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Consolidated Financial Results
for the Nine Months Ended September 30, 2022
[IFRS]

November 9, 2022

Company name: NEXON Co., Ltd.

Stock exchange listing: Tokyo Stock Exchange

Stock code: 3659

URL: <https://ir.nexon.co.jp/en/>

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Scheduled date for filing of quarterly securities report: November 10, 2022

Scheduled date of commencing dividend payments: -

Supplementary briefing material on quarterly financial results: Yes

Quarterly financial results briefing: No

(Amounts are rounded to nearest million yen)

1. Consolidated Financial Results for the Nine Months Ended September 30, 2022 (from January 1, 2022 to September 30, 2022)

(1) Consolidated Operating Results (cumulative)

(% changes year-over-year)

(Millions of yen)

	Revenue		Operating income		Income before income taxes		Net income		Net income attributable to owners of the parent company		Total comprehensive income	
	Amount	% change	Amount	% change	Amount	% change	Amount	% change	Amount	% change	Amount	% change
Nine months ended September 30, 2022	272,619	23.8%	92,728	4.7%	156,865	24.7%	107,760	17.2%	108,271	16.6%	126,690	38.7%
Nine months ended September 30, 2021	220,212	(2.8)%	88,565	(7.6)%	125,828	14.8%	91,948	7.6%	92,893	8.0%	91,346	17.1%

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended September 30, 2022	123.33	122.28
Nine months ended September 30, 2021	104.36	102.08

(2) Consolidated Financial Position

(Millions of yen)

	Total assets	Total equity	Total equity attributable to owners of the parent company	Ratio of equity attributable to owners of the parent company
As of September 30, 2022	1,058,964	891,417	882,601	83.3%
As of December 31, 2021	986,632	845,893	836,668	84.8%

2. Dividends

(Yen)

	Annual Dividends				
	End of 1st Quarter	End of 2nd Quarter	End of 3rd Quarter	End of Year	Total
FY 2021	—	2.50	—	5.00	7.50
FY 2022	—	5.00	—		
FY 2022 (Forecast)				5.00	10.00

(Note) Revision of most recently announced dividend forecasts: No

3. Consolidated Financial Results Forecast for the Year Ending December 31, 2022 (from January 1, 2022 to December 31, 2022)

(% changes year-over-year)

(Millions of yen)

	Revenue		Operating income		Income before income taxes		Net income		Net income attributable to owners of the parent company		Basic earnings per share
Full year	348,093	26.8%	100,272	9.5%	165,787	22.4%	113,236	0.1%	113,737	(1.0)%	Yen 129.99
	~	~	~	~	~	~	~	~	~	~	~
	356,368	29.8%	106,689	16.5%	172,206	27.1%	118,022	4.4%	118,418	3.1%	135.34

(Note) As it is difficult to estimate specific figures, disclosure is made with a range. For details, please refer to “1. Qualitative Information on Consolidated Financial Results for the Period (3) Explanation on Future Forecast Information including Consolidated Financial Results Forecast” on page 5 of the Appendix.

*(Notes)

(1) Changes in Significant Subsidiaries during the Period : No
(Changes in specified subsidiaries accompanying changes in scope of consolidation)

(2) Changes in Accounting Policies and Changes in Accounting Estimates

- 1) Changes in accounting policies required by IFRS: Yes
- 2) Changes in accounting policies other than 1) above: No
- 3) Changes in accounting estimates: No

(3) Number of Shares Issued (common stock)

1) Total number of shares issued at the end of the period (including treasury stock):

As of September 30, 2022: 866,162,830 shares

As of December 31, 2021: 898,746,469 shares

2) Total number of treasury stock at the end of the period:

As of September 30, 2022: 865,770 shares

As of December 31, 2021: 7,908,437 shares

3) Average number of shares during the period (cumulative):

Nine months ended September 30, 2022: 877,867,607 shares

Nine months ended September 30, 2021: 890,113,590 shares

(Note)“Total number of treasury stock at the end of the period” includes Nexon’s stock held by our consolidated subsidiary, Stiftelsen Embark Incentive (as of September 30, 2022: 865,770 shares; as of December 31, 2021: 865,770 shares). The number of treasury stock deducted in the calculation of the average number of shares during the period includes Nexon’s stock held by the consolidated subsidiary (as of September 30, 2022: 865,770 shares; as of September 30, 2021: 177,091 share).

* This quarterly financial report is outside the scope of quarterly review procedures by a certified public accountant or an audit firm.

* Explanation of the Proper Use of Financial Results Forecasts and Other Notes

(Caution Concerning Forward-Looking Statements)

The forward-looking statements including the financial results forecast herein are based on information currently available to the Company and certain assumptions that can be deemed reasonable, and are not intended as the Company’s commitment to achieve such forecasts. Actual results may differ significantly from these forecasts due to a wide range of factors. For conditions prerequisite to the financial results forecast and the points to be noted in the use thereof, please refer to “1. Qualitative Information on Consolidated Financial Results for the Period (3) Explanation on Future Forecast Information including Consolidated Financial Results Forecast” on page 5 of the Appendix.

(Method of Obtaining Supplementary Briefing Material on Financial Results)

The supplementary briefing materials on quarterly financial results are available on the Company’s website.

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1. Qualitative Information on Consolidated Financial Results for the Period

(1) Explanation on Operating Results

Nexon Group discloses our financial outlook for the upcoming quarter as a range so as to provide our shareholders and investors with more accurate information, while the explanation on operating results in our quarterly consolidated financial results focuses on analyses and comparisons with the same quarter in the previous accounting year.

As for the global economy during the three months ended September 30, 2022, while recovery of economic activities was seen mainly in developed countries due to factors including the relaxation of restraints on human activity and overseas travel, the global situation remained uncertain primarily due to the prolonged Russian invasion of Ukraine and soaring prices of crude oil and other resources.

In Japan, the pace of economic recovery continued to be unpredictable as economic activities once again decreased due to another flare-up of COVID-19 infection from July, as well as the prolonged conflict in Ukraine and inflation associated with the rapid depreciation of the Japanese yen.

Under these circumstances, although the situation varies slightly depending on the region, Nexon Group has continued to operate its PC online and mobile businesses without its overall business being largely affected, endeavoring to provide users with an enjoyable game experience by developing high-quality games, acquiring more contents, servicing new titles, and updating existing titles. Specifically, we have established the following as Nexon's Focus Strategy: (i) focusing on massive multiplayer online games, (ii) enabling our service to be played across multiple platforms including PC, console and mobile, (iii) leveraging Nexon's IPs, and (iv) investing in new IPs that we think are really special. We have also worked on initiatives for the growth of our global business.

