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**Consolidated Financial Results**  
**for the Three Months Ended March 31, 2015**  
**[IFRS]**

May 14, 2015

Company name: NEXON Co., Ltd.

Stock exchange listing: Tokyo Stock Exchange

Stock code: 3659

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Scheduled date of commencing dividend payments: -

Supplementary briefing material on quarterly financial results: Yes

Quarterly financial results briefing: No

(Amounts of less than one million yen are rounded off)

1. Consolidated Financial Results for the Three Months Ended March 31, 2015 (from January 1, 2015 to March 31, 2015)

(1) Consolidated Operating Results

(% changes from the previous corresponding period)

(Millions of yen)

	Revenue		Operating income		Income before income taxes		Net income		Net income attributable to owners of the parent company		Total comprehensive income	
Three months ended March 31, 2015	51,972	9.4%	22,219	4.9%	24,682	13.4%	18,847	15.5%	18,539	14.8%	19,034	420.2%
Three months ended March 31, 2014	47,491	7.0%	21,171	2.2%	21,768	(3.6)%	16,322	6.3%	16,144	6.6%	3,659	(85.4)%

	Basic earnings per share from continuing operations	Diluted earnings per share from continuing operations
	Yen	Yen
Three months ended March 31, 2015	43.05	41.96
Three months ended March 31, 2014	36.74	36.23

(2) Consolidated Financial Position

(Millions of yen)

	Total assets	Total equity	Total equity attributable to owners of the parent company	Ratio of equity attributable to owners of the parent company
As of March 31, 2015	445,239	359,170	353,816	79.5%
As of December 31, 2014	437,022	345,477	340,380	77.9%

## 2. Dividends

(Yen)

	Annual Dividends				
	End of 1st Quarter	End of 2nd Quarter	End of 3rd Quarter	End of Year	Total
FY 2014	—	5.00	—	5.00	10.00
FY 2015	—				
FY 2015(Forecast)		5.00	—	5.00	10.00

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

## 3. Consolidated Financial Results Forecast for the Six Months Ending June 30, 2015 (from January 1, 2015 to June 30, 2015)

(% changes from the previous fiscal year)

(Millions of yen)

	Revenue		Operating income		Income before income taxes		Net income		Net income attributable to owners of the parent company		Basic earnings per share
											Yen
2nd Quarter (cumulative)	92,226	9.3%	31,023	(0.4)%	34,325	18.3%	26,155	27.6%	25,719	27.1%	59.93
	94,972	12.5%	33,270	6.9%	36,572	26.0%	28,439	38.8%	28,003	38.4%	65.25

As it is difficult to reasonably estimate financial results for the year ending December 31, 2015 at the moment, only the financial results forecast for the six months ending June 30, 2015 is disclosed. Also, as it is difficult to estimate specific figures, disclosure is made with a range. For details, please refer to “1. Qualitative Information on Consolidated Financial Results for the Period under Review (3) Explanation on Future Forecast Information including Consolidated Financial Results Forecast” on page 4 of the Appendix.

\*(Notes)

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

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

1) Changes in accounting policies required by IFRS: Yes

2) Changes in accounting policies other than 1) above: No

3) Changes in accounting estimates: No

(3) Number of Shares Issued (common stock)

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

As of March 31, 2015: 432,195,017 shares

As of December 31, 2014: 431,256,017 shares

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

As of March 31, 2015: 3,549,700 shares

As of December 31, 2014: - shares

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

Three months ended March 31, 2015: 430,614,317 shares

Three months ended March 31, 2014: 439,403,317 shares

\* Presentation regarding the Implementation Status of the Quarterly Review Process

This quarterly financial report is outside the scope of quarterly review procedures under the Financial Instruments and Exchange Act. At the time of disclosure of this quarterly financial report, review procedures for the Quarterly Consolidated Financial Statements are in progress.

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

(Caution Concerning Forward-Looking Statements)

The forward-looking statements including the financial results forecast herein are based on information available to the Company and certain assumptions that can be deemed reasonable as of the date of publication of this document, and are not intended as the Company's commitment to achieve such forecasts. Actual results may differ significantly from these forecasts due to a wide range of factors. For conditions prerequisite to the financial results forecast and the points to be noted in the use thereof, please refer to "1. Qualitative Information on Consolidated Financial Results for the Period under Review (3) Explanation on Future Forecast Information including Consolidated Financial Results Forecast" on page 4 of the Appendix.

