



INVESTOR PRESENTATION

Q1 2019

May 10, 2019 NEXON Co., Ltd.

Owen Mahoney

President and Chief Executive Officer

Shiro Uemura

Chief Financial Officer

CEO Highlights

Record-Breaking Quarter

Solid Performance Worldwide

Beat the Extraordinarily High Comps of Q1 2018

1

Revenues, operating income and net income¹ all exceeded outlook. Constant-currency² revenues grew year-over-year in all regions.

2

Enormous stability and longevity in the major franchises, including *Dungeon&Fighter*, *MapleStory*, *FIFA ONLINE 4*², and *KartRider*

3

China *Dungeon&Fighter*'s Q1 local currency basis gross revenue equaled the high base set in Q1 2018.

4

Korea *MapleStory*: Another strong quarter. Q1 revenue grew 69% year-over-year – the fifth consecutive quarter of strong double-digit or triple-digit growth.

5

*FIFA ONLINE 4*³ combined PC and mobile revenues were nearly up to the level of the original *FIFA Online 3*³ in Q1 2017.

6

Strength of other enduring franchises

- *KartRider*: A major resurgence. Revenue grew over 3x year-over-year.
- *Crazy Arcade BnB M*: Exceeded 10 million downloads worldwide. The original PC version benefited from the mobile launch.

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

³ Official titles are EA SPORTS™ *FIFA Online 3*, EA SPORTS™ *FIFA Online 3 M*, EA SPORTS™ *FIFA ONLINE 4*, and EA SPORTS™ *FIFA ONLINE 4M*.

Enormous Longevity in the Major Franchises



Revenue equaled the high base set in Q1 2018



Revenue grew 69% YoY



Revenue nearing the scale of Q1 2017 *FIFA Online 3*¹



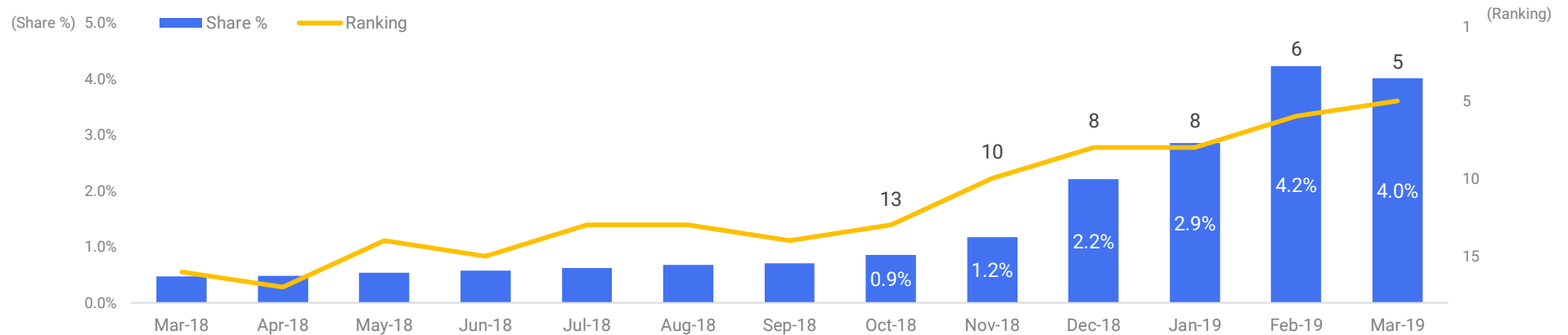
A major resurgence.
Revenue grew over 3x YoY

¹ Official titles are EA SPORTS™ FIFA Online 3 (PC) and EA SPORTS™ FIFA Online 3M (mobile).

Significant Surge in *KartRider*'s PC Café Share



Korea PC Café Share Trend



¹ Source: The Log serviced by N Media Platform Co., LTD.

Q1 2019 Results

Q1 2019 Result Highlights

Record-Breaking Quarter Driven by Strong Performances in China and Korea

Revenues

Exceeded outlook. Stronger-than-expected performances by China *Dungeon&Fighter*, Korea *MapleStory*, *FIFA ONLINE 4*¹, and new mobile game *Lyn*²

Operating Income

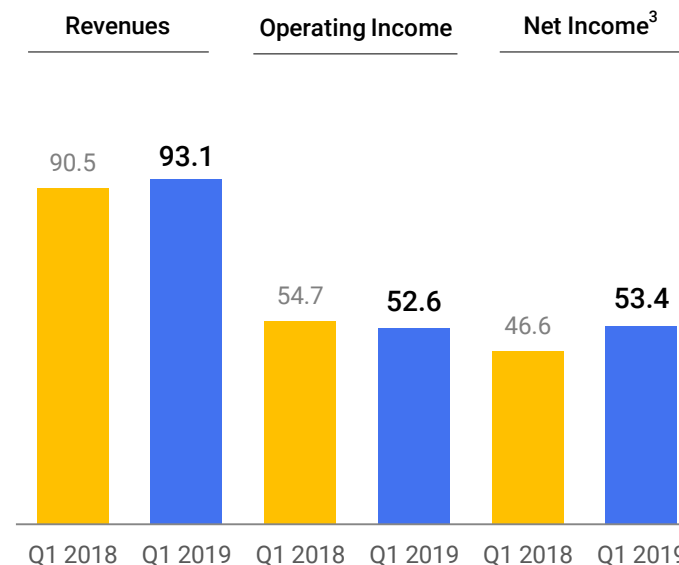
Exceeded outlook. Revenue outperformance while recording a ¥2.9 billion impairment loss primarily on prepaid royalties

Net Income³

Exceeded outlook. Operating income outperformance as well as a ¥6.3 billion FX gain primarily on U.S. dollar-denominated cash deposits

(Unit: ¥ millions, except per share data)

	Q1 2018	Q1 2019 Outlook		Q1 2019	YoY %
Revenues	¥90,514	¥79,678	~ ¥87,399	¥93,077	3%
PC ⁴	76,074	66,013	~ 72,089	77,639	2%
Mobile	14,440	13,665	~ 15,310	15,438	7%
Operating income	54,729	40,674	~ 47,437	52,601	(4%)
Net income³	46,615	37,921	~ 43,677	53,400	15%
Earnings per share	52.80	42.40	~ 48.83	59.67	
Exchange rates					
100 KRW/JPY	10.11	9.72	9.72	9.80	(3%)
CNY/JPY	17.07	16.04	16.04	16.33	(4%)
USD/JPY	108.30	108.98	108.98	110.20	2%



¹ Aggregation of EA SPORTS™ FIFA ONLINE 4 (PC), and EA SPORTS™ FIFA ONLINE 4M (Mobile).

² Official title is *Lyn: The Lightbringer*

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

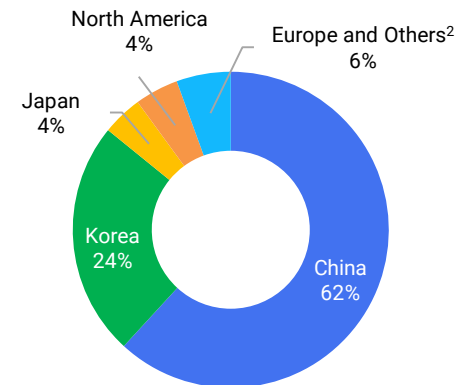
⁴ PC revenues include other revenues besides PC online games and mobile games.

