

地下城与勇士  
起源



# INVESTOR PRESENTATION Q1 2024

Junghun Lee President and CEO | Shiro Uemura CFO

May 14th, 2024 NEXON Co., Ltd.

# CEO's Priorities

Focusing on Short-Term Improvements to Existing Business While Developing Long-term Strategy for Dynamic Growth

1	<b>Re-energize China <i>Dungeon&amp;Fighter</i> and Korea <i>MapleStory</i></b>	<ul style="list-style-type: none"><li>- Quickly diagnosed and addressed challenges identified since late Q4</li><li>- Delivered early progress in Korea <i>MapleStory</i></li><li>- Created a roadmap for further improvements for <i>Dungeon&amp;Fighter</i> in China</li></ul>
2	<b>Launch <i>Dungeon&amp;Fighter Mobile</i> in China on May 21</b>	<ul style="list-style-type: none"><li>- Successful recent beta test and the strong marketing campaign by Tencent give us growing confidence</li><li>- Energize our large base of existing fans and attract new players</li></ul>
3	<b>Establish Franchise Management Strategy</b>	<ul style="list-style-type: none"><li>- Starting with <i>MapleStory</i> IP, we reorganized teams and operations as one group for greater alignment and efficiencies</li><li>- Expect to see the benefits of the reorganization in the months ahead</li><li>- Key learnings from the <i>MapleStory</i> initiative can be spread to other franchises</li></ul>
4	<b>Develop New Games and IP</b>	<ul style="list-style-type: none"><li>- Place high priority on the development of new games and IP with the potential to become enduring pillars</li><li>- Have several promising new games in development including <i>The First Descendant</i>, <i>The First Berserker: Khazan</i>, <i>MABINOGI MOBILE</i> and <i>ARC Raiders</i></li></ul>
5	<b>Improve Profit Margins</b>	<ul style="list-style-type: none"><li>- Establish long-term priority on improving profit margins through top-line growth, careful cost management, and operating efficiency</li><li>- Sharpen our focus on franchise management and improve the speed of decision making</li></ul>



# MapleStory Franchise

- Re-organized teams of *MapleStory* across regions, platforms, and formats as one group for greater alignment, resource sharing and creative synergy
- The *MapleStory* franchise is already showing solid results in Q1
  - *MapleStory* PC outside Korea generated 33% Y/Y growth; delivered record-breaking quarterly revenue in all regions
  - *MapleStory M* worldwide delivered 65% Y/Y growth
  - *MapleStory Worlds*, a content creation and play platform, rapidly grew in popularity and revenue

# **Q1 2024 Results**

# Q1 2024 Highlights

Stronger-Than-Expected Results Driven by *FC ONLINE*<sup>1</sup>, *FC MOBILE*<sup>2</sup>, and *Blue Archive*

## Revenues

- Exceeded outlook driven by *FC ONLINE*<sup>1</sup>, *FC MOBILE*<sup>2</sup>, and *Blue Archive*, partially offset by lower-than-expected performance of *THE FINALS*
- Y/Y decrease due primarily to tough comparisons with strong Q1 2023 performances achieved by *Dungeon&Fighter* and *FC ONLINE*<sup>1</sup>

## Operating Income

- Exceeded outlook driven by revenue outperformance combined with careful management of HR costs<sup>3</sup> and marketing expenses, as well as lower-than-expected cloud service costs
- Y/Y decrease primarily due to lower consumer spending, rising costs, and an anticipated one-time loss

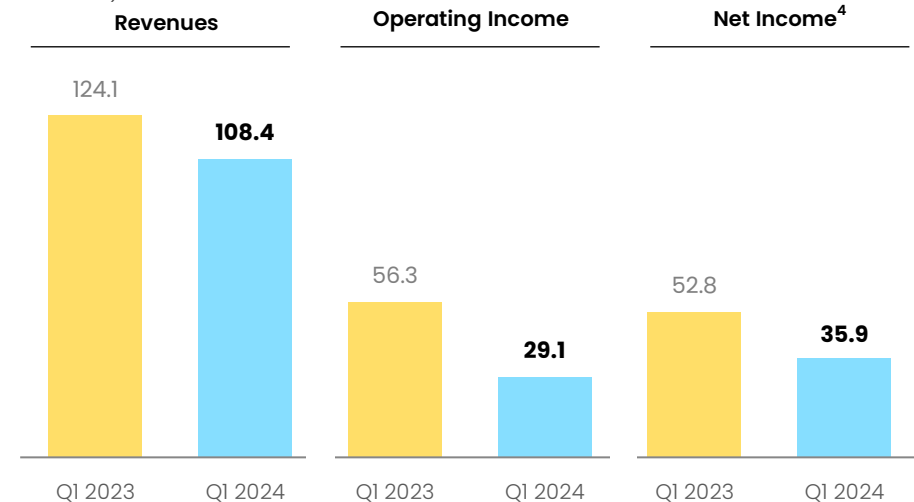
## Net Income<sup>4</sup>

- Exceeded outlook driven by operating income outperformance and ¥10.7 billion FX gain on U.S. dollar-denominated cash deposits
- Y/Y decrease primarily due to a decrease in operating income

(Unit: ¥ millions, except per share data)

	Q1 2023	Q1 2024 Outlook		Q1 2024	YoY %
<b>Revenues</b>	<b>¥124,087</b>	<b>¥97,122 ~</b>	<b>¥107,112</b>	<b>¥108,418</b>	<b>(13%)</b>
PC <sup>5</sup>	93,070	71,956 ~	79,146	79,297	(15%)
Mobile	31,017	25,166 ~	27,966	29,121	(6%)
<b>Operating income</b>	<b>56,275</b>	<b>15,158 ~</b>	<b>23,360</b>	<b>29,146</b>	<b>(48%)</b>
<b>Net income<sup>4</sup></b>	<b>52,791</b>	<b>16,354 ~</b>	<b>22,919</b>	<b>35,918</b>	<b>(32%)</b>
Earnings per share	61.63	19.47 ~	27.29	42.77	
Exchange rates					
100 KRW/JPY	10.41	11.06	11.06	11.19	7%
CNY/JPY	19.34	20.49	20.49	20.79	7%
USD/JPY	132.34	147.06	147.06	148.61	12%

(Unit: ¥ billions)



<sup>1</sup> Official title is EA SPORTS FC™ ONLINE (PC) and EA SPORTS FC™ ONLINE M (mobile).

<sup>2</sup> Official title is EA SPORTS FC™ MOBILE.

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

<sup>4</sup> Net income refers to net income attributable to owners of the parent.

<sup>5</sup> PC revenues include other revenues besides PC online games and mobile games.

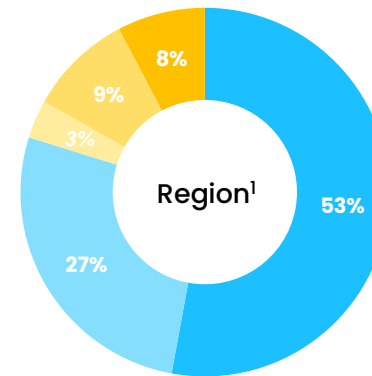
# Q1 2024 Revenue Breakdown

## Q1 2024 Financial Results

(Unit: ¥ millions)

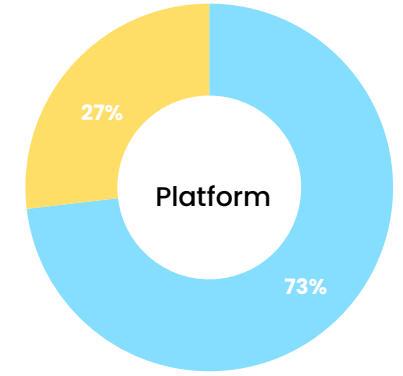
	Q1 2023	Q1 2024		YoY % Change	
		As-Reported	Constant Currency <sup>4</sup>	As-Reported	Constant Currency <sup>4</sup>
<b>Revenue by Region<sup>1</sup></b>					
Korea	¥64,942	¥57,340	¥53,277	(12%)	(18%)
China	43,080	29,182	27,328	(32%)	(37%)
Japan	3,609	3,630	3,483	1%	(3%)
North America and Europe	5,156	9,919	8,991	92%	74%
Rest of World <sup>2</sup>	7,300	8,347	7,731	14%	6%
<b>Nexon Total</b>	<b>124,087</b>	<b>108,418</b>	<b>100,810</b>	<b>(13%)</b>	<b>(19%)</b>
<b>Revenue by Platform</b>					
PC <sup>3</sup>	93,070	79,297	73,768	(15%)	(21%)
Mobile	31,017	29,121	27,042	(6%)	(13%)
<b>Nexon Total</b>	<b>124,087</b>	<b>108,418</b>	<b>100,810</b>	<b>(13%)</b>	<b>(19%)</b>
<b>FX Rate</b>					
100 KRW/JPY	10.41	11.19	10.41	7%	
CNY/JPY	19.34	20.79	19.34	7%	
USD/JPY	132.34	148.61	132.34	12%	

## Q1 2024 Revenue Breakdown



### Region<sup>1</sup>

- Korea 53%
- China 27%
- Japan 3%
- North America & Europe 9%
- Rest of World<sup>2</sup> 8%



### Platform

- PC<sup>3</sup> 73%
- Mobile 27%

1 Based on regions where the revenue originates; not a representation of revenues according to Nexon entities.

2 "Rest of World" includes other Asian countries as well as Central 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.