(Method of Obtaining Supplementary Briefing Material on Financial Results)

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

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## 1. Qualitative Information on Consolidated Financial Results for the Period under Review

### (1) Explanation on Operating Results

During the first quarter ended March 31, 2015, the world economy continued to show a gradual recovery. In the United States, the economy showed a steady growth backed by consumer spending. In Europe, the economy maintained the trend of moderate recovery mainly in consumer spending in major countries including the United Kingdom, Germany and France. China and emerging countries in Asia managed to show a certain growth despite the signs of slowing down. The Japanese economy has been experiencing stagnant consumption since the consumption tax rise, but still maintained an upward trend with the support from solid export demand.

Three major trends are apparent in the game industry today. The first is the change from “offline” to “online”; the second is playing style migration from “single player games” to “multiplayer games”; and the third is the change in monetization style triggered by the introduction of “free-to-play” model. In addition to these changes, the penetration of broadband Internet environment on a global basis contributed to continuous expansion of PC online game market across the world, and the mobile game market also achieved a sharp growth supported by the rapid spread of smartphones (sophisticated mobile phones).

Under these circumstances, the Group is primarily engaged in PC online and mobile businesses. In order to provide users with enjoyable game experiences, the Group has endeavored to provide high-quality games, obtain more contents, launch new titles, and update existing titles. Specifically, the Group has worked on various initiatives such as the enhancement of game development capabilities within the Group, business alliances with other companies including joint development, provision of high-quality new game titles through acquisition of leading game developers, enhancement of the Group’s development capabilities for native application in the mobile business and further reinforcement of the business platform to enable attractive content updates for the existing game titles.

For the three months ended March 31, 2015, revenue increased year-on-year, and the factors contributed include strong sales in China of our main PC online game title *Dungeon&Fighter* in the latter half of the Q1 as a result of well-received content update and item sales introduced in the latter half of February through March, and strong sales in Korea of the existing online game titles including *Dungeon&Fighter* and *Sudden Attack* and the existing mobile games including *EA SPORTS™ FIFA Online 3M* (“*FIFA Online 3M*”) and *Legion of Heroes*. In terms of expenses, cost of sales increased year-on-year due to an increase in royalty costs in line with strong sales of *EA SPORTS™ FIFA Online 3* (“*FIFA Online 3*”) and *FIFA Online 3M*, and an increase in personnel costs resulting from an increase in the number of employees in a Korean subsidiary. Selling, general and administrative expenses increased year-on-year due to an increase in research and development cost due to aggressive R&D activities in Korea.

As a result, for the three months ended March 31, 2015, the Group recorded revenue of ¥51,972 million (up 9.4% year-on-year), operating income of ¥22,219 million (up 4.9% year-on-year), income before income taxes of 24,682 million (up 13.4% year-on-year) and net income attributable to owners of the parent company of ¥18,539 million (up 14.8% year-on-year).

Performance results by reportable segments are as follows:

#### (a) Japan

In Japan, revenue and segment loss amounted to ¥5,864 million (down 27.8% year-on-year) and ¥258 million (profit of ¥728 million for the three months ended March 31, 2014), respectively, due to declined sales of both PC online games and mobile games.

#### (b) Korea

The strong seasonal factor of Chinese New Year affects the result for the first quarter every year. In Korea, strong performance of our existing PC online games and mobile games contributed to the business results. Also, revenue in Korea includes royalty income of NEOPLE INC (the local consolidated subsidiary of NEXON Korea Corporation, our consolidated subsidiary) attributable to license agreement in China. During the three months ended March 31, 2015, an increase in royalty income from *Dungeon&Fighter* as a result of well-received content update and item sales introduced in the latter half of February through March contributed to the business results. As a result of such strong performance of both PC online games and mobile games, revenue and segment profit amounted to ¥43,061 million (up 19.7% year-on-year) and ¥23,212 million (up 11.0% year-on-year), respectively.

