim is probable and reasonably estimable, the Company accrues its best estimate for the ultimate resolution of the matter. If one or more legal matters were to be resolved against the Company in a reporting period for amounts above management's expectations, the Company's financial position, operating results and cash flows for that reporting period could be materially adversely affected. In the opinion of management, based on its current knowledge and after consultation with counsel, the Company does not believe any currently pending legal matters will have a material adverse impact on the Company's results of operations, financial position or cash flows, except as described below.

BELGIAN CUSTOMS CLAIM

The Company has received claims for certain years from Belgian Customs for alleged underpaid duties related to products imported beginning in fiscal 2018. The Company disputes these claims and has engaged in the appellate process. The Company has issued bank guarantees in order to appeal the claims. At this time, the Company is unable to estimate the range of loss and cannot predict the final outcome as it could take several years to reach a resolution on this matter. If this matter is ultimately resolved against the Company, the amounts owed, including fines, penalties and other consequences relating to the matter, could have a material adverse effect on the Company's results of operations, financial position and cash flows.

NOTE 17 — LEASES

Lease expense is recognized in Cost of sales or Operating overhead expense within the Consolidated Statements of Income, based on the underlying nature of the leased asset. For the fiscal years ended May 31, 2025, 2024 and 2023, lease expense primarily consisted of operating lease costs of $663 million, $618 million and $585 million, respectively, as well as $432 million, $433 million and $403 million, respectively, primarily related to variable lease costs. As of and for the fiscal years ended May 31, 2025 and 2024 and 2023, finance leases were not a material component of the Company's lease portfolio.

The undiscounted cash flows for future maturities of the Company's operating lease liabilities and the reconciliation to the Operating lease liabilities recognized in the Company's Consolidated Balance Sheets are as follows:

(Dollars in millions)		**AS OF MAY 31, 2025[(1)]**
Fiscal 2026	$	565
Fiscal 2027		575
Fiscal 2028		487
Fiscal 2029		437
Fiscal 2030		389
Thereafter		885
Total undiscounted future cash flows related to lease payments	$	3,338
Less interest		286
PRESENT VALUE OF LEASE LIABILITIES	**$**	**3,052**

(1) Excludes $482 million as of May 31, 2025, of future operating lease payments for lease agreements signed but not yet commenced.

The following table includes supplemental information used to calculate the present value of Operating lease liabilities:

	AS OF MAY 31,	
	2025	2024
Weighted-average remaining lease term (in years)	6.6	6.9
Weighted-average discount rate	3.1 %	2.9 %

The following table includes supplemental cash and non-cash information related to operating leases:

	YEAR ENDED MAY 31,		
(Dollars in millions)	2025	2024	2023
Cash paid for amounts included in the measurement of lease liabilities:			
Operating cash flows from operating leases	$ 647	$ 613	$ 575
Operating lease right-of-use assets obtained in exchange for new operating lease liabilities	$ 607	$ 458	$ 602

NOTE 18 — RESTRUCTURING

During the third quarter of fiscal 2024, management streamlined the organization which resulted in a net reduction in the Company's global workforce. In fiscal 2024, the Company recognized pre-tax restructuring charges of $443 million, primarily associated with $392 million related to employee severance costs and $51 million related to accelerated stock-based compensation expense. Of the $443 million pre-tax restructuring charges, $379 million was classified in Operating overhead expense and $64 million was classified in Cost of sales. The related cash payments during fiscal 2024 were $123 million. As of May 31, 2024, restructuring charges of $267 million were reflected within Accrued liabilities on the Consolidated Balance Sheets.

As of the second quarter of fiscal 2025, the fiscal 2024 restructuring was substantially complete and there was an immaterial amount of restructuring charges recognized in fiscal 2025. The Company made cash payments of $247 million during fiscal 2025, and the remaining immaterial amounts are to be settled in fiscal 2026.

NOTE 19 — SUPPLIER FINANCE PROGRAMS

Certain financial institutions offer voluntary supplier finance programs facilitated through a third-party platform that provide participating suppliers the option to finance valid payment obligations from the Company. The Company is not a party to agreements negotiated between participating suppliers and third-party financial institutions. The Company's obligations to its suppliers, including amounts due and payment terms, are not affected by a supplier's decision to participate in these programs and the Company does not provide guarantees to third parties in connection with these programs. As of May 31, 2025 and May 31, 2024, the Company had $1,101 million and $840 million, respectively, of outstanding supplier obligations confirmed as valid under these programs. These amounts are included within Accounts payable on the Consolidated Balance Sheets.

