



NEXON

Investor Presentation Q4 2017

February 8, 2018 NEXON Co., Ltd.

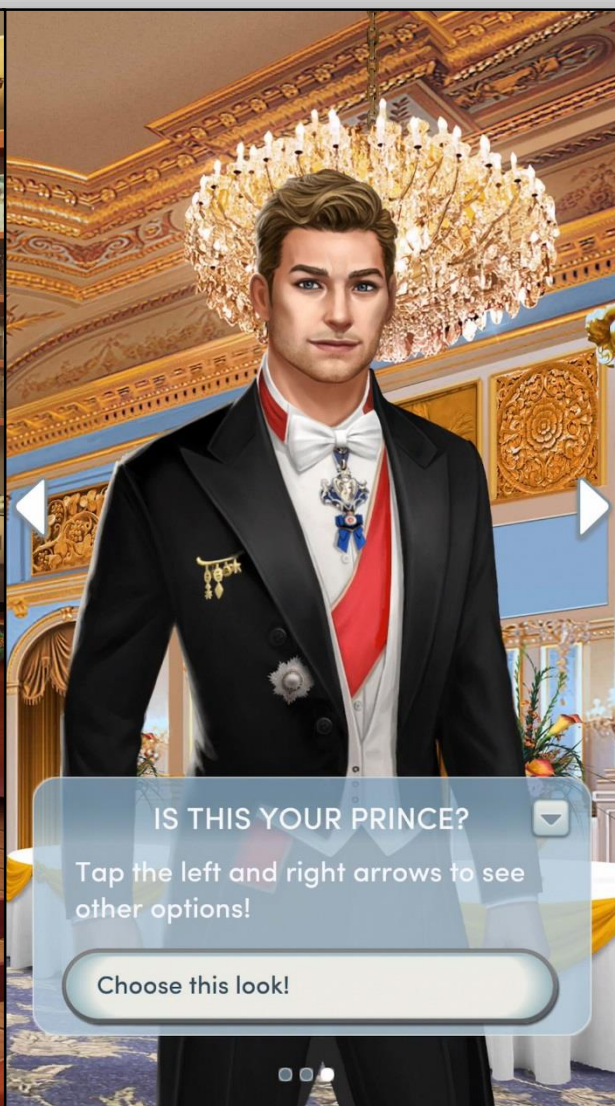
Owen Mahoney

President and Chief Executive Officer

- Record-breaking annual results. Significant year-over-year growth, driven by continued strong performance of key titles and new games
- Highest Q4 Revenues and Operating Income ever
- Outstanding performance of *Dungeon&Fighter* throughout 2017
 - Double-digit percentage year-over-year annual growth worldwide
 - Annuity-like performance, resembling a software-as-a-service model
 - Very strong start for Lunar New Year update
- 2017 *MapleStory* global revenues recorded double-digit percentage growth year-over-year
- Results underline the power of Nexon's strategy and our core strength in live game operations

