



NEXON

Investor Presentation Q3 2017

November 10, 2017 NEXON Co., Ltd.

Owen Mahoney

President and Chief Executive Officer

- Highest Q3 ever – substantial growth in revenues, operating income and net income¹
- Strong performance of new games – both PC and mobile
- Outstanding slate of upcoming titles – *OVERHIT*, *Durango: Wild Lands* and *MapleStory2*
- Extension of publishing relationship with EA for *EA SPORTS™ FIFA ONLINE 4* in Korea

¹ Net income refers to net income attributable to owners of the parent, as stated in Nexon's consolidated financial results.

Nexon to Acquire Pixelberry Studios

- #1 in interactive fiction on mobile
 - *Choices* is category leader, with high retention rates
 - Highly experienced California-based team has been developing the category for over 10 years
 - Growing rapidly and highly profitable
- Mutually-beneficial
 - Massive, under-served, and fragmented market: women
 - Potential to raise game longevity through multiplayer and community features
 - Expand *Choices* to international markets

Blue Ocean Opportunity

Shiro Uemura

Chief Financial Officer

Q3 2017 Results

Q3 Highlights

- Revenues ¥60.4 billion, up 36% year-over-year as-reported, up 27% constant currency¹
- Exceeded outlook, primarily driven by *Dungeon&Fighter* China's successful National Day Update, strength of *FIFA Online 3* / *FIFA Online 3 M*, *AxE*, and contribution from *MapleStory2* limited access / open beta pre-test in China
- Operating income ¥22.7 billion – exceeded outlook, primarily due to the outperformance in high-margin China business as well as *FIFA Online 3* / *FIFA Online 3 M* and *AxE*
- Net income² ¥19.6 billion – exceeded outlook, primarily due to operating income result and finance income

(Unit: ¥ millions, except per share data)

	Q3 2016	Q3 2017 Outlook		Q3 2017	YoY %
		Low end	High end		
Revenues	¥44,255	¥51,645	~ ¥55,551	¥60,398	36%
PC ³	34,474	39,806	~ 42,457	46,755	36%
Mobile	9,781	11,839	~ 13,095	13,643	39%
Japan	2,673			2,929	10%
ex-Japan	7,108			10,714	51%
Operating income	16,292	17,755	~ 20,462	22,704	39%
Net income²	7,635	15,875	~ 18,045	19,606	157%
Earnings per share	17.50	36.14	~ 41.08	44.53	
Exchange rates					
100 KRW/JPY	9.15	9.93	9.93	9.82	7%
CNY/JPY	15.36	16.62	16.62	16.65	8%
USD/JPY	102.43	112.43	112.43	111.03	8%

¹ Constant currency is a non-GAAP measure used to show performance unaffected by fluctuations in foreign currency exchange rates. Constant currency basis amounts are calculated using the average foreign currency exchange rates for the comparable period in the prior year and applied to the current period. As an example, we calculate royalty revenues from China *Dungeon&Fighter* by applying the same CNY/USD, USD/KRW and KRW/JPY exchange rates from last year's same fiscal quarter.

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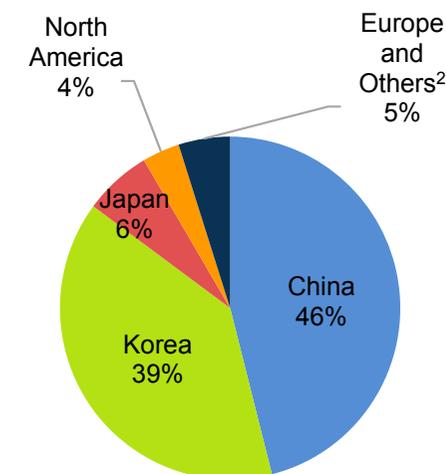
³ PC revenue includes other revenues besides PC online games and mobile games.

Revenue Breakdown

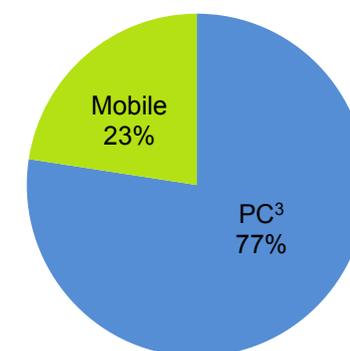
(Unit: ¥ millions)

	Q3 2016	Q3 2017		YoY % Change	
		As-Reported	Constant Currency ⁴	As-Reported	Constant Currency ⁴
Revenue by Region¹					
China	¥17,360	¥27,806	¥25,754	60%	48%
Korea	18,298	23,607	21,927	29%	20%
Japan	3,735	3,881	3,881	4%	4%
North America	2,138	2,148	1,982	0%	(7%)
Europe and Others ²	2,724	2,956	2,743	9%	1%
Nexon Total	44,255	60,398	56,287	36%	27%
Revenue by Platform					
PC ³	34,474	46,755	43,457	36%	26%
Mobile	9,781	13,643	12,830	39%	31%
Japan	2,673	2,929	2,929	10%	10%
ex-Japan	7,108	10,714	9,901	51%	39%
Nexon Total	44,255	60,398	56,287	36%	27%
FX Rate					
100 KRW/JPY	9.15	9.82	9.15	7%	
CNY/JPY	15.36	16.65	15.36	8%	
USD/JPY	102.43	111.03	102.43	8%	

Q3 2017 Revenue by Region¹



Q3 2017 Revenue by Platform



¹ Based on the regions in which revenues originate; not a representation of revenues according to Nexon entities.

² "Europe and Others" includes Europe as well as other Asian countries and South American countries.

³ PC revenue includes other revenues besides PC online games and mobile games.

⁴ Constant currency is a non-GAAP measure used to show performance unaffected by fluctuations in foreign currency exchange rates. Constant currency basis amounts are calculated using the average foreign currency exchange rates for the comparable period in the prior year and applied to the current period. As an example, we calculate royalty revenues from China *Dungeon&Fighter* by applying the same CNY/USD, USD/KRW and KRW/JPY exchange rates from last year's same fiscal quarter.

