

[This is an English translation prepared for the convenience of non-resident shareholders. Should there be any inconsistency between the translation and the official Japanese text, the latter shall prevail. The Company assumes no responsibility for this translation or for direct, indirect or any other forms of damages arising from the translations.]



Consolidated Financial Results
for the Six Months Ended June 30, 2023
[IFRS]

August 9, 2023

Company name: NEXON Co., Ltd.

Stock exchange listing: Tokyo Stock Exchange

Stock code: 3659

URL: <https://ir.nexon.co.jp/en/>

Representative: Owen Mahoney, Representative Director, President and Chief Executive Officer

Contact: Shiro Uemura, Representative Director and Chief Financial Officer

Phone: +81-3-6629-5318

Scheduled date for filing of quarterly securities report: August 10, 2023

Scheduled date of commencing dividend payments: September 25, 2023

Supplementary briefing material on quarterly financial results: Yes

Quarterly financial results briefing: Yes (conference call for institutional investors, analysts and media)

(Amounts are rounded to nearest million yen)

1. Consolidated Financial Results for the Six Months Ended June 30, 2023 (from January 1, 2023 to June 30, 2023)

(1) Consolidated Operating Results (cumulative)

(% changes year-over-year)

(Millions of yen)

	Revenue		Operating income		Income before income taxes		Net income		Net income attributable to owners of the parent company		Total comprehensive income	
	Amount	% change	Amount	% change	Amount	% change	Amount	% change	Amount	% change	Amount	% change
Six months ended June 30, 2023	218,523	24.8%	83,889	37.1%	114,730	14.0%	77,721	17.2%	77,329	15.9%	134,150	18.0%
Six months ended June 30, 2022	175,156	21.4%	61,204	4.2%	100,664	29.9%	66,302	22.2%	66,733	21.4%	113,722	62.6%

	Basic earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended June 30, 2023	90.49		89.77	
Six months ended June 30, 2022	75.54		74.94	

(Note) In the three months ended December 31, 2022, a provisional accounting treatment for an equity method application was finalized and retroactive adjustments were made to the condensed quarterly consolidated financial statements for the six months ended June 30, 2022.

(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 June 30, 2023	1,151,860	969,509	959,290	83.3%
As of December 31, 2022	1,042,849	867,546	858,193	82.3%

2. Dividends

(Yen)

	Annual Dividends				
	End of 1st Quarter	End of 2nd Quarter	End of 3rd Quarter	End of Year	Total
FY 2022	—	5.00	—	5.00	10.00
FY 2023	—	5.00			
FY 2023 (Forecast)			—	5.00	10.00

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

Please see “Notice of Interim Dividend of Surplus” announced today for details on the interim dividend for FY2023.

3. Consolidated Financial Results Forecast for the Nine Months Ending September 30, 2023 (from January 1, 2023 to September 30, 2023)

(% changes year-over-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
3rd Quarter (cumulative)	328,374	20.5%	120,507	30.0%	155,547	(0.6)%	105,891	(1.4)%	105,495	(2.3)%	Yen
	~	~	~	~	~	~	~	~	~	~	123.51
	338,291	24.1%	128,346	38.4%	163,392	4.4%	112,024	4.3%	111,429	3.2%	~
											130.45

(Notes) 1. As it is difficult to reasonably estimate financial results for the year ending December 31, 2023 at the moment, only the financial results forecast for the nine months ending September 30, 2023 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 (3) Explanation on Future Forecast Information including Consolidated Financial Results Forecast" on page 4 of the Appendix.

2. The year-over-year percentage changes for the nine months ending September 30, 2023 are calculated based on the retroactively adjusted numbers reflecting the finalization of the provisional accounting treatment for an equity method application in the three months ended December 31, 2022.

*(Notes)

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

(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 June 30, 2023: 854,155,102 shares

As of December 31, 2022: 866,773,728 shares

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

As of June 30, 2023: 1,276,421 shares

As of December 31, 2022: 5,955,400 shares

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

Six months ended June 30, 2023: 854,586,323 shares

Six months ended June 30, 2022: 883,398,758 shares

(Note) "Total number of treasury stock at the end of the period" includes Nexon's stock held by our consolidated subsidiaries, Stiftelsen Embark Incentive and NEXON Employee Benefit Trust (as of June 30, 2023: 1,276,421 shares; as of December 31, 2022: 787,023 shares). The number of treasury stock deducted in the calculation of the average number of shares during the period includes Nexon's stock held by the consolidated subsidiaries (as of June 30, 2023: 996,765 shares; as of June 30, 2022: 865,770 shares).

* This quarterly financial report is outside the scope of quarterly review procedures by a certified public accountant or an audit firm.

* 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 currently available to the Company and certain assumptions that can be deemed reasonable, 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 (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 quarterly financial results are available on the Company's website.

Contents of Appendix

1. Qualitative Information on Consolidated Financial Results for the Period	2
(1) Explanation on Operating Results	2
(2) Explanation on Financial Position	3
(3) Explanation on Future Forecast Information including Consolidated Financial Results Forecast	4
2. Matters Related to Summary Information (Notes)	6
(1) Changes in Significant Subsidiaries during the Period	6
(2) Changes in Accounting Policies and Changes in Accounting Estimates	6
3. Condensed Consolidated Financial Statements and Major Notes	7
(1) Condensed Consolidated Statement of Financial Position	7
(2) Condensed Consolidated Income Statement	9
(3) Condensed Consolidated Statement of Comprehensive Income	11
(4) Condensed Consolidated Statement of Changes in Equity	13
(5) Condensed Consolidated Statement of Cash Flows	14
(6) Notes on Going Concern Assumption	16
(7) Notes on Significant Changes in the Amount of Equity Attributable to Owners of the Parent Company	16
(8) Segment Information	18
(9) Subsequent Events	25

1. Qualitative Information on Consolidated Financial Results for the Period

(1) Explanation on Operating Results

Nexon Group discloses its financial outlook for the upcoming quarter as a range so as to provide its shareholders and investors with more accurate information, while the explanation on operating results in its quarterly consolidated financial results focuses on analyses and comparisons with the same quarter in the previous accounting year.