(Dollars in millions)	
Confirmed obligations outstanding as of May 31, 2024	$ 840
Invoices confirmed during the year	11,741
Confirmed invoices paid during the year	(11,480)
Confirmed obligations outstanding as of May 31, 2025	**$ 1,101**

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

There has been no change of accountants nor any disagreements with accountants on any matter of accounting principles or practices or financial statement disclosure required to be reported under this Item.

ITEM 9A. CONTROLS AND PROCEDURES

We maintain disclosure controls and procedures that are designed to provide reasonable assurance that information required to be disclosed in our Securities Exchange Act of 1934, as amended (the "Exchange Act"), reports is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow for timely decisions regarding required disclosure. In designing and evaluating the disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and management is required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

We carry out a variety of ongoing procedures, under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, to evaluate the effectiveness of the design and operation of our disclosure controls and procedures. Based on the foregoing, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective at the reasonable assurance level as of May 31, 2025.

"Management's Annual Report on Internal Control Over Financial Reporting" is included in Item 8 of this Annual Report.

There have not been any changes in our internal control over financial reporting during our most recent fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

ITEM 9B. OTHER INFORMATION

Rule 10b5-1 Trading Plans

During the fiscal quarter ended May 31, 2025, none of our directors or officers (as defined in Rule 16a-1 under the Exchange Act) adopted or terminated a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement" (as those terms are defined in Item 408 of Regulation S-K).

ITEM 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

Not applicable.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

The information required by Item 401 of Regulation S-K regarding directors is included under "Corporate Governance — NIKE, Inc. Board of Directors" in the definitive Proxy Statement for our 2025 Annual Meeting of Shareholders and is incorporated herein by reference. The information required by Item 401 of Regulation S-K regarding executive officers is included under "Information about our Executive Officers" in Item 1 of this Annual Report. The information required by Item 406 of Regulation S-K is included under "Corporate Governance — Code of Conduct" in the definitive Proxy Statement for our 2025 Annual Meeting of Shareholders and is incorporated herein by reference. The information required by Items 407(d)(4) and (d)(5) of Regulation S-K regarding the Audit & Finance Committee of the Board of Directors is included under "Corporate Governance — Board Structure and Responsibilities — Board Committees" in the definitive Proxy Statement for our 2025 Annual Meeting of Shareholders and is incorporated herein by reference. The information required by Item 408(b)(1) of Regulation S-K regarding our insider trading policies is included under "Additional Information — Insider Trading Arrangements and Policies" in the definitive Proxy Statement for our 2025 Annual Meeting of Shareholders and is incorporated herein by reference.

ITEM 11. EXECUTIVE COMPENSATION

The information required by Items 402, 407(e)(4) and 407(e)(5) of Regulation S-K regarding executive compensation is included under "Corporate Governance — Director Compensation for Fiscal 2025," "Executive Compensation — Compensation Discussion and Analysis," "Executive Compensation — Executive Compensation Tables," and "Additional Information — Compensation Committee Interlocks and Insider Participation," in the definitive Proxy Statement for our 2025 Annual Meeting of Shareholders and is incorporated herein by reference.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The information required by Item 201(d) of Regulation S-K is included under "Executive Compensation — Executive Compensation Tables — Equity Compensation Plan Information" in the definitive Proxy Statement for our 2025 Annual Meeting of Shareholders and is incorporated herein by reference. The information required by Item 403 of Regulation S-K is included under "Stock Ownership Information — Stock Holdings of Certain Owners and Management" in the definitive Proxy Statement for our 2025 Annual Meeting of Shareholders and is incorporated herein by reference.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS AND DIRECTOR INDEPENDENCE

The information required by Items 404 and 407(a) of Regulation S-K is included under "Additional Information — Transactions with Related Persons" and "Corporate Governance — NIKE, Inc. Board of Directors — Director Independence" in the definitive Proxy Statement for our 2025 Annual Meeting of Shareholders and is incorporated herein by reference.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

The information required by Item 9(e) of Schedule 14A is included under "Audit Matters — Ratification of Appointment of Independent Registered Public Accounting Firm" in the definitive Proxy Statement for our 2025 Annual Meeting of Shareholders and is incorporated herein by reference.