# Q1 2024 Korea – Highlights

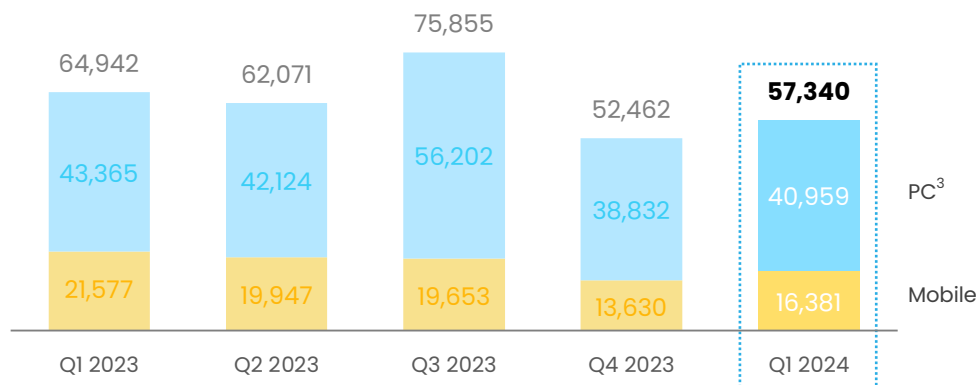
Exceeded Outlook Driven by *FC ONLINE*<sup>1</sup> and *FC MOBILE*<sup>2</sup>

- PC<sup>3</sup> revenues down 6% Y/Y
  - Strong contributions from *Wars of Prasia* and *MapleStory Worlds*<sup>4</sup> were offset by decreased revenues from *FC ONLINE*<sup>1</sup> and *MapleStory*
  - *FC ONLINE*: Exceeded outlook driven by successful updates and sales promotions. Down Y/Y due to a tough comparison with Q1 2023 when we achieved record quarterly revenue
  - *MapleStory*: Slightly fell below outlook and down Y/Y. However, our strategy of prioritizing the improvement of player engagement and satisfaction delivered early good progress
- Mobile revenues decreased 24% Y/Y; increased 20% Q/Q
  - Y/Y, a contribution from *Wars of Prasia* was more than offset by revenue decreases from *HIT2*, *The Kingdom of the Winds: Yeon* as well as *FC ONLINE M*<sup>5</sup> and *FC MOBILE*<sup>2</sup>
  - Q/Q, revenue increase primarily driven by *FC ONLINE M*<sup>5</sup>, *FC MOBILE*<sup>2</sup>, and *Blue Archive*

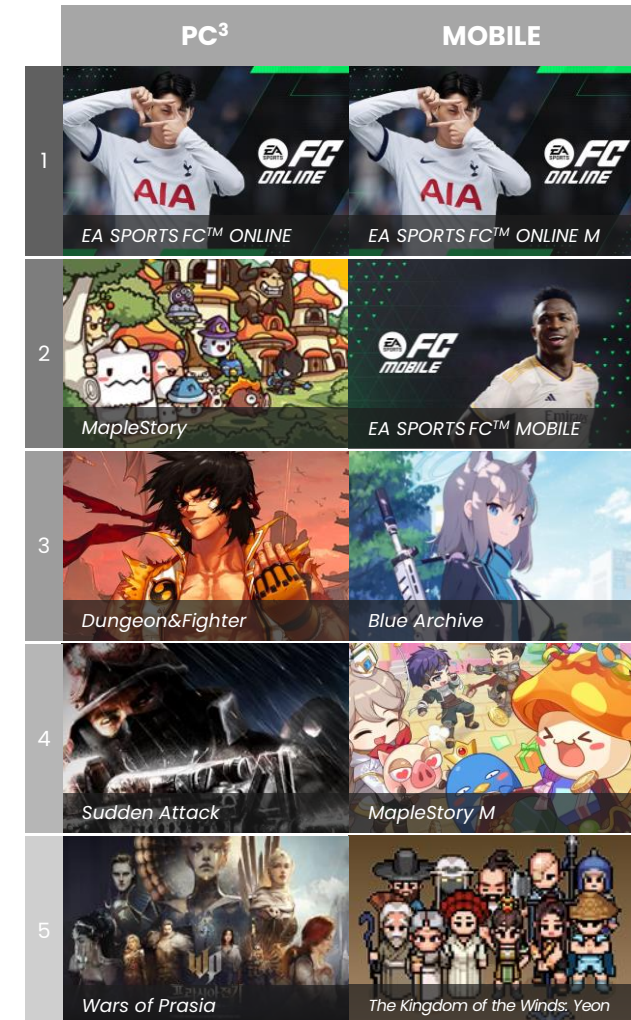
(Unit: ¥ millions)

YoY% change:

As Reported: **-12%**  
 Constant Currency<sup>6</sup>: **-18%**



## Revenue Ranking by Region<sup>7</sup>



1 Official title is EA SPORTS FC™ ONLINE (PC).

2 Official title is EA SPORTS FC™ MOBILE.

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

4 A content creation and play platform based on MapleStory IP.

5 Official title is EA SPORTS FC™ ONLINE M (mobile).

6 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.

7 Based on regions where the revenue originates; not a representation of revenues according to Nexon entities.

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# Q1 2024 China – Highlights

## Results as Planned. Down Y/Y Due to *Dungeon&Fighter*

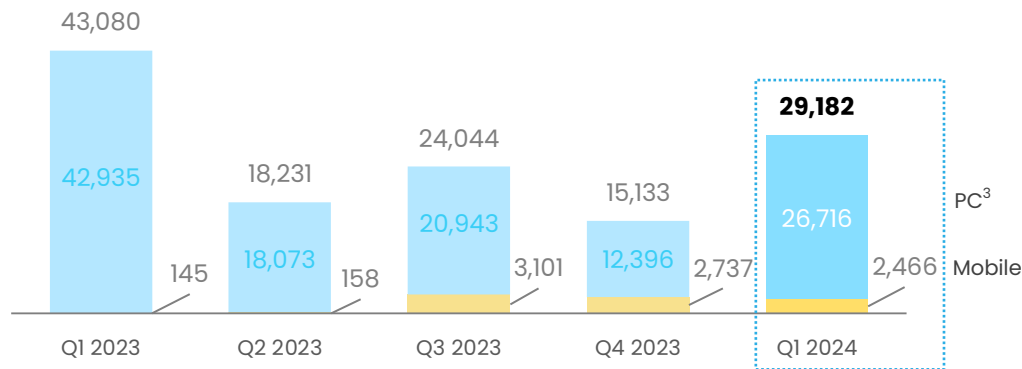
- *Dungeon&Fighter*:
  - At the high end of the outlook; down Y/Y
  - Sharply focused on improving the game’s economy following an imbalance in the in-game economy which arose late in December
  - Y/Y MAUs, paying users, and ARPPU decreased mainly due to an imbalance of the in-game economy
  - Q/Q MAUs and paying users decreased mainly due to an imbalance of the in-game economy. ARPPU increased due to strong seasonality
- *MapleStory: The Legends of Maple*<sup>1</sup>: Slightly increased Q/Q

(Unit: ¥ millions)

YoY% change:

As Reported: **-32%**

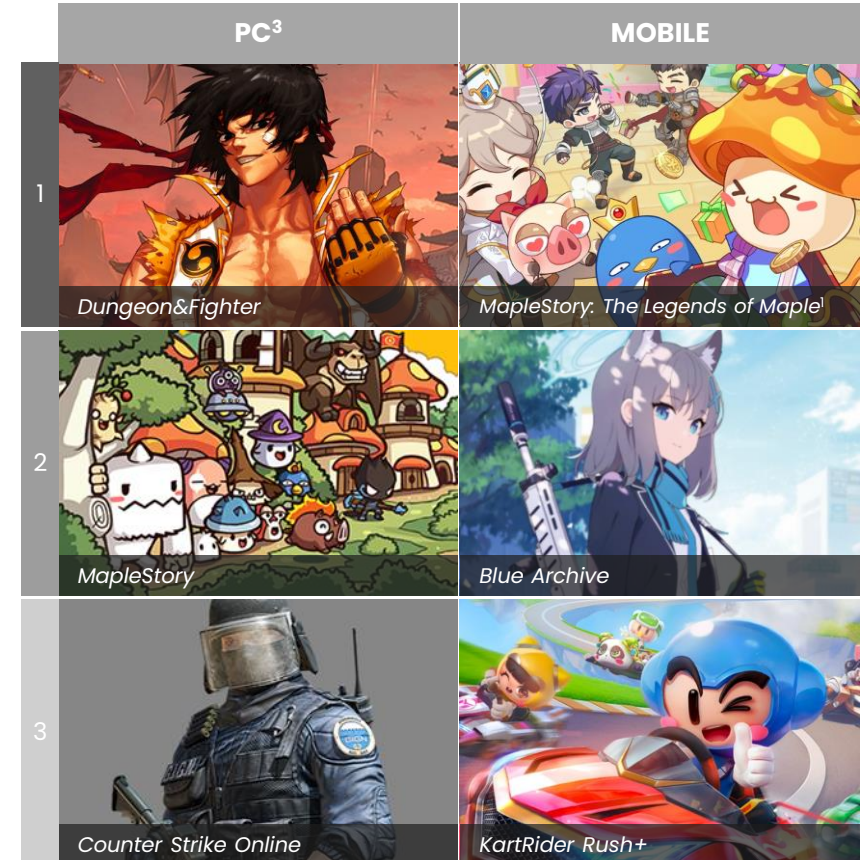
Constant Currency<sup>2</sup>: **-37%**



<sup>1</sup> Official title of *MapleStory M* in China.

<sup>2</sup> 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.

## Revenue Ranking by Region<sup>4</sup>



<sup>3</sup> PC revenues include other revenues besides PC online games and mobile games.

<sup>4</sup> Based on regions where the revenue originates; not a representation of revenues according to Nexon entities.

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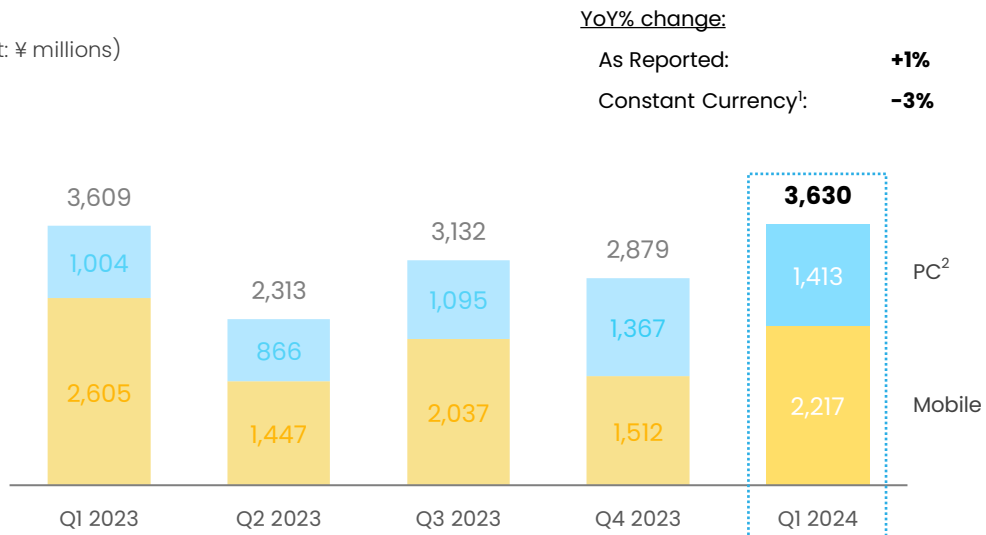