Brothers International, LLC, which became our affiliate as we newly acquired its equity, is included in the scope of application of the equity method from the three months ended December 31, 2021. Accordingly, in the six- and three-month periods ended June 30, 2022, we have used a provisional accounting treatment based on reasonable data available at the time, which was finalized in Q4 2022, and retroactive adjustments were made to the numbers for these periods. Due to this, investments accounted for using equity method increased by ¥2,028 million because the share of loss of investments accounted for using equity method decreased by ¥1,765 million and exchange differences on translating foreign operations increased by ¥263 million compared to the provisional amounts in the six- and three-month periods ended June 30, 2022.

As for the analyses and comparisons with the six- and three-month periods ended June 30, 2022, we have used the amounts revised upon finalization of the provisional accounting treatment.

As for the global economy during the three months ended June 30, 2023, the outlook remained uncertain primarily due to global inflation and monetary tightening, as well as the prolonged Ukraine war, which is the primary cause of the inflation. In Japan, the Nikkei Stock Average marked a record-high price since the collapse of the bubble economy mainly due to the depreciation of the Japanese yen, and demand generated by inbound tourism is also on a recovery trend.

Under these circumstances, Nexon Group has operated its PC online and mobile businesses, endeavoring to provide users with an enjoyable game experience by developing high-quality games, acquiring more contents, servicing new titles, and updating existing titles. Specifically, we have established the following as Nexon's Focus Strategy: (i) focusing on massive multiplayer online games, (ii) enabling our service to be played across multiple platforms including PC, console and mobile, (iii) leveraging Nexon's IPs, and (iv) investing in new IPs that we think are really special. We have also worked on initiatives for the growth of our global business.

For the three months ended June 30, 2023, Nexon achieved record-breaking second quarter revenue driven by the growth of *EA SPORTS™ FIFA ONLINE 4*, *EA SPORTS™ FIFA MOBILE* and *Blue Archive*, as well as contributions from *Wars of Prasia*, which launched on March 30, and *HIT2*.

In Korea, PC online revenue increased year-over-year driven by *EA SPORTS™ FIFA ONLINE 4*'s record-breaking second quarter revenue and a contribution from *Wars of Prasia*, which were partially offset by a year-over-year decrease in *MapleStory*. *EA SPORTS™ FIFA ONLINE 4*'s revenue grew as it sustained the good trend even after the World Cup at the end of last year. For *MapleStory*, as the growth in active users following the monetization improvement in April was slower than expected, we shifted our focus to increase the number of players rather than monetization ahead of the important update in Q3. As a result, the game experienced double-digit year-over-year growth in the number of its active users, though revenue decreased year-over-year. Mobile revenue slightly increased year-over-year primarily driven by contributions from *Wars of Prasia* and *HIT2*, and growth of *EA SPORTS™ FIFA MOBILE*, which were partially offset by a revenue decrease in *Dungeon&Fighter Mobile*. As a result, we achieved record-breaking overall second quarter revenue in Korea.

In China, revenue decreased year-over-year due to a decrease in *Dungeon&Fighter*, our key PC online game. For *Dungeon&Fighter*, we focused on stable operation and introduced the Labor Day update in April and the 15th Anniversary update in June. Its active users increased year-over-year while revenue decreased due to a tough comparison with Q2 2022 when revenue significantly grew year-over-year.

In Japan, revenue increased year-over-year driven by the growth of *Blue Archive* and *MapleStory*.

In North America and Europe, revenue decreased year-over-year due to revenue decreases in *Choices: Stories You Play* and other mobile games.

In other regions ("Rest of World"), revenue increased year-over-year driven by a contribution from *HIT2*, which launched in Taiwan, Hong Kong and Macau on May 23. This was partially offset by revenue decreases in *MapleStory* and older mobile titles.

In terms of expenses, cost of sales increased year-over-year due to increased HR costs due to headcount increase and annual salary hike, and increased royalty costs for *EA SPORTS™ FIFA ONLINE 4* and *EA SPORTS™ FIFA MOBILE*. Selling, general and administrative expenses decreased year-over-year due to decreased platform costs for mobile games and decreased stock option expenses, despite increased marketing expenses for *MapleStory*, which

celebrated its 20th anniversary in Korea. Other expenses decreased compared to Q2 2022 when we recorded an impairment loss on game copyrights following a reschedule of the launch timing of titles under development by Embark Studios AB.

Finance income decreased year-over-year as the foreign exchange gain primarily on foreign currency-denominated cash deposits was significantly smaller than that recorded in Q2 2022.

As a result, for the three months ended June 30, 2023, Nexon Group recorded revenue of ¥94,436 million (up 12.3% year-over-year), operating income of ¥27,614 million (up 21.7% year-over-year), income before income taxes of ¥42,827 million (down 1.5% year-over-year) and net income attributable to owners of the parent company of ¥24,538 million (down 7.3% year-over-year).

For the six months ended June 30, 2023, Nexon Group recorded revenue of ¥218,523 million (up 24.8% year-over-year), operating income of ¥83,889 million (up 37.1% year-over-year), income before income taxes of ¥114,730 million (up 14.0% year-over-year) and net income attributable to owners of the parent company of ¥77,329 million (up 15.9% year-over-year).

Business results by reportable segments for the six months ended June 30, 2023 are as follows:

(a) Japan

Revenue for the six months ended June 30, 2023 amounted to ¥2,330 million (up 1.9% year-over-year), and segment loss amounted to ¥2,152 million (segment loss of ¥5,832 million for the six months ended June 30, 2022).

(b) Korea

Revenue for the six months ended June 30, 2023 amounted to ¥207,467 million (up 26.1% year-over-year), and segment profit amounted to ¥93,266 million (up 27.2% year-over-year). Revenue in Korea includes royalty income of NEOPLE INC. (a subsidiary of NEXON Korea Corporation, our consolidated subsidiary) attributable to license agreements in China.

(c) China

Revenue for the six months ended June 30, 2023 amounted to ¥1,728 million (up 6.8% year-over-year), and segment profit amounted to ¥823 million (up 3.7% year-over-year).

(d) North America

Revenue for the six months ended June 30, 2023 amounted to ¥6,380 million (up 4.6% year-over-year), and segment loss amounted to ¥4,267 million (segment loss of ¥2,176 million for the six months ended June 30, 2022).

(e) Other

Revenue for the six months ended June 30, 2023 amounted to ¥618 million (down 10.4% year-over-year), and segment loss amounted to ¥3,459 million (segment loss of ¥2,625 million for the six months ended June 30, 2022).