(c) China

In China, revenue and segment profit decreased to ¥822 million (down 45.0% year-on-year) and ¥381 million (down 65.1% year-on-year), respectively, due to decreased consulting fees on PC online games.

(d) North America

In North America, revenue from certain existing game titles increased as a result of improvement in operation and marketing, but marketing expense for new mobile game titles increased, resulting in revenue of ¥1,752 million (up 35.2% year-on-year) and segment loss of ¥679 million (loss of ¥360 million for the three months ended March 31, 2014).

(e) Other

In other areas, revenue amounted to ¥473 million (down 20.7% year-on-year) and segment loss amounted to ¥60 million (profit of ¥13 million for the three months ended March 31, 2014).

(2) Explanation on Financial Position

(a) Assets, liabilities and equity

(Assets)

Total assets as of March 31, 2015 amounted to ¥445,239 million, an increase of ¥8,217 million from December 31, 2014. Major components of the increase included an increase of ¥7,723 million in trade and other receivables.

(Liabilities)

Total liabilities as of March 31, 2015 amounted to ¥86,069 million, a decrease of ¥5,476 million from December 31, 2014. Major components of the decrease included a decrease of ¥1,775 million in provisions (current) due to bonus payments and a decrease of ¥1,088 million in income taxes payable due to tax payments.

(Equity)

Equity as of March 31, 2015 totaled ¥359,170 million, an increase of ¥13,693 million from December 31, 2014. Major components of the increase included an increase of ¥16,398 million in retained earnings from recognition of quarterly net income.

As a result, ratio of equity attributable to owners of the parent company was 79.5% (77.9% at December 31, 2014).

(b) Cash flows

Cash and cash equivalents ("Cash") as of March 31, 2015 was ¥120,990 million, an increase of ¥3,261 million from December 31, 2014.

Cash flows from each activity for the three months ended March 31, 2015 and their significant components are as follows:

(Cash flows from operating activities)

Net cash provided by operating activities was ¥13,460 million, compared to ¥9,169 million in the three months ended March 31, 2014. Major inflows included income before income taxes of ¥24,682 million and major outflows included an increase in trade and other receivables of ¥4,761 million and payments of income taxes of ¥8,660 million.

(Cash flows from investing activities)

Net cash used in investing activities was ¥3,809 million, compared to net cash provided of ¥11,005 million in the three months ended March 31, 2014. Major outflows included an increase in other deposits of ¥1,465 million and purchases of property, plant and equipment of ¥683 million.

(Cash flows from financing activities)

Net cash used in financing activities was ¥4,936 million, compared to net cash used of ¥7,276 million in the three months ended March 31, 2014. Major outflows included acquisition of treasury stocks of ¥4,251 million and cash dividends paid of ¥1,096 million.

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

The business environment surrounding the Group has been substantially changing in expectation of development of the high-speed Internet environment for PC and mobile around the world. With regard to consolidated financial results forecast, it is difficult to forecast specific figures for full-year financial results as it is difficult to project the growth speed of the PC online game and the mobile game market, in which the Group's main businesses operate, and the Group's revenue largely depends on such uncertain factors as preference of users and the presence of popular titles. In order to provide more accurate information to our shareholders and investors, the Group decided to disclose consolidated financial results forecast for the following quarter with a range. "Consolidated Financial Results Forecast for the Six Months Ending June 30, 2015" is the sum of the actual consolidated financial results for the three months ended March 31, 2015 and the financial results forecast for the three months ending June 30, 2015.

For the six months ending June 30, 2015, the Group expects consolidated revenue in the range of ¥ 92,226~94,972 million (an increase of 9.3%~12.5% year-on-year), operating income in the range of ¥ 31,023~33,270 million (a decrease of 0.4%~an increase of 6.9% year-on-year), income before income taxes in the range of ¥ 34,325~36,572 million (an increase of 18.3%~26.0% year-on-year), net income in the range of ¥ 26,155~28,439 million (an increase of 27.6%~38.8% year-on-year), net income attributable to owners of the parent company in the range of ¥ 25,719~28,003 million (an increase of 27.1%~38.4% year-on-year), and basic earnings per share in the range of ¥ 59.93~65.25. The Group operates a global business in Japan, South Korea, China, the United States and other countries. Major exchange rates are assumed to be 1 U.S. dollar = ¥119.09, 100 South Korean won = ¥10.85 and 1 Chinese yuan = ¥19.32. In most cases, the exchange rates of both the South Korean won and Chinese yuan are linked to the U.S. dollar. We expect that every one Japanese yen move against the U.S. dollar will have an impact of approximately ¥ 310 million on revenue and approximately ¥ 90 million on operating income for the six months ending June 30, 2015.