# Q1 2024 Japan – Highlights

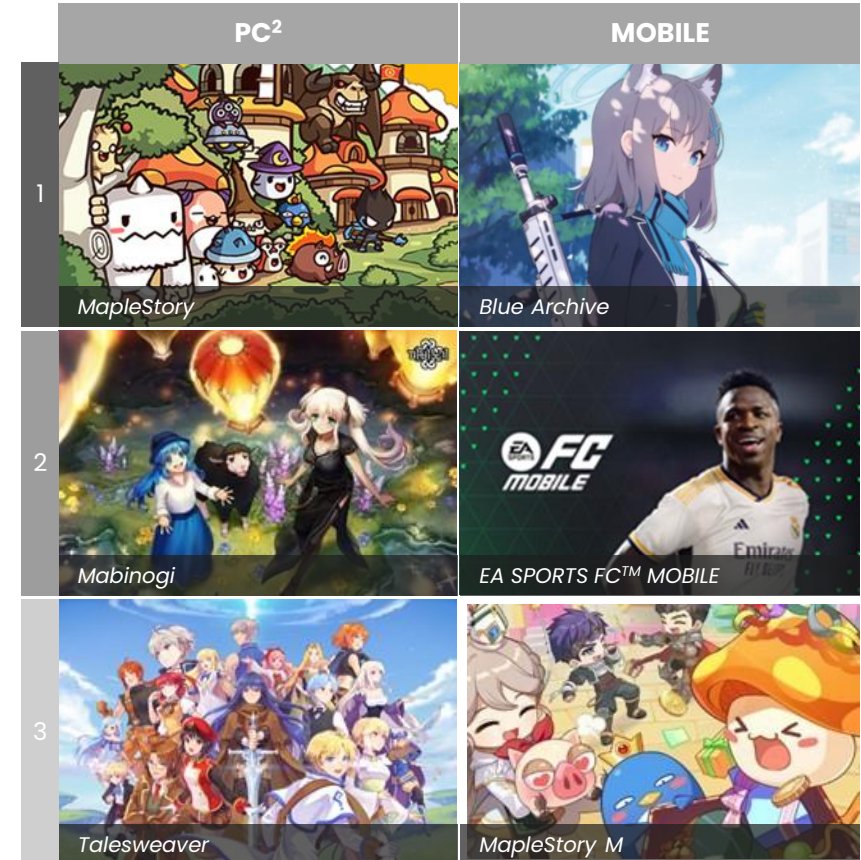
## Exceeded Outlook Driven by *Blue Archive*

- Y/Y growth in *MapleStory* was offset by decreases from mobile titles
- *MapleStory*: Delivered record-breaking quarter revenue
- *Blue Archive*: Outperformance driven by the successful third anniversary update

(Unit: ¥ millions)



## Revenue Ranking by Region<sup>3</sup>



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

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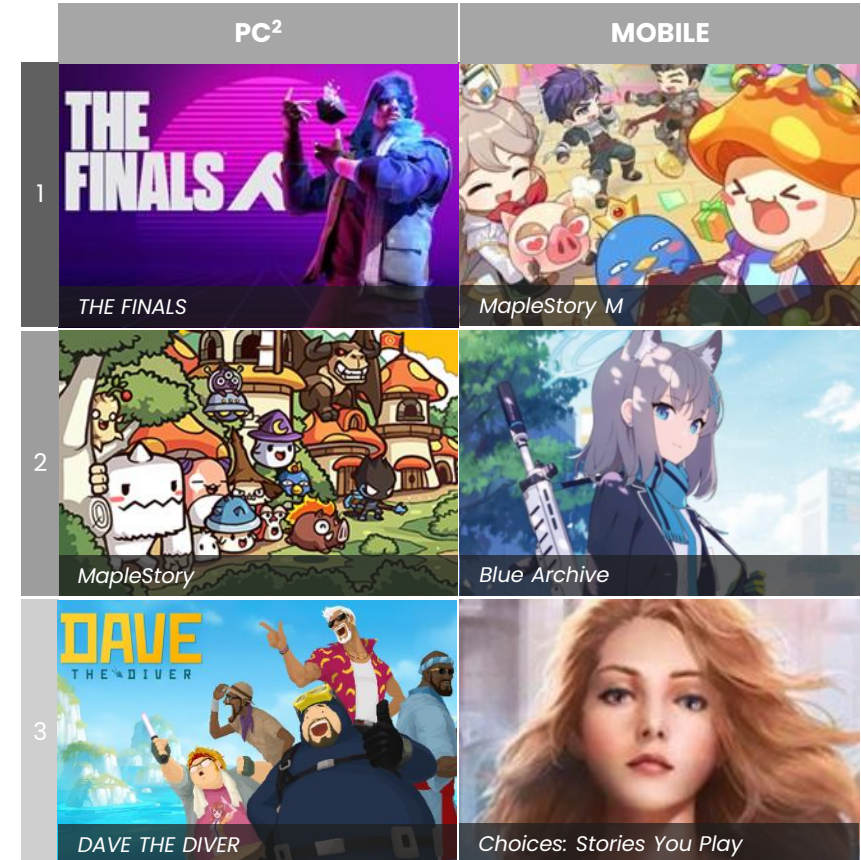
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# Q1 2024 North America and Europe – Highlights

## Slightly Below Outlook Due to *THE FINALS*

- Y/Y growth driven by contributions from *THE FINALS* and *DAVE THE DIVER* as well as growth in *MapleStory*
- *THE FINALS*: Launch of Season 2 in March created a short-lived increase in player metrics but delivered lower-than-expected retention and revenue
- *MapleStory*: Grew significantly Y/Y and marked record quarterly revenue
- *MapleStory M*: Grew double-digit Y/Y

## Revenue Ranking by Region<sup>3</sup>

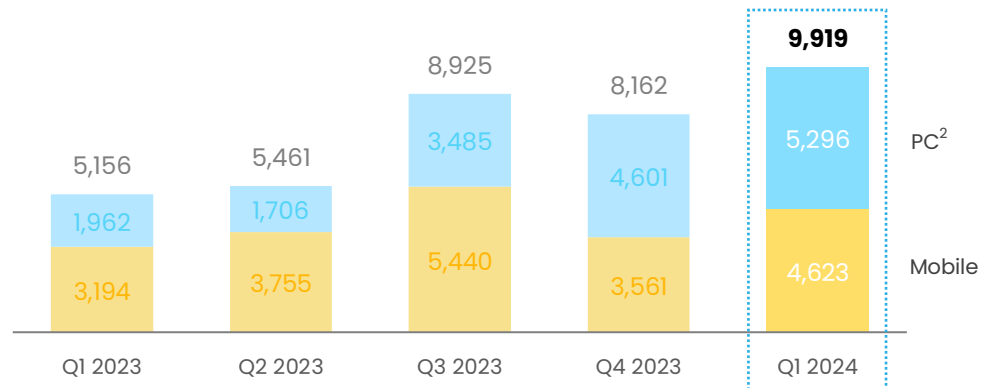


(Unit: ¥ millions)

YoY% change:

As Reported: **+92%**

Constant Currency<sup>1</sup>: **+74%**



<sup>1</sup> 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.

<sup>2</sup> PC revenues include other revenues besides PC online games and mobile games.

<sup>3</sup> Based on regions where the revenue originates; not a representation of revenues according to Nexon entities.

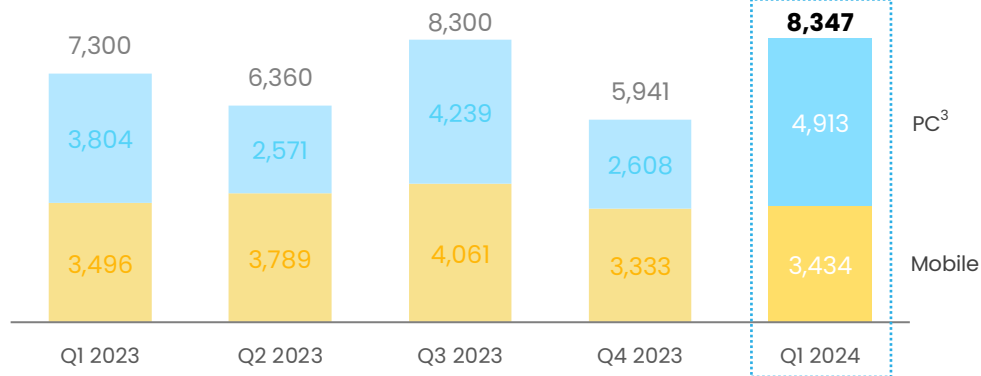
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# Q1 2024 Rest of World<sup>1</sup> – Highlights

Exceeded Outlook Driven by *MapleStory*, *MapleStory M* and *Blue Archive*

- Growth in *MapleStory* and a contribution from *HIT2* were partially offset by decreases in other mobile titles
- *MapleStory*: Grew significantly Y/Y and marked record quarterly revenue
- *MapleStory M*: Grew double-digit Y/Y
- *Blue Archive*: Grew double-digit Y/Y

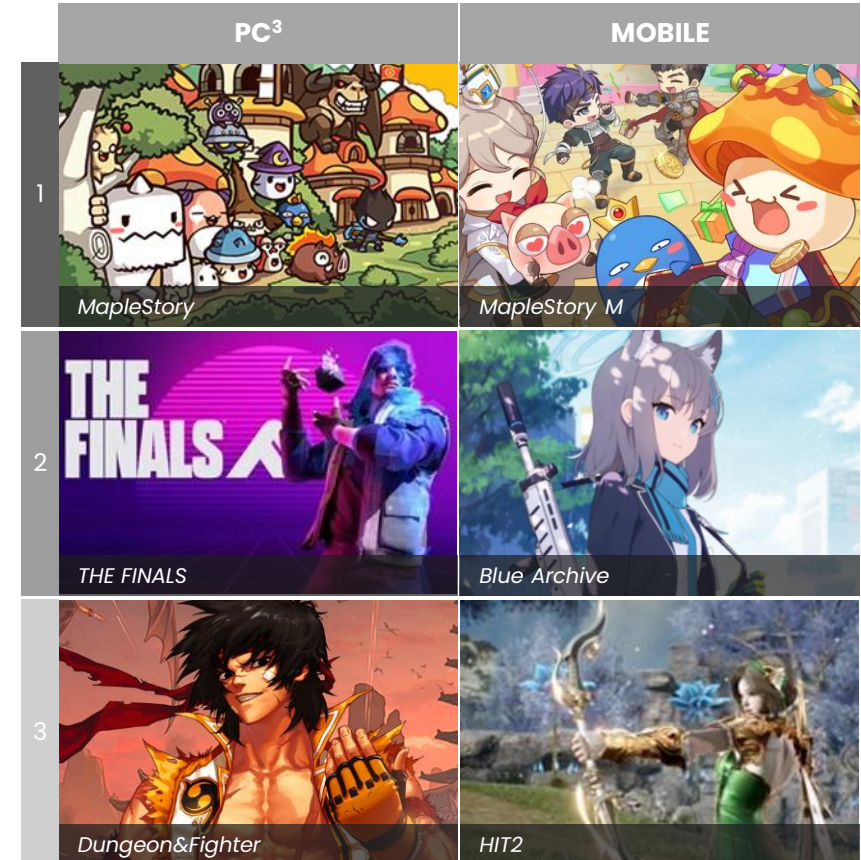
(Unit: ¥ millions)



YoY% change:

As Reported: **+14%**  
 Constant Currency<sup>2</sup>: **+6%**

## Revenue Ranking by Region<sup>4</sup>



<sup>1</sup> "Rest of World" includes other Asian countries as well as Central and South American countries.

<sup>2</sup> 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.

<sup>3</sup> PC revenues include other revenues besides PC online games and mobile games.