For the three months ended September 30, 2022, Nexon achieved record-breaking quarterly revenue driven by the growth of major titles, *EA SPORTS™ FIFA ONLINE 4* and *MapleStory* in Korea, as well as contributions from *Dungeon&Fighter Mobile*, which launched on March 24, and *HIT2*, which launched on August 25.

In Korea, PC online revenue significantly increased year-over-year driven by *EA SPORTS™ FIFA ONLINE 4*'s record-breaking revenue and *MapleStory*'s and *Mabinogi*'s significant growth, which were partially offset by year-over-year decreases in *Dungeon&Fighter* and *Sudden Attack*. As for *MapleStory*, MAUs, paying users and ARPPU all increased year-over-year and it was close to record-breaking Q3 revenue driven by the well-received Summer update, events and sales promotions. Mobile revenue significantly increased year-over-year driven by contributions from *Dungeon&Fighter Mobile*, *HIT2* and *Blue Archive* and the growth of *EA SPORTS™ FIFA ONLINE 4 M*. As a result, we achieved record-breaking overall quarterly revenue in Korea.

In China, revenue decreased year-over-year due to a decrease in *Dungeon&Fighter*, our key PC online game. *Dungeon&Fighter*'s revenue decreased year-over-year due to a tough comparison with the strong performance in Q3 2021 driven by that year's Summer update and new initiatives. Active users decreased in Q3 as the effect of the Level Cap release conducted in June did not last as long as expected. We also continued to focus on increasing user engagement over near-term monetization. This resulted in the decrease of ARPPU. However, the number of active users in October has recovered to last year's level driven by these initiatives.

In Japan, revenue increased year-over-year driven by the growth of *Blue Archive* and a contribution from *CounterSide*.

In North America and Europe, revenue increased year-over-year driven by the growth in *MapleStory* and contributions from new games despite revenue decreases from *MapleStory M* and *Choices: Stories You Play*.

In other regions ("Rest of World"), revenue also increased year-over-year driven by the growth in *MapleStory* and contributions from new games.

In terms of expenses, cost of sales increased year-over-year due to increased HR costs due to headcount increase, annual salary hike and an increase in bonuses, increased royalty costs for *EA SPORTS™ FIFA ONLINE 4*, and increased server costs due to growth of mobile titles including *Dungeon&Fighter Mobile*. Selling, general and administrative expenses increased year-over-year due to increased platform costs for mobile games, increased marketing costs primarily for *HIT2*'s promotions, and increased HR costs due to headcount increase, annual salary hike and an increase in bonuses.

Finance income increased year-over-year due to a larger foreign exchange gain than that in Q3 2021 primarily on foreign currency-denominated cash deposits in the three months ended September 30, 2022. Income taxes expense increased year-over-year due to a year-over-year increase in income before income taxes.

As a result, for the three months ended September 30, 2022, Nexon Group recorded revenue of ¥97,463 million (up 28.4% year-over-year), operating income of ¥31,524 million (up 5.7% year-over-year), income before income

taxes of ¥57,966 million (up 19.9% year-over-year) and net income attributable to owners of the parent company of ¥43,303 million (up 14.2% year-over-year).

For the nine months ended September 30, 2022, Nexon Group recorded revenues of ¥272,619 million (up 23.8% year-over-year), operating income of ¥92,728 million (up 4.7% year-over-year), income before income taxes of ¥156,865 million (up 24.7% year-over-year) and net income attributable to owners of the parent company of ¥108,271 million (up 16.6% year-over-year).

Business results by reportable segments for the nine months ended September 30, 2022 are as follows:

(a) Japan

Revenues for the nine months ended September 30, 2022 amounted to ¥3,492 million (down 5.7% year-over-year), and segment loss amounted to ¥8,237 million (segment loss of ¥7,548 million for the nine months ended September 30, 2021).

(b) Korea

Revenues for the nine months ended September 30, 2022 amounted to ¥255,961 million (up 27.1% year-over-year), and segment profit amounted to ¥110,787 million (up 14.0% year-over-year). Revenue in Korea include royalty income of NEOPLE INC. (a subsidiary of NEXON Korea Corporation, our consolidated subsidiary) attributable to license agreements in China.

(c) China

Revenues for the nine months ended September 30, 2022 amounted to ¥2,454 million (down 6.5% year-over-year), and segment profit amounted to ¥1,158 million (down 25.7% year-over-year).

(d) North America

Revenues for the nine months ended September 30, 2022 amounted to ¥9,635 million (down 16.1% year-over-year), and segment loss amounted to ¥3,691 million (segment profit of ¥619 million for the nine months ended September 30, 2021).

(e) Other

Revenues for the nine months ended September 30, 2022 amounted to ¥1,077 million (up 11.6% year-over-year), and segment loss amounted to ¥3,750 million (segment loss of ¥3,430 million for the nine months ended September 30, 2021).

(2) Explanation on Financial Position

(a) Assets, liabilities and equity

(Assets)

Total assets as of September 30, 2022 amounted to ¥1,058,964 million, an increase of ¥72,332 million from December 31, 2021. Major components include an increase of ¥95,197 million in cash and cash equivalents, an increase of ¥32,425 million in investments accounted for using equity method and a decrease of ¥52,173 million in other deposits.

(Liabilities)

Total liabilities as of September 30, 2022 amounted to ¥167,547 million, an increase of ¥26,808 million from December 31, 2021. Major components include an increase of ¥9,333 million in income taxes payable, an increase of ¥7,896 million in deferred income and an increase of ¥6,118 million in other current liabilities.

(Equity)

Equity as of September 30, 2022 totaled ¥891,417 million, an increase of ¥45,524 million from December 31, 2021. Major components of changes in equity include an increase of ¥23,671 million in other equity interest due to the recording of exchange differences on translating foreign operations.

As a result, ratio of equity attributable to owners of the parent company was 83.3% (84.8% as of December 31, 2021).

(b) Cash flows

Cash and cash equivalents (collectively, “cash”) as of September 30, 2022 was ¥460,436 million, an increase of ¥95,197 million from December 31, 2021. The increase includes ¥44,434 million in effects of exchange rate changes on cash.