Choices: Stories You Play

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OVERHIT

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Durango: Wild Lands

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Shiro Uemura

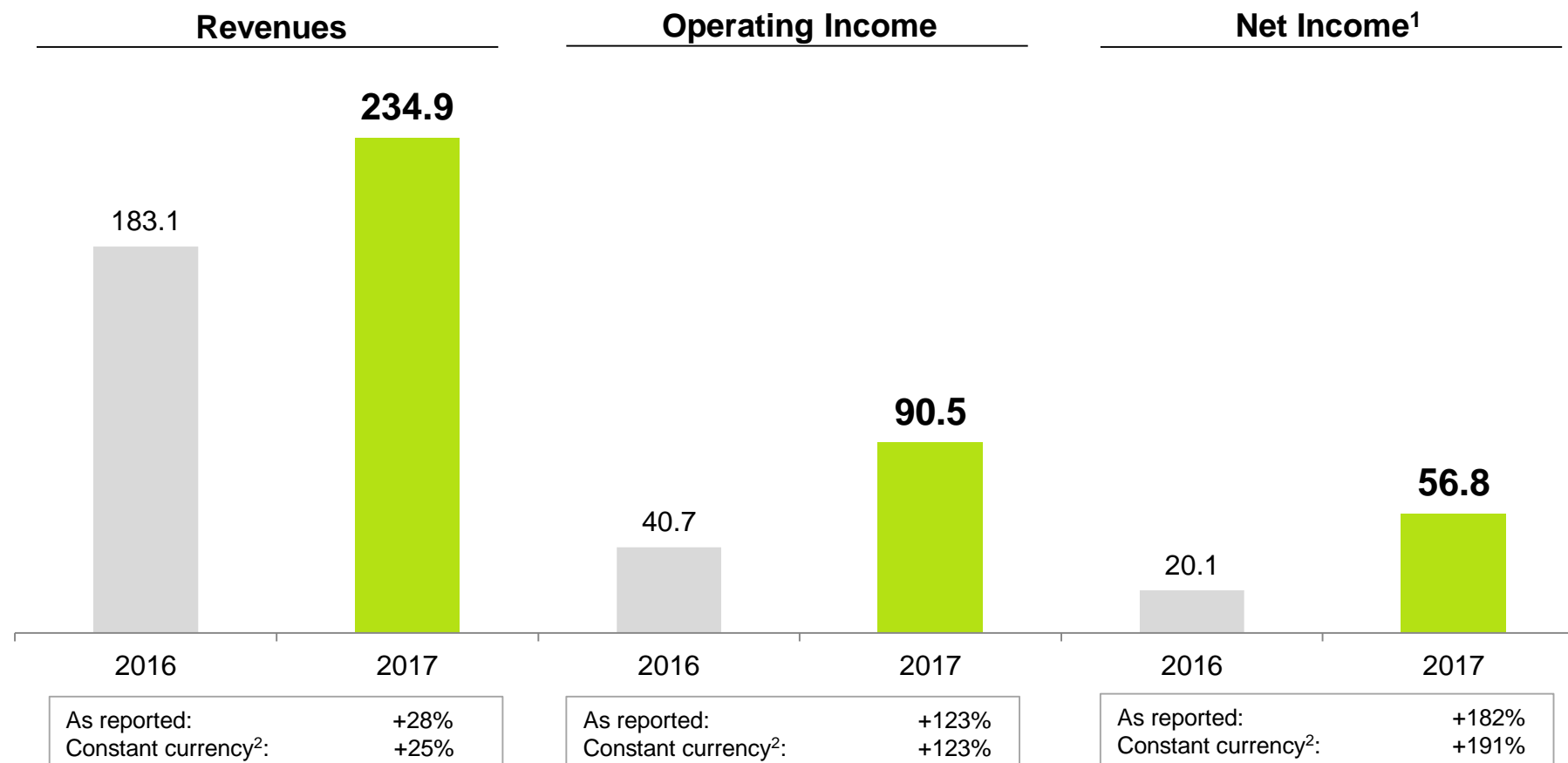
Chief Financial Officer

FY 2017 Results

2017 Financial Results

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(Unit: ¥ billions)



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

² 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.

Q4 2017 Results

Q4 Highlights

- Revenues ¥52.7 billion, up 22% year-over-year as-reported, up 14% constant currency¹
- High end of outlook, primarily driven by *Dungeon&Fighter* in China, which continued to perform well throughout the quarter
- Operating income ¥11.8 billion – below outlook, primarily due to impairment loss on goodwill, prepaid royalties, and game IP, partially offset by China outperformance, lower-than-planned HR costs and CSR donations
- Net loss² ¥2.2 billion – below outlook, primarily due to the FX loss on U.S. dollar-denominated cash deposits and account receivables

(Unit: ¥ millions, except per share data)

| | Q4 2016 | Q4 2017 Outlook | | Q4 2017 | YoY % |
|--------------------------------------|----------------|-----------------|------------------|----------------|------------|
| | | Low end | High end | | |
| Revenues | ¥43,253 | ¥48,749 | ~ ¥52,823 | ¥52,675 | 22% |
| PC ³ | 31,352 | 34,545 | ~ 37,143 | 38,080 | 21% |
| Mobile | 11,901 | 14,204 | ~ 15,680 | 14,595 | 23% |
| Japan | 3,277 | | | 2,553 | (22%) |
| ex-Japan | 8,624 | | | 12,042 | 40% |
| Operating income | 7,287 | 12,229 | ~ 15,421 | 11,760 | 61% |
| Net income/(loss)² | 11,206 | 11,281 | ~ 13,913 | (2,210) | n/a |
| Earnings/(Loss) per share | 25.78 | 25.56 | ~ 31.52 | (5.01) | |
| Exchange rates | | | | | |
| 100 KRW/JPY | 9.46 | 9.98 | 9.98 | 10.22 | 8% |
| CNY/JPY | 15.97 | 17.07 | 17.07 | 17.08 | 7% |
| USD/JPY | 109.30 | 112.95 | 112.95 | 112.98 | 3% |

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

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

Revenue Breakdown

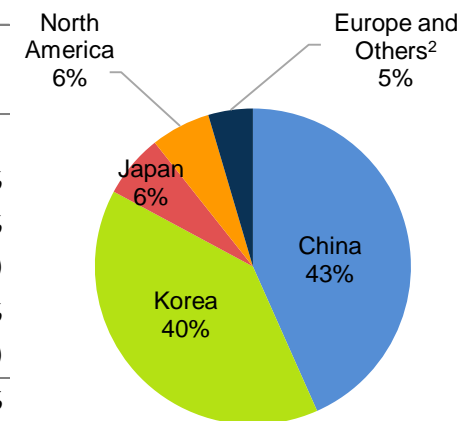
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(Unit: ¥ millions)

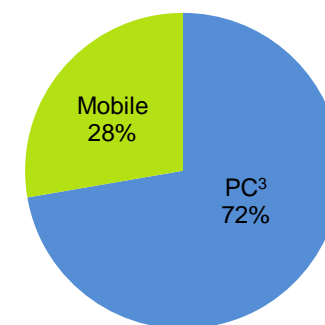
Unit: ¥ Millions)

| | Q4 2016 | Q4 2017 | | YoY % Change | |
|--------------------------------|---------|-------------|--------------------------------|--------------|--------------------------------|
| | | As-Reported | Constant Currency ⁴ | As-Reported | Constant Currency ⁴ |
| Revenue by Region ¹ | | | | | |
| China | ¥15,384 | ¥22,829 | ¥21,378 | 48% | 39% |
| Korea | 18,441 | 20,817 | 19,212 | 13% | 4% |
| Japan | 4,692 | 3,414 | 3,414 | (27%) | (27%) |
| North America | 2,098 | 3,213 | 3,097 | 53% | 48% |
| Europe and Others ² | 2,638 | 2,402 | 2,245 | (9%) | (15%) |
| Nexon Total | 43,253 | 52,675 | 49,346 | 22% | 14% |
| Revenue by Platform | | | | | |
| PC ³ | 31,352 | 38,080 | 35,593 | 21% | 14% |
| Mobile | 11,901 | 14,595 | 13,753 | 23% | 16% |
| Japan | 3,277 | 2,553 | 2,553 | (22%) | (22%) |
| ex-Japan | 8,624 | 12,042 | 11,200 | 40% | 30% |
| Nexon Total | 43,253 | 52,675 | 49,346 | 22% | 14% |
| FX Rate | | | | | |
| 100 KRW/JPY | 9.46 | 10.22 | 9.46 | 8% | |
| CNY/JPY | 15.97 | 17.08 | 15.97 | 7% | |
| USD/JPY | 109.30 | 112.98 | 109.30 | 3% | |