Q1 2019 Revenue Breakdown

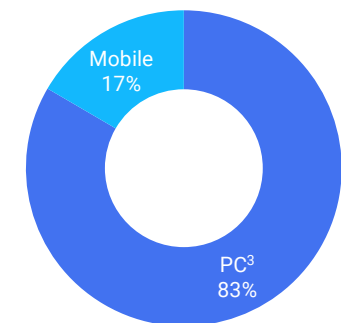
(Unit: ¥ millions)

		Q1 2019		YoY % Change	
(Unit: ¥ millions)	Q1 2018	As-Reported	Constant Currency ⁴	As-Reported	Constant Currency ⁴
Revenue by Region ¹					
China	¥60,704	¥57,550	¥60,823	(5%)	0%
Korea	19,596	22,357	23,115	14%	18%
Japan	2,925	3,833	3,833	31%	31%
North America	4,074	4,166	4,145	2%	2%
Europe and Others ²	3,215	5,171	5,260	61%	64%
Nexon Total	90,514	93,077	97,176	3%	7%
Revenue by Platform					
PC ³	76,074	77,639	81,475	2%	7%
Mobile	14,440	15,438	15,701	7%	9%
Nexon Total	90,514	93,077	97,176	3%	7%
FX Rate					
100 KRW/JPY	10.11	9.80	10.11	(3%)	
CNY/JPY	17.07	16.33	17.07	(4%)	
USD/JPY	108.30	110.20	108.30	2%	

Q1 2019 Revenue by Region¹



Q1 2019 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 revenues include 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.

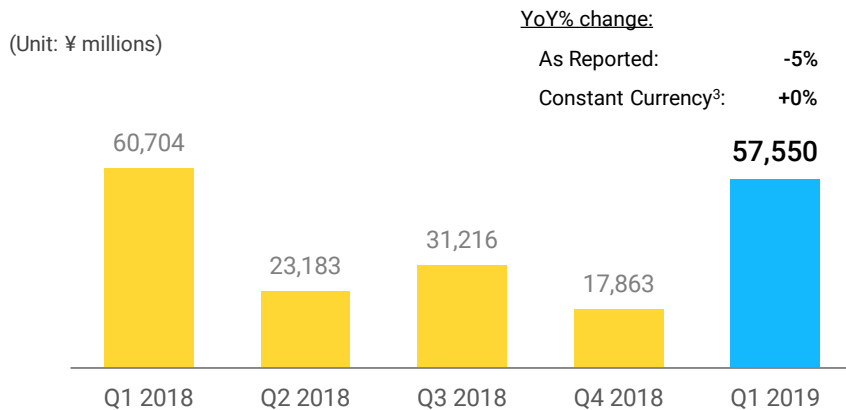
⁵ For the KPIs (MAU, Pay Rate and ARPPU) of PC online games, please refer to appendix of this presentation.

China / Korea – Highlights

China

Dungeon&Fighter outperformed. Stronger-than-expected Lunar New Year package sales and item sales in March

- Introduced Lunar New Year update (1/21 – 4/4); Level Cap release (1/21)
- Local currency basis gross revenue flat year-over-year – equaled the high base set in Q1 2018
- Year-over-year MAUs decreased slightly; paying users decreased compared to the high base in Q1 2018. ARPPU increased, driven by the strong Lunar New Year package sales.
- Quarter-over-quarter revenue, ARPPU, MAUs, and paying users increased due to typical seasonality.



¹ Official titles are EA SPORTS™ FIFA Online 3, EA SPORTS™ FIFA Online 3 M, EA SPORTS™ FIFA ONLINE 4, and EA SPORTS™ FIFA ONLINE 4M.

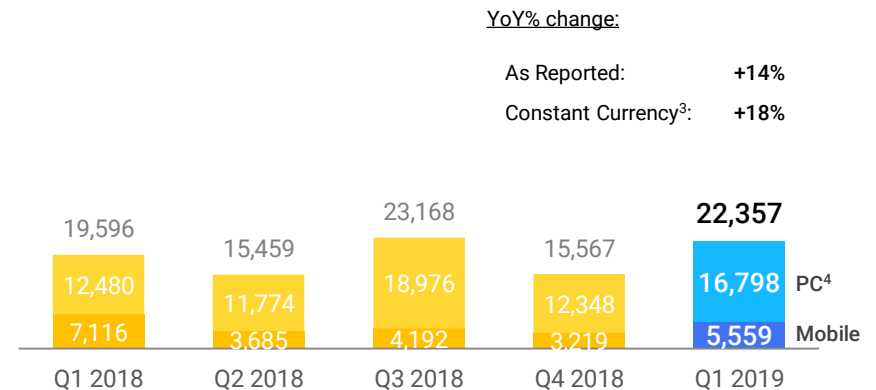
² Official title is *Lyn: The Lightbringer*

³ 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.

Korea

Outperformance driven by strong performances of *MapleStory*, *FIFA ONLINE 4*¹, and *Lyn*²

- MapleStory*: Successful content update and Lunar New Year promotions. Revenue grew 69% year-over-year.
- FIFA ONLINE 4*¹: Strong sales in March driven by the successful introduction of high-level players, package sales, and promotions. Revenue nearing the scale of 2017 Q1 *FIFA Online 3*¹ (5th service year)
- Mobile
 - Outperformance driven by *FIFA ONLINE 4M*¹ and *Lyn*²
 - Revenues down year-over-year. Increase in *FIFA ONLINE 4M*¹ and contribution from new games more-than-offset by deceleration of *OVERHIT* and *AxE*
 - Launched *Spiritwish* (Jan), *Lyn*² (Mar), and *Crazy Arcade BnB M* (Mar)



⁴ PC revenues include other revenues besides PC online games and mobile games.

Japan / North America / Europe and Others¹ – Highlights

Japan

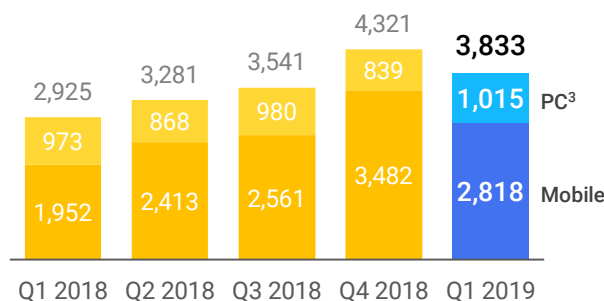
Revenues grew year-over-year, while results underperformed due to lower-than-planned performance of *FAITH*.

- Year-over-year growth driven by contributions from *FAITH*, *Dynasty Warriors: Unleashed*, and *OVERHIT* launched in 2018; new mobile game *DarkAvenger X* (Feb)
- Year-over-year growth partially offset by the deceleration of mobile browser games, *HIT*, and *HIDE AND FIRE*.

(Unit: ¥ millions)

YoY% change:

As Reported: **+31%**
Constant Currency²: **+31%**



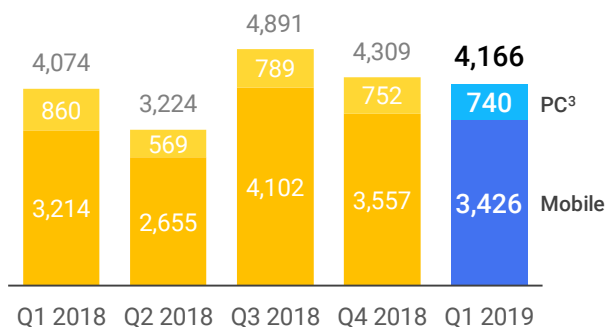
North America

Results as planned. Revenues up year-over-year, primarily driven by mobile business

- Year-over-year growth driven by contributions from *MapleStory M*, *Darkness Rises*, and *MapleStory 2* launched in 2018; new mobile game *AxE* (Feb)
- Year-over-year growth partially offset by deceleration of *Choices*⁴, *DomiNations*, and *MapleStory*

YoY% change:

As Reported: **+2%**
Constant Currency²: **+2%**



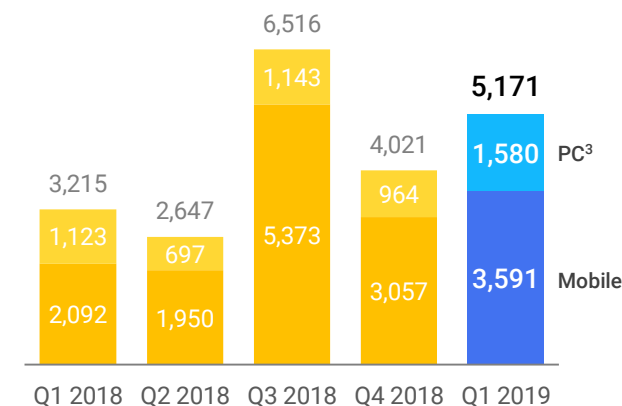
Europe and Others¹

Outperformance driven by *MapleStory* in Taiwan and Hong Kong. Year-over-year growth in both mobile and PC business

- Year-over-year increase driven by contributions from *MapleStory M*, *Darkness Rises*, and *Moonlight Blade* launched in 2018; new mobile games *AxE* (Feb) and *Crazy Arcade BnB M* (Mar)

YoY% change:

As Reported: **+61%**
Constant Currency²: **+64%**



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 revenues include other revenues besides PC online games and mobile games.

⁴ Official title is *Choices: Stories You Play*.

Q2 2019 Outlook

Q2 2019 Financial Outlook

Expect Year-over-year Growth Primarily Driven by Korea and Others Region¹

Revenues

- Constant currency² up 12% to 22%
- PC³: Growth expected to be driven by *FIFA ONLINE 4*⁴ and Korea *MapleStory*
- Mobile: Expect to benefit from *MapleStory M* Japan and global service, *TRAHA*, and *Lyn*⁵

(Unit: ¥ millions, except per share data)

	Q2 2018	Q2 2019 Outlook			YoY %		
Revenues	¥47,794	¥52,059	~	¥56,695	9%	~	19%
PC ³	37,037	37,056	~	40,084	0%	~	8%
Mobile	10,757	15,003	~	16,611	39%	~	54%
Operating income	16,012	12,644	~	16,326	(21%)	~	2%
Net income⁸	32,248	14,637	~	17,777	(55%)	~	(45%)
Earnings per share	36.24	16.34	~	19.84			
FX Rate Assumptions							
100 KRW/JPY	10.12	9.81		9.81	(3%)		
CNY/JPY	17.10	16.63		16.63	(3%)		
USD/JPY	109.07	111.73		111.73	2%		

Operating Income

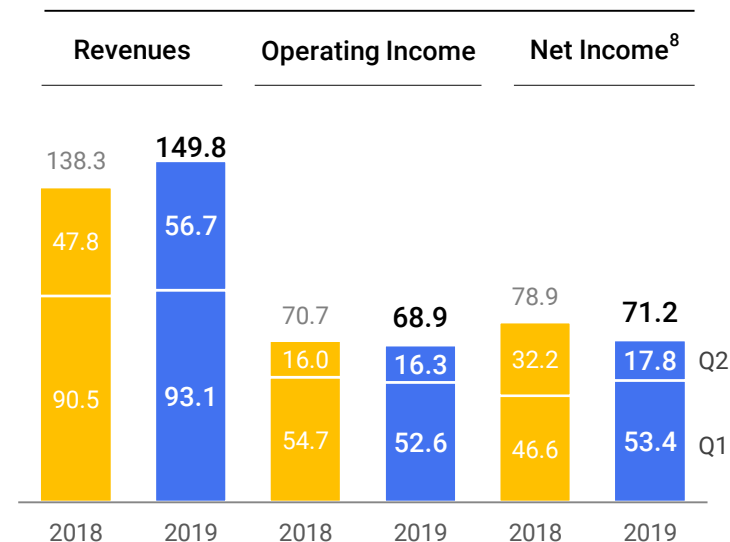
- Expect increased variable costs (PG fee, royalty) and HR costs; ¥1.4 billion impairment loss related to adoption of IFRS 16 Leases⁶
- Expect decreased Other Income. Recorded a ¥2.7 billion gain on step acquisition⁷ in Q2 2018

Net Income⁸

Expect a year-over-year decrease primarily due to a decrease in FX gain of ¥15.5 billion recorded in Q2 2018

(Unit: ¥ billions)

Q1-2 Accumulated (High-end)



¹ "Others Region" includes other Asian countries and South American countries.

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³ PC revenues include other revenues besides PC online games and mobile games.

⁴ Official titles are *EA SPORTS™ FIFA ONLINE 4* (PC) and *EA SPORTS™ FIFA ONLINE 4M* (mobile).

⁵ Official title is *Lyn: The Lightbringer*

⁶ In Q1 2019, we adopted IFRS 16 Leases and have capitalized items such as office rent as right-of-use assets, which was formerly expensed. In Q2, we expect to record an impairment loss of ¥1.4 billion of these assets, which are assessed to have no value.

⁷ In Q2 2018, we recorded ¥2.7 billion gain on the step acquisition under "Other Income" in reference to the acquisition of additional shares and consolidation of NAT Games.

⁸ Net income refers to net income attributable to owners of the parent, as stated in Nexon's consolidated financial results.

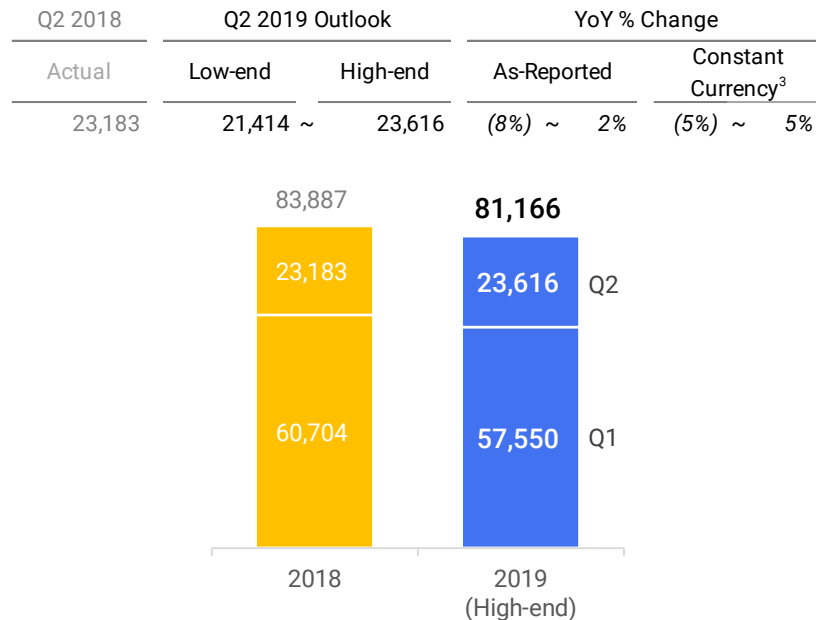
Q2 2019 China / Korea Outlook

China

Expect *Dungeon&Fighter's* local-currency basis revenue to be roughly flat year-over-year despite the high base set in Q2 2018

- Introduced the Labor Day update (4/23) – off to a good start
- Scheduled to introduce the 11th Anniversary Update (Jun)
- Dungeon&Fighter* 2D Mobile: Open registration for the next CBT on Tencent's WeChat, QQ Game, and MyApp platforms (March to present)

(Unit: ¥ millions)



¹ Official titles are EA SPORTS™ FIFA Online 3, EA SPORTS™ FIFA Online 3 M, EA SPORTS™ FIFA ONLINE 4, and EA SPORTS™ FIFA ONLINE 4M.