Cash flows from each activity for the nine months ended September 30, 2022 and their significant components are as follows:

(Cash flows from operating activities)

Net cash provided by operating activities was ¥103,165 million, compared to ¥61,204 million for the nine months ended September 30, 2021. Major components of the increase include income before income taxes of ¥156,865 million. Major components of the decrease include a foreign exchange gain of ¥47,035 million and income taxes paid of ¥35,308 million.

Net cash provided by operating activities increased year-over-year due to an increase in income before income taxes.

(Cash flows from investing activities)

Net cash provided by investing activities was ¥38,889 million, compared to ¥142,589 million for the nine months ended September 30, 2021. Major cash inflows include a net decrease in time deposit of ¥66,589 million. Major cash outflows include purchases of investments accounted for using equity method of ¥26,406 million.

Net cash provided by investing activities decreased year-over-year due to a decrease in withdrawal of time deposit.

(Cash flows from financing activities)

Net cash used in financing activities was ¥91,291 million, compared to ¥4,916 million for the nine months ended September 30, 2021. Major cash outflows include purchases of treasury stock of ¥84,017 million.

Net cash used in financing activities increased year-over-year due to purchases of treasury stock.

(3) Explanation on Future Forecast Information including Consolidated Financial Results Forecast

As for the business environment surrounding Nexon Group, the outlook on the global situation remains unclear, primarily due to the continued impact of COVID-19 infection, Russian invasion of Ukraine, soaring prices of crude oil and other resources, worldwide inflation fears and interest-rate hikes by FRB and world's other major central banks as a measure to curb inflation. The Japanese economy has become unpredictable primarily due to inflation associated with the rapid depreciation of the Japanese yen, which came on top of the unclear global outlook. However, we do not expect any event that could have material impact on our business to occur going forward due to these factors.

In our consolidated business outlook, we disclose our expectations for the following quarter as a range to provide more accurate information to our shareholders and investors, since it is difficult to derive full-year consolidated forecasts due to uncertainties in projecting the speed of growth of PC online game and mobile game markets in which Nexon Group's main businesses operate, and because our revenue is largely dependent on such uncertain factors as users' preferences and whether or not we have any hit titles. "Consolidated Financial Results Forecast for the Fiscal Year Ending December 31, 2022" is the sum of our actual consolidated financial results for the nine months ended September 30, 2022 and our consolidated business outlook for the three months ending December 31, 2022. Please refer to the table below for our consolidated financial results forecast for the three months ending December 31, 2022.

For the fiscal year ending December 31, 2022, Nexon Group expects consolidated revenue in the range of ¥348,093 ~ 356,368 million (up 26.8% ~ 29.8% year-over-year), operating income in the range of ¥100,272 ~ 106,689 million (up 9.5% ~ 16.5% year-over-year), income before income taxes in the range of ¥165,787 ~ 172,206 million (up 22.4% ~ 27.1% year-over-year), net income in the range of ¥113,236 ~ 118,022 million (up 0.1% ~ 4.4% year-over-year), net income attributable to owners of the parent company in the range of ¥113,737 ~ 118,418 million (down 1.0% ~ up 3.1% year-over-year), and basic earnings per share in the range of ¥129.99 ~ 135.34. Nexon Group operates its businesses around the world, in Japan, South Korea, China, the United States and other countries. Major exchange rates for Q4 2022 are assumed to be 1 U.S. Dollar = ¥147.06, 100 South Korean Won = ¥10.32 and 1 Chinese Yuan = ¥20.66. In general, the exchange rates of the South Korean Won and the Chinese Yuan to Japanese Yen are assumed to be linked to the exchange rate of U.S. Dollar to Japanese Yen. Based on this assumption, we expect that every one Japanese Yen move against the U.S. Dollar will have an impact of approximately ¥539 million on consolidated revenue and approximately ¥95 million on operating income for the three months ending December 31, 2022.

As for revenue based on customer location for the three months ending December 31, 2022, our expectations are as follows.

In Korea, for PC online business, we expect *EA SPORTS™ FIFA ONLINE 4* to grow significantly year-over-year driven by the continued year-over-year increases in active users and paying users. We also expect *MapleStory* to maintain its strong momentum and to grow year-over-year. While we expect year-over-year growth from *Dungeon&Fighter* and *Mabinogi*, we expect *Sudden Attack*'s revenue to decrease year-over-year. Consequently, we expect overall PC revenue in Korea to increase year-over-year.

Regarding the mobile business in Korea, we expect Q4 revenue to significantly increase year-over-year. We expect strong contributions from *HIT2*, which launched on August 25, and *Dungeon&Fighter Mobile*. In addition, we expect year-over-year growth in *EA SPORTS™ FIFA ONLINE 4 M* and *EA SPORTS™ FIFA MOBILE*. We expect these to be partially offset by year-over-year revenue decreases in *Blue Archive*, *V4*, *KartRider Rush+* and *The Kingdom of the Winds: Yeon*.

In China, for *Dungeon&Fighter*, our major PC title, we adjusted the game to be more user friendly, and as a result, the number of active users in October has recovered to the last year's level. Based on current positive trends, we expect its revenue to increase year-over-year. Looking forward, we are focused on engagement – particularly retaining existing players and attracting returning players.

In Japan, we expect revenue to increase year-over-year driven by the new release of *TalesWeaver: SecondRun* in Q4.

In North America and Europe, we expect revenue to decrease year-over-year as we anticipate decreases from *Blue Archive* and *Choices: Stories You Play*.

In Rest of World, we expect revenue to increase year-over-year driven by contributions from new games.

On the cost side, in the three months ending December 31, 2022, we expect increased variable costs due to a revenue increase, and increased HR costs primarily related to headcount for development and launches of multiple new titles, as well as bonus accruals for contributing to great performances. In addition, we expect increased

marketing expenses associated with marketing for certain titles that have shown high returns around key events and updates, such as *EA SPORTS™ FIFA ONLINE 4*, *MapleStory*, and *HIT2*. As a result, we expect costs to increase year-over-year in the three months ending December 31, 2022.

Our business outlook is based on information currently available to us, which includes various uncertainties. Therefore, actual performance may vary from our outlook due to changes in the business condition.