Q4 2017 Revenue by Region¹



Q4 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*
 - Conducted multiple in-game events during the quarter; no major content updates introduced
 - Revenues, paying users and ARPPU increased year-over-year; MAUs slightly decreased year-over-year
 - Quarter-over-quarter revenues, ARPPU, MAUs, and paying users down due to the typical seasonality
- Year-over-year growth in China business driven by *Dungeon&Fighter* and *MapleStory2*

Korea

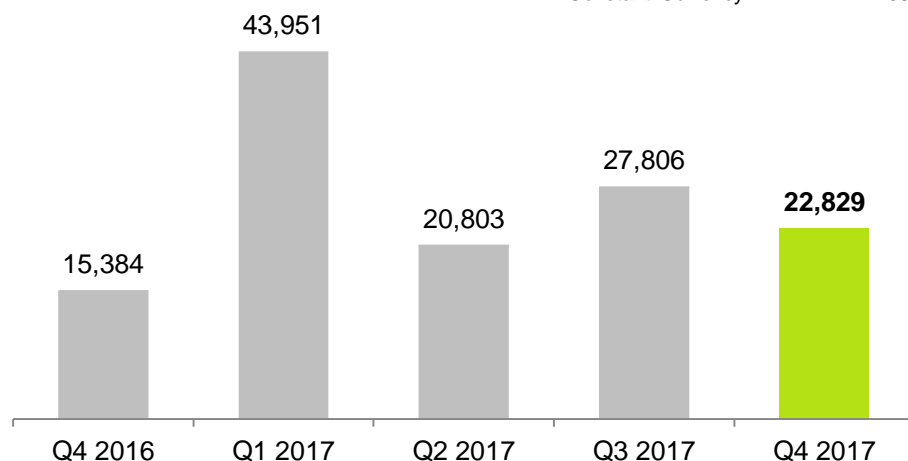
- Year-over-year growth driven by contribution from new mobile games including *OVERHIT* (Nov), *AxE* and *Dark Avenger 3*
- PC² revenues decreased year-over-year primarily due to *Dungeon&Fighter* with high comps driven by successful updates in 2H 2016

(Unit: ¥ millions)

China

YoY% change:

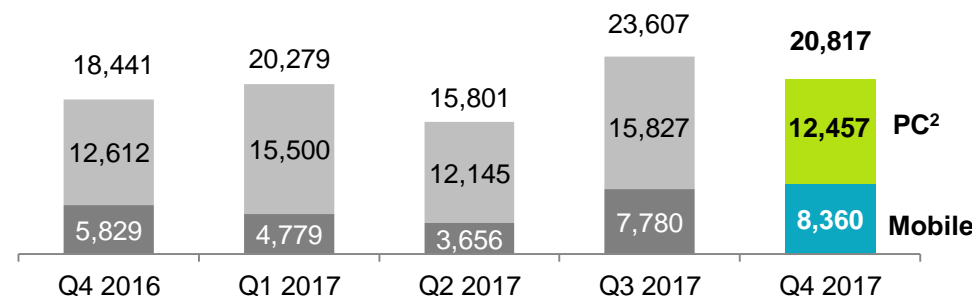
As Reported: +48%
Constant Currency¹: +39%



Korea

YoY% change:

As Reported: +13%
Constant Currency¹: +4%



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

Japan/North America/Europe and Others¹ – Highlights

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Japan

- Year-over-year decrease primarily due to the deceleration of mobile browser games and *Tree of Savior*
- Preparing for launches of multiple mobile games in 2018

North America

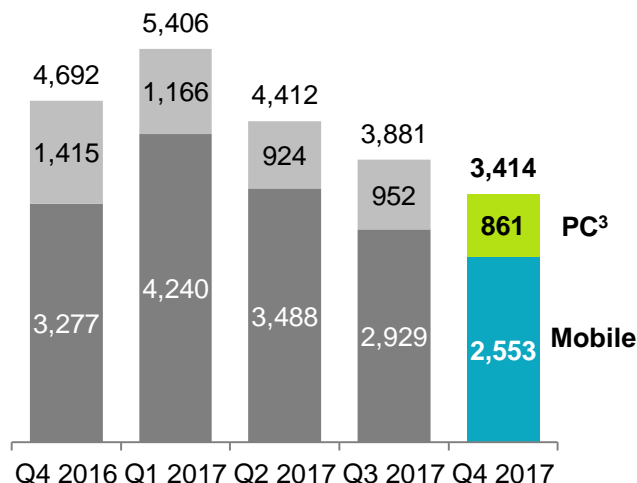
- Year-over-year growth primarily driven by contribution from Pixelberry Studios, newly consolidated beginning in late November

(Unit: ¥ millions)

YoY% change:

As Reported: -27%
Constant Currency²: -27%

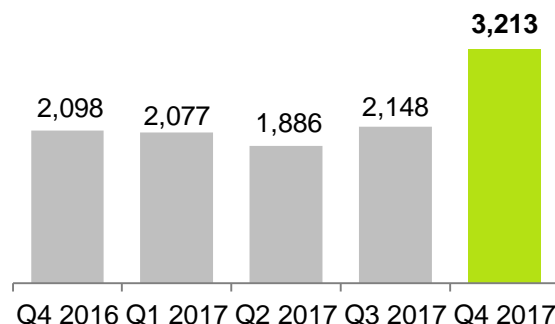
Japan



YoY% change:

As Reported: +53%
Constant Currency²: +48%

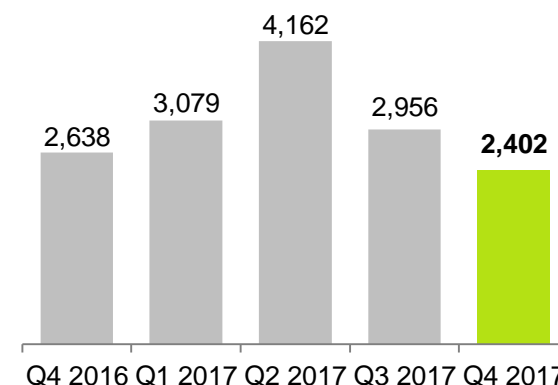
North America



YoY% change:

As Reported: -9%
Constant Currency²: -15%

Europe and Others¹



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

² 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.