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# **Q2 2024 Outlook**

# Q2 2024 Financial Outlook

Expect *Dungeon&Fighter Mobile* in China to Contribute While *Dungeon&Fighter*, *Wars of Prasia*, and *FC ONLINE*<sup>1</sup> to Decrease Y/Y

## Revenues

- Constant currency<sup>2</sup> down 10% to up 2%
- PC<sup>3</sup>: Expect Y/Y decreases due to China *Dungeon&Fighter* and tough comparisons for *Wars of Prasia* and *FC ONLINE*<sup>1</sup>
- Mobile: Expect Y/Y Growth driven by *Dungeon&Fighter Mobile* in China partially offset by *Wars of Prasia*

(Unit: ¥ millions, except per share data)

	Q2 2023	Q2 2024 Outlook		YoY %	
<b>Revenues</b>	<b>¥94,436</b>	<b>¥92,310</b>	~ <b>¥104,731</b>	<b>(2%)</b>	~ <b>11%</b>
PC <sup>3</sup>	65,340	54,832	~ 60,036	(16%)	~ (8%)
Mobile	29,096	37,478	~ 44,695	29%	~ 54%
<b>Operating income</b>	<b>27,614</b>	<b>17,337</b>	~ <b>27,703</b>	<b>(37%)</b>	~ <b>0%</b>
<b>Net income<sup>7</sup></b>	<b>24,538</b>	<b>12,952</b>	~ <b>20,858</b>	<b>(47%)</b>	~ <b>(15%)</b>
Earnings per share	28.80	15.44	~ 24.86		
<b>FX Rate Assumptions</b>					
100 KRW/JPY	10.46	11.24	11.24	7%	
CNY/JPY	19.56	21.51	21.51	10%	
USD/JPY	137.37	153.85	153.85	12%	

Forex sensitivity<sup>8</sup>: Every one Japanese yen move against the U.S. dollar would have the following impact on our financials for Q2 2024

## Operating Income

- Expect a Y/Y decrease primarily due to increased HR costs<sup>4</sup>, cloud service costs, fees to creators<sup>5</sup> in *MapleStory Worlds*<sup>6</sup> as well as a one-time loss related to reorganization
- Expect decreases in royalties, PG fees and marketing expenses

Revenues  
Operating Income

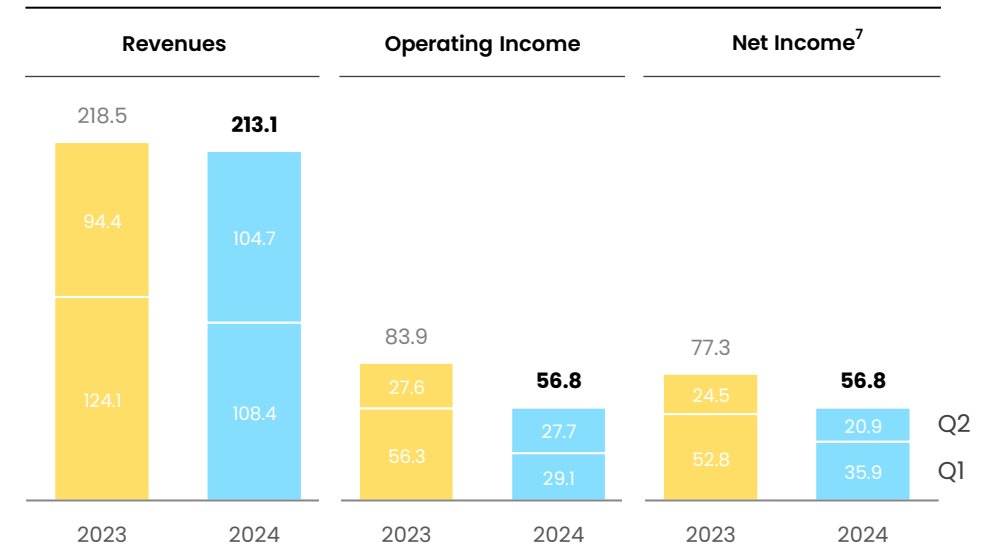
0.63 billion yen  
0.16 billion yen

## Net Income<sup>7</sup>

- Expect a Y/Y decrease primarily due to operating income decrease
- In Q2 2023, we recorded a ¥8.1 billion FX gain primarily on U.S. dollar-denominated cash deposits

(Unit: ¥ billions)

## Q2 Accumulated 2024 (High-end)



<sup>1</sup> Official title is EA SPORTS FC™ ONLINE (PC).

<sup>2</sup> 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.

<sup>3</sup> PC revenues include other revenues besides PC online games and mobile games.

<sup>4</sup> HR costs includes HR cost (COGS), HR cost (SG&A) and R&D (SG&A).

<sup>5</sup> In *MapleStory Worlds*, if a player spends in the content, Nexon receives the payment and pays a specific ratio of that payment to the content provider as a creator fee.

<sup>6</sup> *MapleStory Worlds* is a content creation platform in which users can use *MapleStory* assets to create their own game and share it with other players.

<sup>7</sup> Net income refers to net income attributable to owners of the parent.

<sup>8</sup> In most situations, the exchange rates of both the South Korean Won and the Chinese Yuan are linked to the U.S. Dollar. For simplicity, forex sensitivity is calculated based on the assumption that Korean Won and Chinese Yuan move similarly against Japanese Yen when there is an exchange rate movement in U.S. Dollar and Japanese Yen.

# Q2 2024 Korea / China Outlook

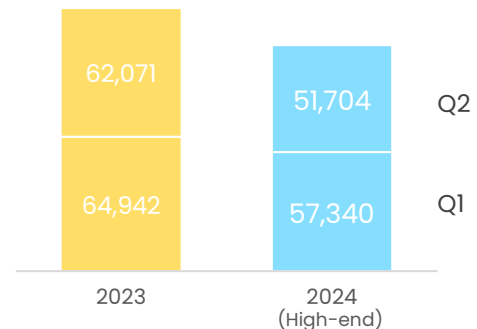
## Korea

Expect revenues to decrease Y/Y due to *Wars of Prasia* and *FC ONLINE*<sup>1</sup>

- PC<sup>2</sup>: Expect to decrease Y/Y
  - Expect *FC ONLINE*<sup>1</sup> to decrease due to the challenging comparison from Q2 2023 when we achieved highest Q2 revenue
  - Expect *Wars of Prasia* to decrease significantly due to the tough comparison with Q2 2023 when the launch momentum remained strong
  - Expect *MapleStory*'s revenue to return close to last year's level and to increase Q/Q despite the typical weak seasonality. Our strategy of prioritizing the improvement of player engagement and satisfaction delivered early good progress
- Mobile: Expect to decrease Y/Y primarily due to *Wars of Prasia* and *HIT2*

(Unit: ¥ millions)

Q2 2023	Q2 2024 Outlook		YoY % Change	
	Actual	Low-end ~ High-end	As-Reported	Constant Currency <sup>3</sup>
62,071	48,603 ~ 51,704	(22%) ~ (17%)	(27%) ~ (23%)	

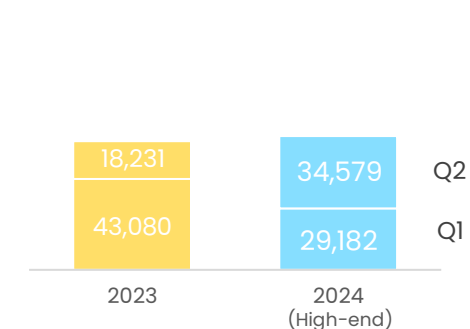


## China

Expect revenues to increase significantly driven by *Dungeon&Fighter Mobile* despite a decline in *Dungeon&Fighter (PC)*

- *Dungeon&Fighter(PC)*: Expect to decrease Y/Y
  - Although we are sharply focused on improving the in-game economy, further adjustments are needed and will be made in the months ahead
  - Packaged-item sales of the Labor Day update have not performed well compared to Q2 last year
  - Ongoing content updates in Q2 and onward are expected to further improve the in-game economy
- *Dungeon&Fighter Mobile*
  - Scheduled to launch on May 21, supported by a strong marketing campaign by Tencent

Q2 2023	Q2 2024 Outlook		YoY % Change	
	Actual	Low-end ~ High-end	As-Reported	Constant Currency <sup>3</sup>
18,231	26,924 ~ 34,579	48% ~ 90%	35% ~ 73%	



<sup>1</sup> Official title is EA SPORTS FC™ ONLINE (PC).

<sup>2</sup> PC revenues include other revenues besides PC online games and mobile games.

<sup>3</sup> 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.

# Q2 2024 Japan / North America and Europe / Rest of World<sup>1</sup> Outlook

## Japan

Expect revenues to increase significantly Y/Y

- Expect to benefit from *HIT: The World*<sup>2</sup>
- Expect Y/Y increases in *MapleStory* and *Blue Archive*
- Expect Y/Y decreases in terminated mobile titles

## North America and Europe

Expect revenues to increase Y/Y

- Expect a contribution from *THE FINALS*
- Expect a Y/Y increase in *MapleStory*

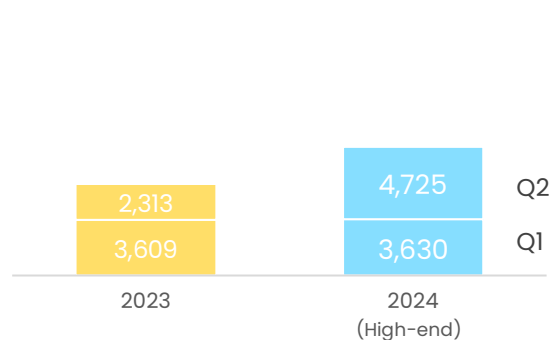
## Rest of World<sup>1</sup>

Expect revenues to decrease Y/Y

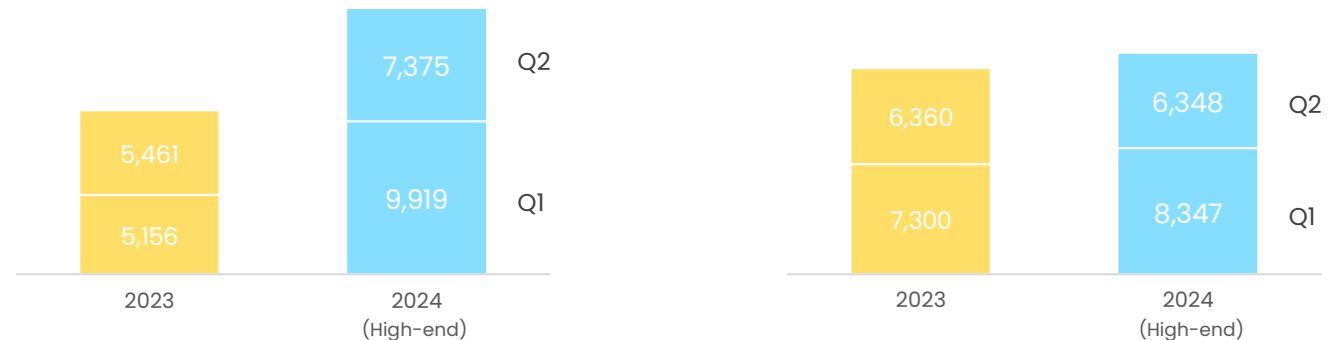
- Expect a Y/Y increase in *MapleStory*
- Expect a Y/Y decrease in *HIT2*