(2) Explanation on Financial Position

(a) Assets, liabilities and equity

(Assets)

Total assets as of June 30, 2023 amounted to ¥1,151,860 million, an increase of ¥109,011 million from December 31, 2022. Major components include an increase of ¥162,283 million in other deposits, an increase of ¥57,915 million in other financial assets, an increase of ¥17,527 million in investments accounted for using equity method and a decrease of ¥147,360 million in cash and cash equivalents.

(Liabilities)

Total liabilities as of June 30, 2023 amounted to ¥182,351 million, an increase of ¥7,048 million from December 31, 2022. Major components include an increase of ¥5,618 million in deferred tax liabilities.

(Equity)

Equity as of June 30, 2023 totaled ¥969,509 million, an increase of ¥101,963 million from December 31, 2022. Major components of changes in equity include an increase of ¥77,329 million in retained earnings due to the recording of net income attributable to owners of the parent company, an increase of ¥55,898 million in other equity interest primarily due to the recording of exchange differences on translating foreign operations and a decrease of

¥36,734 million due to purchases of treasury stock.

As a result, ratio of equity attributable to owners of the parent company was 83.3% (82.3% as of December 31, 2022).

(b) Cash flows

Cash and cash equivalents (collectively, “cash”) as of June 30, 2023 was ¥262,008 million, a decrease of ¥147,360 million from December 31, 2022. The decrease includes ¥10,379 million in effects of an increase due to exchange rate changes on cash.

Cash flows from each activity for the six months ended June 30, 2023 and their significant components are as follows:

(Cash flows from operating activities)

Net cash provided by operating activities was ¥57,662 million, compared to ¥58,498 million for the six months ended June 30, 2022. Major components of the increase include income before income taxes of ¥114,730 million. Major components of the decrease include income taxes paid of ¥31,783 million, a foreign exchange gain of ¥10,146 million and an increase in trade and other receivables of ¥7,777 million.

Net cash provided by operating activities slightly decreased year-over-year due to an increase in income taxes paid while income before income taxes increased.

(Cash flows from investing activities)

Net cash used in investing activities was ¥179,715 million, compared to ¥15,041 million provided in the six months ended June 30, 2022. Major cash outflows include a net increase in time deposit of ¥146,279 million and purchases of investments accounted for using equity method of ¥23,506 million.

Net cash used in investing activities increased year-over-year due to an increase in time deposit.

(Cash flows from financing activities)

Net cash used in financing activities was ¥35,686 million, compared to ¥87,585 million for the six months ended June 30, 2022. Major cash outflows include purchases of treasury stock of ¥36,767 million.

Net cash used in financing activities decreased year-over-year due to a decrease in purchases of treasury stock.

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

The outlook on the business environment surrounding Nexon Group remains unclear primarily due to soaring energy prices and inflation, which are mainly attributable to the prolonged Ukraine war, as well as continued global monetary tightening. As for the economic environment in Japan, while a gradual recovery is expected to continue due partly to the effects of various political measures as employment and income environments improve, the downward swing of business sentiments overseas is a risk factor pushing down the business sentiments in Japan. However, we do not expect these factors to cause any event that could have material impact on Nexon Group’s businesses.

In our consolidated business outlook, we disclose our expectations for the following quarter as a range to provide more accurate information to our shareholders and investors, since it is difficult to derive full-year consolidated forecasts due to uncertainties in projecting the speed of growth of PC online game and mobile game markets in which Nexon Group’s main businesses operate, and because our revenue is largely dependent on such uncertain factors as users’ preferences and whether or not we have any hit titles. “Consolidated Financial Results Forecast for the Nine Months Ending September 30, 2023” is the sum of our actual consolidated financial results for the six months ended June 30, 2023 and our consolidated business outlook for the three months ending September 30, 2023. Please refer to the table below for our consolidated financial results forecast for the three months ending September 30, 2023.

For the nine months ending September 30, 2023, Nexon Group expects consolidated revenue in the range of ¥328,374~338,291 million (up 20.5%~24.1% year-over-year), operating income in the range of ¥120,507~128,346 million (up 30.0%~38.4% year-over-year), income before income taxes in the range of ¥155,547~163,392 million (down 0.6%~up 4.4% year-over-year), net income in the range of ¥105,891~112,024 million (down 1.4%~up 4.3% year-over-year), net income attributable to owners of the parent company in the range of ¥105,495~111,429 million (down 2.3%~up 3.2% year-over-year), and basic earnings per share in the range of ¥123.51~130.45. Nexon Group operates its businesses around the world, in Japan, South Korea, China, the United States and other countries. Major exchange rates for Q3 2023 are expected to be 1 U.S dollar=¥140.85, 100 South Korean Won=¥11.00 and 1 Chinese

Yuan=¥19.61. In general, the exchange rates of the Korean Won and the Chinese Yuan to Japanese Yen are assumed to be linked to the exchange rate of U.S. Dollar to Japanese Yen. Based on this assumption, we expect that every one Japanese Yen move against the U.S. Dollar will have an impact of approximately ¥813 million on revenue and approximately ¥298 million on operating income for the three months ending September 30, 2023.

As for revenue based on customer location for the three months ending September 30, 2023, our expectations are as follows.

In Korea, we expect overall PC online revenue to increase year-over-year. We expect *MapleStory*'s revenue to grow double-digit year-over-year, driven by an increase in active users in the second quarter and a successful major content update introduced in July. For *EA SPORTS™ FIFA ONLINE 4*, we anticipate a decrease in its PC and mobile combined revenues due to a comparison with the extremely strong performance in Q3 2022. The game is scheduled to change its title in September due to rebranding, but we do not expect that to affect its performance because the gameplay will not change. In addition, we expect a continued contribution from *Wars of Prasia*, which launched on March 30 across mobile and PC platforms.

For mobile in Korea, we expect Q3 revenue to decrease year-over-year. We expect year-over-year growth in *EA SPORTS™ FIFA MOBILE* and a contribution from *Wars of Prasia*, which launched on March 30. We expect these to be more than offset by year-over-year revenue decreases in *HIT2* and *Dungeon&Fighter Mobile*, which launched in 2022.