⁵ For the KPIs (MAU, Pay Rate and ARPPU) of PC online games, please refer to appendix of this presentation.

China/Korea – Highlights

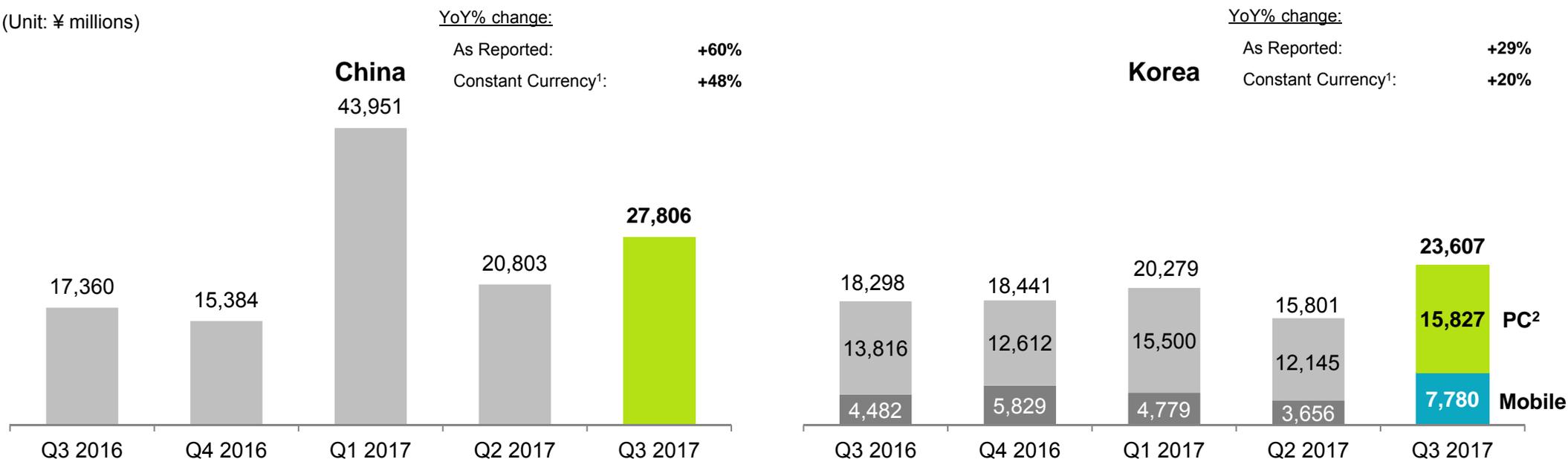
China

- *Dungeon&Fighter*
 - Introduced National Day Update on September 21st – off to strong start
 - Revenues, ARPPU, MAUs and paying users all grew year-over-year
 - Significant seasonal increases in revenues and ARPPU
 - Quarter-over-quarter MAUs down slightly and paying users flat, both due to high comps driven by very well-received updates in Q2
- Started *MapleStory2*'s Limited Access (August) and Open Beta Pre-test (September)

Korea

- Strong performance of *EA SPORTS™ FIFA Online 3 / EA SPORTS™ FIFA Online 3 M* driven by successful summer vacation promotions and package sales timed for Korean Thanksgiving Holiday
- Mobile revenues increased significantly year-over-year driven by *EA SPORTS™ FIFA Online 3 M*, *Dark Avenger 3*, and *AxE*

(Unit: ¥ millions)



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² PC revenue includes other revenues besides PC online games and mobile games.

Japan/North America/Europe and Others¹ – Highlights

Japan

- Year-over-year growth from *HIT*, *HIDE AND FIRE* and *MapleStory* mostly offset by deceleration of browser mobile games
- Mobile revenues decreased sequentially primarily due to deceleration of *HIT* and browser mobile games

North America

- LawBreakers* launched on August 8; experienced difficulty in the tough market dominated by big hit games
- Year-over-year growth from *DomiNations* and *Dynasty Warriors Unleashed* was offset by deceleration of PC revenues and *HIT*

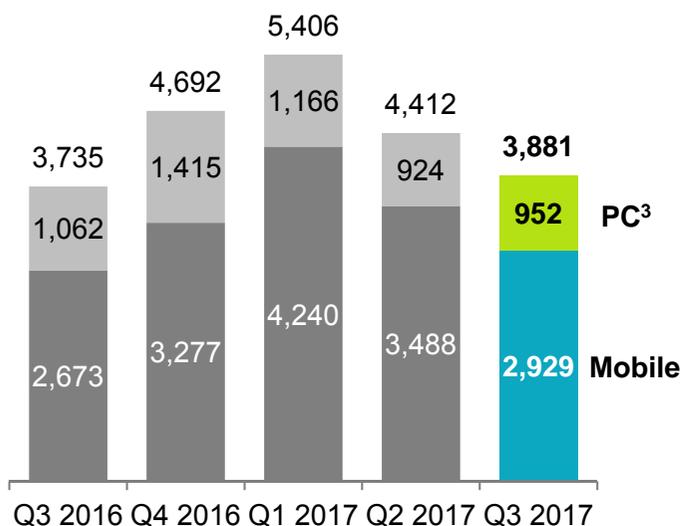
Europe and Others¹: Year-over-year growth driven by *Dynasty Warriors Unleashed* and *MapleStory* in Asia, partially offset by deceleration of *HIT*

(Unit: ¥ millions)

YoY% change:

As Reported: +4%
Constant Currency²: +4%

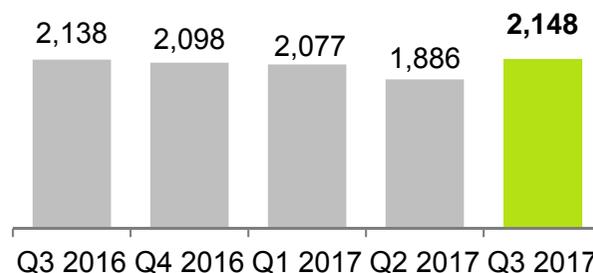
Japan



YoY% change:

As Reported: +0%
Constant Currency²: -7%

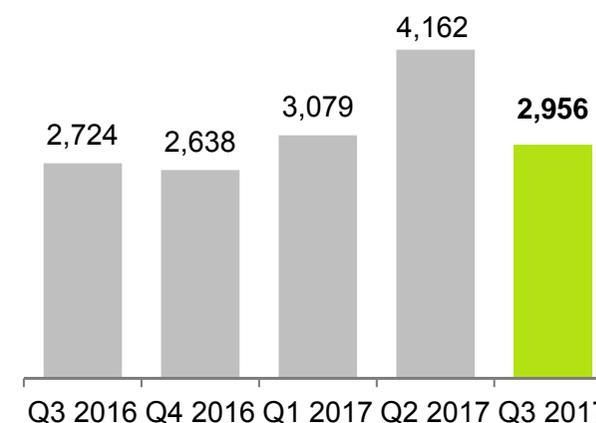
North America



YoY% change:

As Reported: +9%
Constant Currency²: +1%

Europe and Others¹



¹ "Europe and Others" includes Europe as well as other Asian countries and South American countries.

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³ PC revenue includes other revenues besides PC online games and mobile games.

Q4 2017 Outlook

Q4 2017 Business Outlook

- Expect revenues to be:
 - Up 13% to 22% year-over-year on as-reported basis
 - Up 7% to 16% year-over-year on constant currency¹ basis

(Unit: ¥ millions, except per share data)

	Q4 2016	Q4 2017 Outlook		YoY %	
Revenues	¥43,253	¥48,749	~	¥52,823	13% ~ 22%
PC ²	31,352	34,545	~	37,143	10% ~ 18%
Mobile	11,901	14,204	~	15,680	19% ~ 32%
Operating income	7,287	12,229	~	15,421	68% ~ 112%
Net income³	11,206	11,281	~	13,913	1% ~ 24%
Earnings per share	25.78	25.56	~	31.52	
FX Rate Assumptions					
100 KRW/JPY	9.46	9.98		9.98	5%
CNY/JPY	15.97	17.07		17.07	7%
USD/JPY	109.30	112.95		112.95	3%

- Forex sensitivity: every one Japanese yen move against the U.S. dollar would have the following impact on our financials for Q4 2017⁴

Revenue	0.45 billion yen
Operating Income	0.13 billion yen

¹ Constant currency is a non-GAAP measure used to show performance unaffected by fluctuations in foreign currency exchange rates. Constant currency basis amounts are calculated using the average foreign currency exchange rates for the comparable period in the prior year and applied to the current period. As an example, we calculate royalty revenues from China *Dungeon&Fighter* by applying the same CNY/USD, USD/KRW and KRW/JPY exchange rates from last year's same fiscal quarter.

² PC revenues includes revenues other than PC/mobile revenues.

³ Net income refers to net income attributable to owners of the parent, as stated in Nexon's consolidated financial results.

⁴ In most situations, the exchange rates of both the South Korean Won and the Chinese Yuan are linked to the U.S. dollar. For simplicity, forex sensitivity is calculated based on the assumption that Korean Won and Chinese Yuan move similarly against Japanese yen when there is an exchange rate movement in U.S. dollar and Japanese yen.

Q4 2017 Regional Outlook



China

- As-reported: Expect 20+% to 30+% YoY increase
- Constant currency¹: Expect high teens % to 30+% YoY increase
- *Dungeon&Fighter's* active users and paying users continue to trend well; no major update planned in Q4
- Scheduled to launch *MapleStory2*
- Continue development / preparation for *Dungeon&Fighter 2D* mobile (Publisher: Tencent)



Korea

- As-reported: Expect low teens % to high teens % YoY increase
- Constant currency¹: Expect high single digit % to low teens % YoY increase
- Scheduled to launch new mobile game *OVERHIT* on November 28th
- OBT starts for *Need for Speed™ Edge* on December 7th
- Presenting some exciting titles at G-STAR 2017 including *OVERHIT*, *Moonlight Blade*, *Battlerite*, *EA SPORTS™ FIFA ONLINE 4*, *Need for Speed™ Edge* and *Titanfall™ Online*



Japan

- As-reported or constant currency¹: Expect 20+% to 30+% YoY decrease
- No major launch planned in Q4
- Preparing multiple mobile games for 2018

North America, Europe and Others²

- North America
 - As-reported or constant currency¹: Expect 30+% to 60+% YoY increase
 - Expect year-over-year growth driven by contribution from Pixelberry Studios
- Europe and Others²
 - As-reported: Expect low single digit % to low teens % YoY decrease
 - Constant currency¹: Expect high single digit % to high teens % YoY decrease

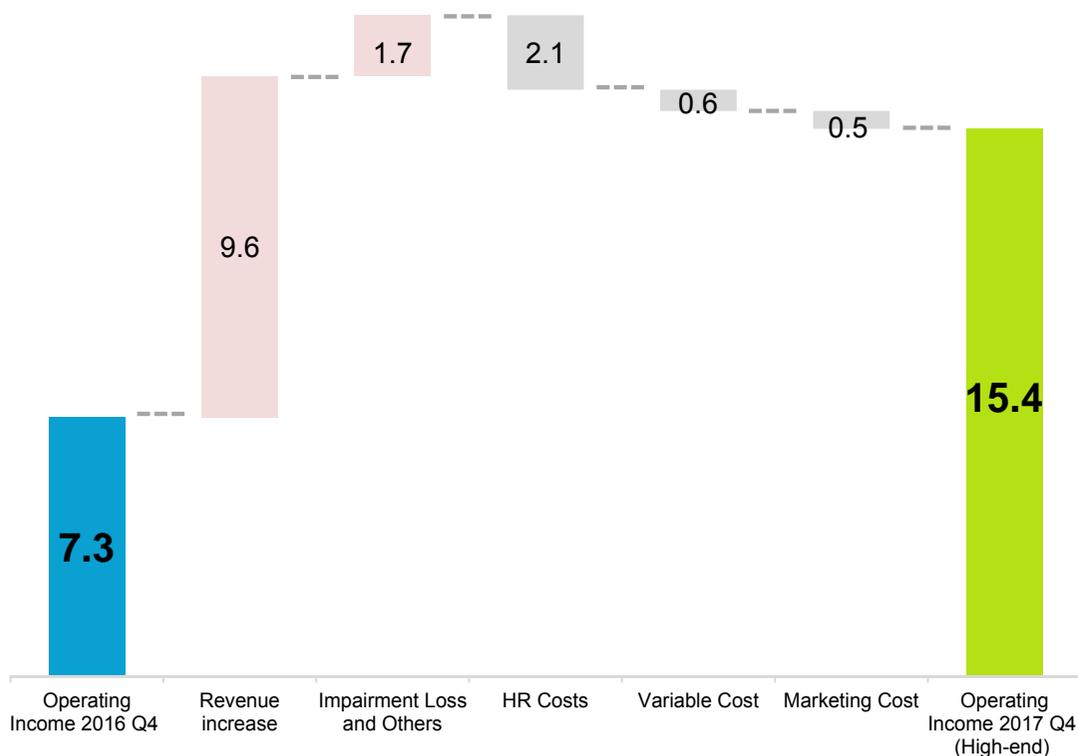
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² "Europe and Others" includes Europe as well as other Asian countries and South American countries.

