



Investor Presentation

Q4 2015

February 10, 2016

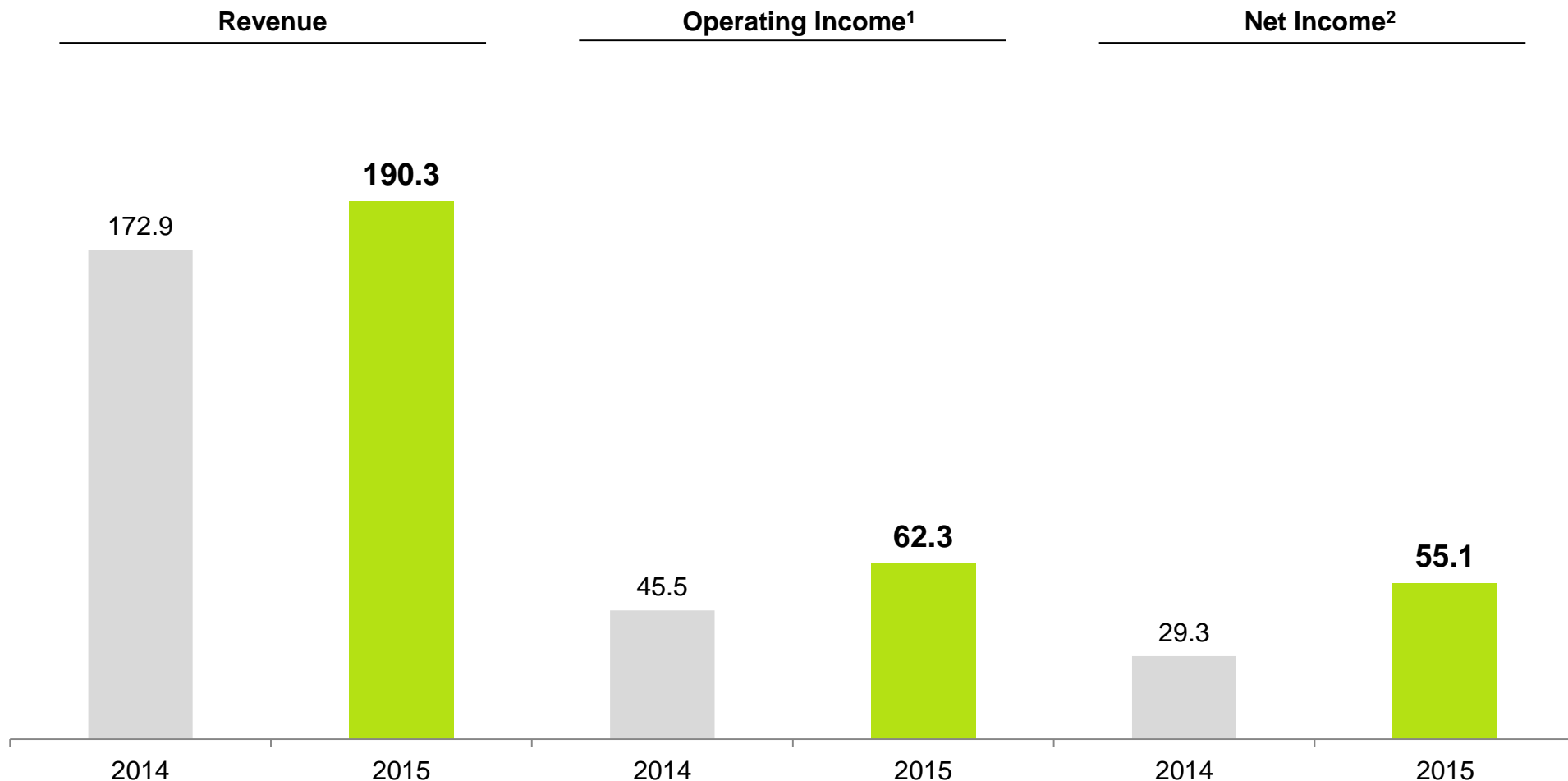
NEXON Co., Ltd.