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PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(a) The following documents are filed as part of this Annual Report:

		FORM 10-K PAGE NO.
1.	**Financial Statements:**	
	Report of Independent Registered Public Accounting Firm (PCAOB ID 238)	54
	Consolidated Statements of Income for each of the three years ended May 31, 2025, May 31, 2024, and May 31, 2023	56
	Consolidated Statements of Comprehensive Income for each of the three years ended May 31, 2025, May 31, 2024, and May 31, 2023	57
	Consolidated Balance Sheets at May 31, 2025 and May 31, 2024	58
	Consolidated Statements of Cash Flows for each of the three years ended May 31, 2025, May 31, 2024, and May 31, 2023	59
	Consolidated Statements of Shareholders' Equity for each of the three years ended May 31, 2025, May 31, 2024, and May 31, 2023	60
	Notes to Consolidated Financial Statements	61
2	**Financial Statement Schedule:**	
	All financial statement schedules are omitted because they are not applicable or the required information is shown in the financial statements or notes thereto.	
3.	**Exhibits:**	
3.1	Restated Articles of Incorporation, as amended (incorporated by reference to Exhibit 3.1 to the Company's Quarterly Report on Form 10-Q for the fiscal quarter ended November 30, 2015).	
3.2	Sixth Amended and Restated Bylaws (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed September 20, 2024).	
4.1	Restated Articles of Incorporation, as amended (see Exhibit 3.1).	
4.2	Sixth Amended and Restated Bylaws (see Exhibit 3.2).	
4.3	Indenture dated as of April 26, 2013, by and between NIKE, Inc. and Deutsche Bank Trust Company Americas, as trustee (incorporated by reference to Exhibit 4.1 to the Company's Form 8-K filed April 26, 2013).	
4.4	Second Supplemental Indenture, dated as of October 29, 2015, by and between NIKE, Inc. and Deutsche Bank Trust Company Americas, as trustee, including the form of 3.875% Notes due 2045 (incorporated by reference to Exhibit 4.2 to the Company's Form 8-K filed October 29, 2015).	
4.5	Third Supplemental Indenture, dated as of October 21, 2016, by and between NIKE, Inc. and Deutsche Bank Trust Company Americas, as trustee, including the form of 2.375% Notes due 2026 and form of 3.375% Notes due 2046 (incorporated by reference to Exhibit 4.2 to the Company's Form 8-K filed October 21, 2016).	
4.6	Fourth Supplemental Indenture, dated as of March 27, 2020, by and between NIKE, Inc. and Deutsche Bank Trust Company Americas, as trustee, including the form of 2.400% Notes due 2025, form of 2.750% Notes due 2027, form of 2.850% Notes due 2030, form of 3.250% Notes due 2040 and form of 3.375% Notes due 2050 (incorporated by reference to Exhibit 4.2 to the Company's Form 8-K filed March 27, 2020).	
4.7	Description of Securities.	
10.1	Form of Restricted Stock Agreement for non-employee directors under the Stock Incentive Plan (incorporated by reference to Exhibit 10.4 to the Company's Annual Report on Form 10-K for the fiscal year ended May 31, 2014).*	
10.2	Form of Non-Statutory Stock Option Agreement for options granted to executives under the Stock Incentive Plan (incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the fiscal quarter ended February 28, 2018).*	
10.3	Form of Indemnity Agreement entered into between the Company and each of its officers and directors (incorporated by reference to Exhibit 10.2 to the Company's Annual Report on Form 10-K for the fiscal year ended May 31, 2008).*	
10.4	NIKE, Inc. Deferred Compensation Plan (Amended and Restated effective April 1, 2013) (incorporated by reference to Exhibit 10.9 to the Company's Annual Report on Form 10-K for the fiscal year ended May 31, 2013).*	
10.5	NIKE, Inc. Foreign Subsidiary Employee Stock Purchase Plan (incorporated by reference to Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q for the fiscal quarter ended November 30, 2023).*	