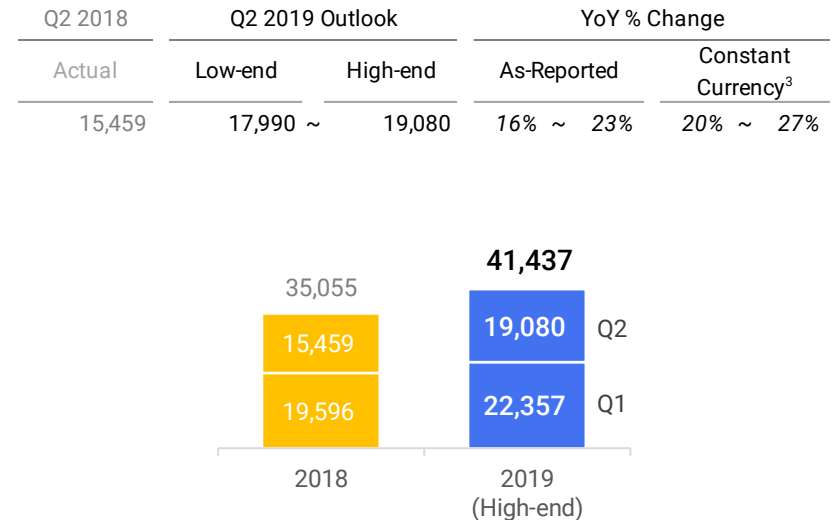
² Official title is Lyn: The Lightbringer.

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Korea

Expect growth in both PC and mobile business. Year-over-year growth driven by *FIFA ONLINE 4*¹, *MapleStory*, and new mobile games

- FIFA ONLINE 4*¹: Expect significant revenue increase compared with Q2 2018 – service transition period from *FIFA Online 3*¹ to *FIFA ONLINE 4*¹
- MapleStory*: Growth expected despite the high base set in Q2 2018 – grew by 61% year-over-year
- Mobile: Expect to benefit from *FIFA ONLINE 4M*¹, *Lyn*², and *TRAHA* launched in April
- Scheduled to launch *Magia*, *SINoALICE*, and *The kingdom of the winds: Yeon*



Q2 2019 Japan / North America / Europe and Others¹ Outlook

Japan

Expect year-over-year growth, benefiting from *FAITH*, *Dynasty Warriors: Unleashed*, *DarkAvenger X*, and *MapleStory M* launched in April

North America

Expect year-over-year growth, benefiting from *MapleStory M* and *AxE*

- Scheduled to launch *OVERHIT*, *Magia*, *SINoALICE*, and *Durango: Wild Lands*

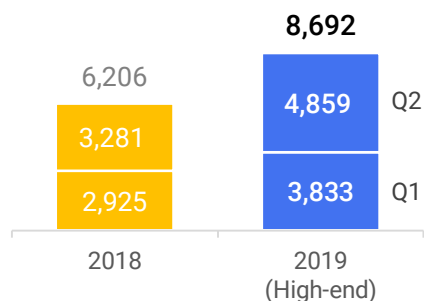
Europe and Others¹

Expect year-over-year growth, benefiting from *MapleStory M*, *AxE*, and *Moonlight Blade*; *OVERHIT* launching in Q2

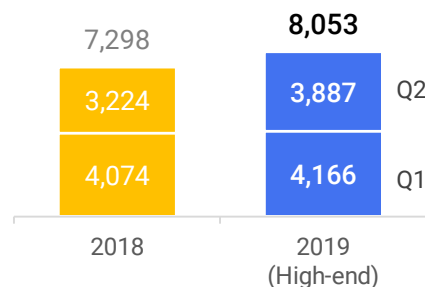
- Scheduled to launch *OVERHIT*, *Magia*, *SINoALICE*, and *Durango: Wild Lands*

(Unit: ¥ millions)

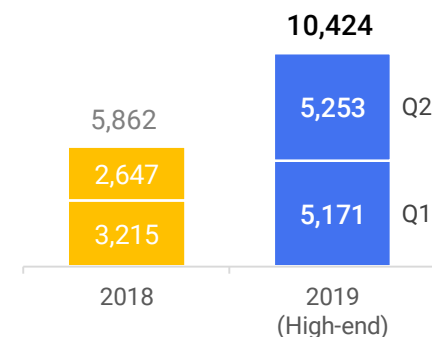
Q2 2018	Q2 2019 Outlook		YoY % Change	
Actual	Low-end	High-end	As-Reported	Constant Currency ²
3,281	4,323 ~	4,859	32% ~ 48%	34% ~ 51%



Q2 2018	Q2 2019 Outlook		YoY % Change	
Actual	Low-end	High-end	As-Reported	Constant Currency ²
3,224	3,453 ~	3,887	7% ~ 21%	6% ~ 20%



Q2 2018	Q2 2019 Outlook		YoY % Change	
Actual	Low-end	High-end	As-Reported	Constant Currency ²
2,647	4,878 ~	5,253	84% ~ 98%	87% ~ 102%



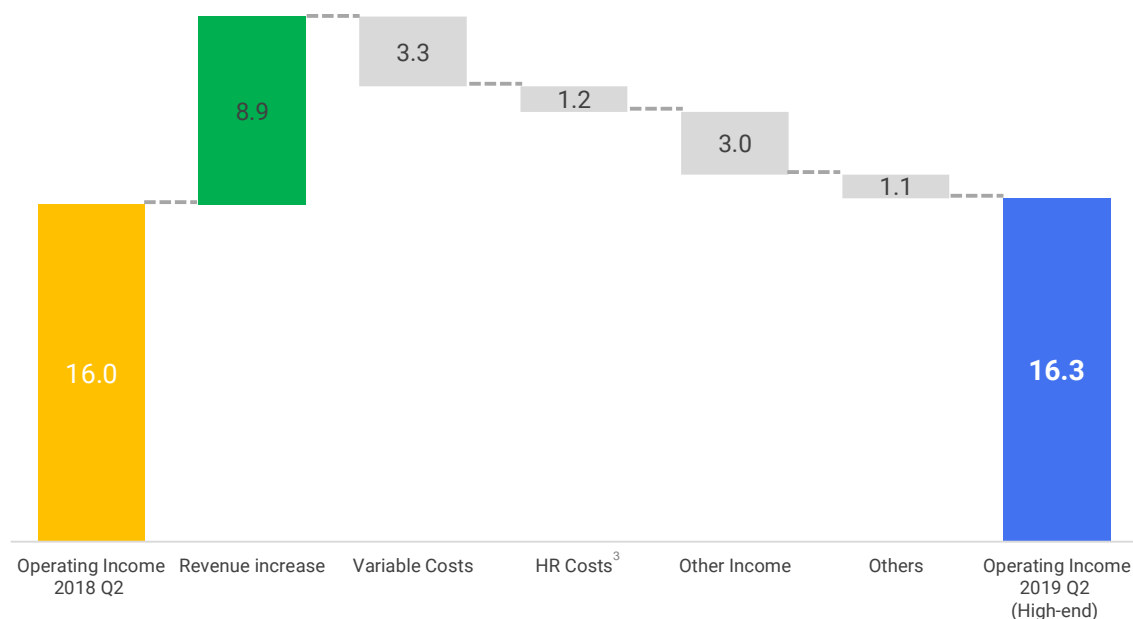
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Q2 2019 Operating Income Outlook

(Unit: ¥ billions)

YoY Operating Income Comparison



+ Increased revenues

- Increased variable costs including:

- PG fees associated with revenue growth primarily in mobile business
- Royalty costs in relation to increased contributions from publishing titles such as *FIFA ONLINE 4*¹, *TRAHA*, and *Lyn*²

- Increased HR costs³, due to an increased headcount and annual salary hike, primarily in Korea

- Decreased "Other Income" primarily due to ¥2.7 billion gain on the step acquisition recorded in Q2 2018 in reference to the acquisition of additional shares and consolidation of NAT Games

- Others include:

- Increased "Other Expense" due to ¥1.4 billion impairment loss primarily on right-of-use assets expected to be recorded in relation to the adoption of IFRS 16 Leases⁴
- Increased marketing costs, depreciation and amortization



¹ Official titles are *EA SPORTS™ FIFA ONLINE 4* (PC) and *EA SPORTS™ FIFA ONLINE 4M* (mobile).