For the six months ending June 30, 2015, revenue in the PC online and Other business are forecasted to be ¥ 73,660~75,422 million. In Korea and China, the second quarter is in general a seasonably weaker period with the rebound of the strong performance in the first quarter due to Chinese New Year. In Korea, however, we are planning to launch high-quality content updates for our existing PC titles including *Sudden Attack*, *Dungeon&Fighter*, and *Maple Story*. In China, we are also planning to launch high-quality content updates for our main PC title *Dungeon&Fighter*, and have released *Counter Strike Online2* on April 22, 2015. In the mobile business, we expect our existing mobile game titles and new major titles including *Top of Tanker*, released during Q2 2015, and *DomiNations*, launched in Europe and the U.S., will contribute to business results. Based on these factors, revenue for the six months ending June 30, 2015 is forecasted to be ¥ 18,566~19,550 million, an increase year-on-year. In terms of expense, while personnel costs are expected to decrease due to a decrease in stock option cost, other variable costs, including royalty costs related to external IP titles such as *DomiNations* and *Top of Tanker* and commission expense related to mobile game titles, and advertisement expense associated with a number of new title launch including *DomiNations* are expected to increase. As a result, operating margin for the six months ending June 30, 2015 is expected to decrease compared with the six months ended June 30, 2014. These financial results forecasts are based on our judgment using available information at this time and include various uncertain factors; and accordingly, any change in the business condition may cause actual results to differ from the forecasts.

#### (Reference)

Consolidated financial results forecast for the three months ending June 30, 2015 (from April 1, 2015 to June 30, 2015)

(% changes from the previous fiscal year)

(Millions of yen)

	Revenue		Operating income		Income before income taxes		Net income		Net income attributable to owners of the parent company		Basic earnings per share
											Yen
2nd Quarter	40,254	9.1%	8,805	(11.6)%	9,643	32.9%	7,307	75.3%	7,180	75.8%	16.79
	43,000	16.6%	11,051	10.9%	11,889	63.8%	9,592	130.1%	9,463	131.6%	22.13

## 2. Matters Related to Summary Information (Notes)

### (1) Changes in Significant Subsidiaries during the Period under Review:

Not applicable

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

#### (Changes in accounting policies required by IFRS)

The accounting policies used to prepare these condensed consolidated financial statements are consistent with those applied in the consolidated financial statements for the year ended December 31, 2014 unless otherwise noted, except for the new standards applied as listed below. The Group calculated income taxes for the three months ended March 31, 2015, based on the estimated average annual effective tax rate.

The Group has applied the following standards from Q1 2015, which did not have material impacts on Q1 2015 under review.

Standards	Title	Overview of New or Revised Standard
IFRS 2	Share-based Payment	Amended the definition of vesting conditions
IFRS 3	Business Combinations	Amended accounting for contingent consideration in a business combination Clarified the scope of business combinations under common control to be excluded from the scope of IFRS 3
IFRS 8	Operating Segments	Added disclosure requirements for reportable segments that are an aggregation of multiple operating segments Clarified provisions on reportable segments' assets
IFRS 13	Fair Value Measurement	Clarified the scope of the exception for fair value measurement of a portfolio
IAS 16	Property, Plant and Equipment	Amended accounting for revaluation models
IAS 19	Employee Benefits	Clarified the accounting for employee or third party contributions set out in the terms of a defined benefit plan.
IAS 24	Related Party Disclosures	Clarified that an entity providing key management personnel services to the reporting entity is deemed to be a related party of the reporting entity
IAS 38	Intangible assets	Amended accounting for revaluation models
IAS 40	Investment Property	Clarified the interrelationship of IAS 40 and IFRS 3 in acquisition of property



