

NEXON Co., Ltd.

Q4 2025 Earnings Prepared Remarks

Feb 12th, 2026

Junghun Lee, Representative Director, President and Chief Executive Officer, NEXON Co., Ltd.

Thank you Kawai-san, and good afternoon everyone – we appreciate you joining our call. Earlier today, Nexon posted a letter, slide deck, and press release detailing our Q4 and full-year 2025 performance, plus our Q1 2026 outlook.

We are pleased to report that 2025 marked significant progress in Nexon’s IP Growth Initiative. We renewed momentum in our core games *MapleStory* and *Dungeon&Fighter* (PC), and delivered extremely popular all-new titles including *MABINOGI MOBILE*, *MapleStory: Idle RPG* and, of course, *ARC Raiders*. As a result, we achieved record-high full-year revenue of ¥475.1 billion, representing year-over-year growth of 6%.

Our fourth quarter was highlighted by the launches of two significant titles: *MapleStory: Idle RPG* and *ARC Raiders*.

Harnessing a distinct and increasingly popular game genre, *MapleStory: Idle RPG* reimagines the core *MapleStory* experience in a highly accessible idle RPG format. Our game released on November 6 and quickly reached number one in Taiwan and Singapore, charted well in North America, and held the number one position in Korea for more than 10 weeks.

However, we later discovered that a coding error which misapplied the stated value for a specific paid item had been corrected without notifying players or management. Recognizing the error on January 25, Nexon management acted quickly, announced process reforms, disciplinary action, and, to reaffirm trust with players, made an offer of compensation or full refunds upon request for all in-game purchases made prior to January 28. The refund application process is open from February 5 to February 15, which will be processed through app stores with completion expected by March 15, 2026. Uemura-san will walk you through the details of how this affects our results and outlook.

Nexon has decades of history in sustaining and growing games for many years. Building and maintaining the trust of our player communities is a fundamental principle of how we operate. When we discover a flaw, we quickly and openly admit our mistakes...adopting reforms...and making things right for our players. This refund offer is a big commitment, but one we believe is critical to maintaining the trust in our games and our company.

Now turning to *ARC Raiders*, the largest and most successful new product launch in Nexon’s history. Still growing and sustaining engagement 15 weeks after the October 30 launch, *ARC Raiders* has outperformed our most optimistic projections. The game reached unit sales of 10 million in December, and as of today, an incredible 14 million.

The true measure of a hit game is sustainability, and for *ARC Raiders* two metrics demonstrate robust and sustained engagement. First, in January we reached a Peak Concurrent User Milestone of 960 thousand players, two months after the launch. And second, we have increased and sustained approximately six million weekly active users to date, which means that millions of players around the world have integrated *ARC Raiders* into their weekly routine.

Driven by a steady cadence of content updates from Embark Studios and supported by Nexon's Live Operations, *ARC Raiders* defies the traditional quick-up-quick-down trajectory of most games. And driven by the ongoing full-year content plan currently in development at Embark, we strongly believe *ARC Raiders* will continue to engage the core and attract new players into the foreseeable future, making the game a sustainable pillar in Nexon's portfolio of global game franchises.

The enduring success of *ARC Raiders* stands as a clear proof point in our strategy for global expansion and a foundation for future new IP development. It's a success that demonstrates we have creative teams, the operating model, and the live operations capability to breakthrough and sustain games in the world's largest markets.

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On this foundation, we have entered a new year as a more diversified, durable, and globally competitive company.

With that, I'll hand the call over to Uemura-san.

Shiro Uemura, Representative Director and Chief Financial Officer, NEXON Co., Ltd.

Thank you, Junghun.

Q4 revenue increased 55% year over year to ¥123.6 billion, and operating income turned positive to ¥7.2 billion.

These results include the deferral of ¥27.7 billion of *ARC Raiders*' revenue and operating income out of Q4. *ARC Raiders* is a game offered through upfront payment, providing multiplayer experience played on online servers and no single player mode. To better reflect these characteristics, and in consultation with our auditors, we deferred a portion of the revenue from a certain sales channel. More than half of the ¥27.7 billion deferral out of Q4 will be recognized in Q1 of 2026.

Our Q4 results also include the estimated impact of the refund for *MapleStory: Idle RPG*, which reduced revenue and operating income by approximately ¥9 billion and ¥4 billion, respectively.