² Official title is *Lyn: The Lightbringer*

³ HR costs includes HR cost (COGS), HR cost (SG&A) and R&D (SG&A).

⁴ In Q1 2019, we adopted IFRS 16 Leases and have capitalized items such as office rent as right-of-use assets, which was formerly expensed. In Q2, we expect to record an impairment loss of ¥1.4 billion of these assets, which are assessed to have no value.

2019 China *Dungeon&Fighter* Update Schedule

Period	Tier 1 Content Update	2018	2019
Q1	 Lunar New Year Update	February 1 st	January 21 st
	2019: Level Cap Release	N/A	January 21 st
Q2	Labor Day Update	April 26 th	April 23 rd
	Anniversary Update	June 19 th	June
Q3	Summer Update	July 5 th	TBD
	 National Day Update	September 17 th	TBD
Q4	Winter Update	N/A	TBD

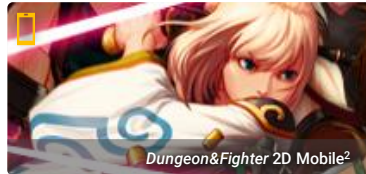


Indicates financially important updates

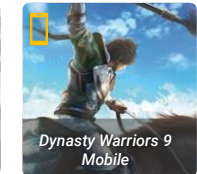
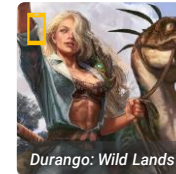
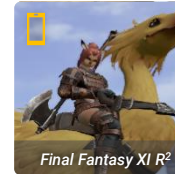
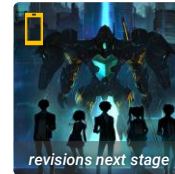
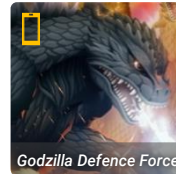
* 2019 update schedule is subject to change depending on various operational factors

Pipeline¹

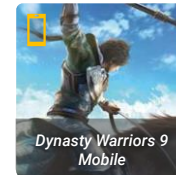
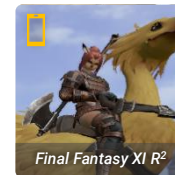
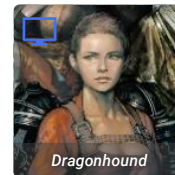
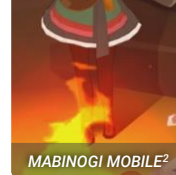
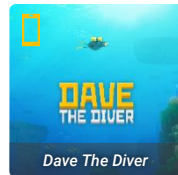
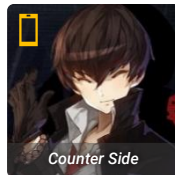
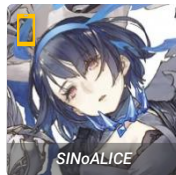
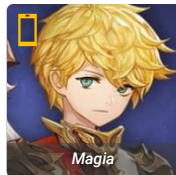
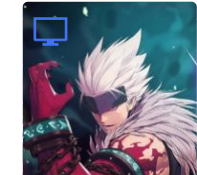
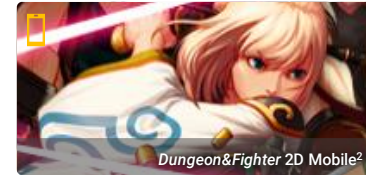
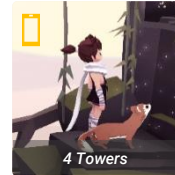
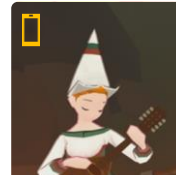
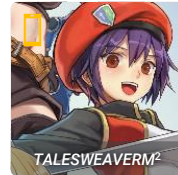
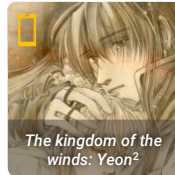
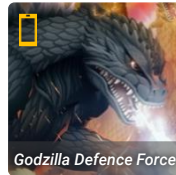
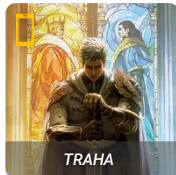
CHINA



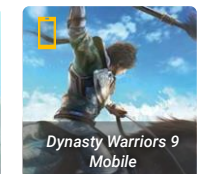
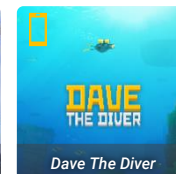
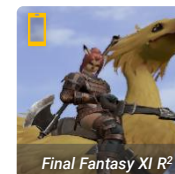
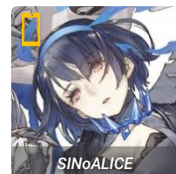
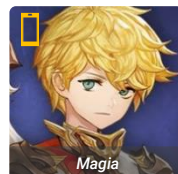
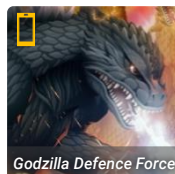
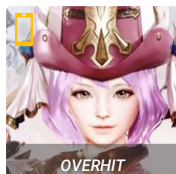
JAPAN



KOREA



NORTH AMERICA & REST OF THE WORLD



PC ONLINE MOBILE

¹ Chart is illustrative excerpt of pipeline. ² Mobile games based on original IPs. ³ PC 3D action RPG based on Dungeon&Fighter universe. ⁴ 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

(Unit: ¥ millions, except per share data)

	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019	YoY%
(By Region)						
China	¥60,704	¥23,183	¥31,216	¥17,863	¥57,550	(5%)
Korea	19,596	15,459	23,168	15,567	22,357	14%
Japan	2,925	3,281	3,541	4,321	3,833	31%
North America	4,074	3,224	4,891	4,309	4,166	2%
Europe and Others ¹	3,215	2,647	6,516	4,021	5,171	61%
(By Platform)						
PC ²	76,074	37,037	53,036	32,724	77,639	2%
Mobile	14,440	10,757	16,296	13,357	15,438	7%
Revenue	90,514	47,794	69,332	46,081	93,077	3%
Operating income	54,729	16,012	23,712	3,907	52,601	(4%)
Net income ³	46,615	32,248	22,305	6,504	53,400	15%
Earnings per share	52.80	36.24	24.98	7.27	59.67	
FX rate						
100 KRW/JPY	10.11	10.12	9.96	10.03	9.80	(3%)
CNY/JPY	17.07	17.10	16.39	16.30	16.33	(4%)
USD/JPY	108.30	109.07	111.46	112.90	110.20	2%
KPI (Excluding Mobile)						
MAU (millions)	35.3	33.3	37.5	32.7	35.0	(1%)
Pay Rate	19.3%	20.5%	16.3%	16.5%	16.5%	
ARPPU (as-reported)	8,028	3,313	5,260	3,392	9,265	15%

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

² PC revenues include other revenues besides PC online games and mobile games.