In China, we expect revenue to increase year-over-year. We expect a slight revenue increase year-over-year for *Dungeon&Fighter*, our major PC online title, as the number of its active users remains solid, and we continue to operate the game with a focus on increasing user engagement in Q3. We also anticipate contributions from *Blue Archive*, which launched on August 3, and *MapleStory: The Legends of Maple*, which is scheduled for launch on August 17.

In Japan, we expect revenue to decrease year-over-year. While we expect growth in *EA SPORTS™ FIFA MOBILE*, we expect this to be more than offset by revenue decreases in terminated mobile titles.

In North America and Europe, we expect revenue to increase year-over-year driven by a contribution from *DAVE THE DIVER*, which launched on June 28.

In the Rest of World, we expect revenue to increase year-over-year driven by a contribution from *HIT2*, which launched in Taiwan, Hong Kong and Macau on May 23.

On the cost side, we expect a year-over-year increase in costs for the three months ending September 30, 2023. We expect increased HR costs related to additional headcount for the development and operation of our major titles, as well as bonus accruals for contribution to great performances. We also expect increased marketing expenses associated with the promotion for *MapleStory*, which has introduced a large update in Q3, as well as the rebranding of *EA SPORTS™ FIFA ONLINE 4*, which is scheduled to change its title in September.

Our business outlook is based on information currently available to us, which includes various uncertainties. Therefore, actual performance may vary from our outlook due to changes in the business condition.

(Reference)

Consolidated financial results forecast for the three months ending September 30, 2023 (from July 1, 2023 to September 30, 2023)

(% 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	%	Yen	%	Yen	%	Yen	%	Yen	%	Yen
3rd Quarter	109,851	12.7%	36,617	16.2%	40,816	(26.9)%	28,170	(31.5)%	28,167	(31.6)%	33.02
	~	~	~	~	~	~	~	~	~	~	~
	119,769	22.9%	44,456	41.0%	48,661	(12.9)%	34,304	(16.6)%	34,101	(17.2)%	39.97

(Note) The year-over-year percentage changes for the third quarter (July 1, 2023 to September 30, 2023) are calculated based on the retroactively adjusted numbers reflecting the finalization of the provisional accounting treatment in Q4 2022 for an equity method affiliate, Brothers International, LLC.

2. Matters Related to Summary Information (Notes)

(1) Changes in Significant Subsidiaries during the Period

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, 2022 unless otherwise noted, except for the new standards applied as listed below. Nexon Group calculated income taxes for the six months ended June 30, 2023, based on the estimated average annual effective tax rate.

Nexon Group has applied the following standards since Q1 2023 (from January 1, 2023 to March 31, 2023), but the application of these standards did not have material impacts on the six months ended June 30, 2023.

Standards	Title	Overview of New or Revised Standard
IAS 1	Presentation of financial statements	Revised to require disclosure of material accounting policies rather than significant accounting policies
IAS 8	Accounting Policies, Changes in Accounting Estimates and Errors	Clarified the distinction between accounting policies and accounting estimates
IAS 12	Income Taxes	Clarified the accounting for deferred tax on leases and decommissioning obligations

Nexon Group has also applied the following standards since Q2 2023. The application of these standards did not have material impacts on Nexon Group's condensed quarterly consolidated financial statements.

Standards	Title	Overview of New or Revised Standard
IAS 12	Income Taxes	A temporary exception to the recognition and information disclosure of deferred tax assets and liabilities related to the "International Tax Reform – Pillar Two Model Rules"

This amendment clarified that IAS 12 is applicable to the income tax arising from the tax legislation enacted or substantively enacted for the introduction of the GloBE (Global Anti-Base Erosion) Rules as the second pillar of BEPS (Base Erosion and Profit Shifting) by OECD (Organization for Economic Co-operation and Development). However, a temporary exception is provided which requires companies to not recognize and disclose information about deferred tax assets and liabilities related to income taxes that arise from the GloBE Rules.

Nexon Group has retroactively applied the exception provided by IAS 12. Therefore, we have not recognized and disclosed information about deferred tax assets and liabilities related to income taxes that arise from the GloBE Rules.

3. Condensed Consolidated Financial Statements and Major Notes

(1) Condensed Consolidated Statement of Financial Position

(Millions of yen)

	As of December 31, 2022	As of June 30, 2023
Assets		
Current assets		
Cash and cash equivalents	409,368	262,008
Trade and other receivables	30,444	40,233
Other deposits	162,490	324,773
Other financial assets	23,078	29,222
Other current assets	16,649	18,543
Total current assets	642,029	674,779
Non-current assets		
Property, plant and equipment	26,885	28,070
Goodwill	40,136	42,129
Intangible assets	9,655	15,670
Right-of-use assets	19,079	21,157
Investments accounted for using equity method	83,595	101,122
Other financial assets	162,514	214,285
Other non-current assets	1,811	812
Deferred tax assets	57,145	53,836
Total non-current assets	400,820	477,081
Total assets	1,042,849	1,151,860

(Millions of yen)

	As of December 31, 2022	As of June 30, 2023
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	14,705	13,060
Deferred income	18,942	21,208
Income taxes payable	23,697	24,364
Lease liabilities	4,045	5,014
Provisions	10,164	4,546
Other current liabilities	11,581	12,776
Total current liabilities	83,134	80,968
Non-current liabilities		
Deferred income	15,897	16,019
Lease liabilities	19,279	21,901
Other financial liabilities	1,447	1,466
Provisions	355	393
Other non-current liabilities	4,820	5,615
Deferred tax liabilities	50,371	55,989
Total non-current liabilities	92,169	101,383
Total liabilities	175,303	182,351
Equity		
Capital stock	38,972	43,754
Capital surplus	18,331	23,090
Treasury stock	(16,464)	(3,197)
Other equity interest	114,012	169,910
Retained earnings	703,342	725,733
Total equity attributable to owners of the parent company	858,193	959,290
Non-controlling interests	9,353	10,219
Total equity	867,546	969,509
Total liabilities and equity	1,042,849	1,151,860

(2) Condensed Consolidated Income Statement

For the six months ended June 30, 2022 and 2023

(Millions of yen)