### 3. Condensed Consolidated Financial Statements

#### (1) Condensed Consolidated Statement of Financial Position

	(Millions of yen)	
	As of December 31, 2014	As of March 31, 2015
Assets		
Current assets		
Cash and cash equivalents	117,729	120,990
Trade and other receivables	32,280	40,003
Other deposits	100,235	100,862
Other financial assets	3,029	3,370
Other current assets	4,852	5,729
Total current assets	258,125	270,954
Non-current assets		
Property, plant and equipment	24,039	23,381
Goodwill	35,426	35,298
Intangible assets	16,574	13,108
Investments accounted for using equity method	1,845	1,842
Other financial assets	93,779	93,346
Other non-current assets	2,518	2,732
Deferred tax assets	4,716	4,578
Total non-current assets	178,897	174,285
Total assets	437,022	445,239

	(Millions of yen)	
	As of December 31, 2014	As of March 31, 2015
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	10,214	10,340
Deferred income	10,718	10,860
Borrowings	13,180	14,969
Income taxes payable	12,836	11,748
Other financial liabilities	1,268	289
Provisions	2,323	548
Other current liabilities	6,484	6,703
Total current liabilities	57,023	55,457
Non-current liabilities		
Deferred income	2,440	1,770
Borrowings	23,244	20,744
Other financial liabilities	1,820	1,895
Provisions	291	292
Other non-current liabilities	1,359	1,364
Deferred tax liabilities	5,368	4,547
Total non-current liabilities	34,522	30,612
Total liabilities	91,545	86,069
Equity		
Capital stock	52,481	52,726
Capital surplus	40,830	41,072
Treasury stock	-	(4,249)
Other equity interest	92,044	92,844
Retained earnings	155,025	171,423
Total equity attributable to owners of the parent company	340,380	353,816
Non-controlling interests	5,097	5,354
Total equity	345,477	359,170
Total liabilities and equity	437,022	445,239

## (2) Condensed Consolidated Income Statement

(Millions of yen)

	Three months ended March 31, 2014 (From January 1, 2014 to March 31, 2014)	Three months ended March 31, 2015 (From January 1, 2015 to March 31, 2015)
Revenue	47,491	51,972
Cost of sales	(10,249)	(12,602)
Gross profit	37,242	39,370
Selling, general and administrative expenses	(14,855)	(16,776)
Other income	208	124
Other expenses	(1,424)	(499)
Operating income	21,171	22,219
Finance income	1,014	2,576
Finance costs	(385)	(117)
Equity in profit (loss) of affiliates	(32)	4
Income before income taxes	21,768	24,682
Income tax expense	(5,446)	(5,835)
Net income	16,322	18,847
Attributable to:		
Owners of the parent company	16,144	18,539
Non-controlling interests	178	308
Net income	16,322	18,847
Earnings per share (attributable to owners of the parent company)	(Yen)	(Yen)
Basic earnings per share	36.74	43.05
Diluted earnings per share	36.23	41.96

## (3) Condensed Consolidated Statement of Comprehensive Income

(Millions of yen)

	Three months ended March 31, 2014 (From January 1, 2014 to March 31, 2014)	Three months ended March 31, 2015 (From January 1, 2015 to March 31, 2015)
Net income	16,322	18,847
Other comprehensive income		
Items that will not be reclassified to net income		
Financial assets measured at fair value through other comprehensive income	(10,667)	2,914
Re-measurement of defined benefit pension plans	1	0
Income taxes	4,413	(297)
Total items that will not be reclassified to net income	(6,253)	2,617
Items that may be reclassified subsequently to net income		
Exchange differences on translating foreign operations	(6,417)	(2,424)
Cash flow hedges	16	(6)
Other comprehensive income under equity method	(0)	0
Income taxes	(9)	(0)
Total items that may be reclassified subsequently to net income	(6,410)	(2,430)
Total other comprehensive income	(12,663)	187
Total comprehensive income	3,659	19,034
Attributable to:		
Owners of the parent company	3,629	18,777
Non-controlling interests	30	257
Total comprehensive income	3,659	19,034

(4) Condensed Consolidated Statement of Changes in Equity

For the three months ended March 31, 2014 (From January 1, 2014 to March 31, 2014)