(Unit: ¥ millions)

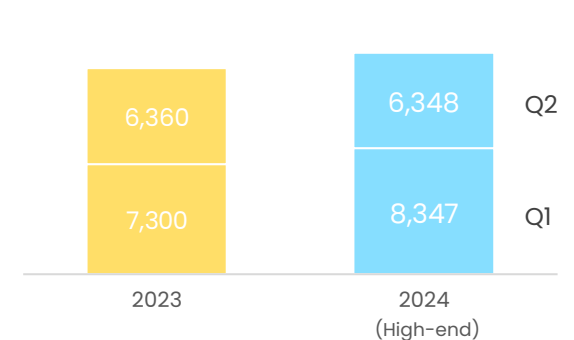
Q2 2023	Q2 2024 Outlook		YoY % Change		
Actual	Low-end	High-end	As-Reported	Constant Currency <sup>3</sup>	
2,313	4,117	~ 4,725	78% ~ 104%	69% ~ 94%	



Q2 2023	Q2 2024 Outlook		YoY % Change		
Actual	Low-end	High-end	As-Reported	Constant Currency <sup>3</sup>	
5,461	6,784	~ 7,375	24% ~ 35%	13% ~ 23%	



Q2 2023	Q2 2024 Outlook		YoY % Change		
Actual	Low-end	High-end	As-Reported	Constant Currency <sup>3</sup>	
6,360	5,882	~ 6,348	(8%) ~ (0%)	(14%) ~ (7%)	



<sup>1</sup> Rest of World\* includes other Asian countries as well as Central and South American countries.

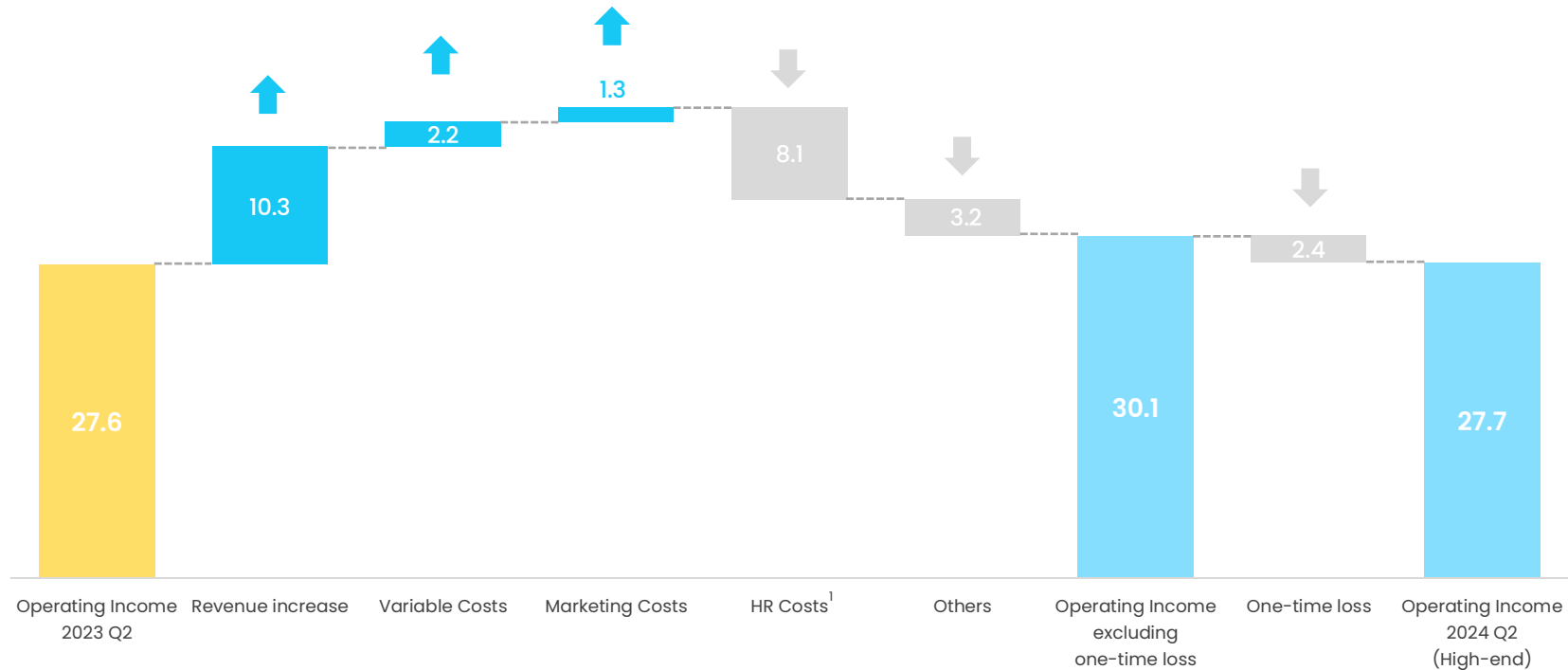
<sup>2</sup> Official title for *HIT2* serviced in Japan.

<sup>3</sup> 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 *ChinaDungeon&Fighter* by applying the same CNY/USD, USD/KRW and KRW/JPY exchange rates from last year's same fiscal quarter.

# Q2 2024 Operating Income & Cost Outlook

(Unit: ¥ billions)

## Y/Y Operating Income Comparison (High-end)



<sup>1</sup> HR costs includes HR cost (COGS), HR cost (SG&A) and R&D (SG&A).

<sup>2</sup> In *MapleStory Worlds*, if a player spends in the content, Nexon receives the payment and pays a specific ratio of that payment to the content provider as a creator fee.

<sup>3</sup> *MapleStory Worlds* is a content creation platform in which users can use *MapleStory* assets to create their own game and share it with other players.



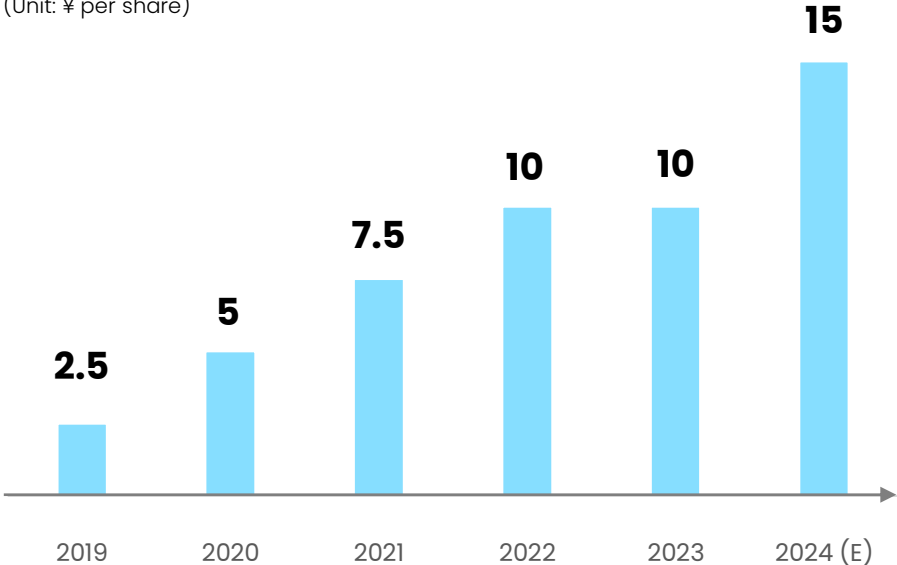
# Capital Allocation

# Shareholder Return

## Dividend

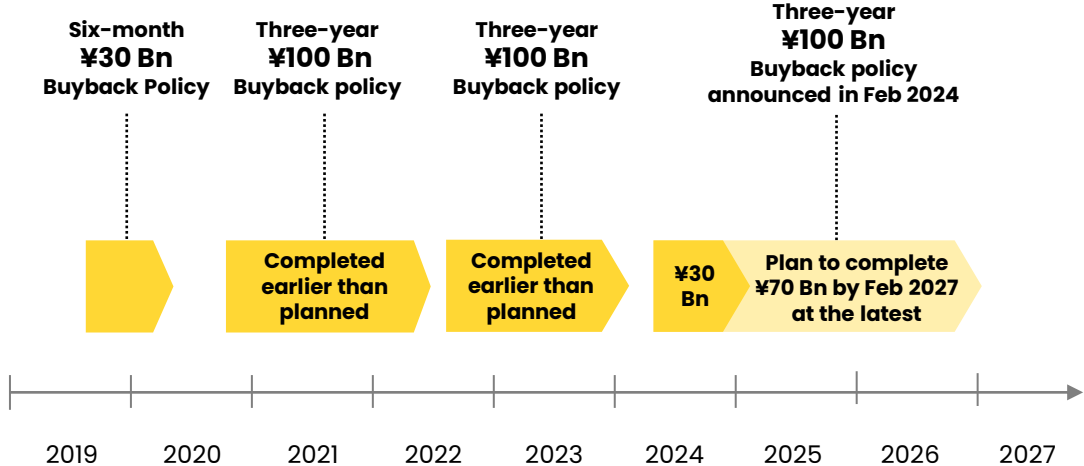
- The Board of Directors authorized a 2.5 yen increase to the 5-yen semi-annual dividend
- This represents a per-share dividend of 7.5 yen semi-annually or 15 yen annually

(Unit: ¥ per share)



## Buy-back

- The Board of Directors authorized an execution of 30-billion yen share repurchase in the market from May 15<sup>th</sup> to July 19<sup>th</sup>, 2024.
- Complete the remaining 70 billion yen of share repurchase authorization by February 2027 at the latest by considering several factors including investment opportunities, financial and market conditions



# **Key Updates and Pipeline**

# Content Update Schedule

TITLE	2024 Q2	2024 Q3
<b>China <i>Dungeon&amp;Fighter</i></b>	<ul style="list-style-type: none"> <li>▪ Labor Day Update (April 18th)</li> <li>– Collaboration with Popular IP from SNK</li> <li>▪ Anniversary Update (June 13th)</li> </ul>	<ul style="list-style-type: none"> <li>▪ Summer Update (July 4th)</li> <li>▪ National Day Update (September)</li> </ul>
<b>Korea <i>MapleStory</i></b>	<ul style="list-style-type: none"> <li>▪ The 21st Anniversary Update (April 18th)</li> <li>▪ Summer Update (June)</li> </ul>	<ul style="list-style-type: none"> <li>▪ TBD</li> </ul>
<b>FC ONLINE<sup>1</sup></b>	<ul style="list-style-type: none"> <li>▪ TOTS - "Team of the Season" (June)</li> </ul>	<ul style="list-style-type: none"> <li>▪ TBD</li> </ul>
<b>THE FINALS</b>	<ul style="list-style-type: none"> <li>▪ New Game Mode Release (May 2nd)</li> <li>▪ Season 3 (June)</li> </ul>	<ul style="list-style-type: none"> <li>▪ TBD</li> </ul>

<sup>1</sup> Official title is EA SPORTS FC™ ONLINE (PC) and EA SPORTS FC™ ONLINE M (mobile).