10.6	Amended and Restated Covenant Not to Compete and Non-Disclosure Agreement between NIKE, Inc. and Mark G. Parker dated July 24, 2008 (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed July 24, 2008).*
10.7	Form of Covenant Not to Compete and Non-Disclosure Agreement between NIKE, Inc. and its executive officers (other than Mark Parker, Elliott Hill, and John Donahoe II) (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed February 18, 2020).*
10.8	NIKE, Inc. Stock Incentive Plan (incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K filed September 23, 2015).*
10.9	Form of Discretionary Performance Award Agreement (incorporated by reference to Exhibit 10.22 to the Company's Annual Report on Form 10-K for the fiscal year ended May 31, 2018).*
10.10	Offer Letter between NIKE, Inc. and John J. Donahoe II (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed October 22, 2019).*
10.11	Form of Covenant Not to Compete and Non-Disclosure Agreement between NIKE, Inc. and John J. Donahoe II (incorporated by reference to Exhibit 10.3 to the Company's Current Report on Form 8-K filed October 22, 2019).*
10.12	Form of Performance-Based Stock Option Agreement (incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K filed October 22, 2019).*
10.13	Letter Agreement between NIKE, Inc. and Mark G. Parker (incorporated by reference to Exhibit 10.6 to the Company's Current Report on Form 8-K filed October 22, 2019).*
10.14	NIKE, Inc. Executive Performance Sharing Plan (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed June 19, 2020).*
10.15	Form of Non-Statutory Stock Option Agreement under the NIKE, Inc. Stock Incentive Plan (incorporated by reference to Exhibit 10.3 to the Company's Current Report on Form 8-K filed June 19, 2020).*
10.16	Form of Restricted Stock Unit Agreement under the NIKE, Inc. Stock Incentive Plan (incorporated by reference to Exhibit 10.4 to the Company's Current Report on Form 8-K filed June 19, 2020).*
10.17	NIKE, Inc. Stock Incentive Plan (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed September 18, 2020).*
10.18	Form of Performance-Based Restricted Stock Unit Agreement under the NIKE, Inc. Stock Incentive Plan (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on June 17, 2021).*
10.19	Five Year Credit Agreement dated as of March 7, 2025, among NIKE, Inc., Bank of America, N.A., as Administrative Agent, and the other Banks named therein (incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K filed on March 10, 2025).
10.20	NIKE, Inc. Employee Stock Purchase Plan, as amended (incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the fiscal quarter ended November 30, 2023).*
10.21	364-Day Credit Agreement dated as of March 7, 2025, among NIKE, Inc., Bank of America, N.A., as Administrative Agent, and the other Banks named therein (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on March 10, 2025).
10.22	Form of Stock Option Agreement under the NIKE, Inc. Stock Incentive Plan (incorporated by reference to Exhibit 10.26 to the Company's Annual Report on Form 10-K for the fiscal year ended May 31, 2024).*
10.23	Form of Restricted Stock Unit Agreement under the NIKE, Inc. Stock Incentive Plan (incorporated by reference to Exhibit 10.27 to the Company's Annual Report on Form 10-K for the fiscal year ended May 31, 2024).*
10.24	Form of Performance-Based Restricted Stock Unit Agreement under the NIKE, Inc. Stock Incentive Plan (incorporated by reference to Exhibit 10.28 to the Company's Annual Report on Form 10-K for the fiscal year ended May 31, 2024).*
10.25	Offer Letter, dated September 19, 2024, between NIKE, Inc. and Elliott Hill (incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the fiscal quarter ended November 30, 2024).*
10.26	Covenant Not to Compete and Non-Disclosure Agreement, dated September 19, 2024, between NIKE, Inc. and Elliott Hill (incorporated by reference to Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q for the fiscal quarter ended November 30, 2024).*
10.27	Letter Agreement, dated September 19, 2024, between NIKE, Inc. and John J. Donahoe II (incorporated by reference to Exhibit 10.3 to the Company's Quarterly Report on Form 10-Q for the fiscal quarter ended November 30, 2024).*
10.28	Letter Agreement, dated May 1, 2025, between NIKE, Inc. and Heidi O'Neill.*
19.1	NIKE, Inc. Insider Trading Policy (incorporated by reference to Exhibit 19.1 to the Company's Annual Report on Form 10-K for the fiscal year ended May 31, 2024).
19.2	NIKE, Inc. Blackout and Pre-clearance Policy (incorporated by reference to Exhibit 19.2 to the Company's Annual Report on Form 10-K for the fiscal year ended May 31, 2024).
21	Subsidiaries of the Registrant.
23	Consent of PricewaterhouseCoopers LLP, Independent Registered Public Accounting Firm (included within this Annual Report on Form 10-K).
31.1	Rule 13a-14(a)/15d-14(a) Certification of Chief Executive Officer.
31.2	Rule 13a-14(a)/15d-14(a) Certification of Chief Financial Officer.
32†	Section 1350 Certifications.