(Reference)

Consolidated financial results forecast for the three months ending December 31, 2022 (from October 1, 2022 to December 31, 2022)

(% changes from the previous fiscal year)

(Millions of yen)

	Revenue		Operating income		Income before income taxes		Net income		Net income attributable to owners of the parent company		Basic earnings per share
											Yen
4th Quarter	75,474	39.1%	7,544	153.5%	8,922	(7.5)%	5,475	(74.1)%	5,465	(75.2)%	6.32
	~	~	~	~	~	~	~	~	~	~	~
	83,749	54.4%	13,961	369.1%	15,341	59.1%	10,261	(51.4)%	10,147	(53.9)%	11.73

(4) Other

Nexon has begun considering the implementation of a new restricted stock unit program (the "RSU Program"). The RSU Program is intended to replace the current stock option program for the employees of Nexon and the directors and employees of overseas subsidiaries. Nexon is considering implementing the RSU Program in FY2023. In connection with the RSU Program, except for a limited number of shares to be directly delivered to the domestic employees by Nexon, Nexon is considering utilizing a trust to deliver the shares acquired in the public market to the directors and employees of overseas subsidiaries.

2. Matters Related to Summary Information (Notes)

(1) Changes in Significant Subsidiaries during the Period

Not applicable.

(2) Changes in Accounting Policies and Changes in Accounting Estimates

(Changes in accounting policies required by IFRS)

The accounting policies used to prepare these condensed consolidated financial statements are consistent with those applied in the consolidated financial statements for the year ended December 31, 2021 unless otherwise noted, except for the new standards applied as listed below. Nexon Group calculated income taxes for the nine months ended September 30, 2022, based on the estimated average annual effective tax rate.

Nexon Group has applied the following standards since Q1 2022 (from January 1, 2022 to March 31, 2022), but the application of these standards did not have material impacts on the nine months ended September 30, 2022.

Standards	Title	Overview of New or Revised Standard
IFRS 3	Business Combinations	Updated the reference to the “Conceptual Framework for Financial Reporting”
IAS 16	Property, Plant and Equipment	Clarified that the deduction of proceeds from selling items produced before an item of PPE is available for use from the cost of that PPE is prohibited
IAS 37	Provisions, Contingent Liabilities and Contingent Assets	Clarified what costs an entity considers in assessing whether a contract is onerous
IFRS 9	Financial Instruments	Clarified the fees an entity includes in the test for derecognition of financial liabilities
IFRS 16	Leases	Extended the availability of the practical expedient provided in COVID-19-Related Rent Concessions released on May 28, 2020 by one year.

3. Condensed Consolidated Financial Statements and Major Notes

(1) Condensed Consolidated Statement of Financial Position

(Millions of yen)

	As of December 31, 2021	As of September 30, 2022
Assets		
Current assets		
Cash and cash equivalents	365,239	460,436
Trade and other receivables	17,577	33,623
Other deposits	169,689	117,516
Other financial assets	29,140	24,582
Other current assets	12,072	13,136
Total current assets	593,717	649,293
Non-current assets		
Property, plant and equipment	24,448	25,768
Goodwill	38,938	41,521
Intangible assets	17,703	10,817
Right-of-use assets	10,985	11,238
Investments accounted for using equity method	58,933	91,358
Other financial assets	202,588	185,277
Other non-current assets	1,106	1,470
Deferred tax assets	38,214	42,222
Total non-current assets	392,915	409,671
Total assets	986,632	1,058,964

	(Millions of yen)	
	As of December 31, 2021	As of September 30, 2022
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	9,354	12,695
Deferred income	11,030	17,553
Income taxes payable	16,599	25,932
Lease liabilities	3,045	3,337
Provisions	5,787	5,925
Other current liabilities	7,510	13,628
Total current liabilities	53,325	79,070
Non-current liabilities		
Deferred income	14,354	15,727
Lease liabilities	12,282	12,280
Other financial liabilities	1,803	2,302
Provisions	323	345
Other non-current liabilities	4,687	4,347
Deferred tax liabilities	53,965	53,476
Total non-current liabilities	87,414	88,477
Total liabilities	140,739	167,547
Equity		
Capital stock	34,255	38,279
Capital surplus	14,961	17,654
Treasury stock	(17,863)	(1,831)
Other equity interest	92,747	116,418
Retained earnings	712,568	712,081
Total equity attributable to owners of the parent company	836,668	882,601
Non-controlling interests	9,225	8,816
Total equity	845,893	891,417
Total liabilities and equity	986,632	1,058,964

(2) Condensed Consolidated Income Statement

For the nine months ended September 30, 2021 and 2022

(Millions of yen)

	Nine months ended September 30	
	2021	2022
	(From January 1, 2021 to September 30, 2021)	(From January 1, 2022 to September 30, 2022)
Revenue	220,212	272,619
Cost of sales	(54,140)	(75,021)
Gross profit	166,072	197,598
Selling, general and administrative expenses	(77,732)	(101,325)
Other income	484	418
Other expenses	(259)	(3,963)
Operating income	88,565	92,728
Finance income	40,949	84,750
Finance costs	(675)	(7,798)
Loss on revaluation	(2,785)	(4,508)
Share of loss of investments accounted for using equity method	(226)	(8,307)
Income before income taxes	125,828	156,865
Income taxes expense	(33,880)	(49,105)
Net income	91,948	107,760
Attributable to:		
Owners of the parent company	92,893	108,271
Non-controlling interests	(945)	(511)
Net income	91,948	107,760
Earnings per share	(Yen)	(Yen)
(attributable to owners of the parent company)		
Basic earnings per share	104.36	123.33
Diluted earnings per share	102.08	122.28

For the three months ended September 30, 2021 and 2022

(Millions of yen)

	Three months ended September 30	
	2021	2022
	(From July 1, 2021 to September 30, 2021)	(From July 1, 2022 to September 30, 2022)
Revenue	75,890	97,463
Cost of sales	(18,739)	(28,131)
Gross profit	57,151	69,332
Selling, general and administrative expenses	(27,467)	(36,528)
Other income	197	122
Other expenses	(46)	(1,402)
Operating income	29,835	31,524
Finance income	18,404	30,312
Finance costs	(1,160)	(641)
Reversal of loss on revaluation	1,714	487
Share of loss of investments accounted for using equity method	(435)	(3,716)
Income before income taxes	48,358	57,966
Income taxes expense	(10,677)	(14,743)
Net income	37,681	43,223
Attributable to:		
Owners of the parent company	37,902	43,303
Non-controlling interests	(221)	(80)
Net income	37,681	43,223
Earnings per share		
(attributable to owners of the parent company)	(Yen)	(Yen)
Basic earnings per share	42.44	50.07
Diluted earnings per share	42.05	49.68