\* The 2024 update schedule is subject to change depending on various operational factors

# Pipeline



## MapleStory Worlds<sup>1</sup>

- **Launch Schedule** April 25<sup>th</sup>
- **Region** Korea, Japan, Global<sup>2</sup>
- **Platform** PC/Mobile
- **IP** MapleStory
- **Genre** Content Creation Platform
- **Business Model** Developer/Publisher

## Dungeon&Fighter Mobile

- **Launch Schedule** May 21<sup>st</sup>
- **Region** China
- **Platform** Mobile
- **IP** Dungeon&Fighter
- **Genre** Action RPG
- **Business Model** Developer

## The First Descendant

- **Launch Schedule** Summer 2024
- **Region** Korea, Japan, Global<sup>2</sup>
- **Platform** PC/Console
- **IP** New
- **Genre** Looter Shooter
- **Business Model** Developer/Publisher

## ARC Raiders

- **Launch Schedule** TBD
- **Region** Korea, Japan, Global<sup>2</sup>
- **Platform** PC/Console
- **IP** New
- **Genre** PvPvE Extraction Shooter
- **Business Model** Developer/Publisher

## MABINO GI MOBILE

- **Launch Schedule** TBD
- **Region** Korea
- **Platform** Mobile
- **IP** Mabinagi
- **Genre** MMORPG
- **Business Model** Developer/Publisher

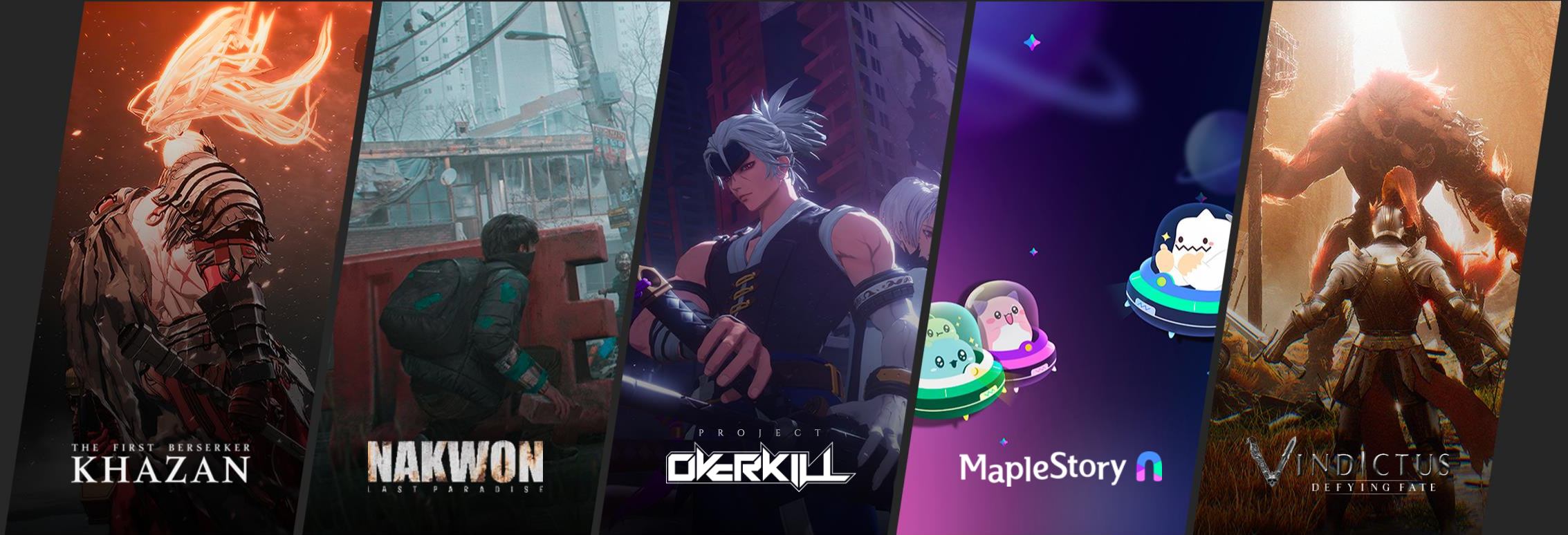
<sup>1</sup> MapleStory Worlds is a content creation platform in which users can use MapleStory assets to create their own game and share it with other players.

<sup>2</sup> Include all the regions other than Korea, China and Japan.

<sup>3</sup> The letters, graphics, symbols, logos and other marks, and illustrations, characters and other works, which are shown in this material are trademarks, registered trademarks, copyrighted works or other legally protected materials owned by respective right holders.

<sup>4</sup> Chart is illustrative excerpt of pipeline.

# Pipeline



## *The First Berserker: Khazan*

- Launch Schedule TBD
- Region Korea, Japan, Global<sup>2</sup>
- Platform PC/Console
- IP *Dungeon&Fighter*
- Genre Hardcore Action RPG
- Business Model Developer/Publisher

## *NAKWON: LAST PARADISE*

- Launch Schedule TBD
- Region Korea, Global<sup>2</sup>
- Platform PC
- IP New
- Genre Extraction Survival
- Business Model Developer/Publisher

## *OVERKILL<sup>1</sup>*

- Launch Schedule TBD
- Region Korea
- Platform PC/Mobile
- IP *Dungeon&Fighter*
- Genre 3D Action RPG
- Business Model Developer/Publisher

## *MapleStory N<sup>3</sup>*

- Launch Schedule TBD
- Region TBD
- Platform PC
- IP *MapleStory*
- Genre MMORPG
- Business Model Developer/Publisher

## *Vindictus: Defying Fate*

- Launch Schedule TBD
- Region Korea, Global<sup>2</sup>
- Platform PC/Console
- IP *Vindictus (Mabinogi: Heroes)*
- Genre TBD
- Business Model Developer/Publisher

<sup>1</sup> Tentative title.

<sup>2</sup> Include all the regions other than Korea, China and Japan.

<sup>3</sup> *MapleStory N* is a PC based MMORPG that combines blockchain technology with *MapleStory* IP.

<sup>4</sup> The letters, graphics, symbols, logos and other marks, and illustrations, characters and other works, which are shown in this material are trademarks, registered trademarks, copyrighted works or other legally protected materials owned by respective right holders.

<sup>5</sup> Chart is illustrative excerpt of pipeline.



# Appendix

# Financials



# Summary of Results and Key Operational Metrics

(Unit: ¥ millions, except per share data)

	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1 2024	YoY%
<b>(By Region)</b>						
Korea	¥64,942	¥62,071	¥75,855	¥52,462	¥57,340	(12%)
China	43,080	18,231	24,044	15,133	29,182	(32%)
Japan	3,609	2,313	3,132	2,879	3,630	1%
North America and Europe	5,156	5,461	8,925	8,162	9,919	92%
Rest of World <sup>1</sup>	7,300	6,360	8,300	5,941	8,347	14%
<b>(By Platform)</b>						
PC <sup>2</sup>	93,070	65,340	85,964	59,804	79,297	(15%)
Mobile	31,017	29,096	34,292	24,773	29,121	(6%)
<b>Revenue</b>	<b>124,087</b>	<b>94,436</b>	<b>120,256</b>	<b>84,577</b>	<b>108,418</b>	<b>(13%)</b>
<b>Operating income</b>	<b>56,275</b>	<b>27,614</b>	<b>46,310</b>	<b>4,546</b>	<b>29,146</b>	<b>(48%)</b>
<b>Net income (loss) <sup>3</sup></b>	<b>52,791</b>	<b>24,538</b>	<b>35,167</b>	<b>(41,887)</b>	<b>35,918</b>	<b>(32%)</b>
<b>Earnings per share</b>	<b>61.63</b>	<b>28.80</b>	<b>41.28</b>	<b>(49.47)</b>	<b>42.77</b>	
<b>FX rate</b>						
100 KRW/JPY	10.41	10.46	11.02	11.22	11.19	7%
CNY/JPY	19.34	19.56	19.97	20.59	20.79	7%
USD/JPY	132.34	137.37	144.62	147.89	148.61	12%
<b>PC and Console KPI</b>						
MAU (millions)	15.5	14.3	14.1	17.4	18.3	18%
PU (millions)	3.5	3.2	3.3	3.2	3.1	(11%)
Pay Rate	22.5%	22.5%	23.7%	18.2%	17.0%	
ARPPU (as-reported)	15,074	9,553	11,230	8,104	12,545	(17%)

<sup>1</sup> "Rest of World" includes other Asian countries as well as Central and South American countries.

<sup>2</sup> PC revenues include other revenues besides PC online games and mobile games.

<sup>3</sup> Net income (loss) refers to net income (loss) attributable to owners of the parent.

# COGS and SG&A<sup>1</sup>

(Unit: ¥ millions)

	FY2023				FY2024
	Q1	Q2	Q3	Q4	Q1
<b>Total Cost of Revenue<sup>1</sup></b>	<b>¥34,233</b>	<b>¥32,804</b>	<b>¥35,908</b>	<b>¥34,993</b>	<b>¥40,557</b>
Royalty <sup>2</sup>	14,529	11,206	11,378	8,768	11,862
HR cost (COGS) <sup>3</sup>	13,861	14,857	17,681	19,504	19,131
Other (COGS) <sup>4</sup>	5,843	6,741	6,849	6,721	9,564
<b>Total SG&amp;A<sup>1</sup></b>	<b>32,883</b>	<b>34,283</b>	<b>37,720</b>	<b>42,854</b>	<b>32,723</b>
HR cost	5,690	7,274	7,690	8,765	7,454
PG fee <sup>5</sup>	10,448	9,828	11,625	9,084	9,476
R&D	5,944	5,666	6,093	6,916	5,411
Marketing/advertising expenses	6,709	7,219	7,669	11,380	5,430
Depreciation and amortization	795	907	910	1,696	1,012
Other	3,297	3,389	3,733	5,013	3,940
Other Income <sup>6</sup>	344	583	293	513	199
Other Expense <sup>7</sup>	1,040	318	611	2,697	6,191
Includes: impairment loss	1,026	287	353	1,374	6,161

<sup>1</sup> Breakdown of COGS and SG&A are unaudited.

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

<sup>3</sup> HR cost (COGS) includes salaries, bonuses and benefits for our live game developers, who support post launch servicing, updating and support for our games.

<sup>4</sup> 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.

<sup>5</sup> 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, commissions we pay to Steam regarding our PC online games globally and platform commission fees related to mobile browser games.

<sup>6</sup> Other Income includes other non-operating income, reversal of deferred revenue and gain on sale of properties.