	Six months ended June 30	
	2022 (From January 1, 2022 to June 30, 2022)	2023 (From January 1, 2023 to June 30, 2023)
Revenue	175,156	218,523
Cost of sales	(46,890)	(67,037)
Gross profit	128,266	151,486
Selling, general and administrative expenses	(64,797)	(67,166)
Other income	296	927
Other expenses	(2,561)	(1,358)
Operating income	61,204	83,889
Finance income	55,152	30,838
Finance costs	(7,871)	(744)
Gain (loss) on revaluation	(4,995)	3,182
Share of loss of investments accounted for using equity method	(2,826)	(2,435)
Income before income taxes	100,664	114,730
Income taxes expense	(34,362)	(37,009)
Net income	66,302	77,721
Attributable to:		
Owners of the parent company	66,733	77,329
Non-controlling interests	(431)	392
Net income	66,302	77,721
Earnings per share (attributable to owners of the parent company)	(Yen)	(Yen)
Basic earnings per share	75.54	90.49
Diluted earnings per share	74.94	89.77

For the three months ended June 30, 2022 and 2023

(Millions of yen)

	Three months ended June 30	
	2022 (From April 1, 2022 to June 30, 2022)	2023 (From April 1, 2023 to June 30, 2023)
Revenue	84,122	94,436
Cost of sales	(24,966)	(32,804)
Gross profit	59,156	61,632
Selling, general and administrative expenses	(34,322)	(34,283)
Other income	136	583
Other expenses	(2,286)	(318)
Operating income	22,684	27,614
Finance income	31,844	16,763
Finance costs	(4,176)	(322)
Gain (loss) on revaluation	(5,334)	463
Share of loss of investments accounted for using equity method	(1,555)	(1,691)
Income before income taxes	43,463	42,827
Income taxes expense	(17,280)	(18,372)
Net income	26,183	24,455
Attributable to:		
Owners of the parent company	26,472	24,538
Non-controlling interests	(289)	(83)
Net income	26,183	24,455
Earnings per share (attributable to owners of the parent company)	(Yen)	(Yen)
Basic earnings per share	30.11	28.80
Diluted earnings per share	29.85	28.60

(3) Condensed Consolidated Statement of Comprehensive Income
For the six months ended June 30, 2022 and 2023

(Millions of yen)

	Six months ended June 30	
	2022 (From January 1, 2022 to June 30, 2022)	2023 (From January 1, 2023 to June 30, 2023)
Net income	66,302	77,721
Other comprehensive income		
Items that will not be reclassified to net income		
Financial assets measured at fair value through other comprehensive income	(16,630)	20,681
Re-measurement of defined benefit pension plans	(6)	(3)
Other comprehensive income under equity method	(7)	(281)
Income taxes	4,505	(5,436)
Total items that will not be reclassified to net income	(12,138)	14,961
Items that may be reclassified subsequently to net income		
Exchange differences on translating foreign operations	59,554	41,468
Other comprehensive income under equity method	4	—
Total items that may be reclassified subsequently to net income	59,558	41,468
Total other comprehensive income	47,420	56,429
Total comprehensive income	113,722	134,150
Attributable to:		
Owners of the parent company	113,308	133,331
Non-controlling interests	414	819
Total comprehensive income	113,722	134,150

For the three months ended June 30, 2022 and 2023

(Millions of yen)

	Three months ended June 30	
	2022 (From April 1, 2022 to June 30, 2022)	2023 (From April 1, 2023 to June 30, 2023)
Net income	26,183	24,455
Other comprehensive income		
Items that will not be reclassified to net income		
Financial assets measured at fair value through other comprehensive income	(8,964)	22,239
Re-measurement of defined benefit pension plans	(3)	(4)
Other comprehensive income under equity method	(7)	22
Income taxes	2,479	(5,834)
Total items that will not be reclassified to net income	(6,495)	16,423
Items that may be reclassified subsequently to net income		
Exchange differences on translating foreign operations	32,473	54,718
Other comprehensive income under equity method	(0)	—
Total items that may be reclassified subsequently to net income	32,473	54,718
Total other comprehensive income	25,978	71,141
Total comprehensive income	52,161	95,596
Attributable to:		
Owners of the parent company	52,103	95,037
Non-controlling interests	58	559
Total comprehensive income	52,161	95,596

(4) Condensed Consolidated Statement of Changes in Equity

For the six months ended June 30, 2022 (From January 1, 2022 to June 30, 2022)

(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, 2022	34,255	14,961	(17,863)	92,747	712,568	836,668	9,225	845,893
Net income for the period	—	—	—	—	66,733	66,733	(431)	66,302
Other comprehensive income	—	—	—	46,575	—	46,575	845	47,420
Total comprehensive income	—	—	—	46,575	66,733	113,308	414	113,722
Issue of shares	3,051	3,051	—	—	—	6,102	—	6,102
Stock issue cost	—	(22)	—	—	—	(22)	—	(22)
Payment of dividends	—	—	—	—	(4,459)	(4,459)	—	(4,459)
Share-based compensation	—	—	—	3,274	—	3,274	—	3,274
Forfeiture of share acquisition right	—	—	—	(27)	27	—	—	—
Changes in interests in subsidiaries	—	(1,238)	—	—	—	(1,238)	(403)	(1,641)
Purchase of treasury stock	—	(49)	(83,968)	—	—	(84,017)	—	(84,017)
Total transactions with the owners, etc.	3,051	1,742	(83,968)	3,247	(4,432)	(80,360)	(403)	(80,763)
Balance at June 30, 2022	37,306	16,703	(101,831)	142,569	774,869	869,616	9,236	878,852

For the six months ended June 30, 2023 (From January 1, 2023 to June 30, 2023)

(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, 2023	38,972	18,331	(16,464)	114,012	703,342	858,193	9,353	867,546
Net income for the period	—	—	—	—	77,329	77,329	392	77,721
Other comprehensive income	—	—	—	56,002	—	56,002	427	56,429
Total comprehensive income	—	—	—	56,002	77,329	133,331	819	134,150
Issue of shares	4,782	4,782	—	—	—	9,564	—	9,564
Stock issue cost	—	(33)	—	—	—	(33)	—	(33)
Payment of dividends	—	—	—	—	(4,308)	(4,308)	—	(4,308)
Share-based compensation	—	—	—	(733)	—	(733)	—	(733)
Changes in interests in subsidiaries	—	43	—	—	—	43	47	90
Purchase of treasury stock	—	(33)	(36,734)	—	—	(36,767)	—	(36,767)
Retirement of treasury stock	—	—	50,001	—	(50,001)	—	—	—
Reclassification from other equity interest to retained earnings	—	—	—	629	(629)	—	—	—
Other	—	(0)	—	—	—	(0)	—	(0)
Total transactions with the owners, etc.	4,782	4,759	13,267	(104)	(54,938)	(32,234)	47	(32,187)
Balance at June 30, 2023	43,754	23,090	(3,197)	169,910	725,733	959,290	10,219	969,509