Moving to expenses, strong sales from our titles including *ARC Raiders* resulted in a level of performance-based bonuses that was not incorporated in our guidance. Platform costs also exceeded our plan due to the strong performances of our new titles. Additionally, we recorded a one-time impairment loss of ¥3.0 billion primarily related to the service termination of a published game.

Net income was ¥10.9 billion, down 66% year over year, primarily due to an FX gain of ¥9.7 billion on cash deposits in Q4 2025, compared to an FX gain of ¥31.7 billion in the year-ago quarter.

Turning to the franchise review, we delivered solid progress on our IP Growth Strategy in Q4, including 13% aggregate year-over-year vertical growth in three major franchises, plus horizontal growth from new titles like *MABINOGI MOBILE* and *ARC Raiders*.

PC Dungeon&Fighter achieved double-digit growth in both China and Korea, driven by sustained player engagement. On the other hand, revenue from the mobile version fell year over year, resulting in a 16% decline in franchise revenue.

The *MapleStory* franchise delivered exceptional results with revenues increasing 54% year over year, primarily driven by the highly significant launch of *MapleStory: Idle RPG*.

In Korea *MapleStory*, the winter update drove 14% year-over-year revenue growth and achieved a record-breaking 45% share in PC Cafes.

Global MapleStory increased 24% year over year. In the West, the game achieved its highest-ever

quarterly revenue fueled by a major winter update.

Revenues for *MapleStory Worlds* approximately doubled year over year driven by regional expansion.

MapleStory: Idle RPG was well-received for its approachable casual gameplay experience and joy of levelling up, appealing to a broad audience. The game achieved the #1 spot in app stores in multiple markets. Despite recognizing an approximate ¥9 billion revenue reversal in Q4, the game made a solid contribution in Q4.

FC franchise revenue grew year over year, driven by holiday updates and sales promotions.

MABINOGI MOBILE made a significant revenue contribution to the franchise from the well-received Sanrio collaboration update released in late December.

Following its launch on October 30, *ARC Raiders* sold over 10 million units by the end of December, significantly exceeding our expectations. The game has maintained strong player engagement across multiple platforms, with high levels of WAUs, peak concurrent users, and retention.

Next, I will move on to the full-year 2025 financial results.

In 2025, we renewed momentum in our flagship titles including *Dungeon&Fighter* and *MapleStory*, as well as delivering the phenomenal success of new titles including *MABINOGI MOBILE* and *ARC Raiders*. As a result, we achieved record-high full-year revenue of ¥475.1 billion representing year-over-year growth of 6%, demonstrating the power and success of our IP Growth Initiative. Revenues from our three major franchises were flat year over year to ¥331.5 billion, and horizontally, we grew 25% year over year to ¥143.6 billion.

Operating income was ¥124.0 billion, flat year over year.

On the cost side, HR costs increased year over year due to proactive talent investments for long-term growth. Additionally, marketing expenses and variable costs such as platform fees and royalties increased primarily due to launches of large-scale titles including *ARC Raiders*, *MABINOGI MOBILE* and *MapleStory: Idle RPG*.

Net income was ¥92.1 billion, down 32% year over year. We recognized an FX loss of ¥2.7 billion in 2025, while recording a gain of ¥30.9 billion in 2024.

Moving on to our first quarter 2026 outlook, we anticipate continued strong momentum across our

portfolio and expect record-breaking quarterly revenue driven by solid contributions from new games as well as year-over-year growth in PC *Dungeon&Fighter* and MapleStory franchise.

Q1 group revenues are expected to be in the range of ¥150.5 billion to ¥164.0 billion, representing a 32% to 44% increase on an as-reported basis or 23% to 34% increase on a constant-currency basis year over year.

For the PC version of *Dungeon&Fighter*, we anticipate year-over-year revenue growth driven by a good start for the New Year update, which includes packaged-item sales.

For *Dungeon&Fighter Mobile* in China, we expect revenue to be roughly flat quarter over quarter while anticipating a year-over-year decline.

Overall, we expect Q1 *Dungeon&Fighter* franchise revenues to decline year over year.

In 2026, we will prioritize getting *Dungeon&Fighter Mobile* back on track for growth and will continue our collaboration with Tencent to release more hyperlocalized content for players in China.

Moving to *MapleStory*, we expect Q1 franchise revenues to increase approximately 30% year over year driven by a contribution from *MapleStory: Idle RPG*.