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

Q1 2018 Outlook

Q1 2018 Business Outlook

- Expect revenues to be:
 - Up 10% to 20% year-over-year on as-reported basis
 - Up 5% to 15% year-over-year on constant currency¹ basis

(Unit: ¥ millions, except per share data)

| | Q1 2017 | Q1 2018 Outlook | | | YoY % | | |
|-------------------------------|----------------|-----------------|---|----------------|-------------|---|-------------|
| Revenues | ¥74,792 | ¥81,917 | ~ | ¥89,799 | 10% | ~ | 20% |
| PC ² | 63,114 | 68,345 | ~ | 74,668 | 8% | ~ | 18% |
| Mobile | 11,678 | 13,572 | ~ | 15,131 | 16% | ~ | 30% |
| Operating income | 39,762 | 45,132 | ~ | 52,302 | 14% | ~ | 32% |
| Net income³ | 19,906 | 40,397 | ~ | 46,332 | 103% | ~ | 133% |
| Earnings per share | 45.70 | 91.74 | ~ | 105.22 | | | |
| FX Rate Assumptions | | | | | | | |
| 100 KRW/JPY | 9.88 | 10.40 | | 10.40 | 5% | | |
| CNY/JPY | 16.50 | 17.26 | | 17.26 | 5% | | |
| USD/JPY | 113.64 | 110.86 | | 110.86 | (2%) | | |

- Forex sensitivity: every one Japanese yen move against the U.S. dollar would have the following impact on our financials for Q1 2018⁴

| | |
|-------------------------|------------------|
| Revenues | 0.75 billion yen |
| Operating Income | 0.46 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.

Q1 2018 and Full-Year Regional Outlook

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China

Q1

- As-reported: Expect high teens % to 30+% YoY increase
- Constant currency¹: Expect low teens % to 20+% YoY increase
- *Dungeon&Fighter*: Introduced Lunar New Year Update (Feb)

Full-Year

- Continue development / preparation for *Dungeon&Fighter* 2D mobile (Publisher: Tencent)



Korea

Q1

- As-reported: Expect low single digit % decrease to high single digit % YoY increase
- Constant currency¹: Expect high single digit % decrease to flat
- PC: Started open beta test (Jan) and official service (Feb) for *Moonlight Blade*
- Mobile: Launched new mobile games including *Durango: Wild Lands* (Jan), *Yulhyulgangho M* (Jan)
Scheduled to launch *MapleStory Blitz* (Feb)

Full-Year

- Multiple new PC online and mobile games scheduled for launch:
 - Mobile: *Mabinogi Mobile*
 - PC: *EA SPORTS™ FIFA ONLINE 4*, *Astellia*, *Battlerite*



Japan

Q1

- As-reported or constant currency¹: Expect 40+% YoY decrease
- No major launch planned in Q1

Full-Year

- Preparing multiple mobile games for 2018

North America, Europe and Others²

Q1

- North America
 - As-reported or constant currency¹: Expect over 2x YoY increase
- Europe and Others²
 - As-reported or constant currency¹: Expect high teens % to 20+% YoY decrease

Full-Year

- Preparing multiple mobile games for 2018

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.

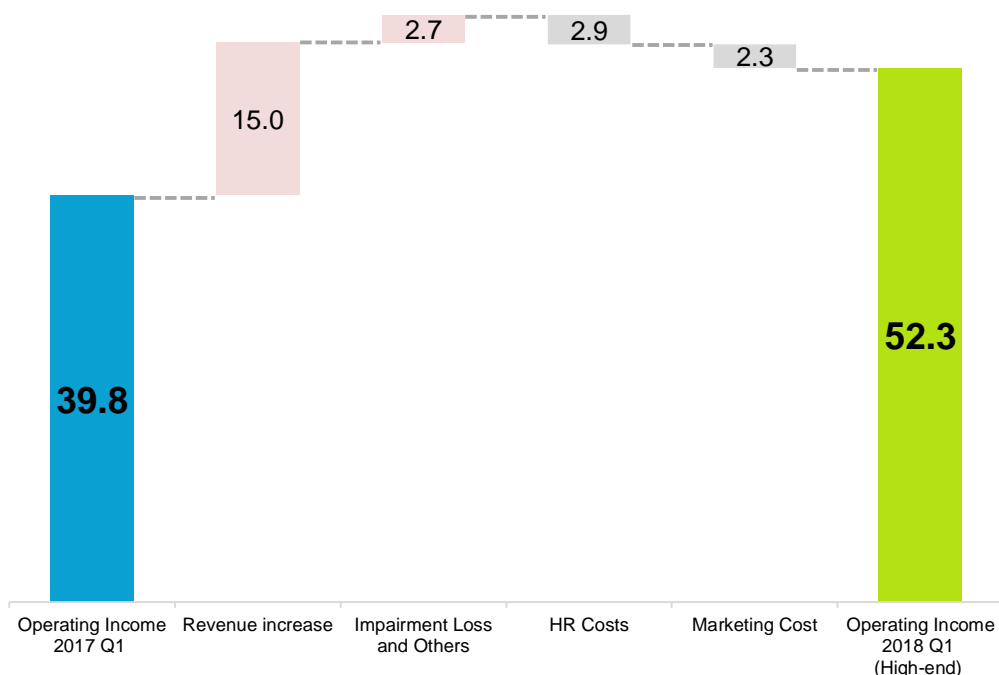
² "Europe and Others" includes Europe as well as other Asian countries and South American countries.