Q4 2017 Operating Income Outlook

YoY Operating Income Comparison

(Unit: ¥ billions)



Expect Q4 2017 operating income of ¥12.2 to ¥15.4 billion due to:

Positive drivers

- Increased revenues, primarily driven by high-margin China business and contributions from mobile games in Korea
- Decreased impairment loss

Negative drivers

- Increase in HR costs due to increased headcount and incentive bonuses related to positive business performance
- Increase in CSR donation
- Increase in variable costs primarily PG fee with increased mobile revenues
- Increase in marketing costs associated with the launch of new titles

Share Repurchase Program

- Announced share repurchase program on November 10th, 2017

- Details:
 - Total amount: Up to ¥10 billion
 - Period: From November 13th, 2017 to February 9th, 2018
 - Acquisition method: Purchase at market on the Tokyo Stock Exchange

2017 China *Dungeon&Fighter* Update Schedule

Period	Tier 1 Content Update	2016	2017
Q1	Lunar New Year Update	January 26 th	January 17 th
	2016: Female Ghost Knight 2nd Awakening Update	March 24 th	N/A
	2017: Level Cap Update	N/A	January 17 th
Q2	Labor Day Update	April 21 st	April 27 th
	Anniversary Update	June 16 th	June 22 nd
Q3	Summer Update	July 14 th	July 6 th
	National Day Update	September 27 th	September 21 st
Q4	Winter Update	December 1 st	N/A

* 2017 update schedule is subject to change depending on various operational factors

 Indicates financially important updates

Pipeline¹

Q4 2017 and onward

PC Online



MapleStory2



Need for Speed™ Edge



Moonlight Blade



EA SPORTS™ FIFA ONLINE 4



Battlerite



Titanfall™ Online

Mobile



Point Blank: Strike



Durango: Wild Lands



Elsword M Shadow of Luna



Mabinogi Mobile



Dungeon & Fighter 2D mobile



OVERHIT



MapleStory Blitz



FINAL FANTASY® XI
mobile



Tree of Savior:
Mobile Remake

¹ Chart is illustrative excerpt of pipeline.

² The letters, graphics, symbols, logos and other marks shown in this material are trademarks or registered trademarks owned by respective right holders.

Appendix

Summary of Results and Key Operational Metrics

NEXON Co., Ltd.
Q3 2017
INVESTOR PRESENTATION

(Unit: ¥ millions except per share data)

	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Q1 2017	Q2 2017	Q3 2017	YoY%
(By Region)								
China	¥25,829	¥15,625	¥17,360	¥15,384	¥43,951	¥20,803	¥27,806	60%
Korea	22,555	14,954	18,298	18,441	20,279	15,801	23,607	29%
Japan	4,561	3,891	3,735	4,692	5,406	4,412	3,881	4%
North America	2,163	1,706	2,138	2,098	2,077	1,886	2,148	0%
Europe and Others ¹	2,389	1,947	2,724	2,638	3,079	4,162	2,956	9%
(By Platform)								
PC ²	45,054	28,915	34,474	31,352	63,114	35,540	46,755	36%
Mobile	12,443	9,208	9,781	11,901	11,678	11,524	13,643	39%
Japan	3,554	3,035	2,673	3,277	4,240	3,488	2,929	10%
ex-Japan	8,889	6,173	7,108	8,624	7,438	8,036	10,714	51%
Revenue	57,497	38,123	44,255	43,253	74,792	47,064	60,398	36%
Operating income	3,703	13,379	16,292	7,287	39,762	16,278	22,704	39%
Net income/(loss)³	(6,272)	7,564	7,635	11,206	19,906	19,448	19,606	157%
Earnings/(loss) per share	(14.43)	17.36	17.50	25.78	45.70	44.42	44.53	
FX rate								
100 KRW/JPY	9.62	9.30	9.15	9.46	9.88	9.85	9.82	7%
CNY/JPY	17.65	16.53	15.36	15.97	16.50	16.19	16.65	8%
USD/JPY	115.48	108.14	102.43	109.30	113.64	111.09	111.03	8%
KPI (Excluding Mobile)								
MAU (millions)	51.4	44.7	44.3	41.0	44.9	41.2	42.2	(5%)
Pay Rate	10.9%	11.3%	11.4%	13.7%	16.1%	15.6%	15.6%	37%
ARPPU (as-reported)	4,676	3,161	3,651	2,871	5,628	3,241	4,202	15%

¹ Europe and Others includes Asian countries (excluding Japan, Korea and China) and South American countries.

² PC revenue includes revenues other than PC/mobile revenues.

³ Net income/(loss) refers to net income/(loss) attributable to owners of the parent, as stated in Nexon's consolidated financial results.