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

# P&L Below Operating Income

(Unit: ¥ millions)

	FY2023				FY2024
	Q1	Q2	Q3	Q4	Q1
<b>Operating Income</b>	<b>¥56,275</b>	<b>¥27,614</b>	<b>¥46,310</b>	<b>¥4,546</b>	<b>¥29,146</b>
Finance Income <sup>1</sup>	14,075	16,763	13,204	7,108	25,680
Finance Costs <sup>2</sup>	422	322	6,294	11,246	518
(Loss) / reversal of loss on revaluation <sup>3</sup>	2,719	463	(822)	3,893	692
Equity profit / (loss) of affiliates, equity method companies	(744)	(1,691)	461	(1,536)	(761)
Impairment loss of investments accounted for using equity method	-	-	-	(44,425)	-
<b>Income / (loss) before Income Tax</b>	<b>71,903</b>	<b>42,827</b>	<b>52,859</b>	<b>(41,660)</b>	<b>54,239</b>
Tax expense	18,637	18,372	17,374	462	18,288
Non-controlling interests	475	(83)	318	(235)	33
<b>Net income / (loss) <sup>4</sup></b>	<b>52,791</b>	<b>24,538</b>	<b>35,167</b>	<b>(41,887)</b>	<b>35,918</b>

<sup>1</sup> Finance Income includes interest income primarily on cash deposits. 2023 Q1, Q2, Q3 and 2024 Q1 Finance Income includes FX conversion gains related to foreign currency deposits and accounts receivable.

<sup>2</sup> 2023 Q4 Finance Costs are primarily caused by FX conversion loss related to foreign currency deposits and accounts receivable.

<sup>3</sup> Loss / reversal of loss on revaluation refers to loss / reversal of loss on revaluation of cryptocurrency.

<sup>4</sup> Net income / (loss) refers to net income / (loss) attributable to owners of the parent.

# Cash Flow Statement

(Unit: ¥ millions)

	3 months ended March 31, 2023	3 months ended March 31, 2024
Cash flows from operating activities	¥28,533	¥12,183
Cash flows from investing activities	(112,126)	(45,305)
Cash flows from financing activities	(32,314)	(11,881)
Net increase / (decrease) in cash and cash equivalents	(115,907)	(45,003)
Cash and cash equivalents at beginning of fiscal year	409,368	280,515
Effect of exchange rate change on cash and cash equivalents	(1,796)	8,715
Cash and cash equivalents at end of fiscal year	291,665	244,227

# Balance Sheet

(Unit: ¥ millions)

	December 31, 2023	March 31, 2024		December 31, 2023	March 31, 2024
<b>Asset</b>			<b>Liability</b>		
Current Assets			Current liabilities		
Cash and cash equivalents	¥280,515	¥244,227	Current tax liabilities	17,932	25,703
Other deposits	316,243	355,093	Current borrowings	-	-
Other current assets	92,748	121,997	Others	71,442	71,608
<b>Total current assets</b>	<b>689,506</b>	<b>721,317</b>	<b>Total current liabilities</b>	<b>89,374</b>	<b>97,311</b>
Noncurrent assets			Noncurrent liabilities		
Tangible assets	28,854	29,323	Non-current borrowings	-	-
Goodwill	43,924	44,809	Others	102,154	115,880
Intangible assets	17,847	25,612	<b>Total noncurrent liabilities</b>	<b>102,154</b>	<b>115,880</b>
Investments accounted for using equity method	58,120	61,692	<b>Total liabilities</b>	<b>191,528</b>	<b>213,191</b>
Other non-current financial assets	179,199	210,971			
Others	80,653	84,221	<b>Shareholders' equity</b>		
<b>Total noncurrent assets</b>	<b>408,597</b>	<b>456,628</b>	Capital stock	47,510	48,228
<b>Total assets</b>	<b>1,098,103</b>	<b>1,177,945</b>	Capital surplus	26,719	27,475
			Treasury shares	(45,046)	(2,800)
			Other equity interest	159,857	193,791
			Retained earnings	707,227	687,473
			Non-controlling interests	10,308	10,587
			<b>Total equity</b>	<b>906,575</b>	<b>964,754</b>
			<b>Total liabilities and total equity</b>	<b>1,098,103</b>	<b>1,177,945</b>

# P&L by Reporting Segment<sup>1</sup>

(Unit: ¥ millions)

	FY2023				FY2024
	Q1	Q2	Q3	Q4	Q1
<b>Japan</b>					
Revenue from external customers	¥1,258	¥1,072	¥1,291	¥1,347	¥1,542
Segment profit/(loss)	(542)	(1,610)	(1,359)	(1,042)	(785)
<b>Korea</b>					
Revenue from external customers	117,877	89,590	114,093	76,222	97,002
Segment profit/(loss)	59,945	33,321	51,644	13,946	38,800
<b>China</b>					
Revenue from external customers	1,081	647	689	771	1,312
Segment profit/(loss)	633	190	217	260	808
<b>North America</b>					
Revenue from external customers	3,432	2,948	3,851	4,715	5,732
Segment profit/(loss)	(1,554)	(2,713)	(1,795)	(2,301)	(1,191)
<b>Others</b>					
Revenue from external customers	439	179	332	1,522	2,830
Segment profit/(loss)	(1,509)	(1,950)	(2,149)	(4,188)	(2,509)
<b>Adjustments</b>					
Revenue from external customers	-	-	-	-	-
Segment profit/(loss)	(2)	111	70	55	15
<b>Total</b>					
Revenue from external customers	124,087	94,436	120,256	84,577	108,418
Segment profit/(loss)	56,971	27,349	46,628	6,730	35,138

<sup>1</sup> Representation based on location of Nexon's entities; not based on regions where the revenue originates.

# NJ Corporate Entity Financial Statement<sup>1</sup> (1)

(Unit: ¥ millions)

(Unit: ¥ million)

Income Statement	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023
<b>Revenue</b>	<b>¥5,208</b>	<b>¥5,927</b>	<b>¥7,024</b>	<b>¥6,016</b>	<b>¥5,411</b>	<b>¥5,898</b>	<b>¥5,872</b>	<b>¥5,920</b>
Cost of revenue	3,134	3,438	3,510	3,249	2,681	3,040	3,092	3,256
<b>Gross profit</b>	<b>2,074</b>	<b>2,489</b>	<b>3,514</b>	<b>2,767</b>	<b>2,730</b>	<b>2,858</b>	<b>2,780</b>	<b>2,664</b>
SG&A	6,736	6,941	9,447	7,910	7,893	11,269	13,158	10,722
<b>Operating profit / (loss)</b>	<b>(4,662)</b>	<b>(4,452)</b>	<b>(5,933)</b>	<b>(5,143)</b>	<b>(5,163)</b>	<b>(8,411)</b>	<b>(10,378)</b>	<b>(8,058)</b>
Non-operating income	636	5,049	15,646	32,565	47,902	94,274	87,912	105,799
Includes: dividend income	22	4,612	15,025	30,313	46,460	87,397	76,891	100,098
Non-operating expenses	1,826	1,969	9,352	4,063	2,802	1,700	4,747	176
<b>Ordinary income / (loss)</b>	<b>(5,852)</b>	<b>(1,372)</b>	<b>361</b>	<b>23,359</b>	<b>39,937</b>	<b>84,163</b>	<b>72,787</b>	<b>97,565</b>
Extraordinary income	852	58	109	635	189	1,007	8,417	756
Extraordinary losses	39,573	9,643	138	77	647	78	1,123	907
<b>Income / (loss) before income taxes</b>	<b>(44,573)</b>	<b>(10,957)</b>	<b>332</b>	<b>23,917</b>	<b>39,479</b>	<b>85,092</b>	<b>80,081</b>	<b>97,414</b>
Tax expense	(201)	234	755	1,520	2,327	6,425	6,600	6,827
<b>Net income / (loss)</b>	<b>(44,372)</b>	<b>(11,191)</b>	<b>(423)</b>	<b>22,397</b>	<b>37,152</b>	<b>78,667</b>	<b>73,481</b>	<b>90,587</b>

<sup>1</sup> 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 Statement<sup>1</sup> (2)

(Unit: ¥ millions)

Balance Sheet	December 31, 2016	December 31, 2017	December 31, 2018	December 31, 2019	December 31, 2020	December 31, 2021	December 31, 2022	December 31, 2023
<b>Current assets</b>	¥52,632	¥42,946	¥55,209	¥45,374	¥85,462	¥144,774	¥135,225	¥150,605
Includes: cash and cash equivalents	49,531	41,868	53,096	43,100	83,523	143,334	131,959	145,925
<b>Non-current assets</b>	6,438	5,494	4,836	17,630	17,851	44,903	35,848	39,690
Property, plant and equipment	74	7	3	1	6	5	1	23
Intangible assets	-	-	-	-	-	-	-	-
Investments and other assets	6,364	5,487	4,833	17,629	17,845	44,898	35,847	39,667
<b>Total assets</b>	59,070	48,440	60,045	63,004	103,313	189,677	171,073	190,295
<b>Current liabilities</b>	2,341	1,796	2,303	2,037	2,085	4,376	4,523	3,018
<b>Non-current liabilities</b>	448	457	415	363	469	468	640	892
<b>Total liabilities</b>	2,789	2,253	2,718	2,400	2,554	4,844	5,163	3,910
<b>Shareholder's equity</b>	50,669	41,230	50,838	53,133	92,510	174,099	149,456	169,546
Capital stock	3,307	9,183	14,199	17,757	22,470	34,167	38,881	47,412
Capital surplus	88,621	43,021	36,846	39,981	21,720	33,417	38,131	46,662
Includes: other capital surplus	86,064	34,588	23,397	22,974	-	-	-	-
Retained earnings	(41,259)	(10,974)	(206)	22,614	48,320	122,547	87,243	119,251
Includes: other retained earnings	(41,476)	(11,191)	(423)	22,397	48,103	122,330	87,026	119,034
Treasury shares	(0)	-	(0)	(27,219)	(0)	(16,032)	(14,799)	(43,779)
Valuation and translation adjustments	77	(10)	(21)	(28)	(21)	(15)	460	525
Subscription rights to shares	5,535	4,967	6,510	7,499	8,270	10,749	15,994	16,314
<b>Total net assets</b>	56,281	46,187	57,327	60,604	100,759	184,833	165,910	186,385
<b>Statement of changes in equity (excerpt)</b>	<b>FY2016</b>	<b>FY2017</b>	<b>FY2018</b>	<b>FY2019</b>	<b>FY2020</b>	<b>FY2021</b>	<b>FY2022</b>	<b>FY2023</b>
Payment of dividends	(4,352)	-	-	-	(4,418)	(4,440)	(8,785)	(8,579)
Acquisition of treasury shares	(5,000)	(10,000)	(1)	(27,218)	(2,783)	(16,032)	(98,767)	(78,980)
Cancellation of treasury shares	5,000	10,000	-	-	30,002	-	100,000	50,000

<sup>1</sup> 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).