Q1 2018 Operating Income Outlook

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Q4 2017
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YoY Operating Income Comparison

(Unit: ¥ billions)



Expect Q1 2018 operating income of ¥45.1 to ¥52.3 billion due to:

Positive drivers

- Increased revenues, primarily driven by high-margin China business
- Decreased impairment loss

Negative drivers

- Increase in HR costs due to increased headcount, annual salary hike and higher stock option expense
- Increase in marketing costs associated with Pixelberry Studios' key title *Choices: Stories You Play* and the launch of new titles including *Durango: Wild Lands*

2018 China *Dungeon&Fighter* Update Schedule

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| Period | Tier 1 Content Update | 2017 | 2018 |
|--------|------------------------|----------------------------|--------------------------|
| Q1 | Lunar New Year Update | January 17 th | February 1 st |
| | 2017: Level Cap Update | January 17 th | N/A |
| Q2 | Labor Day Update | April 27 th | TBD |
| | Anniversary Update | June 22 nd | TBD |
| Q3 | Summer Update | July 6 th | TBD |
| | National Day Update | September 21 st | TBD |
| Q4 | Winter Update | N/A | TBD |

* 2018 update schedule is subject to change depending on various operational factors



Indicates financially important updates

Notification of Stock Split

- The board of directors resolved a two-for-one stock split on February 8, 2018
- To increase the liquidity of the Company's stock and expand the investor base by reducing the stock price per trading unit
- Each share of common stock owned by shareholders recorded on the final shareholder registry as of March 31, 2018¹ to be split into two shares
- Number of shares to be increased by the stock split²

| | |
|-------------------------|-------------|
| Outstanding shares: | 440,372,332 |
| Shares to be increased: | 440,372,332 |
| After stock split: | 880,744,664 |

¹ The record date of the stock split is Saturday, March 31, 2018. However, this day falls under a non-business day of the shareholder registry administrator. The practical record date will be Friday, March 30, 2018.

² Total number of shares outstanding before stock split, number of shares to be increased by the stock split, and total number of shares outstanding after stock split above are each calculated based on the total number of shares outstanding as of January 31, 2018. Nexon has issued subscription rights to shares, however, increase in the total number of shares outstanding by the exercise of such subscription rights to shares on or after February 1, 2018 has not been included in the numbers above. Therefore, the total number of shares outstanding may increase during the period from February 1, 2018 to the record date of the stock split as a result of exercise of subscription rights to shares.

Setting of an Audit & Supervisory Committee

- The board of directors resolved a policy on transitioning to a “company with an Audit & Supervisory Committee” on February 8, 2018
- To further strengthen the supervisory function of the board of directors and enhance the corporate governance and speed up the decision-making and execution of business
- Transition after amendments to the Articles of Incorporation approved at the Annual General Meeting of Shareholders in March 2018

Pipeline¹

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Q1 2018 and onward

PC Online



Moonlight Blade



MapleStory2



EA SPORTS™ FIFA ONLINE 4



Astellia



Titanfall™ Online



Battlerite

Mobile



Durango: Wild Lands



OVERHIT



Elsword M Shadow of Luna



KAISER



DARKNESS RISES²



*FINAL FANTASY® XI
mobile*



MapleStory Blitz



Gigant Shock



MapleStoryM



Project D



AxE



*Dungeon&Fighter 2D
mobile*



Mabinogi Mobile

¹ Chart is illustrative excerpt of pipeline.

² The official title of global launch for *Dark Avenger 3*.

³ 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

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(Unit: ¥ millions, except per share data)

| | Q1 2016 | Q2 2016 | Q3 2016 | Q4 2016 | Q1 2017 | Q2 2017 | Q3 2017 | Q4 2017 | YoY% |
|--------------------------------|---------|---------|---------|---------|---------|---------|---------|---------|-------|
| (By Region) | | | | | | | | | |
| China | ¥25,829 | ¥15,625 | ¥17,360 | ¥15,384 | ¥43,951 | ¥20,803 | ¥27,806 | ¥22,829 | 48% |
| Korea | 22,555 | 14,954 | 18,298 | 18,441 | 20,279 | 15,801 | 23,607 | 20,817 | 13% |
| Japan | 4,561 | 3,891 | 3,735 | 4,692 | 5,406 | 4,412 | 3,881 | 3,414 | (27%) |
| North America | 2,163 | 1,706 | 2,138 | 2,098 | 2,077 | 1,886 | 2,148 | 3,213 | 53% |
| Europe and Others ¹ | 2,389 | 1,947 | 2,724 | 2,638 | 3,079 | 4,162 | 2,956 | 2,402 | (9%) |
| (By Platform) | | | | | | | | | |
| PC ² | 45,054 | 28,915 | 34,474 | 31,352 | 63,114 | 35,540 | 46,755 | 38,080 | 21% |
| Mobile | 12,443 | 9,208 | 9,781 | 11,901 | 11,678 | 11,524 | 13,643 | 14,595 | 23% |
| Japan | 3,554 | 3,035 | 2,673 | 3,277 | 4,240 | 3,488 | 2,929 | 2,553 | (22%) |
| ex-Japan | 8,889 | 6,173 | 7,108 | 8,624 | 7,438 | 8,036 | 10,714 | 12,042 | 40% |
| Revenue | 57,497 | 38,123 | 44,255 | 43,253 | 74,792 | 47,064 | 60,398 | 52,675 | 22% |
| Operating income | 3,703 | 13,379 | 16,292 | 7,287 | 39,762 | 16,278 | 22,704 | 11,760 | 61% |
| Net income/(loss) ³ | (6,272) | 7,564 | 7,635 | 11,206 | 19,906 | 19,448 | 19,606 | (2,210) | n/a |
| Earnings/(loss) per share | (14.43) | 17.36 | 17.50 | 25.78 | 45.70 | 44.42 | 44.53 | (5.01) | |
| FX rate | | | | | | | | | |
| 100 KRW/JPY | 9.62 | 9.30 | 9.15 | 9.46 | 9.88 | 9.85 | 9.82 | 10.22 | 8% |
| CNY/JPY | 17.65 | 16.53 | 15.36 | 15.97 | 16.50 | 16.19 | 16.65 | 17.08 | 7% |
| USD/JPY | 115.48 | 108.14 | 102.43 | 109.30 | 113.64 | 111.09 | 111.03 | 112.98 | 3% |
| KPI (Excluding Mobile) | | | | | | | | | |
| MAU (millions) | 51.4 | 44.7 | 44.3 | 41.0 | 44.9 | 41.2 | 42.2 | 39.7 | (3%) |
| Pay Rate | 10.9% | 11.3% | 11.4% | 13.7% | 16.1% | 15.6% | 15.6% | 14.3% | 5% |
| ARPPU (as-reported) | 4,676 | 3,161 | 3,651 | 2,871 | 5,628 | 3,241 | 4,202 | 3,503 | 22% |