Owen Mahoney

President and Chief Executive Officer

2015 Financial Results

(Unit: ¥ billions)



¹ 2015 and 2014 Operating Income includes impairment loss of ¥5.3 billion and ¥14.7 billion (including impairment loss of gloops' goodwill of ¥11 billion) respectively on goodwill and tangible/intangible assets related to game IP and publishing rights.

² Net Income refers to Net Income attributable to owners of the parent company, as stated in Nexon's consolidated financial results.

2015 Highlights

- **Live games:** Game longevity and player retention through excellent live operations around the world, especially in China and Korea
 - Year-over-year growth from *Dungeon&Fighter* in China and key PC titles including *Dungeon&Fighter*, *Sudden Attack*, and *MapleStory* in Korea
 - *EA SPORTS™ FIFA Online 3 / FIFA Online 3 M* delivered solid performance even in the year following FIFA World Cup
- **New games:** Game quality through fun and highly differentiated games
 - Launched multiple quality titles around the world
 - *DomiNations*: Contributed to significant year-over-year growth in our Western business, also showing good results in Asia. Surpassed 17 million downloads worldwide
 - Solid momentum for *HIT*. Took the No.1 position on Korean Google Play / iOS Top Grossing immediately after the launch. Surpassed 4 million downloads to date
- **Mobile:** Revenues up 23% year-over-year. Mobile revenues in Korea grew 78% year-over-year on top of growth of over 8x in 2014

2015 Highlights (cont'd)

- **World Class Partnerships:** Continued to build partnerships with leading game developers and IP owners around the world
 - Licensing agreements with:
 - Warner Bros. Group for *LEGO®* mobile
 - EA and Respawn Entertainment for *Titanfall™* (PC)
 - SQUARE ENIX to co-develop *FINAL FANTASY XI* mobile
 - Publishing agreements with:
 - EA for *Need for Speed™ Edge* (PC)
 - Respawn Entertainment and Particle City for *Titanfall™* mobile
 - Bluehole Studio for *TERA™* mobile
 - QC Games for its first PC title

Strategy and Focus

- Game quality and longevity drive sustained performance
- Continue to strengthen pipeline through in-house development, partnerships, and investments in studios around the world
- Industry-leading live game operations and development for sustained growth

Ghost in the Shell S.A.C. – First Assault Online : Trailer

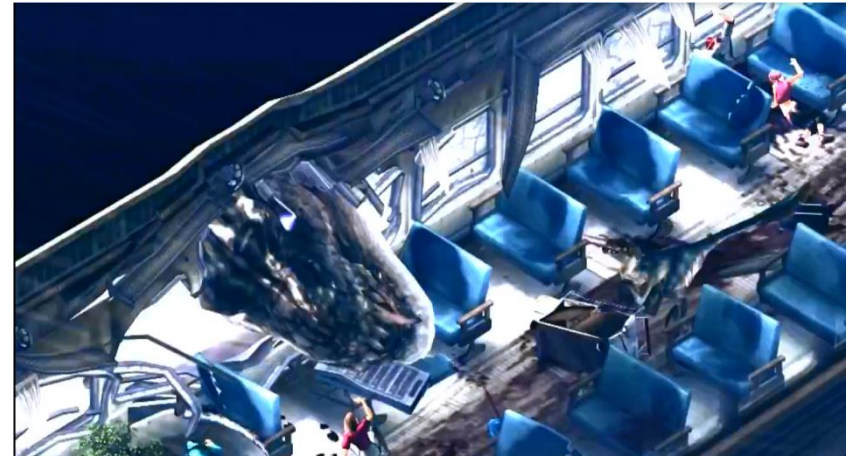
PC Online Game – In-house



¹ The letters, graphics, symbols, logos and other marks shown in this material are trademarks or registered trademarks owned by respective right holders.