97	NIKE, Inc. Policy for Recoupment of Incentive Compensation (incorporated by reference to Exhibit 97 to the Company's Annual Report on Form 10-K for the fiscal year ended May 31, 2024).*
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
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase
101.DEF	Inline XBRL Taxonomy Extension Definition Document
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase
104	Cover Page Interactive Data File - formatted in Inline XBRL and included in Exhibit 101

* *Management contract or compensatory plan or arrangement.*
† *Furnished herewith*

The Exhibits filed herewith do not include certain instruments with respect to long-term debt of NIKE and its subsidiaries, inasmuch as the total amount of debt authorized under any such instrument does not exceed 10 percent of the total assets of NIKE and its subsidiaries on a consolidated basis. NIKE agrees, pursuant to Item 601(b)(4)(iii) of Regulation S-K, that it will furnish a copy of any such instrument to the SEC upon request.

ITEM 16. FORM 10-K SUMMARY

None.

Consent of Independent Registered Public Accounting Firm

We hereby consent to the incorporation by reference in the Registration Statements on Form S-3 (No. 333-266267) and Form S-8 (Nos. 033-63995, 333-63581, 333-63583, 333-68864, 333-68886, 333-71660, 333-104822, 333-117059, 333-133360, 333-164248, 333-171647, 333-173727, 333-208900, 333-215439, 333-266269 and 333-273358) of NIKE, Inc. of our report dated July 17, 2025 relating to the financial statements and the effectiveness of internal control over financial reporting, which appears in this Form 10-K.

/s/ PricewaterhouseCoopers LLP
Portland, Oregon
July 17, 2025

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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.

NIKE, INC.	
By:	/s/ ELLIOTT HILL **Elliott Hill** President and Chief Executive Officer
Date:	July 17, 2025

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

SIGNATURE	TITLE	DATE
PRINCIPAL EXECUTIVE OFFICER AND DIRECTOR:		
/s/ ELLIOTT HILL **Elliott Hill**	*President and Chief Executive Officer*	July 17, 2025
PRINCIPAL FINANCIAL OFFICER:		
/s/ MATTHEW FRIEND **Matthew Friend**	*Executive Vice President and Chief Financial Officer*	July 17, 2025
PRINCIPAL ACCOUNTING OFFICER:		
/s/ JOHANNA NIELSEN **Johanna Nielsen**	*Vice President, Chief Accounting Officer*	July 17, 2025
DIRECTORS:		
/s/ MARK PARKER **Mark Parker**	*Director, Chairman of the Board*	July 17, 2025
/s/ CATHLEEN BENKO **Cathleen Benko**	*Director*	July 17, 2025
/s/ TIMOTHY COOK **Timothy Cook**	*Director*	July 17, 2025
/s/ THASUNDA DUCKETT **Thasunda Duckett**	*Director*	July 17, 2025
/s/ MÓNICA GIL **Mónica Gil**	*Director*	July 17, 2025
/s/ MARIA HENRY **Maria Henry**	*Director*	July 17, 2025
/s/ PETER HENRY **Peter Henry**	*Director*	July 17, 2025
/s/ TRAVIS KNIGHT **Travis Knight**	*Director*	July 17, 2025
/s/ MICHELLE PELUSO **Michelle Peluso**	*Director*	July 17, 2025
/s/ JOHN ROGERS, JR. **John Rogers, Jr.**	*Director*	July 17, 2025
/s/ ROBERT SWAN **Robert Swan**	*Director*	July 17, 2025

Exhibit 4.7

DESCRIPTION OF NIKE, INC. CAPITAL STOCK

The following description of NIKE, Inc.'s (the "Company") capital stock is a summary that is not complete and is qualified in its entirety by reference to the Company's Restated Articles of Incorporation, as amended (the "Articles of Incorporation") and the Company's Sixth Amended and Restated Bylaws (the "Bylaws").

General

The Articles of Incorporation provide that the Company may issue up to 400,000,000 shares of Class A Common Stock, no par value ("Class A Common Stock"); 2,400,000,000 shares of Class B Common Stock, no par value ("Class B Common Stock" and, collectively with the Class A Common Stock, the "Common Stock"); and 300,000 shares of Preferred Stock, par value $1.00 per share ("Preferred Stock").

Voting and Other Rights

General

Each share of Common Stock is entitled to one vote per share, voting as a single class, on all matters which shareholders generally are entitled to vote, except as provided below in the case of voting for the election of directors. The holders of the Common Stock have no preemptive rights and are not entitled to cumulative voting.

Shares of Class A Common Stock are convertible into shares of Class B Common Stock on a share-for-share basis any time at the option of the holder, subject to certain terms and conditions. The holders of Class B Common Stock do not have any conversion rights.