COGS and SG&A

Please be noted that FY2017 Q3 impairment loss had been incorrectly stated. It has been corrected as follows:

Before correction: 2,366Mn

After correction: 3,618Mn

NEXON Co., Ltd.
Q3 2017
INVESTOR PRESENTATION

(Unit: ¥ millions)

	FY2016				FY2017		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Total Cost of Revenue ¹	¥13,075	¥10,475	¥11,242	¥13,339	¥14,767	¥12,584	¥14,953
Royalty ²	5,935	3,274	3,988	4,736	5,635	4,413	5,271
HR cost (COGS) ³	4,528	4,409	4,335	5,363	6,258	5,447	6,754
Other (COGS) ⁴	2,612	2,792	2,919	3,240	2,874	2,724	2,928
Total SG&A ¹	16,412	14,202	16,362	19,234	17,298	16,648	19,834
HR cost	3,261	3,463	3,668	4,416	4,036	3,527	3,887
PG fee ⁵	5,491	4,046	4,608	5,078	5,229	4,715	5,928
R&D	1,649	1,939	1,886	1,877	2,007	2,056	1,951
Marketing/advertising expenses	3,209	1,941	3,618	5,088	3,173	3,650	5,122
Depreciation and amortization	797	859	896	1,010	1,009	856	600
Other	2,005	1,954	1,686	1,765	1,844	1,844	2,346
Other Income ⁶	147	120	217	537	181	714	762
Other Expense ⁷	24,454	187	576	3,930	3,146	2,268	3,669
Includes: impairment loss	24,364	128	556	3,737	2,689	2,185	3,618

¹ Breakdown of COGS and SG&As are unaudited.

² Royalty includes royalties paid to third-party developers in order for us to obtain the right to publish their games.

³ HR cost includes salaries, bonuses and benefits for our live game developers, who support post launch servicing, updating and support for our games.

⁴ Other (COGS) primarily consists of depreciation and amortization of assets related to existing games, connection fees (mainly comprised of co-location and datacenter fees, internet bandwidth and access fees), and the costs of purchasing and maintaining our servers and computer equipment.

⁵ PG fee in SG&A includes commissions made to external payment gateway companies when users purchase in-game items in PC Online games that we service. It also includes mobile carrier-related commissions we pay regarding our Japanese mobile browser games, commissions we pay to Apple/Google regarding our mobile native games globally, and platform commission fees related to mobile browser games.

⁶ Other Income includes other non-operating income, reversal of deferred revenue, gain on sale of properties, and gain on change in equity.

⁷ Other Expense includes other non-operating expenses, loss on sale/disposal of properties, loss on impairment of tangible fixed assets, loss on impairment of intangible assets, loss on impairment of other fixed assets and loss on change in equity. It also includes impairment loss of game IPs and goodwill.

P&L Below Operating Income

NEXON Co., Ltd.
Q3 2017
INVESTOR PRESENTATION

(Unit: ¥ millions)

	FY2016				FY2017		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Operating Income	¥3,703	¥13,379	¥16,292	¥7,287	¥39,762	¥16,278	¥22,704
Finance Income ¹	823	808	819	21,790	1,202	6,271	2,117
Finance Costs ²	6,549	4,401	7,016	(87)	15,920	294	15
Equity income/(loss) of affiliates, equity method companies	16	53	80	(48)	(12)	(340)	(178)
Income/(Loss) before Income Tax	(2,007)	9,839	10,175	29,116	25,032	21,915	24,628
Tax expense ³	4,072	2,262	2,357	17,911	5,220	2,613	4,981
Net income/(loss) ⁴	(6,272)	7,564	7,635	11,206	19,906	19,448	19,606

¹ 2016 Q4, 2017 Q2, and 2017 Q3 Finance Income includes FX conversion gain related to foreign currency deposits & A/R.

² 2016 Q1, Q2, Q3, and 2017 Q1 Finance Costs are primarily caused by FX conversion loss related to foreign currency deposits & A/R.

³ 2016 Q4 Tax Expense was significant due to the 14.6 billion yen deferred tax expense in relation to re-examination of tax effect accounting on overseas subsidiary's retained earnings.

⁴ Net income/(loss) refers to net income/(loss) attributable to owners of the parent, as stated in Nexon's consolidated financial results.

Cash Flow Statement

NEXON Co., Ltd.
Q3 2017
INVESTOR PRESENTATION

(Unit: ¥ millions)

	9 months ended September 30, 2016	9 months ended September 30, 2017
Cash flows from operating activities	¥51,374	¥61,195
Cash flows from investing activities	(91,024)	(30,373)
Cash flows from financing activities	(7,012)	4,925
Net increase / (decrease) in cash and cash equivalents	(46,662)	35,747
Cash and cash equivalents at beginning of fiscal year	194,225	152,683
Effect of exchange rate change on cash and cash equivalents	(21,590)	(352)
Cash and cash equivalents at end of fiscal year	125,973	188,078

Balance Sheet

NEXON Co., Ltd.
Q3 2017
INVESTOR PRESENTATION

(Unit: ¥ millions)

	December 31, 2016	September 30, 2017
Asset		
Current Assets		
Cash and cash equivalents	¥152,683	¥188,078
Other deposits	173,226	193,119
Other current assets	40,188	58,123
Total current assets	366,097	439,320
Noncurrent assets		
Tangible assets	20,394	25,785
Goodwill	17,523	15,715
Intangible assets	7,127	4,168
Others	30,691	37,219
Total noncurrent assets	75,735	82,887
Total assets	441,832	522,207
Liability		
Current liabilities		
Current tax liabilities	5,511	6,088
Current borrowings	1,683	835
Others	27,810	30,482
Total current liabilities	35,004	37,405
Noncurrent liabilities		
Non-current borrowings	835	2,473
Others	28,299	29,437
Total noncurrent liabilities	29,134	31,910
Total liabilities	64,138	69,315
Shareholders' equity		
Capital stock	3,519	7,976
Capital surplus	86,753	49,627
Treasury shares	(0)	(0)
Other equity interest	56,254	66,363
Retained earnings	226,398	324,221
Non-controlling interests	4,770	4,705
Total equity	377,694	452,892
Total liabilities and total equity	441,832	522,207

P&L by Reporting Segment¹

NEXON Co., Ltd.
Q3 2017
INVESTOR PRESENTATION

(Unit: ¥ millions)