Durango : Trailer

Mobile – In-house



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Nexon Developers Conference for Partners: Video Footage



Shiro Uemura

Chief Financial Officer

Q4 2015 Results

Q4 Highlights

- Revenues were ¥45.8 billion, up 7% year-over-year on an as-reported basis, up 7% on a constant currency¹ basis
 - Performance exceeded our outlook
 - Outperformance was primarily driven by higher-than-expected sales from *Dungeon&Fighter* in China and successful launch of *HIT* in Korea
- Operating income was ¥10.3 billion, within the range of our outlook
- Net income² was ¥4.4 billion, below our outlook due primarily to FX loss in foreign currency-denominated cash deposits and account receivables

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. As an example, Neople, the Korean entity that develops *Dungeon&Fighter* for China, records its revenues in South Korean Won. The constant currency figures for the fourth quarter show what Neople revenues would have been had the KRW/JPY exchange rate not changed from last year's fourth quarter.

² Net income refers to net income attributable to owners of the parent, as stated in Nexon's consolidated financial results.

Q4 Financial Results

(Unit: ¥ millions, except per share data)

	Q4 2014	Q4 2015 Outlook		Q4 2015	YoY %
		Low end	High end		
Revenues	¥42,932	¥40,060	~ ¥42,865	¥45,816	7%
PC ¹	34,041	30,189	~ 31,871	32,677	(4%)
Mobile	8,891	9,871	~ 10,994	13,139	48%
Japan	5,384			3,572	(34%)
ex-Japan	3,507			9,567	173%
Operating income/(loss)	(748)	9,692	~ 11,831	10,315	n/a
Net income/(loss)²	(4,498)	7,795	~ 9,527	4,399	n/a
Earnings/(loss) per share	(10.45)	17.99	~ 21.99	10.14	
Cash and cash equivalents	117,729			194,225	
Exchange rates					
100 KRW/JPY	10.55	10.50	10.50	10.52	
CNY/JPY	18.59	18.91	18.91	19.00	
USD/JPY	114.54	120.07	120.07	121.50	

¹ PC revenue includes revenues other than PC/mobile revenues.

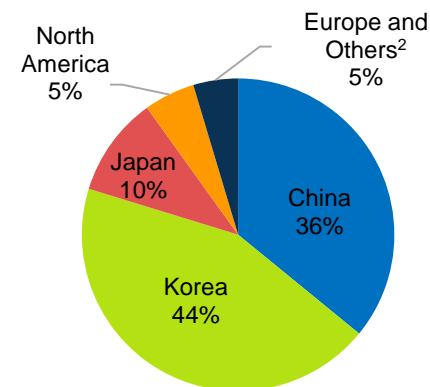
² Net income/(loss) refers to net income/(loss) attributable to owners of the parent, as stated in Nexon's consolidated financial results.

Regional Revenues

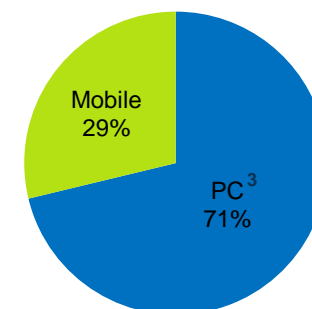
(Unit: ¥ millions)

	Q4 2014	Q4 2015		YoY % Change	
		(As-Reported)	(Constant Currency ⁴)	(As-Reported)	(Constant Currency ⁴)
Revenue by Region¹					
China	¥16,441	¥16,450	¥16,465	0%	0%
Korea	16,749	20,086	20,144	20%	20%
Japan	6,929	4,740	4,741	(32%)	(32%)
North America	1,623	2,417	2,299	49%	42%
Europe and Others ²	1,190	2,123	2,124	78%	78%
Nexon Total	42,932	45,816	45,773	7%	7%
Revenue by Platform					
PC ³	34,041	32,677	32,676	(4%)	(4%)
Mobile	8,891	13,139	13,097	48%	47%
<i>Japan</i>	5,384	3,572	3,573	(34%)	(34%)
<i>ex-Japan</i>	3,507	9,567	9,524	173%	172%
Nexon Total	42,932	45,816	45,773	7%	7%
FX Rate					
100 KRW/JPY	10.55	10.52	10.55		
CNY/JPY	18.59	19.00	18.59		
USD/JPY	114.54	121.50	114.54		