(3) Condensed Consolidated Statement of Comprehensive Income

For the nine months ended September 30, 2021 and 2022

	(Millions of yen)	
	Nine months ended September 30	
	2021	2022
	(From January 1, 2021 to September 30, 2021)	(From January 1, 2022 to September 30, 2022)
Net income	91,948	107,760
Other comprehensive income		
Items that will not be reclassified to net income		
Financial assets measured at fair value through other comprehensive income	4,974	(25,163)
Re-measurement of defined benefit pension plans	0	(3)
Other comprehensive income under equity method	—	(24)
Income taxes	(1,210)	6,838
Total items that will not be reclassified to net income	3,764	(18,352)
Items that may be reclassified subsequently to net income		
Exchange differences on translating foreign operations	(4,375)	37,278
Other comprehensive income under equity method	9	4
Total items that may be reclassified subsequently to net income	(4,366)	37,282
Total other comprehensive income	(602)	18,930
Total comprehensive income	91,346	126,690
Attributable to:		
Owners of the parent company	92,434	126,705
Non-controlling interests	(1,088)	(15)
Total comprehensive income	91,346	126,690

For the three months ended September 30, 2021 and 2022

(Millions of yen)

	Three months ended September 30	
	2021	2022
	(From July 1, 2021 to September 30, 2021)	(From July 1, 2022 to September 30, 2022)
Net income	37,681	43,223
Other comprehensive income		
Items that will not be reclassified to net income		
Financial assets measured at fair value through other comprehensive income	7,281	(8,533)
Re-measurement of defined benefit pension plans	1	3
Other comprehensive income under equity method	—	(17)
Income taxes	(1,771)	2,333
Total items that will not be reclassified to net income	5,511	(6,214)
Items that may be reclassified subsequently to net income		
Exchange differences on translating foreign operations	(21,782)	(22,013)
Other comprehensive income under equity method	1	0
Total items that may be reclassified subsequently to net income	(21,781)	(22,013)
Total other comprehensive income	(16,270)	(28,227)
Total comprehensive income	21,411	14,996
Attributable to:		
Owners of the parent company	22,056	15,425
Non-controlling interests	(645)	(429)
Total comprehensive income	21,411	14,996

(4) Condensed Consolidated Statement of Changes in Equity

For the nine months ended September 30, 2021 (From January 1, 2021 to September 30, 2021)

(Millions of yen)

	Equity attributable to owners of the parent company						Non-controlling interests	Total equity
	Capital stock	Capital surplus	Treasury stock	Other equity interest	Retained earnings	Total		
Balance at January 1, 2021	22,679	17,421	(0)	69,975	599,807	709,882	10,563	720,445
Net income for the period	—	—	—	—	92,893	92,893	(945)	91,948
Other comprehensive income	—	—	—	(459)	—	(459)	(143)	(602)
Total comprehensive income	—	—	—	(459)	92,893	92,434	(1,088)	91,346
Issue of shares	10,537	10,537	—	—	—	21,074	—	21,074
Stock issue cost	—	(76)	—	—	—	(76)	—	(76)
Payment of dividends	—	—	—	—	(4,441)	(4,441)	—	(4,441)
Share-based compensation	—	—	—	4,895	—	4,895	—	4,895
Changes in interests in subsidiaries	—	(15,891)	—	—	—	(15,891)	364	(15,527)
Change in scope of consolidation	—	1,939	(1,914)	—	—	25	—	25
Disposal of treasury stock	—	—	83	—	—	83	—	83
Reclassification from other equity interest to retained earnings	—	—	—	(1,392)	1,392	—	—	—
Total transactions with the owners	10,537	(3,491)	(1,831)	3,503	(3,049)	5,669	364	6,033
Balance at September 30, 2021	33,216	13,930	(1,831)	73,019	689,651	807,985	9,839	817,824

For the nine months ended September 30, 2022 (From January 1, 2022 to September 30, 2022)

(Millions of yen)

	Equity attributable to owners of the parent company						Non-controlling interests	Total equity
	Capital stock	Capital surplus	Treasury stock	Other equity interest	Retained earnings	Total		
Balance at January 1, 2022	34,255	14,961	(17,863)	92,747	712,568	836,668	9,225	845,893
Net income for the period	—	—	—	—	108,271	108,271	(511)	107,760
Other comprehensive income	—	—	—	18,434	—	18,434	496	18,930
Total comprehensive income	—	—	—	18,434	108,271	126,705	(15)	126,690
Issue of shares	4,024	4,024	—	—	—	8,048	—	8,048
Stock issue cost	—	(26)	—	—	—	(26)	—	(26)
Payment of dividends	—	—	—	—	(8,785)	(8,785)	—	(8,785)
Share-based compensation	—	—	—	5,264	—	5,264	—	5,264
Forfeiture of share acquisition rights	—	—	—	(27)	27	—	—	—
Changes in interests in subsidiaries	—	(1,256)	—	—	—	(1,256)	(394)	(1,650)
Purchase of treasury stock	—	(49)	(83,968)	—	—	(84,017)	—	(84,017)
Retirement of treasury stock	—	—	100,000	—	(100,000)	—	—	—
Total transactions with the owners	4,024	2,693	16,032	5,237	(108,758)	(80,772)	(394)	(81,166)
Balance at September 30, 2022	38,279	17,654	(1,831)	116,418	712,081	882,601	8,816	891,417

(5) Condensed Consolidated Statement of Cash Flows

(Millions of yen)