(5) Condensed Consolidated Statement of Cash Flows

(Millions of yen)

	Six months ended June 30	
	2022 (From January 1, 2022 to June 30, 2022)	2023 (From January 1, 2023 to June 30, 2023)
Cash flows from operating activities		
Income before income taxes	100,664	114,730
Depreciation and amortization	3,430	4,308
Share-based compensation expenses	5,297	2,066
Interest and dividend income	(5,219)	(11,870)
Interest expense	227	608
Impairment loss	2,460	1,313
Loss (gain) on revaluation	4,995	(3,182)
Share of loss of investments accounted for using equity method	2,826	2,435
Gain on sale of investments accounted for using equity method	(9,298)	(7)
Loss (gain) on valuation of securities	4,642	(4,269)
Loss (gain) on sale and redemption of securities	2,690	(752)
Foreign exchange gain	(34,859)	(10,146)
Increase in trade and other receivables	(6,005)	(7,777)
Increase in other current assets	(192)	(1,034)
Increase (decrease) in trade and other payables	1,222	(2,197)
Increase in deferred income	4,517	821
Decrease in provisions	(2,074)	(5,760)
Increase in other current liabilities	2,066	448
Other	(300)	149
Subtotal	77,089	79,884
Interest and dividends received	5,470	10,167
Interest paid	(226)	(606)
Income taxes paid	(23,835)	(31,783)
Net cash provided by operating activities	58,498	57,662
Cash flows from investing activities		
Net decrease (increase) in restricted deposit	88	(2,297)
Net decrease (increase) in time deposit	40,274	(146,279)
Purchases of property, plant and equipment	(1,017)	(1,333)
Proceeds from sales of property, plant and equipment	67	21
Purchases of intangible assets	(1,982)	(1,994)
Payments associated with increase in long-term prepaid expenses	(2,132)	(189)
Purchases of securities by investment funds under consolidated subsidiaries	(9,190)	(11,138)
Proceeds from sale of securities by investment funds under consolidated subsidiaries	9,130	13,743
Purchases of investment securities	(886)	(5,287)
Proceeds from sale and redemption of investment securities	245	1,892
Purchases of investments accounted for using equity method	(26,204)	(23,506)
Proceeds from sale of investments accounted for using equity method	9,377	7
Payments for acquisition of subsidiaries	(1,258)	—
Payments for short-term loans receivable	(163)	—
Collection of short-term loans receivable	163	10
Payments for long-term loans receivable	(1,399)	(3,038)
Collection of long-term loans receivable	14	9
Other	(86)	(336)
Net cash provided by (used in) investing activities	15,041	(179,715)

	(Millions of yen)	
	Six months ended June 30	
	2022	2023
	(From January 1, 2022 to June 30, 2022)	(From January 1, 2023 to June 30, 2023)
Cash flows from financing activities		
Proceeds from exercise of stock options	3,607	6,991
Purchases of treasury stock	(84,017)	(36,767)
Purchases of treasury stock of subsidiaries	(1,244)	—
Cash dividends paid	(4,459)	(4,308)
Repayment of lease liability	(1,472)	(1,602)
Other	—	(0)
Net cash used in financing activities	(87,585)	(35,686)
Net decrease in cash and cash equivalents	(14,046)	(157,739)
Cash and cash equivalents at beginning of period	365,239	409,368
Effects of exchange rate changes on cash and cash equivalents	44,491	10,379
Cash and cash equivalents at end of period	395,684	262,008

(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

(a) For the six months ended June 30, 2022 (From January 1, 2022 through June 30, 2022)

(i) Amount of dividends paid

	Class of stock	Total dividends	Dividend per share	Record date	Effective date
		(million yen)	(yen)		
Resolution of the Board of Directors on February 17, 2022	Common stock	4,459	5.0	December 31, 2021	March 28, 2022

(Note) Total dividends include dividends of ¥4 million for Nexon's shares owned by our consolidated subsidiary, Stiftelsen Embark Incentive.

Of the dividends whose record date falls in the six months ended June 30, those for which the effective date of dividends comes after June 30 are as follows:

	Class of stock	Total dividends	Dividend per share	Record date	Effective date
		(million yen)	(yen)		
Resolution of the Board of Directors on August 9, 2022	Common stock	4,327	5.0	June 30, 2022	September 26, 2022

(Note) Total dividends include dividends of ¥4 million for Nexon's shares owned by our consolidated subsidiary, Stiftelsen Embark Incentive.

(ii) Purchases of treasury stock

Nexon's treasury stock increased by ¥23,968 million as a result of the purchase of 9,340,200 shares of treasury stock at market on the Tokyo Stock Exchange during the six months ended June 30, 2022 based on a resolution of the Board of Directors on November 19, 2021.

In addition, Nexon's treasury stock increased by ¥60,000 million as a result of the purchase of 20,188,400 shares of treasury stock through off-auction own share repurchase trading (ToSTNeT-3) on the Tokyo Stock Exchange on June 15, 2022 based on a resolution of the Board of Directors on June 14, 2022.

(b) For the six months ended June 30, 2023 (From January 1, 2023 through June 30, 2023)

	Class of stock	Total dividends (million yen)	Dividend per share (yen)	Record date	Effective date
Resolution of the Board of Directors on February 16, 2023	Common stock	4,308	5.0	December 31, 2022	March 27, 2023

(Note) Total dividends include dividends of ¥4 million for Nexon's shares owned by our consolidated subsidiary, Stiftelsen Embark Incentive.

Of the dividends whose record date falls in the six months ended June 30, those for which the effective date of dividends comes after June 30 are as follows:

	Class of stock	Total dividends (million yen)	Dividend per share (yen)	Record date	Effective date
Resolution of the Board of Directors on August 9, 2023	Common stock	4,271	5.0	June 30, 2023	September 25, 2023

(Note) Total dividends include dividends of ¥4 million and ¥2 million for Nexon's shares owned by our consolidated subsidiaries, Stiftelsen Embark Incentive and NEXON Employee Benefit Trust, respectively.