For both *MapleStory* in Korea and Global *MapleStory*, we expect player engagement to remain solid supported by the winter update that began last Q4.

We also expect increased year-over-year revenues for *MapleStory Worlds*.

For *MapleStory: Idle RPG*, in two weeks since announcing the coding issue, our player base has remained strong and active, highlighting the demand and interest that our players have for this new game. We expect ongoing contributions while incorporating a revenue reversal of approximately ¥5 billion and an operating income reduction of approximately ¥3 billion into our Q1 outlook.

Throughout 2026, we plan to maintain the franchise's positive momentum with further hyperlocalization and content updates.

FC franchise revenues are expected to be roughly flat year over year in Q1. We aim to build greater enthusiasm leading up to the World Cup which begins in June.

MABINOGI MOBILE is expected to contribute to the franchise's performance with new battle content,

New Year promotions, and anniversary updates.

ARC Raiders has already sold 14 million copies to date and we expect to sustain strong player engagement and sales momentum in Q1, backed by monthly content drops and live events.

Moving to the operating income outlook. We expect Q1 operating income to be in the range of ¥51.2 billion to ¥61.1 billion, representing a 23% to 47% increase on an as-reported basis, or 7% to 30% increase year over year on a constant-currency basis.

On the cost side, we expect an increase in platform and royalty fees in relation to sales from *ARC Raiders*, *MapleStory: Idle RPG*, and *MABINOGI MOBILE*. HR costs are also expected to increase due to performance-based bonuses linked to *ARC Raiders* and higher headcount. Additionally, marketing costs are expected to increase due to promotions of new titles.

We expect net income to be in the range of ¥40.9 billion to ¥48.4 billion, which represents a 56% to 84% increase on an as-reported basis or 31% to 58% increase on a constant-currency basis year over year.

Finally, I would like to offer some perspective on our shareholder returns.

We continue to generate significant cash flows which further strengthens our balance sheet. In 2025, we generated more than ¥100 billion in operating cash for the eighth consecutive year, with a cash balance exceeding ¥800 billion at year-end.

Nexon's strong balance sheet has allowed us to materially increase the dividend while also buying back our shares. In 2025, we doubled the dividend payout from ¥22.5 to ¥45 per share, and executed share buybacks of ¥96.9 billion.

Additionally, on January 28 we completed the remaining ¥25 billion buyback based on the one-year, ¥100 billion share buyback policy outlined in February 2025. Today, the Board of Directors resolved to cancel all shares previously repurchased under this share repurchase program.

We remain committed to proactive shareholder returns, as outlined by our commitment to return more than 33% of the previous year's operating income to shareholders. For 2026, we plan a semi-annual dividend of ¥30 per share, or an annual total of ¥60, and will continue to actively consider share buybacks.

Looking ahead, we are committed to maintaining a robust balance sheet to support growth

investment and capital allocation, while enhancing capital efficiency.

With that, I will turn the call back to Junghun.

Junghun Lee, Representative Director, President and Chief Executive Officer, NEXON Co., Ltd.

Thank you Uemura-san.

To close our prepared remarks today, I would like to offer some context on our recent success, and what it means for the longer-term future of our company. Looking beyond the financial metrics and many successes of the most recent quarter, we recognize that for the past two years, Nexon has been progressing through a complex and highly promising transformation to become one of a small number of truly global game companies.

At the center of this transformation is the IP Growth Initiative outlined at our Capital Markets Briefing in 2024, calling for growth in established franchises, and a highly disciplined approach to launching new games and nurturing emerging IP.

We have strengthened our established blockbusters and launched several new games – not all but most of which achieved a degree of success in establishing foundations for additional growth with content updates and regional expansion.

Most notably, the enduring success of *ARC Raiders* stands as a clear proof point in our strategy, and one that shows where we plan to take our company in the months and years ahead.

Nexon has developed a creative and operating model that can deliver renewal and resilience in core franchises while introducing new games and experiences that attract players across all regions, platforms, and business models, performing at scale. Today we are a more diversified, durable and globally competitive company.

To hear more about our progress and plans for the future, investors are invited to join Nexon's Capital Markets Briefing in Tokyo on March 31. The event will feature presentations from our executives and creative leaders, with details on our strategy for achieving our mid-term financial targets, including a preview of our content pipeline.

With that: operator, we are ready to take questions from our guests.