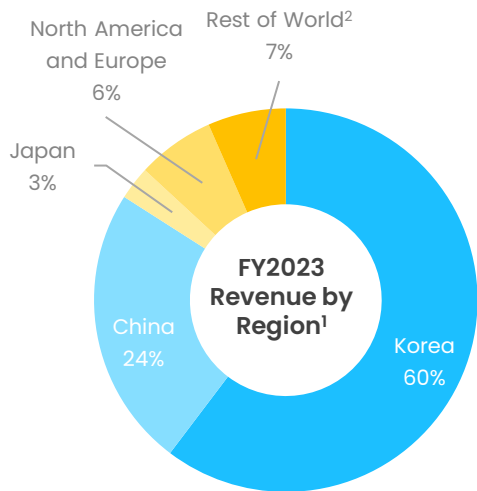
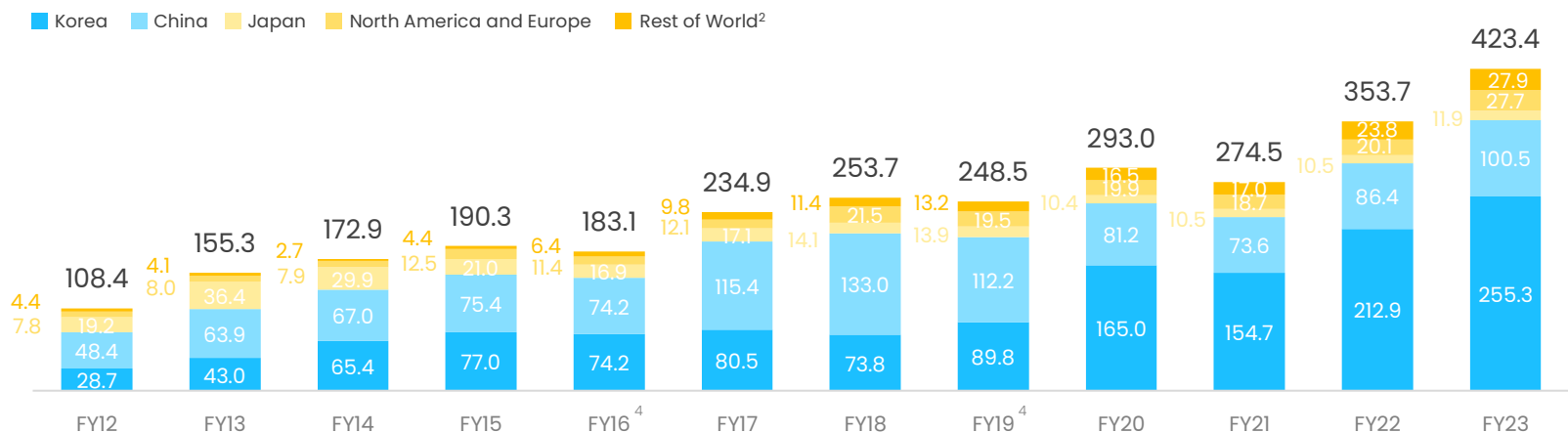
# Number of Employees by Reporting Segment

Full-time employees	March 31 2023	June 30 2023	September 30 2023	December 31 2023	March 31 2024
Japan	270	268	264	266	258
Korea	6,216	6,397	6,570	6,675	7,124
China	191	192	190	190	190
North America	435	441	446	440	311
Others	576	624	646	660	683
<b>Total</b>	<b>7,688</b>	<b>7,922</b>	<b>8,116</b>	<b>8,231</b>	<b>8,566</b>

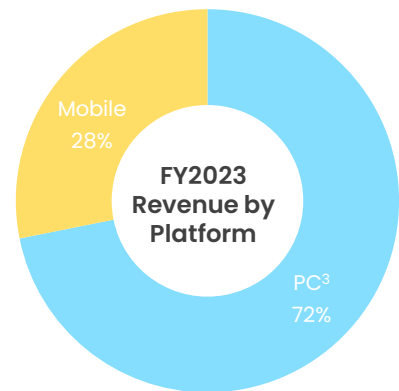
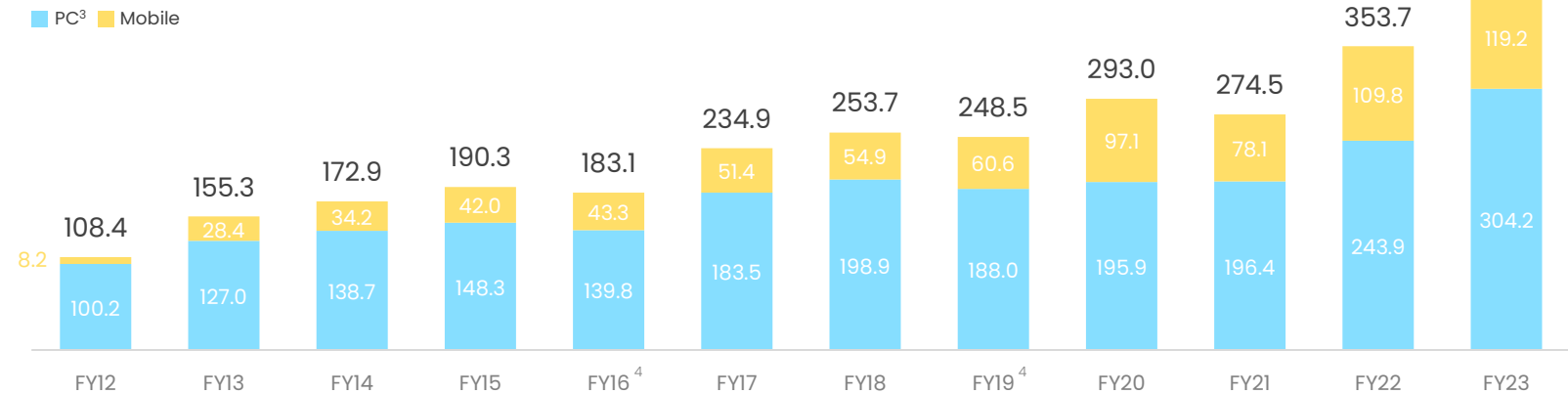
# Historical Financials

(Unit: ¥ billions)

## Revenue by Region<sup>1</sup>



## Revenue by Platform



<sup>1</sup> Based on regions where the revenue originates; not a representation of revenues according to Nexon entities.

<sup>3</sup> PC revenues include other revenues besides PC online games and mobile games.

<sup>2</sup> "Rest of World" includes other Asian countries as well as Central and South American countries.

<sup>4</sup> FY16 and FY19 grew Y/Y on a constant currency basis.








**NEXON IP**



# Dungeon & Fighter Franchise

## LTD Overview



-  Launched 2005
-  Over 850 million registered users worldwide across all platforms
-  Combined life-to-date gross revenue of all platforms over \$22 billion USD
-  Gross revenue is more than double the life-to-date box office of *Star Wars*, the *Harry Potter* series and the entire *Avengers* series<sup>1</sup>
-  Constantly evolving for 18 years with new characters, skills and communities
-  Mobile version launched in Korea on March 24, 2022 and is slated for launch on May 21, 2024 in China. In Korea, it was awarded Game of the Year from the Korean Association of Game Industry in 2022
-  Easy-to-learn, hard-to-master accessibility, action-packed gameplay and iconic, pixelated art make *Dungeon & Fighter* one of the world's most popular and enduring game franchises

<sup>1</sup> Life-to-date global box office revenues as of May 13th, 2024 sourced from BoxOfficeMojo.com

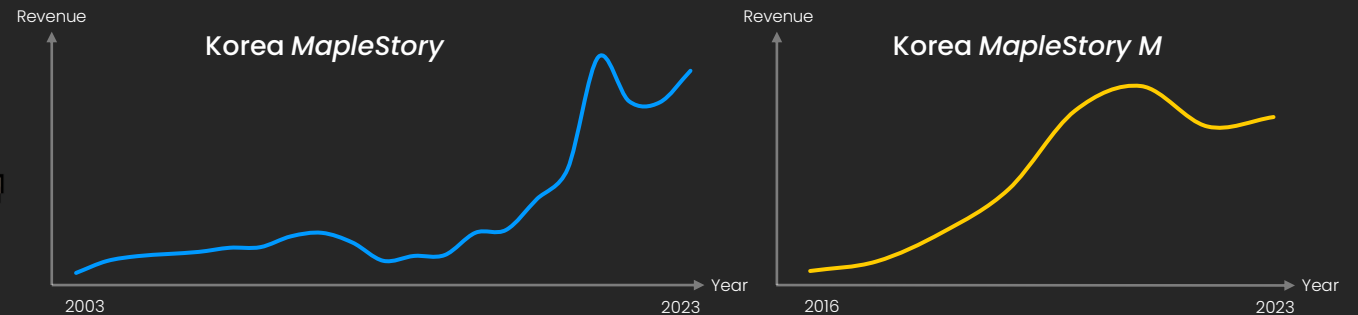
<sup>2</sup> The letters, graphics, symbols, logos and other marks, and illustrations, characters and other works, which are shown in this material are trademarks, registered trademarks, copyrighted works or other legally protected materials owned by respective right holders



# MapleStory Franchise

## LTD Overview

- Launched 2003
- Over 250 million registered users worldwide across PC and mobile. In Korea, player registration equates to 45% of the population
- Combined PC and mobile life-to-date gross revenue over \$5 billion USD
- Combined PC and mobile revenue exceeds global box office of the movie franchise *Frozen* – one of Disney's biggest<sup>1</sup>
- An easy-to-learn, hard-to-master MMORPG with cross-cultural appeal that has been growing players and revenue over 21 years. Players love personalizing their characters









<sup>1</sup> Life-to-date global box office revenues as of May 13th, 2024 sourced from BoxOfficeMojo.com

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# KartRider Franchise

## LTD Overview

-  Launched 2004
-  Registered users over 380 million worldwide across all platforms
-  Over half of all Korean population; over 45% of Taiwanese population has played the game
-  Combined life-to-date gross revenue of all platforms over \$1.0 billion
-  A fast-paced online casual racing game with easy-to-learn, hard-to-master UI, and a universe of compelling characters which can be stylized to the player's taste
-  *KartRider: Drift* started its service in Q1 2023







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# Sudden Attack







## LTD Overview

-  Launched 2005
-  Registered users over 23 million
-  Life-to-date gross revenue over \$0.8 billion
-  Highly accessible online first-person shooter with fast, visceral action

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# *The Kingdom of the Winds* Franchise LTD Overview

-  Launched 1996
-  Registered users over 26 million across PC and mobile
-  Combined PC and mobile life-to-date gross revenue over \$0.6 billion
-  World's longest-running graphic MMORPG. Over 28-year service period
-  Mobile version launched on July 15, 2020.
-  A popular and enduring MMORPG based on historical comic about the Goguryeo Dynasty

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# Mabinogi

## LTD Overview



Launched 2004



Registered users over 20 million worldwide



Life-to-date gross revenue over \$0.7 billion



MMORPG with life-oriented content and contemporary music, fashion, and cooking. Highly differentiated from existing battle-focused games that saturate the market

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# Glossary of Terms

Term / Abbreviation	Meaning
FPS (first person shooter)	A game in which the player plays from the point of view of the game character in three-dimensional graphics
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 is 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

# 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:

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- 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 2024 Earnings Release Schedule

Q2 2024 financial results are scheduled for release on

# Thursday, August 8th, 2024.

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.