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

COGS and SG&A

(Unit: ¥ millions)

	FY2018				FY2019
	Q1	Q2	Q3	Q4	Q1
Total Cost of Revenue ¹	¥14,337	¥13,135	¥14,980	¥15,101	¥15,899
Royalty ²	3,979	2,980	3,868	3,626	4,510
HR cost (COGS) ³	6,277	6,394	6,833	7,076	7,163
Other (COGS) ⁴	4,081	3,761	4,279	4,399	4,226
Total SG&A ¹	21,474	20,562	23,725	24,039	22,055
HR cost	5,434	5,265	5,305	5,500	4,770
PG fee ⁵	5,553	4,433	6,492	5,458	6,108
R&D	2,124	2,412	2,674	3,252	3,266
Marketing/advertising expenses	5,631	5,610	6,279	6,846	5,194
Depreciation and amortization	656	605	1,297	831	866
Other	2,076	2,237	1,678	2,152	1,851
Other Income ⁶	359	3,006	382	116	429
Other Expense ⁷	333	1,091	7,297	3,150	2,950
Includes: impairment loss	319	805	7,266	2,985	2,890

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, gain on change in equity and gain on step acquisition.

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

(Unit: ¥ millions)

	FY2018				FY2019
	Q1	Q2	Q3	Q4	Q1
Operating Income	¥54,729	¥16,012	¥23,712	¥3,907	¥52,601
Finance Income ¹	1,869	18,026	2,849	3,406	9,810
Finance Costs ²	3,225	222	1,856	926	265
Equity loss of affiliates, equity method companies	(23)	(187)	(97)	(530)	(334)
Income before Income Tax	53,350	33,629	24,608	5,857	61,812
Tax expense	6,845	1,613	4,982	1,027	9,005
Non-controlling interests	(110)	(232)	(2,679)	(1,674)	(593)
Net income ³	46,615	32,248	22,305	6,504	53,400

¹ Finance Income includes interest income primarily on cash deposits. 2018 Q2, Q4 and 2019 Q1 Finance Income includes FX conversion gains related to foreign currency deposits and accounts receivable.

² 2018 Q1 and 2018 Q3 Finance Costs are primarily caused by FX conversion loss related to foreign currency deposits and accounts receivable.

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

Cash Flow Statement

(Unit: ¥ millions)

	3 months ended March 31, 2018	3 months ended March 31, 2019
Cash flows from operating activities	¥15,614	¥15,241
Cash flows from investing activities	(23,017)	(994)
Cash flows from financing activities	2,723	731
Net increase / (decrease) in cash and cash equivalents	(4,680)	14,978
Cash and cash equivalents at beginning of fiscal year	153,242	205,292
Effect of exchange rate change on cash and cash equivalents	(7,425)	(99)
Cash and cash equivalents at end of fiscal year	141,137	220,171

Balance Sheet

(Unit: ¥ millions)

	December 31, 2018	March 31, 2019
Asset		
Current Assets		
Cash and cash equivalents	¥205,292	¥220,171
Other deposits	276,550	277,100
Other current assets	52,818	91,622
Total current assets	534,660	588,893
Noncurrent assets		
Tangible assets	25,166	24,605
Goodwill	26,529	26,257
Intangible assets	26,021	25,567
Others	37,622	39,494
Total noncurrent assets	115,338	115,923
Total assets	649,998	704,816

	December 31, 2018	March 31, 2019
Liability		
Current liabilities		
Current tax liabilities	9,352	14,026
Current borrowings	4,324	4,263
Others	28,833	30,793
Total current liabilities	42,509	49,082
Noncurrent liabilities		
Non-current borrowings	-	-
Others	42,012	45,515
Total noncurrent liabilities	42,012	45,515
Total liabilities	84,521	94,597
Shareholders' equity		
Capital stock	14,402	15,132
Capital surplus	34,814	35,116
Treasury shares	(1)	(1)
Other equity interest	64,068	57,706
Retained earnings	441,985	492,819
Non-controlling interests	10,209	9,447
Total equity	565,477	610,219
Total liabilities and total equity	649,998	704,816

P&L by Reporting Segment¹

(Unit: ¥ millions)

	FY2018				FY2019
	Q1	Q2	Q3	Q4	Q1
Japan					
Revenue from external customers	¥2,469	¥2,112	¥2,593	¥2,980	¥2,734
Segment profit/(loss)	(1,756)	(2,018)	(1,806)	(1,649)	(958)
Korea					
Revenue from external customers	81,826	40,857	60,883	36,851	85,081
Segment profit/(loss)	57,739	17,962	33,661	11,275	56,865
China					
Revenue from external customers	646	597	878	1,206	870
Segment profit/(loss)	353	242	523	848	596
North America					
Revenue from external customers	5,440	4,187	4,943	4,723	5,051
Segment profit/(loss)	(1,460)	(1,951)	(1,704)	(3,375)	(1,385)
Others					
Revenue from external customers	133	41	35	321	511
Segment profit/(loss)	(177)	(135)	(55)	(158)	2
Adjustments					
Revenue from external customers	-	-	-	-	(1,170)
Segment profit/(loss)	4	(3)	8	0	2
Total					
Revenue from external customers	90,514	47,794	69,332	46,081	93,077
Segment profit/(loss)	54,703	14,097	30,627	6,941	55,122

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

Number of Employees by Reporting Segment

Full-time employees	March 31, 2018	June 30, 2018	September 30, 2018	December 31, 2018	March 31, 2019
Japan	545	551	557	535	535
Korea	4,439	4,878	4,988	5,125	5,168
China	227	218	219	223	223
North America	424	428	465	479	487
Others	81	74	78	79	86
Total	5,716	6,149	6,307	6,441	6,499

NJ Corporate Entity Financial Statement¹ (1)

(Unit: ¥ millions)

Condensed Income Statement	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018
Revenue	¥11,236	¥7,987	¥5,815	¥5,208	¥5,927	¥7,024
Cost of revenue	4,829	3,679	3,117	3,134	3,438	3,510
Gross profit	6,407	4,308	2,698	2,074	2,489	3,514
SG&A	7,275	7,585	6,470	6,736	6,941	9,447
Operating profit / (loss)	(868)	(3,277)	(3,772)	(4,662)	(4,452)	(5,933)
Non-operating income	14,186	28,335	19,163	636	5,049	15,646
Includes: dividend income	12,926	24,613	18,869	22	4,612	15,025
Non-operating expenses	603	526	1,246	1,826	1,969	9,352
Ordinary income / (loss)	12,715	24,532	14,145	(5,852)	(1,372)	361
Extraordinary income	-	244	6,443	852	58	109
Extraordinary losses	4,451	18,717	6,897	39,573	9,643	138
Income / (loss) before income taxes	8,264	6,059	13,691	(44,573)	(10,957)	332
Tax expense	725	4,656	5,519	(201)	234	755
Net income / (loss)	7,539	1,403	8,172	(44,372)	(11,191)	(423)

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

NJ Corporate Entity Financial Statement¹ (2)

(Unit: ¥ millions)