(Millions of yen)

	Equity attributable to owners of the parent company						Non-controlling interests	Total equity
	Capital stock	Capital surplus	Treasury stock	Other equity interest	Retained earnings	Total		
Balance at January 1, 2014	51,952	50,688	(0)	74,468	131,374	308,482	4,577	313,059
Net income for the period	-	-	-	-	16,144	16,144	178	16,322
Other comprehensive income	-	-	-	(12,515)	-	(12,515)	(148)	(12,663)
Total comprehensive income	-	-	-	(12,515)	16,144	3,629	30	3,659
Issue of shares	72	72	-	-	-	144	-	144
Stock issue cost	-	(0)	-	-	-	(0)	-	(0)
Payment of dividends	-	-	-	-	(2,197)	(2,197)	-	(2,197)
Share-based payments	-	-	-	736	-	736	-	736
Acquisitions and disposals of non-controlling interests	-	22	-	-	-	22	37	59
Total transactions with the owners	72	94	-	736	(2,197)	(1,295)	37	(1,258)
Balance at March 31, 2014	52,024	50,782	(0)	62,689	145,321	310,816	4,644	315,460

For the three months ended March 31, 2015 (From January 1, 2015 to March 31, 2015)

(Millions of yen)

	Equity attributable to owners of the parent company						Non-controlling interests	Total equity
	Capital stock	Capital surplus	Treasury stock	Other equity interest	Retained earnings	Total		
Balance at January 1, 2015	52,481	40,830	-	92,044	155,025	340,380	5,097	345,477
Net income for the period	-	-	-	-	18,539	18,539	308	18,847
Other comprehensive income	-	-	-	238	-	238	(51)	187
Total comprehensive income	-	-	-	238	18,539	18,777	257	19,034
Issue of shares	245	245	-	-	-	490	-	490
Stock issue cost	-	(1)	-	-	-	(1)	-	(1)
Payment of dividends	-	-	-	-	(2,156)	(2,156)	-	(2,156)
Share-based payments	-	-	-	577	-	577	-	577
Acquisitions of treasury stocks	-	(2)	(4,249)	-	-	(4,251)	-	(4,251)
Reclassification from other equity interest to retained earnings	-	-	-	(15)	15	-	-	-
Total transactions with the owners	245	242	(4,249)	562	(2,141)	(5,341)	-	(5,341)
Balance at March 31, 2015	52,726	41,072	(4,249)	92,844	171,423	353,816	5,354	359,170

## (5) Condensed Consolidated Statement of Cash Flows

(Millions of yen)

	Three months ended March 31, 2014 (From January 1, 2014 to March 31, 2014)	Three months ended March 31, 2015 (From January 1, 2015 to March 31, 2015)
Cash flows from operating activities		
Income before income taxes	21,768	24,682
Depreciation and amortization	3,786	4,035
Share-based compensation expenses	777	686
Interest and dividend income	(769)	(2,249)
Interest expense	138	95
Impairment loss	1,298	409
Equity in (profit) loss of affiliates	32	(4)
Increase in trade and other receivables	(10,165)	(4,761)
Increase in trade and other payables	911	724
Decrease in deferred income	(539)	(332)
Other	(837)	(1,702)
Subtotal	16,400	21,583
Interest and dividends received	717	759
Interest paid	(287)	(222)
Income taxes paid	(7,661)	(8,660)
Net cash provided by operating activities	9,169	13,460
Cash flows from investing activities		
Decrease (increase) in other deposits	8,851	(1,465)
Purchases of property, plant and equipment	(1,326)	(683)
Proceeds from sales of property, plant and equipment	436	3
Purchases of intangible assets	(621)	(468)
Payments associated with increase in long-term prepaid expenses	(392)	(305)
Payments for acquisition of investment securities	(274)	(374)
Proceeds from sale of investment securities	2,641	-
Proceeds from sale of affiliates	79	-
Other	1,611	(517)
Net cash provided by investing activities	11,005	(3,809)
Cash flows from financing activities		
Net increase in short-term borrowings	-	1,000
Proceeds from long-term borrowings	-	5,000
Repayment of long-term borrowings	(4,989)	(5,829)
Proceeds from exercise of stock options	104	380
Acquisition of treasury stocks	-	(4,251)
Cash dividends paid	(2,197)	(1,096)
Other	(194)	(140)
Net cash used in financing activities	(7,276)	(4,936)
Net increase in cash and cash equivalents	12,898	4,715
Cash and cash equivalents at the beginning of the period	138,843	117,729
Effects of exchange rate changes on cash and cash equivalents	(2,701)	(1,454)
Cash and cash equivalents at the end of the period	149,040	120,990