Q4 2015 Revenue by Region¹



Q4 2015 Revenue by Platform



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

² Europe and Others includes other Asian countries and South American countries.

³ PC revenue includes revenues other than PC/mobile revenues.

⁴ 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. As an example, Neople, the Korean entity that develops *Dungeon&Fighter* for China, records its revenues in South Korean Won. The constant currency figures for the fourth quarter show what Neople revenues would have been had the KRW/JPY exchange rate not changed from last year's fourth quarter.

⁵ For the KPIs (MAU, Pay Rate and ARPPU) of PC online games, please refer to appendix of this presentation.

China – Highlights

- *Dungeon&Fighter*

- Winter Update (12/17) well-received
- Well-received item sales in November and latter half of December
- MAU decreased while paying users increased quarter-over-quarter

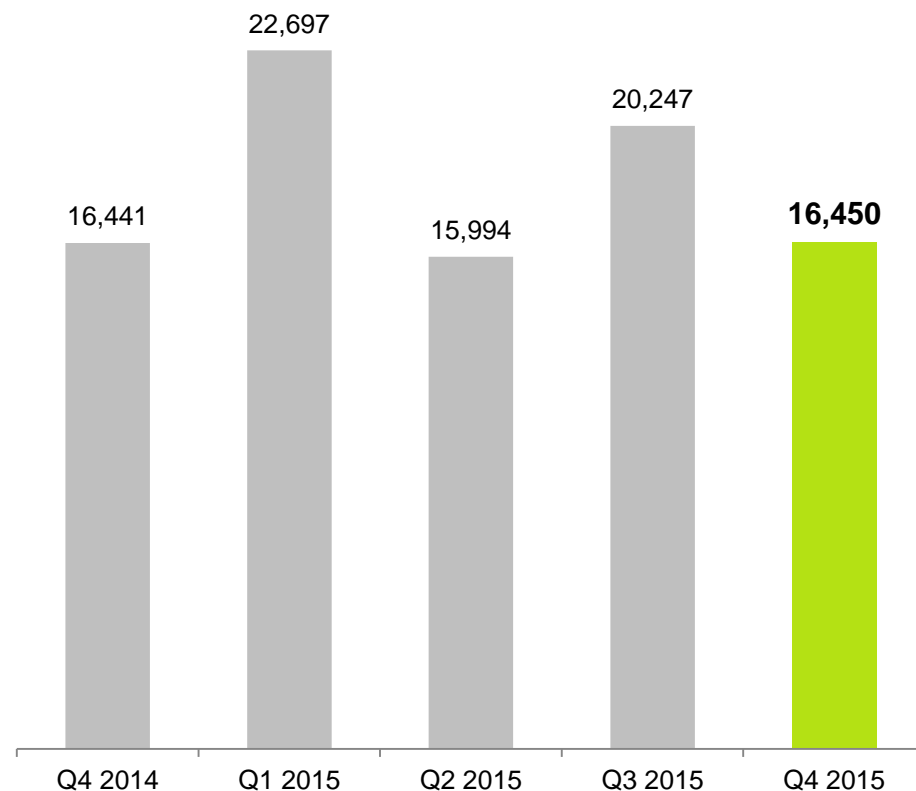
- Announced publishing agreement with Tencent for China service of *MapleStory2*

(Unit: ¥ millions)

YoY% change:

As Reported: **+0%**

Constant Currency¹: **+0%**



Dungeon&Fighter "Winter Update"



Dungeon&Fighter Gameplay

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. As an example, Neople, the Korean entity that develops *Dungeon&Fighter* for China, records its revenues in South Korean Won. The constant currency figures for the fourth quarter show what Neople revenues would have been had the KRW/JPY exchange rate not changed from last year's fourth quarter.