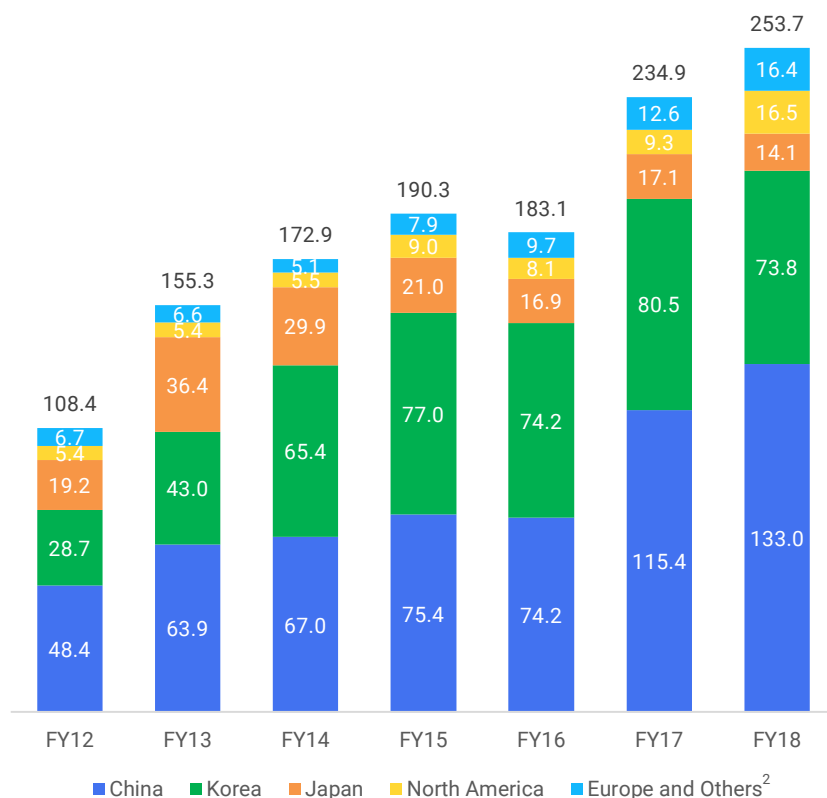
Condensed Balance Sheet	December 31, 2013	December 31, 2014	December 31, 2015	December 31, 2016	December 31, 2017	December 31, 2018
Current assets	¥45,632	¥46,760	¥70,444	¥52,632	¥42,946	¥55,209
Includes: cash and cash equivalents	32,367	30,711	68,997	49,531	41,868	53,096
Non-current assets	135,011	101,337	38,190	6,438	5,494	4,836
Property, plant and equipment	183	222	200	74	7	3
Intangible assets	56	60	66	-	-	-
Investments and other assets	134,772	101,055	37,924	6,364	5,487	4,833
Total assets	180,643	148,097	108,634	59,070	48,440	60,045
Current liabilities	13,103	16,345	3,506	2,341	1,796	2,303
Non-current liabilities	39,644	23,154	498	448	457	415
Total liabilities	52,747	39,499	4,004	2,789	2,253	2,718
Shareholder's equity	110,163	98,122	99,779	50,669	41,230	50,838
Capital stock	51,868	52,332	56,227	3,307	9,183	14,199
Capital surplus	51,728	42,192	36,087	88,621	43,021	36,846
Includes: other capital surplus	50,000	40,000	30,000	86,064	34,588	23,397
Retained earnings	6,567	3,598	7,465	(41,259)	(10,974)	(206)
Includes: other retained earnings	6,130	2,724	6,160	(41,476)	(11,191)	(423)
Treasury shares	(0)	-	-	(0)	-	(0)
Valuation and translation adjustments	15,844	6,536	246	77	(10)	(21)
Subscription rights to shares	1,889	3,940	4,605	5,535	4,967	6,510
Total net assets	127,896	108,598	104,630	56,281	46,187	57,327
Statement of changes in equity (excerpt)	December 31, 2013	December 31, 2014	December 31, 2015	December 31, 2016	December 31, 2017	December 31, 2018
Payment of dividends	(4,807)	(4,372)	(4,305)	(4,352)	-	-
Acquisition of treasury shares	(0)	(10,000)	(10,000)	(5,000)	(10,000)	(1)
Cancellation of treasury shares	-	10,000	10,000	5,000	10,000	-

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

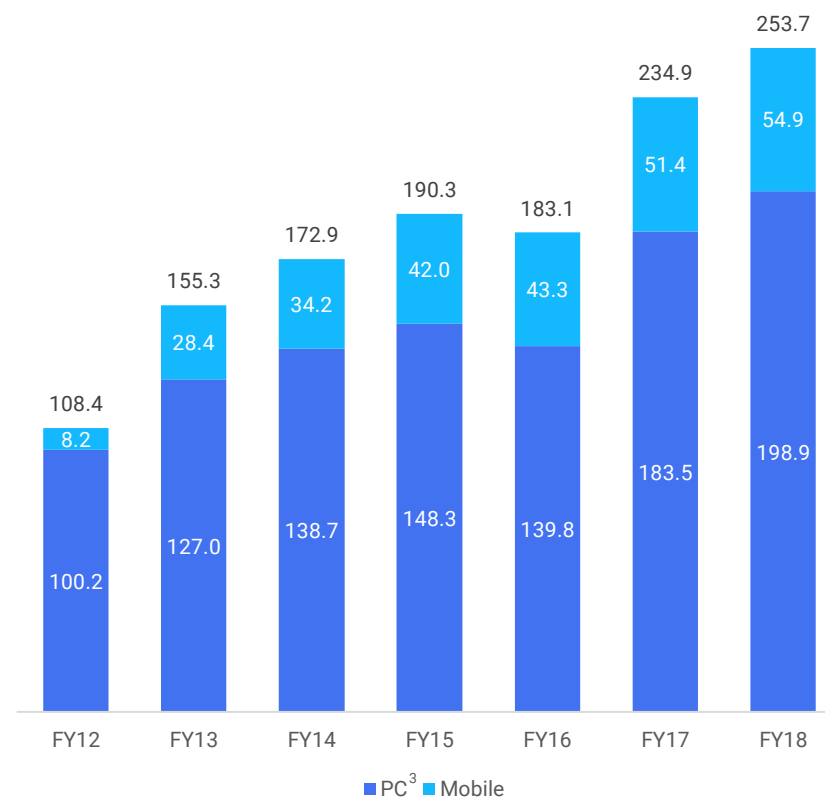
Historical Financials

(Unit: ¥ billions)

Revenue by Region¹



Revenue by Platform

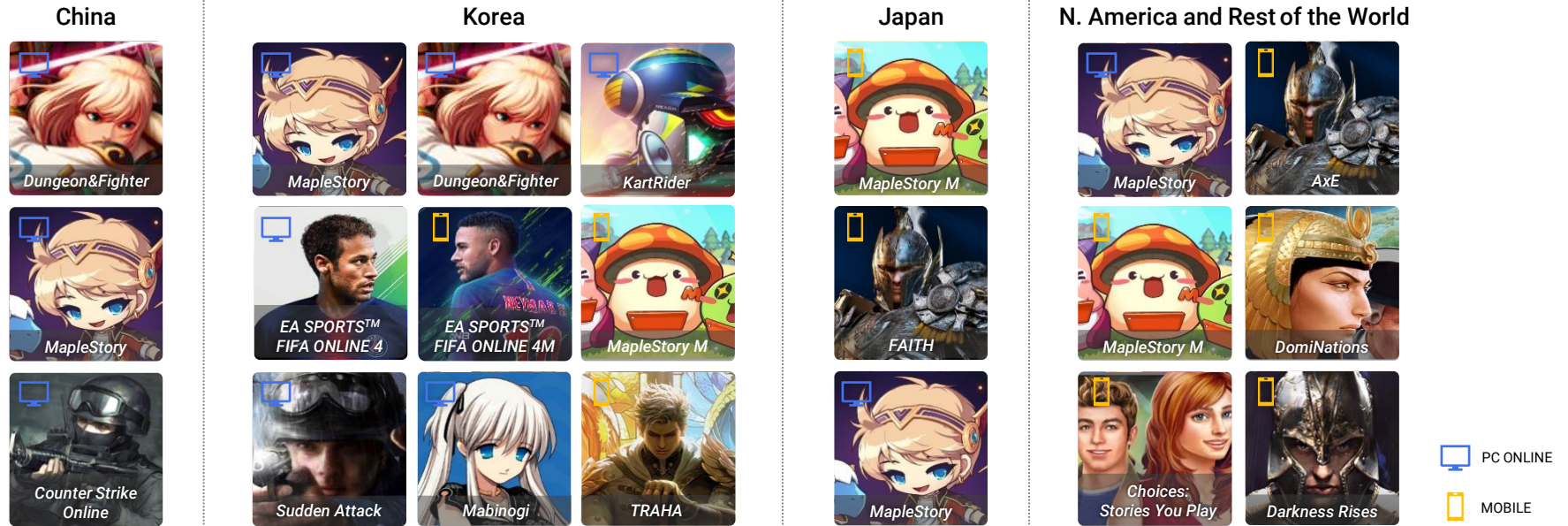


¹ Based on the regions in which revenues originate; not a representation of revenues according to Nexon entities.