¹ "Europe and Others" includes Europe as well as other Asian countries 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

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(Unit: ¥ millions)

| | FY2016 | | | | FY2017 | | | |
|---|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 |
| Total Cost of Revenue ¹ | ¥13,075 | ¥10,475 | ¥11,242 | ¥13,339 | ¥14,767 | ¥12,584 | ¥14,953 | ¥14,352 |
| Royalty ² | 5,935 | 3,274 | 3,988 | 4,736 | 5,635 | 4,413 | 5,271 | 4,383 |
| HR cost (COGS) ³ | 4,528 | 4,409 | 4,335 | 5,363 | 6,258 | 5,447 | 6,754 | 6,585 |
| Other (COGS) ⁴ | 2,612 | 2,792 | 2,919 | 3,240 | 2,874 | 2,724 | 2,928 | 3,384 |
| Total SG&A ¹ | 16,412 | 14,202 | 16,362 | 19,234 | 17,298 | 16,648 | 19,834 | 21,308 |
| HR cost | 3,261 | 3,463 | 3,668 | 4,416 | 4,036 | 3,527 | 3,887 | 4,853 |
| PG fee ⁵ | 5,491 | 4,046 | 4,608 | 5,078 | 5,229 | 4,715 | 5,928 | 5,524 |
| R&D | 1,649 | 1,939 | 1,886 | 1,877 | 2,007 | 2,056 | 1,951 | 2,057 |
| Marketing/advertising expenses | 3,209 | 1,941 | 3,618 | 5,088 | 3,173 | 3,650 | 5,122 | 5,910 |
| Depreciation and amortization | 797 | 859 | 896 | 1,010 | 1,009 | 856 | 600 | 669 |
| Other | 2,005 | 1,954 | 1,686 | 1,765 | 1,844 | 1,844 | 2,346 | 2,295 |
| Other Income ⁶ | 147 | 120 | 217 | 537 | 181 | 714 | 762 | (272) |
| Other Expense ⁷ | 24,454 | 187 | 576 | 3,930 | 3,146 | 2,268 | 3,669 | 4,983 |
| Includes: impairment loss | 24,364 | 128 | 556 | 3,737 | 2,689 | 2,185 | 3,618 | 4,246 |

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

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(Unit: ¥ millions)

| | FY2016 | | | | FY2017 | | | |
|--|----------------|----------------|----------------|---------------|----------------|----------------|----------------|----------------|
| | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 |
| Operating Income | ¥3,703 | ¥13,379 | ¥16,292 | ¥7,287 | ¥39,762 | ¥16,278 | ¥22,704 | ¥11,760 |
| Finance Income ¹ | 823 | 808 | 819 | 21,790 | 1,202 | 6,271 | 2,117 | 2,463 |
| Finance Costs ² | 6,549 | 4,401 | 7,016 | (87) | 15,920 | 294 | 15 | 15,728 |
| Equity income/(loss) of affiliates, equity method companies | 16 | 53 | 80 | (48) | (12) | (340) | (178) | (75) |
| Income/(Loss) before Income Tax | (2,007) | 9,839 | 10,175 | 29,116 | 25,032 | 21,915 | 24,628 | (1,580) |
| Tax expense ³ | 4,072 | 2,262 | 2,357 | 17,911 | 5,220 | 2,613 | 4,981 | 664 |
| Net income/(loss) ⁴ | (6,272) | 7,564 | 7,635 | 11,206 | 19,906 | 19,448 | 19,606 | (2,210) |

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, Q4 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.
Q4 2017
INVESTOR PRESENTATION

(Unit: ¥ millions)

| | 12 months ended December 31, 2016 | 12 months ended December 31, 2017 |
|---|--------------------------------------|--------------------------------------|
| Cash flows from operating activities | ¥73,293 | ¥80,718 |
| Cash flows from investing activities | (97,084) | (81,891) |
| Cash flows from financing activities | (9,275) | (3,019) |
| Net increase / (decrease) in cash and cash equivalents | (33,066) | (4,192) |
| Cash and cash equivalents at beginning of fiscal year | 194,225 | 152,683 |
| Effect of exchange rate change on cash and cash equivalents | (8,476) | 4,751 |
| Cash and cash equivalents at end of fiscal year | 152,683 | 153,242 |