Except as otherwise required by law, holders of Preferred Stock do not have general voting rights but do have the right to vote as a separate class with one vote per share on (i) the sale of all or substantially all of the assets of the Company and its subsidiaries, (ii) a merger, consolidation, liquidation or dissolution of the Company or (iii) the sale or assignment of the "NIKE" trademark for athletic shoes sold in the United States. If any such matter is submitted for approval by the holders of Preferred Stock and is not approved by more than 66⅔% of such holders, then the Company has the right to redeem the shares of Preferred Stock voting against such action at a redemption price of $1.00 per share, plus accrued dividends and interest, if any, and the holders of such Preferred Stock have the right to require the Company to redeem their shares of Preferred Stock at the same price. The outstanding shares of Preferred Stock may also be redeemed by the Company, at its option, or at the option of the holders of Preferred Stock, at a redemption price of $1.00 per share, plus any accrued dividends and interest, under certain other circumstances set forth in the Articles of Incorporation.

Voting for the Election of Directors

At any time and so long as the number of outstanding shares of Class B Common Stock equals or exceeds 25% of the total outstanding shares of Common Stock, the holders of Class A Common Stock and Class B Common stock will vote as separate classes for the purposes of electing directors. In such case, holders of Class B Common Stock, voting as a separate class, shall be entitled to elect 25% (rounded up to the nearest whole number) of the total number of authorized directors, with holders of Class A Common Stock, voting as a separate class, electing the remaining directors.

Notwithstanding the above paragraph, in the event that the number of outstanding shares of Class A Common Stock is less than 12.5% of the total number of Common Stock shares outstanding, the holders of Class B Common Stock, voting as a separate class, shall continue to elect 25% (rounded up to the nearest whole number) of the total number of authorized directors, and the remaining directors will be elected by all holders of the Common Stock, voting together as a single class.

If the number of outstanding shares of Class B Common Stock is less than 25% of the total number of Common Stock shares outstanding, the holders of the Common Stock, voting together as a single class, will elect all directors.

Dividend and Liquidation Rights

Dividends on the Preferred Stock, which are preferential and cumulative, are at the rate of $0.10 per share per annum. Any unpaid dividends on the Preferred Stock accrue interest at the rate of 12% per annum.

The holders of Class A Common Stock and Class B Common Stock are entitled to share ratably in dividends when and as declared by the Company's Board of Directors (the "Board"). Dividends on the Common Stock may not be paid in any fiscal year unless all dividends for such fiscal year on all outstanding shares of Preferred Stock have been declared and paid, or set apart for payment, in full.

Holders of Class A Common Stock and Class B Common Stock also are entitled to share ratably in any proceeds legally available for distribution to shareholders upon liquidation or dissolution, after provision is first made for holders of the Preferred Stock. Holders of Preferred Stock are entitled to receive $1.00 per share, together with dividends declared and unpaid, prior to any payment upon liquidation to holders of the outstanding Common Stock.

Anti-takeover Effects of Certain Provisions of the Certificate of Incorporation and Bylaws

The provisions of the Articles of Incorporation and Bylaws summarized below may have an anti-takeover effect and may delay, defer or prevent a tender offer or takeover attempt.

Voting Thresholds

The Articles of Incorporation provide that the affirmative vote of the holders of at least 80% of all outstanding Common Stock, voting together as a single class, is required to approve a merger, sale of assets or similar business transaction with any beneficial holder of 10% or more of the Common Stock, unless the transaction is first approved by the Board. The 80% vote in such instance must include the affirmative vote of at least 50% of the Common Stock held by persons other than the interested party. Additionally, any amendment of provisions of the Articles of Incorporation concerning the 80% voting provisions, the number of directors constituting the Board and the removal of directors also requires the approval of the holders of 80% of the outstanding Common Stock.

These provisions with respect to super-majority voting requirements may make it more difficult for any person interested in acquiring the Company to effect a merger or other business combination with the Company. Any shareholder or group of shareholders owning more than 20% of the Common Stock will effectively have veto power over certain proposed acquisitions of the Company. Such provisions could result in the holders of a majority of the outstanding Common Stock being unable to effect requisite shareholder approval, even though the terms of such combination might be considered favorable.