(6) Notes on Going Concern Assumption

Not applicable

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

Not applicable

(8) Segment Information

(a) Outline of reportable segments

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

The Group is engaged in production, development and distribution of PC online games and mobile games, and the Company and its domestic consolidated subsidiaries (in Japan) and its local consolidated subsidiaries (overseas) develop overall strategies and operate business activities for their respective products and services in each region as independent units. Accordingly, the Group is comprised of geographical segments based on production, development, and distribution of PC online games and mobile games. There are five reportable segments: “Japan”, “Korea”, “China”, “North America” and “Other” which includes Europe and Asian countries.

(b) Revenue, profit or loss by reportable segment

Information on the segments of the Group is as follows:

For the three months ended March 31, 2014 (from January 1, 2014 to March 31, 2014)

(Millions of yen)

	Reportable Segments					Total	Adjustments (Note 3)	Consolidated
	Japan	Korea	China	North America	Other			
Revenue								
Revenue from external customers	8,127	35,977	1,495	1,295	597	47,491	-	47,491
Intersegment revenue	8	935	-	3	8	954	(954)	-
Total	8,135	36,912	1,495	1,298	605	48,445	(954)	47,491
Segment profit or loss (Note 1)	728	20,908	1,091	(360)	13	22,380	7	22,387
Other income (expense), net								(1,216)
Operating income								21,171
Finance income (costs), net								629
Equity in loss of affiliates								(32)
Income before income taxes								21,768

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

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

3. Adjustments in segment profit or loss of ¥7 million represent elimination of intersegment transactions.

For the three months ended March 31, 2015 (from January 1, 2015 to March 31, 2015)

(Millions of yen)

	Reportable Segments					Total	Adjustments (Note 3)	Consolidated
	Japan	Korea	China	North America	Other			
Revenue								
Revenue from external customers	5,864	43,061	822	1,752	473	51,972	-	51,972
Intersegment revenue	25	846	-	1	-	872	(872)	-
Total	5,889	43,907	822	1,753	473	52,844	(872)	51,972
Segment profit or loss (Note 1)	(258)	23,212	381	(679)	(60)	22,596	(2)	22,594
Other income (expense), net								(375)
Operating income								22,219
Finance income (costs), net								2,459
Equity in profit of affiliates								4
Income before income taxes								24,682

- (Notes) 1. Segment profit or loss is calculated by deducting cost of sales and selling, general and administrative expenses from revenue.
2. Price for intersegment transactions is based on the general market price.
3. Adjustments in segment profit or loss of ¥ (2) million represent elimination of intersegment transactions.

(c) Information on each region

Revenue from external customers is as follows:

	(Millions of yen)	
	For the three months ended March 31, 2014 (From January 1, 2014 to March 31, 2014)	For the three months ended March 31, 2015 (From January 1, 2015 to March 31, 2015)
Japan	8,121	5,858
Korea	15,251	20,464
China	21,302	22,697
North America	1,345	1,695
Other	1,472	1,258
Total	47,491	51,972

- (Notes) 1. Revenue is classified into country or region category based on the customers' location.
2. The category of country or region is based on geographic proximity.
3. Main countries or regions in each category:
- (1) North America: USA and Canada
- (2) Other: Europe, Central and South America, and Asian countries

(d) Revenue by major business

Revenue by business is as follows:

	(Millions of yen)	
	For the three months ended March 31, 2014 (From January 1, 2014 to March 31, 2014)	For the three months ended March 31, 2015 (From January 1, 2015 to March 31, 2015)
PC online	39,960	43,210
Mobile	7,195	8,370
Other	336	392
Total	47,491	51,972



(9) Subsequent Event  
Not applicable