	FY2016				FY2017		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Japan							
Revenue from external customers	¥4,184	¥3,575	¥3,410	¥4,256	¥3,532	¥3,067	¥2,866
Segment profit/(loss)	(265)	(1,038)	(1,303)	(1,185)	(903)	(948)	(700)
Korea							
Revenue from external customers	49,231	31,190	37,303	35,428	67,616	41,390	54,236
Segment profit/(loss)	28,167	15,171	18,446	12,786	44,005	20,120	28,109
China							
Revenue from external customers	1,330	929	1,092	1,177	1,305	665	699
Segment profit/(loss)	1,014	558	739	784	933	300	326
North America							
Revenue from external customers	2,347	2,075	2,181	2,177	2,128	1,802	2,473
Segment profit/(loss)	(818)	(1,218)	(1,212)	(1,591)	(1,272)	(1,587)	(2,072)
Others							
Revenue from external customers	405	354	269	215	211	140	124
Segment profit/(loss)	(103)	(31)	(19)	(109)	(31)	(55)	(102)
Adjustments							
Revenue from external customers	-	-	-	-	-	-	-
Segment profit/(loss)	15	4	-	(5)	(5)	2	50
Total							
Revenue from external customers	57,497	38,123	44,255	43,253	74,792	47,064	60,398
Segment profit/(loss)	28,010	13,446	16,651	10,680	42,727	17,832	25,611

¹ Representation based on location of Nexon's entities; not based on regions in which revenues originate.

Number of Employees by Reporting Segment

NEXON Co., Ltd.
Q3 2017
INVESTOR PRESENTATION

	March 31, 2016	June 30, 2016	September 30, 2016	December 31, 2016	March 31, 2017	June 30, 2017	September 30, 2017
Full-time employees							
Japan	637	614	606	606	585	561	532
Korea	3,833	3,969	4,107	4,234	4,263	4,292	4,334
China	261	253	260	260	260	254	273
North America	302	316	339	340	322	332	351
Others	68	70	64	85	104	113	110
Total	5,101	5,222	5,376	5,525	5,534	5,552	5,600

Nexon Japan Corporate Entity Financial Statement¹ (1)

NEXON Co., Ltd.
Q3 2017
INVESTOR PRESENTATION

(Unit: ¥ millions)

Condensed Income Statement	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016
Revenue	¥13,033	¥11,657	¥11,236	¥7,987	¥5,815	¥5,208
Cost of revenue	4,745	4,732	4,829	3,679	3,117	3,134
Gross profit	8,287	6,924	6,407	4,308	2,698	2,074
SG&A	5,896	6,517	7,275	7,585	6,470	6,736
Operating profit / (loss)	2,391	406	(868)	(3,277)	(3,772)	(4,662)
Non-operating income	849	697	14,186	28,335	19,163	636
Includes: dividend income	394	135	12,926	24,613	18,869	22
Non-operating expenses	720	582	603	526	1,246	1,826
Ordinary income	2,521	521	12,715	24,532	14,145	(5,852)
Extraordinary income	-	-	-	244	6,443	852
Extraordinary losses	13	2,624	4,451	18,717	6,897	39,573
Income / (loss) before income taxes	2,507	(2,102)	8,264	6,059	13,691	(44,573)
Tax expense	986	50	725	4,656	5,519	(201)
Net income / (loss)	1,521	(2,153)	7,539	1,403	8,172	(44,372)

¹ Excerpt of NEXON Co., Ltd.'s standalone financial statements included in Annual Securities Report (Yuuka Shouken Houkokusho). Please note NEXON Co., Ltd.'s standalone financial statements are based on J-GAAP (Nexon Group's consolidated financial statements are based on IFRS).

Nexon Japan Corporate Entity Financial Statement¹ (2)

NEXON Co., Ltd.
Q3 2017
INVESTOR PRESENTATION

(Unit: ¥ millions)

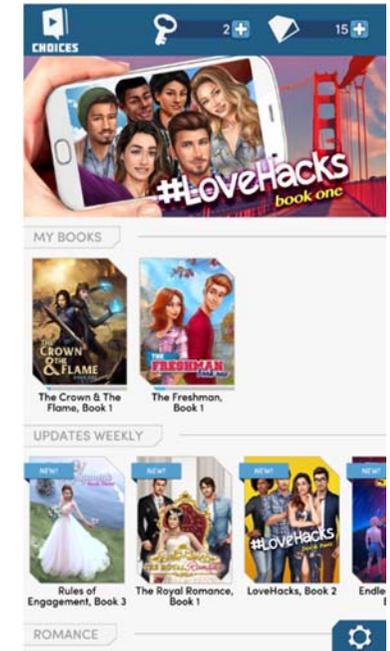
Condensed Balance Sheet	December 31, 2011	December 31, 2012	December 31, 2013	December 31, 2014	December 31, 2015	December 31, 2016
Current assets	¥93,487	¥51,806	¥45,632	¥46,760	¥70,444	¥52,632
Includes: cash and cash equivalents	90,800	48,952	32,367	30,711	68,997	49,531
Non-current assets	34,517	99,900	135,011	101,337	38,190	6,438
Property, plant and equipment	289	216	183	222	200	74
Intangible assets	709	59	56	60	66	-
Investments and other assets	33,518	99,624	134,772	101,055	37,924	6,364
Total assets	128,005	151,707	180,643	148,097	108,634	59,070
Current liabilities	3,102	14,302	13,103	16,345	3,506	2,341
Non-current liabilities	18,443	40,230	39,644	23,154	498	448
Total liabilities	21,545	54,532	52,747	39,499	4,004	2,789
Shareholder's equity	106,012	105,943	110,163	98,122	99,779	50,669
Capital stock	50,300	51,342	51,868	52,332	56,227	3,307
Capital surplus	50,160	51,202	51,728	42,192	36,087	88,621
Includes: other capital surplus	-	50,000	50,000	40,000	30,000	86,064
Retained earnings	5,551	3,398	6,567	3,598	7,465	(41,259)
Includes: other retained earnings	5,551	3,398	6,130	2,724	6,160	(41,476)
Treasury shares	-	-	(0)	-	-	(0)
Valuation and translation adjustments	(7)	(9,555)	15,844	6,536	246	77
Subscription rights to shares	455	786	1,889	3,940	4,605	5,535
Total net assets	106,459	97,174	127,896	108,598	104,630	56,281
Statement of changes in equity (excerpt)	December 31, 2011	December 31, 2012	December 31, 2013	December 31, 2014	December 31, 2015	December 31, 2016
Payment of dividends	(1,058)	-	(4,807)	(4,372)	(4,305)	(4,352)
Acquisition of treasury shares	-	-	(0)	(10,000)	(10,000)	(5,000)
Cancellation of treasury shares	-	-	-	10,000	10,000	5,000