Balance Sheet

NEXON Co., Ltd.
Q4 2017
INVESTOR PRESENTATION

(Unit: ¥ millions)

| | December 31, 2016 | December 31, 2017 |
|---|----------------------|----------------------|
| Asset | | |
| Current Assets | | |
| Cash and cash equivalents | ¥152,683 | ¥153,242 |
| Other deposits | 173,226 | 234,092 |
| Other current assets | 40,188 | 55,285 |
| Total current assets | 366,097 | 442,619 |
| Noncurrent assets | | |
| Tangible assets | 20,394 | 27,303 |
| Goodwill | 17,523 | 21,682 |
| Intangible assets | 7,127 | 12,784 |
| Others | 30,691 | 41,568 |
| Total noncurrent assets | 75,735 | 103,337 |
| Total assets | 441,832 | 545,956 |
| Liability | | |
| Current liabilities | | |
| Current tax liabilities | 5,511 | 7,698 |
| Current borrowings | 1,683 | 3,490 |
| Others | 27,810 | 30,359 |
| Total current liabilities | 35,004 | 41,547 |
| Noncurrent liabilities | | |
| Non-current borrowings | 835 | - |
| Others | 28,299 | 34,191 |
| Total noncurrent liabilities | 29,134 | 34,191 |
| Total liabilities | 64,138 | 75,738 |
| Shareholders' equity | | |
| Capital stock | 3,519 | 9,390 |
| Capital surplus | 86,753 | 41,021 |
| Treasury shares | (0) | - |
| Other equity interest | 56,254 | 91,033 |
| Retained earnings | 226,398 | 323,763 |
| Non-controlling interests | 4,770 | 5,011 |
| Total equity | 377,694 | 470,218 |
| Total liabilities and total equity | 441,832 | 545,956 |

P&L by Reporting Segment¹

NEXON Co., Ltd.
Q4 2017
INVESTOR PRESENTATION

(Unit: ¥ millions)

| | FY2016 | | | | FY2017 | | | |
|---------------------------------|--------|---------|---------|---------|---------|---------|---------|---------|
| | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 |
| Japan | | | | | | | | |
| Revenue from external customers | ¥4,184 | ¥3,575 | ¥3,410 | ¥4,256 | ¥3,532 | ¥3,067 | ¥2,866 | ¥2,641 |
| Segment profit/(loss) | (265) | (1,038) | (1,303) | (1,185) | (903) | (948) | (700) | (1,458) |
| Korea | | | | | | | | |
| Revenue from external customers | 49,231 | 31,190 | 37,303 | 35,428 | 67,616 | 41,390 | 54,236 | 45,544 |
| Segment profit/(loss) | 28,167 | 15,171 | 18,446 | 12,786 | 44,005 | 20,120 | 28,109 | 20,368 |
| China | | | | | | | | |
| Revenue from external customers | 1,330 | 929 | 1,092 | 1,177 | 1,305 | 665 | 699 | 528 |
| Segment profit/(loss) | 1,014 | 558 | 739 | 784 | 933 | 300 | 326 | 131 |
| North America | | | | | | | | |
| Revenue from external customers | 2,347 | 2,075 | 2,181 | 2,177 | 2,128 | 1,802 | 2,473 | 3,647 |
| Segment profit/(loss) | (818) | (1,218) | (1,212) | (1,591) | (1,272) | (1,587) | (2,072) | (1,937) |
| Others | | | | | | | | |
| Revenue from external customers | 405 | 354 | 269 | 215 | 211 | 140 | 124 | 315 |
| Segment profit/(loss) | (103) | (31) | (19) | (109) | (31) | (55) | (102) | (84) |
| Adjustments | | | | | | | | |
| Revenue from external customers | - | - | - | - | - | - | - | - |
| Segment profit/(loss) | 15 | 4 | - | (5) | (5) | 2 | 50 | (5) |
| Total | | | | | | | | |
| Revenue from external customers | 57,497 | 38,123 | 44,255 | 43,253 | 74,792 | 47,064 | 60,398 | 52,675 |
| Segment profit/(loss) | 28,010 | 13,446 | 16,651 | 10,680 | 42,727 | 17,832 | 25,611 | 17,015 |

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.
Q4 2017
INVESTOR PRESENTATION

| | March 31, 2016 | June 30, 2016 | September 30, 2016 | December 31, 2016 | March 31, 2017 | June 30, 2017 | September 30, 2017 | December 31, 2017 |
|----------------------------|-------------------|------------------|-----------------------|----------------------|-------------------|------------------|-----------------------|----------------------|
| Full-time employees | | | | | | | | |
| Japan | 637 | 614 | 606 | 606 | 585 | 561 | 532 | 537 |
| Korea | 3,833 | 3,969 | 4,107 | 4,234 | 4,263 | 4,292 | 4,334 | 4,426 |
| China | 261 | 253 | 260 | 260 | 260 | 254 | 273 | 239 |
| North America | 302 | 316 | 339 | 340 | 322 | 332 | 351 | 445 |
| Others | 68 | 70 | 64 | 85 | 104 | 113 | 110 | 121 |
| Total | 5,101 | 5,222 | 5,376 | 5,525 | 5,534 | 5,552 | 5,600 | 5,768 |

Nexon Japan Corporate Entity Financial Statement¹ (1)

NEXON Co., Ltd.
Q4 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). Annual Securities Report for FY2017 will be released in late March 2018. 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.
Q4 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 Houkokusho). Annual Securities Report for FY2017 will be released in late March 2018. Please note NEXON Co., Ltd.'s standalone financial statements are based on J-GAAP (Nexon Group's consolidated financial statements are based on IFRS).