	Nine months ended September 30	
	2021 (From January 1, 2021 to September 30, 2021)	2022 (From January 1, 2022 to September 30, 2022)
Cash flows from operating activities		
Income before income taxes	125,828	156,865
Depreciation and amortization	6,710	5,152
Share-based compensation expenses	6,942	7,848
Interest and dividend income	(5,064)	(8,208)
Interest expense	306	353
Impairment loss	121	3,848
Loss on revaluation	2,785	4,508
Share of loss (profit) of investments accounted for using equity method	226	8,307
Loss (gain) on sale of investments accounted for using equity method	10	(9,531)
Loss (gain) on valuation of securities	(337)	3,927
Loss (gain) on sale and redemption of securities	(2,241)	3,134
Foreign exchange loss (gain)	(29,143)	(47,035)
Decrease (increase) in trade and other receivables	(13,296)	(13,214)
Decrease (increase) in other current assets	(1,590)	1,961
Increase (decrease) in trade and other payables	(758)	2,509
Increase (decrease) in deferred income	(1,339)	6,674
Increase (decrease) in provisions	(3,544)	164
Increase (decrease) in other current liabilities	425	3,597
Other	23	(349)
Subtotal	86,064	130,510
Interest and dividends received	6,450	8,315
Interest paid	(305)	(352)
Income taxes paid	(31,005)	(35,308)
Net cash provided by operating activities	61,204	103,165
Cash flows from investing activities		
Net decrease (increase) in restricted deposit	521	108
Net decrease (increase) in time deposit	180,258	66,589
Purchases of property, plant and equipment	(1,058)	(2,085)
Proceeds from sales of property, plant and equipment	59	82
Purchases of intangible assets	(11,921)	(2,885)
Payments associated with increase in long-term prepaid expenses	(1,931)	(2,217)
Purchases of securities by investment funds under consolidated subsidiaries	(28,965)	(13,292)
Proceeds from sale of securities by investment funds under consolidated subsidiaries	27,788	14,156
Purchases of investment securities	(24,756)	(886)
Proceeds from sale and redemption of investment securities	4,079	326
Purchases of investments accounted for using equity method	—	(26,406)
Proceeds from sale of investments accounted for using equity method	0	9,610
Payments for acquisition of subsidiaries	—	(1,258)
Payments for short-term loans receivable	(16,587)	(163)
Collection of short-term loans receivable	16,577	173
Payments for long-term loans receivable	(1,394)	(2,850)
Collection of long-term loans receivable	22	21
Other	(103)	(134)
Net cash provided by investing activities	142,589	38,889

	(Millions of yen)	
	Nine months ended September 30	
	2021	2022
	(From January 1, 2021 to September 30, 2021)	(From January 1, 2022 to September 30, 2022)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(2,094)	—
Proceeds from exercise of stock options	3,507	5,002
Purchases of treasury stock	—	(84,017)
Purchases of treasury stock by subsidiaries	—	(1,244)
Cash dividends paid	(4,440)	(8,784)
Repayment of lease liability	(1,889)	(2,248)
Net cash used in financing activities	(4,916)	(91,291)
Net increase (decrease) in cash and cash equivalents	198,877	50,763
Cash and cash equivalents at beginning of period	252,570	365,239
Effects of exchange rate changes on cash and cash equivalents	20,574	44,434
Cash and cash equivalents at end of period	472,021	460,436

(6) Notes on Going Concern Assumption

Not applicable.

(7) Notes on Significant Changes in the Amount of Equity Attributable to Owners of the Parent Company

(a) For the nine months ended September 30, 2021 (From January 1, 2021 through September 30, 2021)

(i) Amount of dividends paid

	Class of stock	Total dividends (million yen)	Dividend per share (yen)	Record date	Effective date
Resolution of the Board of Directors on February 17, 2021	Common stock	2,217	2.5	December 31, 2020	March 26, 2021
Resolution of the Board of Directors on August 11, 2021	Common stock	2,224	2.5	June 30, 2021	September 27, 2021

(ii) Change in scope of consolidation

In the three months ended September 30, 2021, Stiftelsen Embark Incentive (“Foundation”) acquired Nexon’s stock in the amount of ¥1,914 million (905,144 shares) by third-party allotment as compensation for our 100% acquisition of Embark Studios AB. As we have consolidated the Foundation in our condensed quarterly consolidated financial statements from the three months ended September 30, 2021, treasury stock includes Nexon’s stock owned by the Foundation. Refer to (a) (iii) below for details on the third-party allotment.

(iii) Acquisition of additional non-controlling interest

In the three months ended September 30, 2021, Nexon conducted a third-party allotment (“Third-party Allotment”) for the purpose of acquiring all of the outstanding shares of our consolidated subsidiary, Embark Studios AB, owned by shareholders other than Nexon and its subsidiaries (i.e. to turn Embark Studios AB into our wholly-owned subsidiary) by issuing 7,388,930 shares of Nexon’s common stock to the shareholders of Embark Studios AB (excluding Nexon and its subsidiaries) in exchange for their granting of 176,469,789 shares of Embark Studios AB’s common stock owned by them to Nexon as a contribution in-kind. The fair value per share of Nexon’s common stock granted to the allottees on the payment due date of the Third-party Allotment was measured at ¥2,115, which was the closing price of Nexon’s common stock on the Tokyo Stock Exchange on August 23, 2021.

As a result of this Third-Party Allotment, our capital stock and capital surplus each increased by ¥7,814 million, non-controlling interests increased by ¥204 million, exchange differences on translating foreign operations increased by ¥95 million and capital surplus decreased by ¥15,927 million. Due to this increase in non-controlling interests, Nexon Group no longer has any non-controlling interest in Embark Studios AB.

(b) For the nine months ended September 30, 2022 (From January 1, 2022 through September 30, 2022)

(i) Amount of dividends paid

	Class of stock	Total dividends	Dividend per share	Record date	Effective date
		(million yen)	(yen)		
Resolution of the Board of Directors on February 17, 2022 (Note 1)	Common stock	4,459	5.0	December 31, 2021	March 28, 2022
Resolution of the Board of Directors on August 9, 2022 (Note 2)	Common stock	4,327	5.0	June 30, 2022	September 26, 2022

(Note) 1. Total dividends include dividends of ¥4 million for Nexon's stock owned by our consolidated subsidiary, Stiftelsen Embark Incentive.

2. Total dividends include dividends of ¥4 million for Nexon's stock owned by our consolidated subsidiary, Stiftelsen Embark Incentive.

(ii) Purchases of treasury stock

Nexon's treasury stock increased by ¥23,968 million as a result of a purchase of 9,340,200 shares of treasury stock at market on the Tokyo Stock Exchange during the six months ended June 30, 2022 based on a resolution of the Board of Directors on November 19, 2021.

In addition, Nexon's treasury stock increased by ¥60,000 million as a result of a purchase of 20,188,400 shares of treasury stock through off-auction own share repurchase trading (ToSTNeT-3) on the Tokyo Stock Exchange on June 15, 2022 based on a resolution of the Board of Directors on June 14, 2022.

(iii) Retirement of treasury stock

During the three months ended September 30, 2022, Nexon retired 36,571,300 shares of its treasury stock based on a resolution of the Board of Directors' meeting held on August 9, 2022. As a result, treasury stock and other capital surplus each decreased by ¥100,000 million. Due to the retirement of such treasury stock, the balance of other capital surplus of Nexon as of September 30, 2022 was negative ¥100,000 million and other retained earnings were reduced by this amount.