¹ Excerpt of NEXON Co., Ltd.'s standalone financial statements included in Annual Securities Report (Yuuka Shouken Houkokuho). Please note NEXON Co., Ltd.'s standalone financial statements are based on J-GAAP (Nexon Group's consolidated financial statements are based on IFRS).

Pixelberry Studios' Key Title: *Choices*



Pixelberry Studios



- An interactive fiction on mobile device - the top app in the category
- Presents the player with an interactive story which develops according to decisions the user makes
- Released in Aug 2016 on both Google Play and iOS

Key Titles by Region



China



Dungeon&Fighter (PC)



Counter-Strike Online (PC)



MapleStory (PC)



MapleStory2 (PC)



Korea



MapleStory (PC)



Dungeon&Fighter (PC)



Sudden Attack (PC)



EA SPORTS™
FIFA Online 3 (PC)



EA SPORTS™ FIFA Online 3 M (Mobile)



AxE (Mobile)



Japan



HIT (Mobile)



HIDE AND FIRE (Mobile)



Sangokushi Battle (Mobile)



MapleStory (PC)



Mabinogi (PC)



Dungeon&Fighter (PC)



Tree of Savior (PC)



North America and Rest of the World

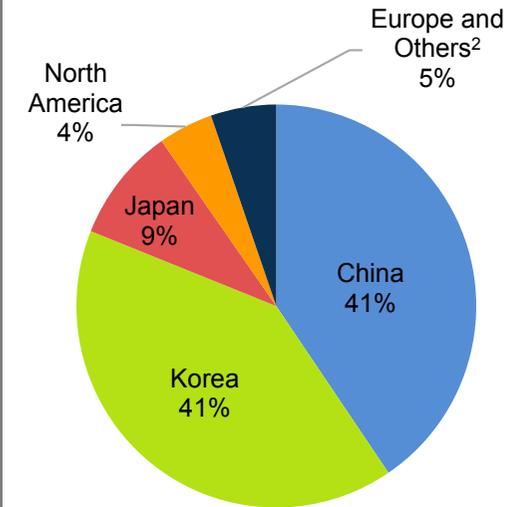


MapleStory (PC)

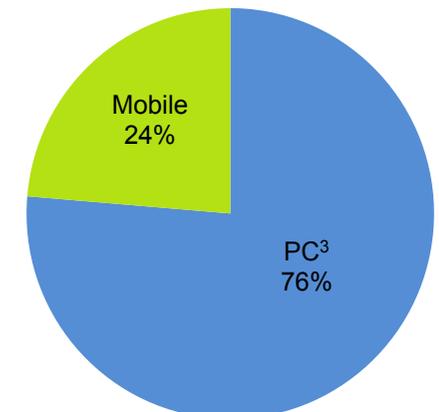


DomiNations (Mobile)

2016 Revenue by Region¹



2016 Revenue by Platform



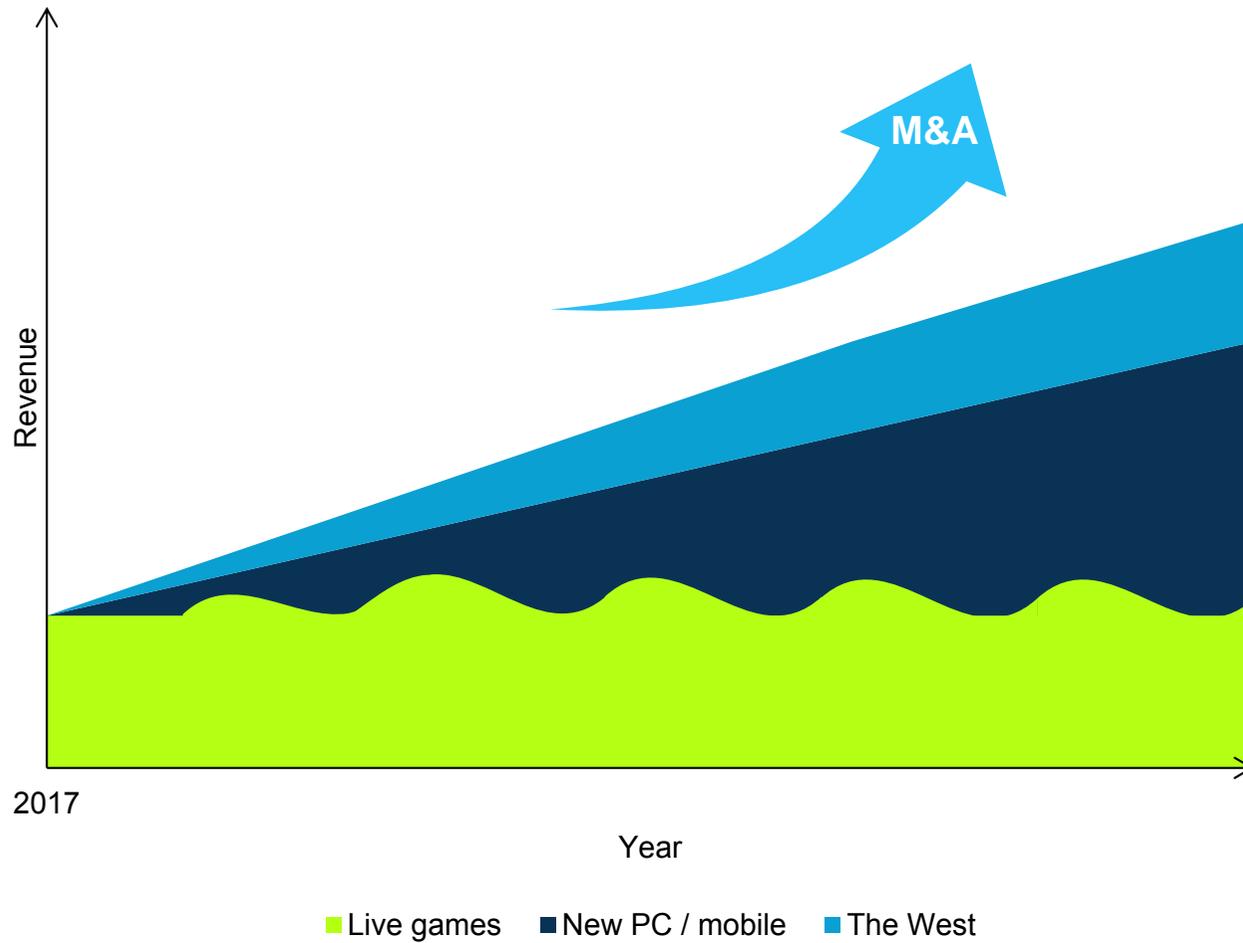
¹ Based on the regions in which revenues originate; not a representation of revenues according to Nexon entities.