(ii) Purchases of treasury stock

Nexon's treasury stock increased by ¥35,201 million as a result of the purchase of 11,583,900 shares of treasury stock during the six months ended June 30, 2023 based on a resolution of the Board of Directors' meeting held on November 9, 2022.

In addition, our treasury stock increased by ¥1,533 million as a result of the purchase of 489,398 shares of Nexon's stock by our consolidated subsidiary, NEXON Employee Benefit Trust, during the six months ended June 30, 2023.

(iii) Retirement of treasury stock

During the three months ended June 30, 2023, Nexon retired 16,752,326 shares of its treasury stock based on a resolution of the Board of Directors' meeting held on May 11, 2023. As a result, treasury stock and retained earnings each decreased by ¥50,001 million.

(8) Segment Information

(a) Outline of reportable segments

Reportable segments of Nexon Group are components of Nexon 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.

Nexon Group is engaged in production, development and distribution of PC online games and mobile games, and the Company (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, Nexon Group is comprised of geographical business segments based on production, development, and distribution of PC online games and mobile games. Nexon Group has formed its reportable segments by consolidating business segments based on the geographic location since subsidiaries in the same region, due to their business characteristics, receive similar impact of the foreign exchange fluctuation risk on their operating results and the ratio of the impact to operating results is high. There are five reportable segments: “Japan”, “Korea”, “China”, “North America” and “Other” which includes Europe and Asian countries.

Furthermore, IFRS 15 *Revenue from Contracts with Customers* is applied by Nexon Group. We have therefore presented the revenue arising from our contracts with customers by breaking it down into PC online, mobile and other revenues based on such contracts with customers.

(b) Revenue, profit or loss by reportable segment
Information on the segments of Nexon Group is as follows:

(For the six months ended June 30)

For the six months ended June 30, 2022 (From January 1, 2022 to June 30, 2022)

(Millions of yen)

	Reportable Segments					Total	Adjustments (Note 3)	Consolidated
	Japan	Korea	China	North America	Other			
Revenue								
Revenue from external customers								
PC online	1,611	116,012	1,618	2,642	691	122,574	—	122,574
Mobile	660	47,732	—	3,456	—	51,848	—	51,848
Other	16	716	—	2	—	734	—	734
Total revenue from external customers	2,287	164,460	1,618	6,100	691	175,156	—	175,156
Intersegment revenue	607	1,308	—	476	343	2,734	(2,734)	—
Total	2,894	165,768	1,618	6,576	1,034	177,890	(2,734)	175,156
Segment profit or loss (Note 1)	(5,832)	73,314	794	(2,176)	(2,625)	63,475	(6)	63,469
Other income (expense), net								(2,265)
Operating income								61,204
Finance income (costs), net (Note 5)								47,281
Loss on revaluation (Note 6)								(4,995)
Share of loss of investments accounted for using equity method (Note 7)								(2,826)
Income before income taxes (Note 7)								100,664

(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 ¥(6) million represent elimination of intersegment transactions.

4. For PC online and mobile, performance obligations are fulfilled and revenues are recognized over a certain period of time mainly because control over services is transferred over a certain period of time.

5. Major components of finance income are foreign exchange gain of ¥40,324 million and gain on sale of investments accounted for using equity method of ¥9,298 million in connection with the transfer of shares of Six Waves Inc.

The gain on the sale occurred due to the transfer of all shares of Six Waves Inc. owned by Nexon to Stillfront Group AB (publ) during the three months ended March 31, 2022. Consequently, Six Waves Inc. was excluded from the scope of the application of equity method for the three months ended March 31, 2022.

6. Loss on revaluation recognized in profit or loss due to the revaluation of an intangible asset (investment in crypto-assets made through an exchange).

7. In the three months ended December 31, 2022, a provisional accounting treatment for an equity method affiliate, Brothers International, LLC was finalized. Each of the numbers for the six months ended June 30, 2022 reflects the result of the finalization of the provisional accounting treatment. Due to this, the share of loss of investments accounted for using equity method decreased by ¥1,765 million and income before income taxes increased by ¥1,765 million compared to the provisional amounts for the six months ended June 30, 2022.

For the six months ended June 30, 2023 (From January 1, 2023 to June 30, 2023)

(Millions of yen)

	Reportable Segments					Total	Adjustments (Note 3)	Consolidated
	Japan	Korea	China	North America	Other			
Revenue								
Revenue from external customers								
PC online	1,793	149,768	1,728	3,619	610	157,518	—	157,518
Mobile	530	56,824	—	2,759	—	60,113	—	60,113
Other	7	875	—	2	8	892	—	892
Total revenue from external customers	2,330	207,467	1,728	6,380	618	218,523	—	218,523
Intersegment revenue	415	3,054	—	468	631	4,568	(4,568)	—
Total	2,745	210,521	1,728	6,848	1,249	223,091	(4,568)	218,523
Segment profit or loss (Note 1)	(2,152)	93,266	823	(4,267)	(3,459)	84,211	109	84,320
Other income (expense), net								(431)
Operating income								83,889
Finance income (costs), net (Note 5)								30,094
Reversal of loss on revaluation (Note 6)								3,182
Share of loss of investments accounted for using equity method								(2,435)
Income before income taxes								114,730

(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 ¥109 million represent elimination of intersegment transactions.

4. For PC online and mobile, performance obligations are fulfilled and revenues are recognized over a certain period of time mainly because control over services is transferred over a certain period of time.

5. Major component of finance income is foreign exchange gain of ¥13,741 million.

6. Reversal of loss on revaluation recognized in profit or loss due to the revaluation of an intangible asset (investment in crypto-assets made through an exchange).