(8) Segment Information

(a) Outline of reportable segments

Reportable segments of Nexon Group are components of Nexon Group, for which separate financial statements are available, that are evaluated regularly by the board of directors in deciding how to allocate management resources and in assessing performance.

Nexon Group is engaged in production, development and distribution of PC online games and mobile games, and the Company (in Japan) and its local consolidated subsidiaries (overseas) develop overall strategies and operate business activities for their respective products and services in each region as independent units. Accordingly, Nexon Group is comprised of geographical business segments based on production, development, and distribution of PC online games and mobile games. Nexon Group has formed its reportable segments by consolidating business segments based on the geographic location since subsidiaries in the same region, due to their business characteristics, receive similar impact of the foreign exchange fluctuation risk on their operating results and the ratio of the impact to operating results is high. There are five reportable segments: “Japan”, “Korea”, “China”, “North America” and “Other” which includes Europe and Asian countries.

Furthermore, IFRS 15 *Revenue from Contracts with Customers* is applied by Nexon Group. We have therefore presented the revenue arising from our contracts with customers by breaking it down into PC online, mobile and other revenues based on such contracts with customers.

(b) Revenue, profit or loss by reportable segment

Information on the segments of Nexon Group is as follows:

(For the nine months ended September 30)

For the nine months ended September 30, 2021 (From January 1, 2021 to September 30, 2021)

(Millions of yen)

	Reportable Segments					Total	Adjustments (Note 3)	Consolidated
	Japan	Korea	China	North America	Other			
Revenue								
Revenue from external customers								
PC online	2,464	149,196	2,624	4,512	956	159,752	—	159,752
Mobile	1,222	50,986	—	6,971	8	59,187	—	59,187
Other	18	1,252	—	3	0	1,273	—	1,273
Total revenue from external customers	3,704	201,434	2,624	11,486	964	220,212	—	220,212
Intersegment revenue	781	2,076	—	649	417	3,923	(3,923)	—
Total	4,485	203,510	2,624	12,135	1,381	224,135	(3,923)	220,212
Segment profit or loss (Note 1)	(7,548)	97,144	1,559	619	(3,430)	88,344	(4)	88,340
Other income (expense), net								225
Operating income								88,565
Finance income (costs), net (Note 5)								40,274
Loss on revaluation (Note 6)								(2,785)
Share of loss of investments accounted for using equity method								(226)
Income before income taxes								125,828

(Notes) 1. Segment profit or loss is calculated by deducting cost of sales and selling, general and administrative expenses from revenue.

2. Price for intersegment transactions is based on the general market price.

3. Adjustments in segment profit or loss of ¥(4) million represent elimination of intersegment transactions.

4. For PC online and mobile, performance obligations are fulfilled and revenues are recognized over a certain period of time mainly because control over services is transferred over a certain period of time.

5. A major component of finance income is foreign exchange gain of ¥33,204 million.

6. Loss on revaluation recognized in profit or loss due to the revaluation of an intangible asset (investment in crypto-assets made through an exchange).

For the nine months ended September 30, 2022 (From January 1, 2022 to September 30, 2022)

(Millions of yen)

	Reportable Segments					Total	Adjustments (Note 3)	Consolidated
	Japan	Korea	China	North America	Other			
Revenue								
Revenue from external customers								
PC online	2,574	178,047	2,454	4,439	1,077	188,591	—	188,591
Mobile	910	76,756	—	5,193	—	82,859	—	82,859
Other	8	1,158	—	3	—	1,169	—	1,169
Total revenue from external customers	3,492	255,961	2,454	9,635	1,077	272,619	—	272,619
Intersegment revenue	959	2,158	—	658	557	4,332	(4,332)	—
Total	4,451	258,119	2,454	10,293	1,634	276,951	(4,332)	272,619
Segment profit or loss (Note 1)	(8,237)	110,787	1,158	(3,691)	(3,750)	96,267	6	96,273
Other income (expense), net								(3,545)
Operating income								92,728
Finance income (costs), net (Note 5)								76,952
Loss on revaluation (Note 6)								(4,508)
Share of loss of investments accounted for using equity method								(8,307)
Income before income taxes								156,865

(Notes) 1. Segment profit or loss is calculated by deducting cost of sales and selling, general and administrative expenses from revenue.

2. Price for intersegment transactions is based on the general market price.

3. Adjustments in segment profit or loss of ¥6 million represent elimination of intersegment transactions.

4. For PC online and mobile, performance obligations are fulfilled and revenues are recognized over a certain period of time mainly because control over services is transferred over a certain period of time.

5. Major components of finance income are foreign exchange gain of ¥66,725 million and gain on sale of investments accounted for using equity method of ¥9,531 million in connection with the transfer of shares of Six Waves Inc.

The gain on the sale occurred due to the transfer of all shares of Six Waves Inc. owned by Nexon to Stillfront Group AB (publ) during the three months ended March 31, 2022. Consequently, Six Waves Inc. was excluded from the scope of the application of equity method for the three months ended March 31, 2022. The amount of the gain on the sale came to ¥9,531 million as a result of ¥9,298 million recorded in the six months ended June 30, 2022 and an additional gain on sale of ¥233 million recorded in the three months ended September 30, 2022 due to an adjustment in the transfer price.

6. Loss on revaluation recognized in profit or loss due to the revaluation of an intangible asset (investment in crypto-assets made through an exchange).

(For the three months ended September 30)

For the three months ended September 30, 2021 (From July 1, 2021 to September 30, 2021)

(Millions of yen)

	Reportable Segments					Total	Adjustments (Note 3)	Consolidated
	Japan	Korea	China	North America	Other			
Revenue								
Revenue from external customers								
PC online	992	53,088	901	1,464	387	56,832	—	56,832
Mobile	351	16,290	—	1,971	—	18,612	—	18,612
Other	(4)	449	—	1	—	446	—	446
Total revenue from external customers	1,339	69,827	901	3,436	387	75,890	—	75,890
Intersegment revenue	218	736	—	249	135	1,338	(1,338)	—
Total	1,557	70,563	901	3,685	522	77,228	(1,338)	75,890
Segment profit or loss (Note 1)	(2,814)	33,272	525	(162)	(1,149)	29,672	12	29,684
Other income (expense), net								151
Operating income								29,835
Finance income (costs), net (Note 5)								17,244
Reversal of loss on revaluation (Note 6)								1,714
Share of loss of investments accounted for using equity method								(435)
Income before income taxes								48,358

(Notes) 1. Segment profit or loss is calculated by deducting cost of sales and selling, general and administrative expenses from revenue.

