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NEXON Co., Ltd.
<http://company.nexon.co.jp/en/>
(Stock Code: 3659, TSE First Section)

Nexon Releases Earnings for Fourth Quarter and Full Year 2019

MapleStory, FIFA ONLINE 4 and V4 Drive Record-Breaking Q4 Revenues in Korea

MapleStory, MapleStory M, and FIFA ONLINE 4 Each Hit Highest All-Time Full-Year Revenue in Korea

TOKYO – February 13, 2020 – NEXON Co., Ltd. (“Nexon”) (3659.TO), a global leader in online games, today announced the financial results for its fourth quarter and fiscal year ended on December 31, 2019.

“Nexon has an incredible foundation of strong original IP that makes up a world-class portfolio on par with global entertainment franchises,” said Owen Mahoney, president and CEO of Nexon. “And now, Nexon is strongly positioned at the intersection of two key trends that are increasingly defining games: the explosive adoption of powerful mobile devices that effectively put PCs in the pockets of billions of consumers which has radically increased our total addressable market; and the demand for deeply immersive online experiences, an area that Nexon is uniquely an expert in.”

“Nexon’s strategy will be to focus on fewer but bigger games, based on our beloved IP and great new universes that reach the greatest number of players across platforms,” continued Mahoney. “We plan to release *Dungeon&Fighter 2D Mobile* in China and *KartRider: Drift*, the next generation of our cross-platform online kart racing game. Importantly, we look forward to sharing more about a new multiplayer co-op action game from Embark Studios.”

Recent Highlights:

- *MapleStory* and *MapleStory M* in Korea achieved their highest Q4 and full-year revenues in 2019, surpassing the previous records set in 2018. On a constant currency¹ basis, Q4 *MapleStory* revenue grew 88% year-over-year while mobile version grew 114%. Full-year revenues grew 39% and 65% respectively following strong performances in 2018 on a constant currency¹ basis. The PC and mobile *MapleStory* each recorded double-digit growth for six and three consecutive years, respectively.
- *FIFA ONLINE 4*² recorded its highest Q4 and full-year revenues, growing significantly year-over-year, and surpassing the previous peak of *FIFA Online 3*² in 2017.
- *V4*, a new MMORPG for mobile and PC in Korea that features HD graphics, cross-platform gameplay and an immersive online world one would expect only on PC, has been exceeding expectations since its Q4 2019 launch in a highly competitive market.



- *Dungeon&Fighter's* Q4 and full-year revenues decreased year-over-year in China due to its soft performance in the second half of 2019. A major update launching in March 2020 will address the primary feedback that was received from players. Certain aspects of the update have already been released in the Korean version of the game to positive reviews from the player base.
- *Dungeon&Fighter 2D Mobile* had its 2nd closed beta test in China. The beta saw a positive reception, and has already received more than 16 million pre-registrations³.

Full Year 2019 Highlights:

- Revenues, operating income, and net income⁴ all grew year-over-year on a constant currency¹ basis
 - Revenues ¥248.5 billion, down 2% year-over-year as-reported, up 4% constant currency¹
 - Operating income ¥94.5 billion, down 4% year-over-year as-reported, up 3% constant currency¹
 - Net income⁴ ¥115.7 billion, up 7% year-over-year as-reported, up 16% constant currency¹

Fourth Quarter 2019 Highlights:

- Revenues ¥49.2 billion, up 7% year-over-year as-reported, up 14% constant currency¹ – exceeded outlook
- Operating income ¥4.5 billion – below outlook. While Q4 revenues exceeded outlook, this was more than offset by a ¥9.2 billion impairment loss primarily on assets related to Pixelberry, including goodwill.
- Net income⁴ ¥3.3 billion – below outlook. While we recognized a ¥11.0 billion deferred tax assets related to foreign tax credit at Neople, our consolidated subsidiary, this was more than offset by operating income underperformance and a ¥11.4 billion FX loss primarily on U.S. dollar-denominated cash deposits.

First Quarter 2020 Outlook:

- Expect revenues in the range of ¥74.0 to ¥80.7 billion, down 20% to 13% year-over-year on an as reported basis, down 18% to 10% year-over-year on a constant currency¹ basis
- Expect operating income of ¥36.0 to ¥42.1 billion
- Expect net income⁴ of ¥31.7 to ¥36.6 billion
- Forex sensitivity⁵ :Every one Japanese yen move against the U.S. dollar would have the following impact on our financials for Q1 2020
 - Revenues: ¥0.70 billion
 - Operating Income: ¥0.37 billion



Earnings Presentation, Webcast and Replay:

Nexon management will host an earnings presentation for investors, analysts and the media to discuss the company's financial results and outlook. The presentation, which will be webcast live on Nexon's IR website on the same day at 5:30 p.m. JST / 3:30 a.m. EST, will be simultaneously conducted in Japanese and English. It will consist of brief remarks made by the management team followed by a Q&A session. Q&A session will be conducted with consecutive interpretation. A replay and a transcript of the presentation will be available on the website within several days.

For additional information regarding Nexon's fourth quarter and full year 2019 financial results, 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/en/>

Founded in 1994, NEXON Co., Ltd. ("Nexon") (3659.TO) is a company engaged in the production, development and operation of online games. First listed on the Tokyo Stock Exchange in December 2011, Nexon was placed on JPX400 in 2015 and the Nikkei Stock Index 300 in 2017. Nexon currently has more than 60 live games in various genres operated across more than 190 countries. Major game titles include *MapleStory*, *Dungeon&Fighter* and *MapleStory M*.

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¹ 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.

² Official titles are EA SPORTS™ FIFA Online 3, EA SPORTS™ FIFA Online 3 M, EA SPORTS™ FIFA ONLINE 4 and EA SPORTS™ FIFA ONLINE 4 M.

³ Pre-registrations as of February 12th, 2020

⁴ Net income refers to net income attributable to owners of the parent, as stated in Nexon's consolidated financial results.

⁵ 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.