



May 13, 2014
NEXON Co., Ltd.

Nexon Announces First Quarter 2014 Results

Revenue and Operating Income Exceed Outlook

Sequential Mobile Revenue Growth Driven by Strong Native App Launches

TOKYO – May 13, 2014 – NEXON Co., Ltd. (“Nexon”) (3659.TO), a worldwide leader in free-to-play online games, today announced financial results for its first quarter ended March 31, 2014.

First quarter revenues grew 7% year-over-year. Operating income increased 2% year-over-year, with a 45% operating margin. The Company also announced a share buyback program of up to 12.5 million shares totaling up to 10 billion yen.

“We are pleased that our first quarter results exceeded the high end of our outlook due to the strength of our PC online business, particularly the contribution from the Lunar New Year update for *Dungeon&Fighter* in China and the continued strength of existing titles in Korea. We also achieved quarter-over-quarter mobile revenue growth based on strong new native title launches,” said Owen Mahoney, President and Chief Executive Officer of Nexon. “Going forward, we will sharpen our focus on quality across all platforms. At our core we are in a creative industry, and the only way to succeed is to create high-quality games that deliver fun and unique gaming experiences to our players around the world.”

First Quarter Fiscal 2014 Financial Highlights (IFRS)

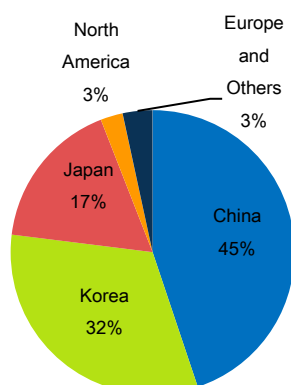
(Millions of yen, except for per share data)

	Q1 2013	Q1 2014	YoY%
Revenues	¥44,364	¥47,491	7%
PC	36,877	40,297	9%
Mobile	7,487	7,194	(4%)
Operating income	20,716	21,171	2%
Net income¹	15,150	16,144	7%
Earnings per share:	34.77	36.74	

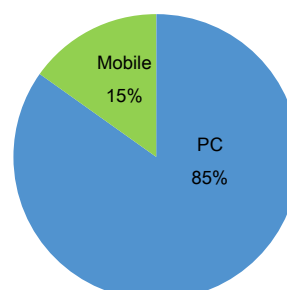
Footnotes:

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

Revenue by Region



Revenue by Platform



Revenue by Region¹ (IFRS)

Revenue by Region	Q1 2013	Q1 2014	Q1 2014	YoY % Change	
		(As-Reported)	(Constant Currency) ³	As-Reported	Constant Currency ³
China	¥20,409	¥21,302	¥18,853	4%	(8%)
Korea	10,589	15,251	13,509	44%	28%
Japan	9,927	8,121	8,121	(18%)	(18%)
North America	1,418	1,345	1,208	(5%)	(15%)
Europe and Others ²	2,021	1,472	1,294	(27%)	(36%)
Revenue by Platform					
PC	36,877	40,297	35,915	9%	(3%)
Mobile	7,487	7,194	7,069	(4%)	(6%)
Nexon Total	44,364	47,491	42,985	7%	(3%)

Footnotes:

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

² Others consists of other Asian countries and South American countries.

³ On a constant currency basis (using Q1 2013 currency exchange rates).

First Quarter 2014 Regional Highlights

China

- Revenues were ¥21.3 billion, up 4% year-over-year, or down 8% on a constant currency basis
- *Dungeon&Fighter* surpassed the high end of expectations supported by the Lunar New Year update
- *Dungeon&Fighter* MAUs were stable quarter-over-quarter

Korea

- Revenues were ¥15.3 billion, up 44% year-over-year, or up 28% on a constant currency basis
- *FIFA Online 3* experienced another strong quarter, driven by updates and the release of *FIFA Online 3 M* in February
- *Sudden Attack* set historical records of 17.6% of PC café market share and 230,000 MCCU (according to Gametrics)
- Five new mobile titles were launched during the quarter, including *Legion of Heroes*, *Ring Toss*, and *FIFA Online 3 M*

Japan

- Revenues were ¥8.1 billion, down 18% year-over-year on a constant currency basis
- PC online and mobile revenues decreased year-over-year
- Five new mobile titles were launched during the quarter, two of which were native titles, including *Magi: Dungeon&Magic*

North America, Europe and Others

- Revenues in North America were ¥1.3 billion, down 5% year-over-year, or down 15% on a constant currency basis
- Revenues in Europe and other regions were ¥1.5 billion, down 27% year-over-year, or down 36% on a constant currency basis
- Teams and partners are in place with a strong pipeline of 2H 2014 launches; continuing to realign operations

Second Quarter 2014 Business Outlook

Nexon expects revenues for the second quarter to decrease 3% to 9% year-over-year on an as-reported basis, and decrease 9% to 14% year-over-year on a constant currency basis. The Company expects an operating margin between 19% and 22% due to royalty costs associated with third-party IP including *FIFA Online 3* and *FIFA Online 3 M*, an increase in human resource costs due to increased salaries and headcount and the granting of stock options, and a change in the geographical revenue contribution with increased contribution from Korea, which has a lower margin than China.

Geographically, the Company expects double-digit growth on a constant currency basis in Korea, and a double-digit decrease on a constant currency basis in China, Japan, North America and other regions.

The following table presents Nexon's outlook for the second quarter of fiscal 2014 on an as-reported basis.

(Millions of yen)	Q2 2013 (IFRS)	Q2 2014 (IFRS)		YOY % Change	
Revenues	¥36,624	¥33,481	~	¥35,610	(9%) ~ (3%)
PC	29,333	26,068	~	27,562	(11%) ~ (6%)
Mobile	7,291	7,413	~	8,047	2% ~ 10%
Operating income	13,425	6,303	~	7,966	(53%) ~ (41%)
Net income¹	11,365	4,305	~	5,549	(62%) ~ (51%)
Earnings per share	25.98	9.79	~	12.62	

Footnote:

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

The Company also expects a weaker Japanese yen to continue to contribute to year-over-year growth based on its ¥102.78 per US\$1 and ¥9.63 per KRW100 currency exchange assumptions.



Conference Call

Nexon's management will host a live conference call conducted in English at 9:00 pm JST / 8:00 am EDT. A replay will be made available shortly after the conclusion of the conference call, and a transcript will be available within several days on Nexon's Investor Relations website. Dial-in information is as follows:

Conference call dial-in:	US: 1-646-502-5131
	UK: 44-20-7660-2114
	Japan: 81-3-4570-1816
Conference call passcode:	961573#

For additional information regarding Nexon's first quarter 2014 financial results, including a replay of the conference call, please visit the Investor Relations section of Nexon's website at <http://ir.nexon.co.jp/en/>.

This press release is prepared to offer reference information about Nexon to 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.

About NEXON Co., Ltd. <http://company.nexon.co.jp/>

NEXON Co., Ltd. ("Nexon") (3659.TO) is a worldwide leader in free-to-play online games. Founded in Korea in 1994, Nexon developed one of the world's first graphics-based massively multiplayer online games. Nexon also pioneered the concept of microtransactions and the free-to-play business model, setting a new standard in which play is free, and users have the option to purchase in-game items to enhance their experience. Nexon currently services nearly 60 online games in more than 100 countries and since its founding, Nexon has generated more than 1.4 billion player registrations. The Company is headquartered in Tokyo, Japan and its shares are listed on the Tokyo Stock Exchange.

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