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

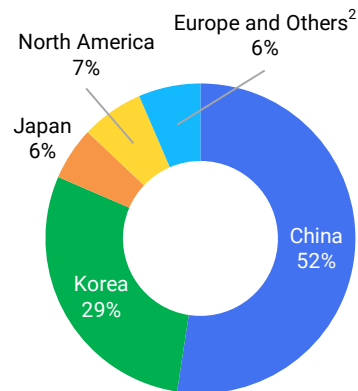
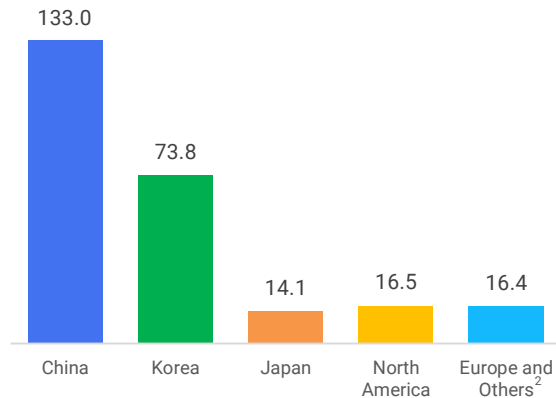
³ PC revenues include other revenues besides PC online games and mobile games.

Key Titles by Region¹

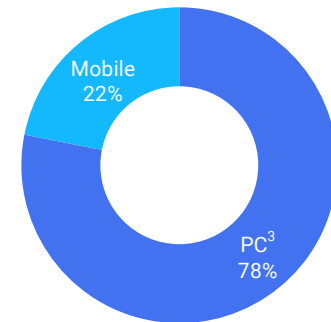


FY2018 Revenue by Region¹

(Unit: ¥ billions)



FY2018 Revenue by Platform

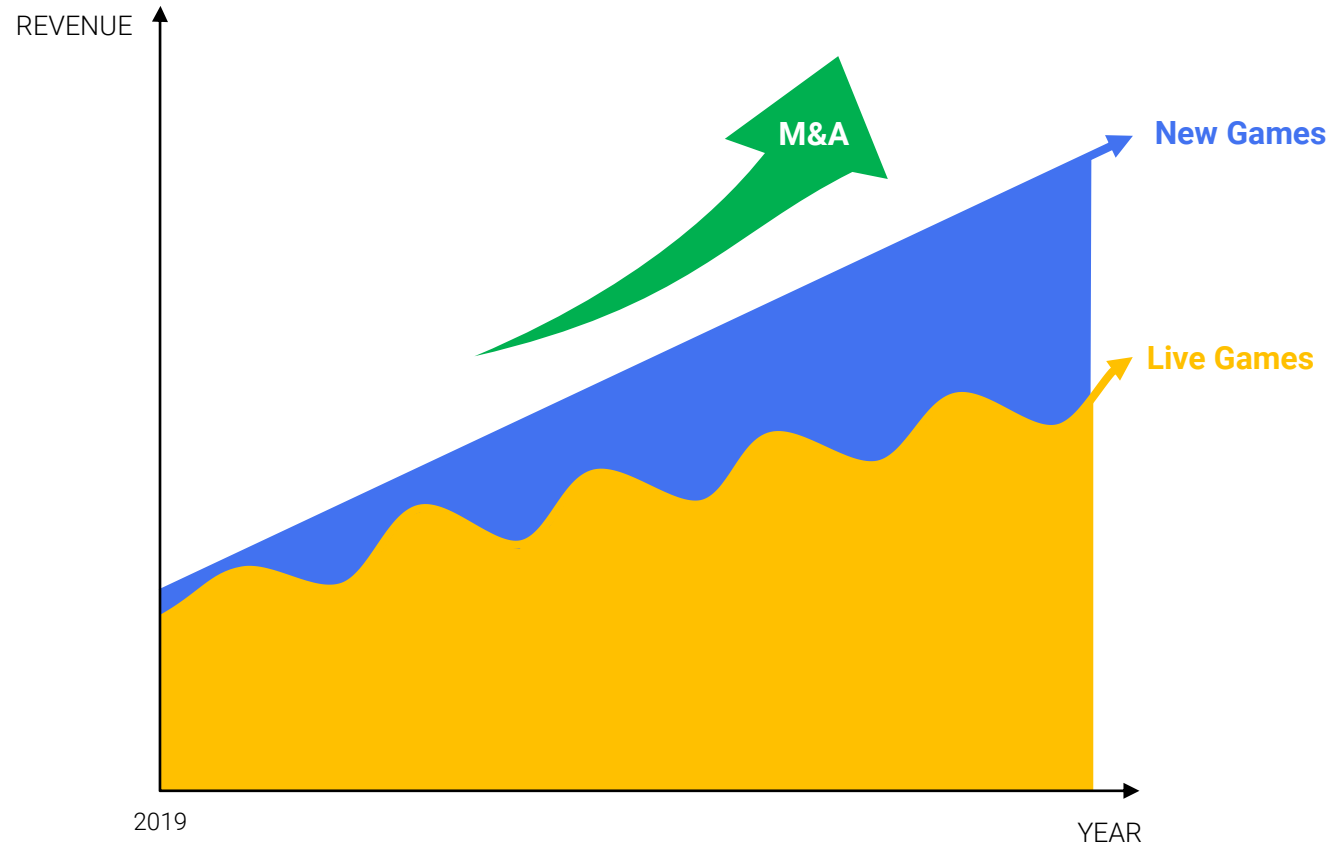


¹ Based on the regions in which revenues originate; not a representation of revenues according to Nexon entities.

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

³ PC revenues include other revenues besides PC online games and mobile games.

Long-term Growth Vision¹



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 on 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)	Monthly total number of users who logged in and played Nexon’s PC online games. MAU in this presentation is the quarterly average of such numbers. Nexon’s PC online games include game developed and serviced by Nexon group, games developed by Nexon group and serviced by non-Nexon group publishers, and game developed by non Nexon group acquired publishing rights.
ARPPU (average revenue per paying user)	The amount obtained by dividing monthly PC online game gross revenues by the number of monthly paying users. ARPPU in this presentation is the quarterly average of such numbers. Gross revenues used in the calculation are in-game sales, and exclude other revenues included in PC revenues such as sales from PC café time charge.
Pay Rate	The percentage rate obtained by dividing the number of monthly paying users by the number of monthly active users. Pay rate in this presentation is calculated using the quarterly average of such numbers.
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 version (beta version) of a game offered for a certain period of time to a limited number of users or groups. A Limited Beta Test in an even smaller-scale trial mode of a game with fewer numbers of users or group
Open Beta Test (OBT)	A trial version (beta version) of a game a certain period of time without restrictions on participation. OBT is usually conducted after CBT.
Tier One Update	Large scale update to existing PC games typically launched in Q1 or Q3 around peak season
Tier Two Update	Smaller update to existing PC games released throughout the year
Immersive Games	Games that are designed to be played continuously for hours and enable thousands of concurrent users to interact with each other in real time. Our games are architected to evolve over years., in contrast to packaged goods games, which often have finite story lines and comparatively less open-ended player engagement.

Disclaimer

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

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:

Disclaimer

- 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.

Q2 2019 Earnings Release Schedule

Q2 2019 financial results are scheduled for release on

Thursday, August 8th, 2019.

Nexon management is scheduled to host an earnings conference call 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.