2. Price for intersegment transactions is based on the general market price.

3. Adjustments in segment profit or loss of ¥12 million represent elimination of intersegment transactions.

4. For PC online and mobile, performance obligations are fulfilled and revenues are recognized over a certain period of time mainly because control over services is transferred over a certain period of time.

5. A major component of finance income is foreign exchange gain of ¥16,131 million.

6. Reversal of loss on revaluation recognized in profit or loss due to the revaluation of an intangible asset (investment in crypto-assets made through an exchange).

For the three months ended September 30, 2022 (From July 1, 2022 to September 30, 2022)

(Millions of yen)

	Reportable Segments					Total	Adjustments (Note 3)	Consolidated
	Japan	Korea	China	North America	Other			
Revenue								
Revenue from external customers								
PC online	963	62,035	836	1,797	386	66,017	—	66,017
Mobile	250	29,024	—	1,737	—	31,011	—	31,011
Other	(8)	442	—	1	—	435	—	435
Total revenue from external customers	1,205	91,501	836	3,535	386	97,463	—	97,463
Intersegment revenue	352	850	—	182	214	1,598	(1,598)	—
Total	1,557	92,351	836	3,717	600	99,061	(1,598)	97,463
Segment profit or loss (Note 1)	(2,405)	37,473	364	(1,515)	(1,125)	32,792	12	32,804
Other income (expense), net								(1,280)
Operating income								31,524
Finance income (costs), net (Note 5)								29,671
Reversal of loss on revaluation (Note 6)								487
Share of loss of investments accounted for using equity method								(3,716)
Income before income taxes								57,966

(Notes) 1. Segment profit or loss is calculated by deducting cost of sales and selling, general and administrative expenses from revenue.

2. Price for intersegment transactions is based on the general market price.

3. Adjustments in segment profit or loss of ¥12 million represent elimination of intersegment transactions.

4. For PC online and mobile, performance obligations are fulfilled and revenues are recognized over a certain period of time mainly because control over services is transferred over a certain period of time.

5. A major component of finance income is foreign exchange gain of ¥26,401 million.

6. Reversal of loss on revaluation recognized in profit or loss due to the revaluation of an intangible asset (investment in crypto-assets made through an exchange).

(c) Information on each region

Revenue from external customers are as follows:

(For the nine months ended September 30)

For the nine months ended September 30, 2021 (From January 1, 2021 to September 30, 2021)

(Millions of yen)

	Revenue by major business			Total
	PC online	Mobile	Other	
Main regional market				
Japan	2,464	5,546	18	8,028
Korea	83,609	38,500	1,112	123,221
China	61,752	463	—	62,215
North America and Europe	4,103	9,596	79	13,778
Rest of World	7,824	5,082	64	12,970
Total	159,752	59,187	1,273	220,212

(Notes) 1. Revenue is classified into country or region category based on the customers' location.

2. The category of country or region is based on geographic proximity.

3. Main countries or regions in each category:

(1) North America and Europe: USA, Canada and Europe

(2) Rest of World: Central and South America and Asian countries

For the nine months ended September 30, 2022 (From January 1, 2022 to September 30, 2022)

(Millions of yen)

	Revenue by major business			Total
	PC online	Mobile	Other	
Main regional market				
Japan	2,681	5,046	8	7,735
Korea	102,802	58,038	1,109	161,949
China	68,220	468	11	68,699
North America and Europe	4,695	10,770	(2)	15,463
Rest of World	10,193	8,537	43	18,773
Total	188,591	82,859	1,169	272,619

(Notes) 1. Revenue is classified into country or region category based on the customers' location.

2. The category of country or region is based on geographic proximity.

3. Main countries or regions in each category:

(1) North America and Europe: USA, Canada and Europe

(2) Rest of World: Central and South America and Asian countries

(For the three months ended September 30)

For the three months ended September 30, 2021 (From July 1, 2021 to September 30, 2021)

(Millions of yen)

	Revenue by major business			Total
	PC online	Mobile	Other	
Main regional market				
Japan	992	1,493	(4)	2,481
Korea	28,213	11,741	410	40,364
China	22,769	164	—	22,933
North America and Europe	1,295	3,237	18	4,550
Rest of World	3,563	1,977	22	5,562
Total	56,832	18,612	446	75,890

(Notes) 1. Revenue is classified into country or region category based on the customers' location.

2. The category of country or region is based on geographic proximity.

3. Main countries or regions in each category:

(1) North America and Europe: USA, Canada and Europe

(2) Rest of World: Central and South America and Asian countries

For the three months ended September 30, 2022 (From July 1, 2022 to September 30, 2022)

(Millions of yen)

	Revenue by major business			Total
	PC online	Mobile	Other	
Main regional market				
Japan	1,031	1,759	2	2,792
Korea	39,709	22,694	418	62,821
China	19,526	173	1	19,700
North America and Europe	1,878	3,146	2	5,026
Rest of World	3,873	3,239	12	7,124
Total	66,017	31,011	435	97,463

(Notes) 1. Revenue is classified into country or region category based on the customers' location.

2. The category of country or region is based on geographic proximity.

3. Main countries or regions in each category:

(1) North America and Europe: USA, Canada and Europe

(2) Rest of World: Central and South America and Asian countries

(9) Subsequent Events

(Share buyback)

Nexon's Board of Directors has approved, on November 9, 2022, the matters pertaining to the share buyback pursuant to the provisions of Article 156 as replaced and applied mutatis mutandis pursuant to the provisions of Article 165(3) of the Companies Act.

(a) Reason for the share buyback

To improve capital efficiency and ensure flexibility of capital policy

(b) Details of the buyback

- | | |
|---|--|
| (i) Class of stock: | Common shares of Nexon |
| (ii) Total number of shares to be acquired: | 25,000,000 shares (maximum)
(2.9% of the total number of shares outstanding as of October 31, 2022) |
| (iii) Total acquisition amount of shares: | JPY 50,000 million (maximum) |
| (iv) Acquisition period: | November 10, 2022 to April 19, 2023 |
| (v) Acquisition method: | Purchase at market on the Tokyo Stock Exchange |