Authorized but Unissued Common Stock

The Company's shares of authorized and unissued common stock will be available for future issuance without additional shareholder approval, provided that that the Company shall at all times keep available enough shares of Class B Common Stock as would be needed to convert all outstanding shares of Class A Common Stock to Class B Common Stock on a share-for-share basis. The existence of authorized but unissued shares of Common Stock may enable the Board to render more difficult or to discourage an attempt to obtain control of the Company by means of a merger, tender offer or otherwise.

No Cumulative Voting

The Articles of Incorporation do not grant holders of the Common Stock the right to vote cumulatively.

Notice Provisions Relating to Shareholder Proposals and Nominees

The Bylaws contain provisions requiring shareholders to give advance written notice to the Company of a proposal or director nomination in order to have the proposal or the nominee considered at an annual meeting of the Company's shareholders. Generally, to be timely, notice of a shareholder proposal or nomination (other than nominations under the Company's proxy access bylaw) must be received at the Company's principal executive offices not less than 90 days nor more than 120 days prior to the first anniversary of the date of the preceding year's annual meeting. Such notice must also contain certain information specified in the Bylaws.

Market Listing

The Class B Common Stock is listed on the New York Stock Exchange under the symbol "NKE".

Transfer Agents and Registrar

The transfer agent and registrar for the Common Stock is Computershare Trust Company, Inc.

Execution Version

May 1, 2025

Heidi O’Neill
Address on file with the Company

Re:Transition

Dear Heidi:

This letter memorializes our recent discussions and understanding regarding the elimination of the President, Consumer, Product & Brand role and your resulting transition from NIKE, Inc. (the “Company”). On behalf of the Company, I want to thank you for your years of service and leadership.

1. Transition and Retirement. Your service as President, Consumer, Product & Brand and as an officer of the Company will continue until May 2, 2025 (the “Transition Date”). You will remain a full-time non-executive employee of the Company until September 5, 2025 (the “Separation Date”).

Nothing in this letter alters the employment-at-will relationship between the Company and you. You are expected to follow all Company policies and procedures through the Separation Date.

2. Compensation and Benefits. For the remainder of the term of your employment through the Separation Date, your annual base salary and employee benefit plan eligibility will remain unchanged. For the avoidance of doubt, you will not be eligible to participate in the Company’s Executive Performance Sharing Plan (or any other incentive plan, including the long-term incentive plan) for the Company’s 2026 fiscal year.

As you will remain an active employee of the Company following the Transition Date, your outstanding equity awards (the “Awards”) will continue to vest in accordance with their terms through the Separation Date. For the avoidance of doubt, you are “normal retirement eligible” and “retirement eligible” for purposes your outstanding Awards and your termination of employment on the Separation Date will be treated as an involuntary termination without Cause (or, as applicable, as a result of a Reduction in Force) for purposes of your outstanding Awards as set forth in the applicable award agreement (the “Equity Treatment”).

3. Covenant Not to Compete. The Covenant Not to Compete and Non-Disclosure Agreement by and between you and the Company, effective on or around April 1, 2020 (the “Noncompetition Agreement”) will remain in full force and effect pursuant to its terms. The Restriction Period thereunder will commence on the Separation Date, and you will be eligible to receive the benefits payable under the Noncompetition Agreement upon the Company’s termination of your employment without cause and enforcement of such agreement (the “Non-Compete Payments”).

4. Release Requirement. Your continued employment by the Company through the Separation Date and the Equity Treatment are conditioned on (i) your executing the general release and waiver of claims attached as Exhibit A (the "Release") no later than the Transition Date and (ii) your reaffirming and causing to become irrevocable the Release (as will be reasonably modified and provided to you by the Company on or prior to the Separation Date to incorporate the release of Age Discrimination in Employment Act (ADEA) claims and related procedures) within the twenty-eight day period following the Separation Date (clauses (i) and (ii), together, the "Release Requirement").

5. Non-Disparagement. At all times during your employment with the Company and perpetually thereafter, to the fullest extent permitted by law and subject to Section 6 (*Whistleblower Protections*) below, you agree that you will not make any defamatory or derogatory statements concerning the Company or any of its affiliates or predecessors and their respective officers, directors or employees, nor will you authorize, encourage or participate with anyone to make such statements. The Company shall instruct its executive officers and the current members of its Board of Directors not to make any defamatory or derogatory statements concerning you to any prospective employers or other third parties.