Key Titles by Region

NEXON Co., Ltd.
Q4 2017
INVESTOR PRESENTATION



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)



OVERHIT (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)

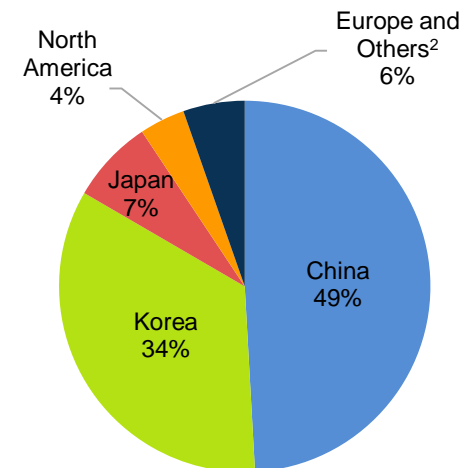


DomiNations (Mobile)

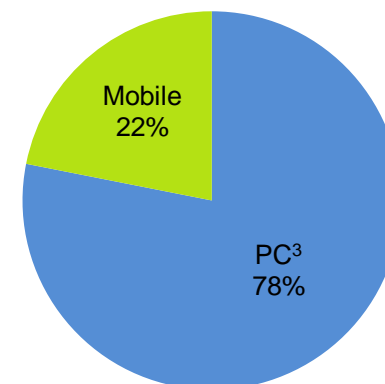


Choices: Stories You Play
(Mobile)

2017 Revenue by Region¹



2017 Revenue by Platform



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

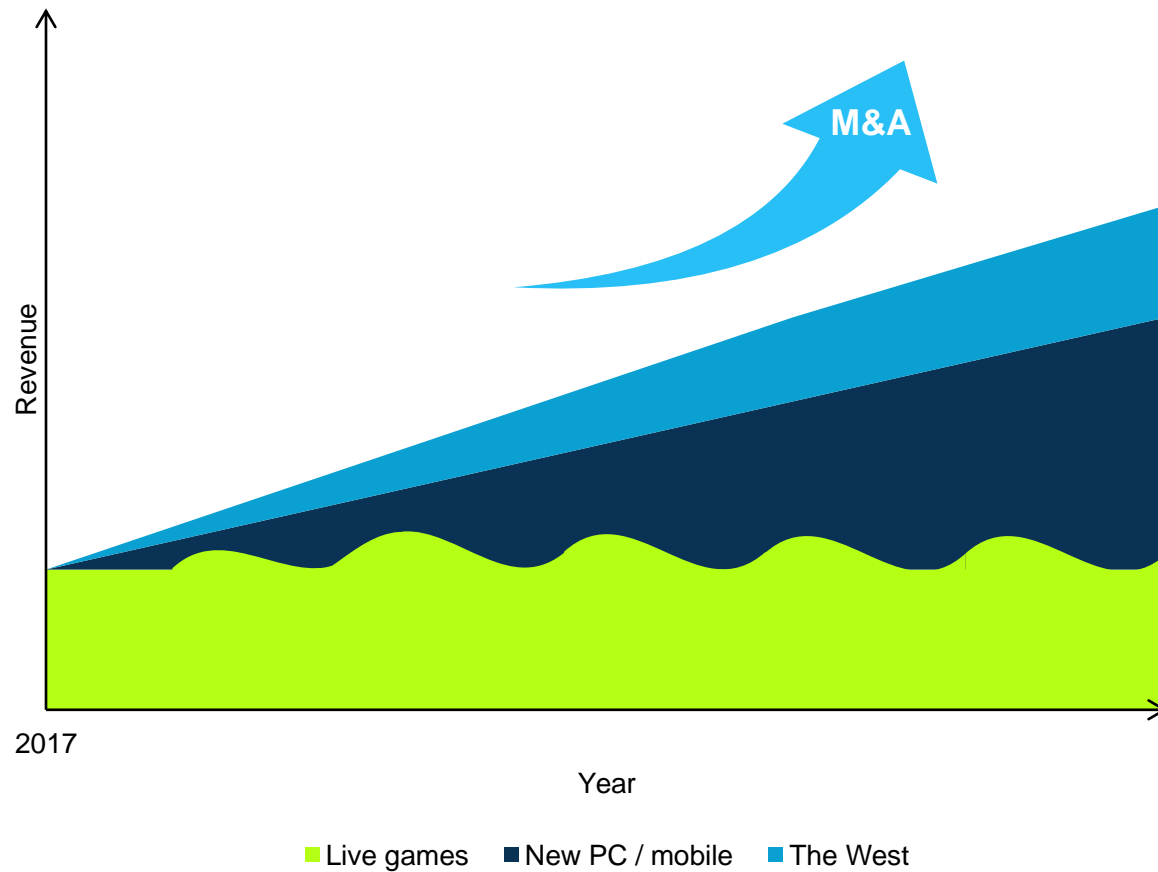
² "Europe and Others" includes Europe as well as other Asian countries and South American countries.

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

Long-term Growth Vision

NEXON Co., Ltd.
Q4 2017
INVESTOR PRESENTATION

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, appropriateness, 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.

This presentation includes non-GAAP and non-IFRS financial measures, including but not limited to key performance indicators, as well as ratios calculated on the basis thereof. These non-GAAP and non-IFRS financial measures should not be considered in isolation or as a substitute for the most directly comparable financial measures included in our consolidated financial statements and presented in accordance with IFRS.

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.

Q1 2018 Earnings Release Schedule (Tentative)

Q1 2018 financial results are scheduled for release on **Thursday, May 10th, 2018**.

Nexon management is scheduled to host an earnings conference call with Japanese – English simultaneous translation for investors, analysts and the media on the same day.

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



NEXON