(For the three months ended June 30)

For the three months ended June 30, 2022 (From April 1, 2022 to June 30, 2022)

(Millions of yen)

	Reportable Segments					Total	Adjustments (Note 3)	Consolidated
	Japan	Korea	China	North America	Other			
Revenue								
Revenue from external customers								
PC online	740	52,137	719	1,309	278	55,183	—	55,183
Mobile	263	26,568	—	1,713	—	28,544	—	28,544
Other	14	380	—	1	—	395	—	395
Total revenue from external customers	1,017	79,085	719	3,023	278	84,122	—	84,122
Intersegment revenue	386	657	—	246	183	1,472	(1,472)	—
Total	1,403	79,742	719	3,269	461	85,594	(1,472)	84,122
Segment profit or loss (Note 1)	(2,757)	30,270	288	(1,561)	(1,401)	24,839	(5)	24,834
Other income (expense), net								(2,150)
Operating income								22,684
Finance income (costs), net (Note 5)								27,668
Loss on revaluation (Note 6)								(5,334)
Share of loss of investments accounted for using equity method (Note 7)								(1,555)
Income before income taxes (Note 7)								43,463

(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 ¥(5) million represent elimination of intersegment transactions.

4. For PC online and mobile, performance obligations are fulfilled and revenues are recognized over a certain period of time mainly because control over services is transferred over a certain period of time.

5. A major component of finance income is foreign exchange gain of ¥27,654 million.

6. Loss on revaluation recognized in profit or loss due to the revaluation of an intangible asset (investment in crypto-assets made through an exchange).

7. In the three months ended December 31, 2022, a provisional accounting treatment for an equity method affiliate, Brothers International, LLC was finalized. Each of the numbers for the three months ended June 30, 2022 reflects the result of the finalization of the provisional accounting treatment. Due to this, the share of loss of investments accounted for using equity method decreased by ¥1,765 million and income before income taxes increased by ¥1,765 million compared to the provisional amounts for the three months ended June 30, 2022.

For the three months ended June 30, 2023 (From April 1, 2023 to June 30, 2023)

(Millions of yen)

	Reportable Segments					Total	Adjustments (Note 3)	Consolidated
	Japan	Korea	China	North America	Other			
Revenue								
Revenue from external customers								
PC online	823	61,631	647	1,595	176	64,872	—	64,872
Mobile	243	27,501	—	1,352	—	29,096	—	29,096
Other	6	458	—	1	3	468	—	468
Total revenue from external customers	1,072	89,590	647	2,948	179	94,436	—	94,436
Intersegment revenue	168	1,528	—	246	381	2,323	(2,323)	—
Total	1,240	91,118	647	3,194	560	96,759	(2,323)	94,436
Segment profit or loss (Note 1)	(1,610)	33,321	190	(2,713)	(1,950)	27,238	111	27,349
Other income (expense), net								265
Operating income								27,614
Finance income (costs), net (Note 5)								16,441
Reversal of loss on revaluation (Note 6)								463
Share of loss of investments accounted for using equity method								(1,691)
Income before income taxes								42,827

(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 ¥111 million represent elimination of intersegment transactions.

4. For PC online and mobile, performance obligations are fulfilled and revenues are recognized over a certain period of time mainly because control over services is transferred over a certain period of time.

5. A major component of finance income is foreign exchange gain of ¥8,102 million.

6. Reversal of loss on revaluation recognized in profit or loss due to the revaluation of an intangible asset (investment in crypto-assets made through an exchange).

(c) Information on each region

Revenue from external customers are as follows:

(For the six months ended June 30)

For the six months ended June 30, 2022 (From January 1, 2022 to June 30, 2022)

	Revenue by major business			(Millions of yen)
	PC online	Mobile	Other	Total
Main regional market				
Japan	1,650	3,287	6	4,943
Korea	63,093	35,344	691	99,128
China	48,694	295	10	48,999
North America and Europe	2,817	7,624	(4)	10,437
Rest of World	6,320	5,298	31	11,649
Total	122,574	51,848	734	175,156

(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 and Europe: USA, Canada and Europe

(2) Rest of World: Central and South America and Asian countries

For the six months ended June 30, 2023 (From January 1, 2023 to June 30, 2023)

	Revenue by major business			(Millions of yen)
	PC online	Mobile	Other	Total
Main regional market				
Japan	1,841	4,052	29	5,922
Korea	84,698	41,524	791	127,013
China	61,008	303	—	61,311
North America and Europe	3,633	6,949	35	10,617
Rest of World	6,338	7,285	37	13,660
Total	157,518	60,113	892	218,523

(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 and Europe: USA, Canada and Europe

(2) Rest of World: Central and South America and Asian countries

(For the three months ended June 30)

For the three months ended June 30, 2022 (From April 1, 2022 to June 30, 2022)

	Revenue by major business			(Millions of yen)
	PC online	Mobile	Other	Total
Main regional market				
Japan	779	1,366	4	2,149
Korea	31,257	19,628	363	51,248
China	19,086	142	10	19,238
North America and Europe	1,613	4,121	4	5,738
Rest of World	2,448	3,287	14	5,749
Total	55,183	28,544	395	84,122

(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 and Europe: USA, Canada and Europe

(2) Rest of World: Central and South America and Asian countries

For the three months ended June 30, 2023 (From April 1, 2023 to June 30, 2023)

	Revenue by major business			(Millions of yen)
	PC online	Mobile	Other	Total
Main regional market				
Japan	848	1,447	18	2,313
Korea	41,701	19,947	423	62,071
China	18,073	158	—	18,231
North America and Europe	1,686	3,755	20	5,461
Rest of World	2,564	3,789	7	6,360
Total	64,872	29,096	468	94,436

(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 and Europe: USA, Canada and Europe

(2) Rest of World: Central and South America and Asian countries

(9) Subsequent Events

(Share buyback)

Nexon's Board of Directors has approved, on August 9, 2023, the matters pertaining to the share buyback pursuant to the provisions of Article 156 as replaced and applied mutatis mutandis pursuant to the provisions of Article 165(3) of the Companies Act.

(a) Reason for the share buyback

To improve capital efficiency and ensure flexibility of capital policy

(b) Details of the buyback

- | | |
|---|--|
| (i) Class of stock: | Common shares of Nexon |
| (ii) Total number of shares to be acquired: | 10,000,000 shares (maximum)
(1.2% of the total number of shares outstanding excluding treasury stock as of July 31, 2023) |
| (iii) Total acquisition amount of shares: | JPY 20,000 million (maximum) |
| (iv) Acquisition period: | August 10, 2023 to October 27, 2023 |
| (v) Acquisition method: | Purchase at market on the Tokyo Stock Exchange |