



March 29, 2021

NEXON Co., Ltd.

<http://company.nexon.co.jp/en/>

(Stock Code: 3659, TSE First Section)

## **Nexon Discloses Investments in Hasbro, BANDAI NAMCO, KONAMI and SEGA SAMMY**

*\$874 Million Invested in 2020 For an Unrealized Gain of \$279 Million  
Long-Term, Friendly Investments in Well-Managed Global IP*

**TOKYO – March 29, 2021** – NEXON Co., Ltd. (Nexon) (3659.TO), a global leader in online games, filed disclosures including investment amounts<sup>1</sup> in four publicly traded companies: Hasbro, Inc., BANDAI NAMCO Holdings Inc., KONAMI HOLDINGS CORPORATION and SEGA SAMMY HOLDINGS INC. Other investments did not meet the company's threshold<sup>2</sup> for disclosure.

In 2020, Nexon's board authorized up to \$1.5 billion for investment in entertainment companies that demonstrate the ability to develop and sustain strong globally recognized intellectual property. These are long-term friendly investments with no intention of acquisition or activism. As of the end of 2020, Nexon completed investments totaling ¥92.4 billion (\$874 million) which represents 58% of the authorized amount and recorded an unrealized gain of ¥29.5 billion<sup>3</sup> (\$279 million<sup>3</sup>) under other comprehensive income.

"We believe companies with strong, well-managed global IP are often overlooked and undervalued in a market that is narrowly focused on introductions of new IP," said Owen Mahoney, President and CEO of Nexon. "These investments reflect our respect for management teams that create and grow global properties over a period of years and decades. We believe that each has potential to capitalize on the secular shift from linear formats to interactive entertainment."

Mahoney continued, "These investments represent a good use of our cash in a low-interest environment and we are extremely pleased with the initial results. While leveraging partnerships was not a consideration in our investment decisions, we are pleased with the dialogue that has ensued with some companies."

Nexon is a global entertainment company with a solid balance sheet, significant cash reserves, strong cash flow and a proven ability to create and sustain global IP for years – even decades. In 2020, the company generated revenues of ¥293.0 billion and operating cash flow of ¥137.6 billion and as of December 31, 2020, has ¥525.7 billion<sup>4</sup> in cash on the balance sheet. In November 2020, Nexon announced a three-year share buyback period<sup>5</sup> with a maximum acquisition amount of ¥100.0 billion.

Annual Securities Report is available from the link below (Japanese only).

<https://pdf.irpocket.com/C3659/HRxf/vAEJ/tbMp.pdf>



**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 and Virtual Worlds. First listed on the Tokyo Stock Exchange in December 2011, Nexon was placed on JPX400 in 2015 and added to the Nikkei Stock Index 300 in 2017. In 2020, Nexon was added to the Nikkei 225. Nexon currently has more than 50 live games on multiple platforms including mobile and available in more than 190 countries. Major game franchises include *MapleStory*, *KartRider* and *Dungeon&Fighter*.

**Contact Information**

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<sup>1</sup> Market value of the investment as of the end of 2020

<sup>2</sup> Disclosure thresholds were set by Nexon in consultation with an outside auditor

<sup>3</sup> Represents the difference between the acquisition costs and the market value of our equity investments; does not reflect the impact of deferred tax liabilities on unrealized gains

<sup>4</sup> Aggregation of "Cash and cash equivalents" and "Other deposits"

<sup>5</sup> Three-year period from November 11, 2020 to November 10, 2023