² Europe and Others includes other Asian countries and South American countries.

³ PC revenue includes revenues other than PC/mobile revenues.

Long-term Growth Vision

Long-term Growth Vision and Evolution¹



¹ Above graph is illustrative and not to scale.

Glossary of Terms

Term / Abbreviation	Meaning
AOS	AOS is a sub-genre of the real-time strategy genre, in which two teams of players compete with each other in discrete games, with each player controlling a single character through an RTS-style interface.
FPS (first person shooter)	A game in which the player plays from the point of view of the game character in three-dimensional graphics
RTS (real-time strategy)	A game that is usually played from a third-person perspective, in which the player controls vast numbers of in-game characters in a tactical scenario
MMORPG (massively multiplayer online role playing game)	An online role-playing game that has a “massive” number (usually several hundred or more) of players who play concurrently
MAU (monthly active user)	The total number of accounts of users who log in and play a particular game in a given month
ARPPU (average revenue per paying user)	Online game net revenues for any given period divided by the average number of paying players of such games during the period
Pay Rate	The number of paying users divided by monthly active users for any given period of time
MCCU (maximum concurrent users)	The maximum number of users concurrently accessing a game at a particular moment. MCCU is generally used to measure the popularity of a game
Closed Beta Test (CBT)	A trial mode (beta version) of a game taken in a certain period with a limited number of users or groups; a Limited Beta Test is an even smaller-scale trial mode of a game with fewer numbers of users or groups
Open Beta Test (OBT)	A trial mode (beta version) of a game usually taken after CBT without restrictions on participation
Tier One Update	Large scale updates to existing PC games typically launched in Q1 or Q3 around peak season
Tier Two Update	Smaller updates to existing PC games released throughout the year
Immersive Games	Games that are designed to be played continuously for hours and enable thousands of concurrent users to interact with each other in real time. Our games are architected to evolve over years, in contrast to packaged goods games, which often have finite story lines and comparatively less open-ended player engagement.

Disclaimer

This presentation is prepared to offer reference information about NEXON group to the investors and is intended to generally provide investors and analysts with financial and operational information about Nexon, but not to solicit or recommend any sale or purchase of stock or other securities of Nexon. NEXON Co., Ltd. ("Nexon") has not verified and would assume no responsibility for the accuracy, appropriation, or completeness thereof. This presentation does not contain all relevant information relating to Nexon or the sale of its shares, including, without limitation, the information that would be stated under the captions "Risk Factors", "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Business" in an annual report. Any investment decision with respect to any shares of Nexon should be made solely upon the basis of the information contained in the disclosure documents and is qualified in its entirety by reference to the detailed information appearing in the disclosure documents.

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This presentation includes forward-looking statements. In some cases, you can identify forward-looking statements by terms such as "anticipate", "assume", "believe", "estimate", "expect", "forecast", "may", "plan", "potential", "predict", "seek", "should", or "will", or by other similar terminology. These statements discuss expectations, identify strategies, contain projections of Nexon's financial condition or results of operations or state other forward-looking information. The forward-looking statements in this presentation are subject to various risks, uncertainties and assumptions about Nexon's business and results of operations. The expectations expressed in these forward-looking statements may not be achieved, and actual results could differ materially from and be worse than expectations. Potential risks and uncertainties that could cause actual results to differ materially from expectations include, without limitation:

- Continued growth and popularity of Nexon's key titles;
- Nexon's ability to maintain favorable relationships with key licensing partners;
- Nexon's continued ability to offer games in China, through local partners or otherwise;
- Nexon's ability to compete effectively in the online games industry;
- Nexon's ability to address hacking, viruses, security breaches and other technical challenges;
- Fluctuations in currency exchange rates;
- Nexon's ability to maintain and further develop its brand name;
- Effective acquisition of new companies, businesses, technologies and games from third parties and the possibility of recognizing impairment losses;
- Continued growth of the online games market, including the underlying infrastructure, and free-to-play/item-based revenue generation model;
- Nexon's ability to adapt to new technologies;
- Nexon's ability to enter into licensing arrangements for third-party titles on terms favorable to it;
- Effective defense of Nexon's intellectual property; and
- Legislative, regulatory, accounting and taxation changes in the countries in which Nexon operates.

Nexon does not intend, and disclaims any duty, to update or revise any forward-looking statements contained in this presentation to reflect new information, future events or otherwise. We caution you not to place undue reliance on the forward-looking statements contained in this presentation.

Q4 2017 Earnings Release Schedule (Tentative)

Q4 2017 financial results are scheduled for release on **Thursday, February 8th, 2018**.

Nexon management is scheduled to host an earnings presentation for investors, analysts and the media on the same day. The presentation will be webcast live on Nexon's IR website.

Details of the earnings presentation will be available on our IR website about a month prior to the release.



NEXON