6. Whistleblower Protections. Notwithstanding the foregoing, nothing in this letter (or the Release) is intended to, and Section 5 above will not, (i) preclude you from disclosing or discussing information lawfully acquired about wages, hours or other terms and conditions of employment if used for purposes protected by Section 7 of the National Labor Relations Act such as joining or forming a union, engaging in collective bargaining or engaging in other concerted activity for the mutual aid or protection of employees or (ii) limit your rights under applicable law to initiate communications directly with, provide information to, respond to any inquiries from, or report possible violations of law or regulation to any governmental entity or self-regulatory authority, or to file a charge with or participate in an investigation conducted by any governmental entity or self-regulatory authority, and you do not need the Company's permission to do so. In addition, it is understood that nothing in this letter (or the Release) shall require you to notify the Company of a request for information from any governmental entity or self-regulatory authority or of your decision to file a charge with or participatee in an investigation conducted by any governmental entity or self-regulatory authority. Notwithstanding the foregoing, you recognize that, in connection with the provision of information to any governmental entity or self-regulatory authority, you must inform such governmental entity or self-regulatory authority that the information you are providing is confidential. Despite the foregoing, you are not permitted to reveal to any third party, including any governmental entity or self-regulatory authority, information you came to learn during your service to the Company that is protected from disclosure by any applicable privilege, including but not limited to the attorney-client privilege or attorney work product doctrine. The Company does not waive any applicable privileges or the right to continue to protect its privileged attorney-client information, attorney work product, and other privileged information.

7. General Provisions. This letter, together with the Noncompetition Agreement and the Employee Invention and Secrecy Agreement, effective on or around April 1, 2020, which will remain in full force and effect pursuant to its terms, constitutes the entire agreement of the parties related to the subject matter hereof. No waiver, amendment, modification or cancellation of any term or condition of this letter will be effective unless executed in writing by both the Company and you. This letter may be executed in separate counterparts, each of which is deemed to be an original and all of which taken together constitute one and the same. This letter will be governed by Oregon law, without reference to principles of conflict of laws.

* * *

Sincerely,
NIKE, Inc.

By: /s/ Elliott Hill

Name: Elliott Hill
Title: President & Chief Executive Officer

By: /s/ Heidi O'Neill
Name: Heidi O’Neill

[*Signature page to Heidi O’Neill Transition Letter*]

SUBSIDIARIES OF THE REGISTRANT

Entity Name	Jurisdiction of Formation
Converse Inc.	Delaware
NIKE Commercial (China) Co., Ltd.	China
NIKE de Mexico, S. de R.L. de C.V.	Mexico
NIKE Europe Holding B.V.	Netherlands
NIKE Global Trading B.V.	Netherlands
NIKE IHM, Inc.	Missouri
NIKE Japan Group LLC	Japan
NIKE Korea LLC	Korea
NIKE Retail B.V.	Netherlands
NIKE Retail Services, Inc.	Oregon
NIKE Sport (China) Co., Ltd.	China
NIKE Trading Company B.V.	Netherlands

Pursuant to Item 601(b)(21) of Regulation S–K, we have omitted some subsidiaries that, considered in the aggregate as a single subsidiary, would not constitute a significant subsidiary as of May 31, 2025, under Rule 1–02(w) of Regulation S–X.

Exhibit 31.1

Certification of Chief Executive Officer
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Elliott Hill, certify that:

1. I have reviewed this annual report on Form 10-K of NIKE, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: July 17, 2025

/s/ Elliott Hill
Elliott Hill
Chief Executive Officer

Exhibit 31.2

Certification of Chief Financial Officer
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Matthew Friend, certify that:

1. I have reviewed this annual report on Form 10-K of NIKE, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: July 17, 2025

/s/ Matthew Friend

Matthew Friend
Chief Financial Officer

Exhibit 32

Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, the following certifications are being made to accompany the Registrant's annual report on Form 10-K for the fiscal year ended May 31, 2025.

Certification of Chief Executive Officer

Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned officer of NIKE, Inc. (the "Company") hereby certifies, to such officer's knowledge, that:

(i) the Annual Report on Form 10-K of the Company for the fiscal year ended May 31, 2025 (the "Report") fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and

(ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: July 17, 2025

/s/ Elliott Hill

Elliott Hill
Chief Executive Officer

Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, the following certifications are being made to accompany the Registrant's annual report on Form 10-K for the fiscal year ended May 31, 2025.

Certification of Chief Financial Officer

Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned officer of NIKE, Inc. (the "Company") hereby certifies, to such officer's knowledge, that:

(i) the Annual Report on Form 10-K of the Company for the fiscal year ended May 31, 2025 (the "Report") fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and

(ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: July 17, 2025

/s/ Matthew Friend

Matthew Friend
Chief Financial Officer