Korea – Highlights

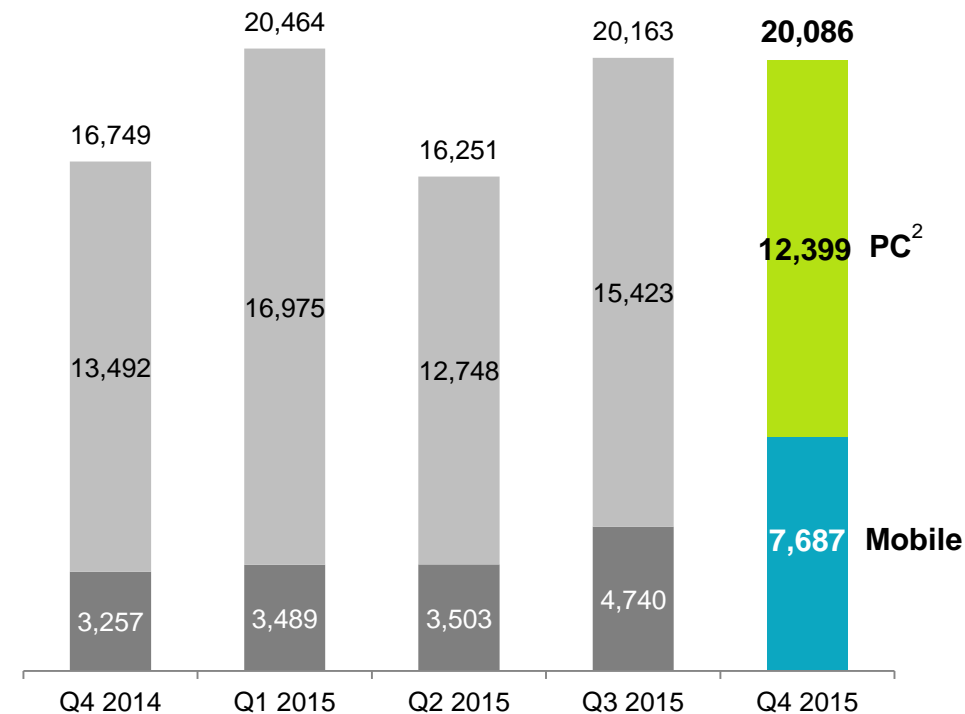
- Year-over-year growth from key PC titles including *Sudden Attack* and *Dungeon&Fighter*
- Mobile revenues grew significantly quarter-over-quarter, driven by successful launch of *HIT*
 - No.1 on Korean Google Play / iOS Top Grossing immediately after the launch (11/18)
 - Consistently ranked around top 3 of Google Play / iOS Top Grossing during the fourth quarter
- Launched several PC / mobile titles
 - Mobile: *Fantasy War Tactics* (Nov)
 - PC: *AIMA* (Oct), *Ar:pieL* (Dec), and *Tree of Savior* (Dec)

(Unit: ¥ millions)

YoY% change:

As Reported: **+20%**

Constant Currency¹: **+20%**



HIT



HIT Gameplay

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² PC revenue includes revenues other than PC/mobile revenues.

Japan – Highlights

- Mobile revenue was ¥3.6 billion, down 5% quarter-over-quarter
- PC revenue was ¥1.2 billion, down 5% quarter-over-quarter
- Conducted CBT for PC title *Tree of Savior* (Oct & Dec)
- Conducted OBT for mobile title *LAPLACE LINK* (Dec)



Tree of Savior



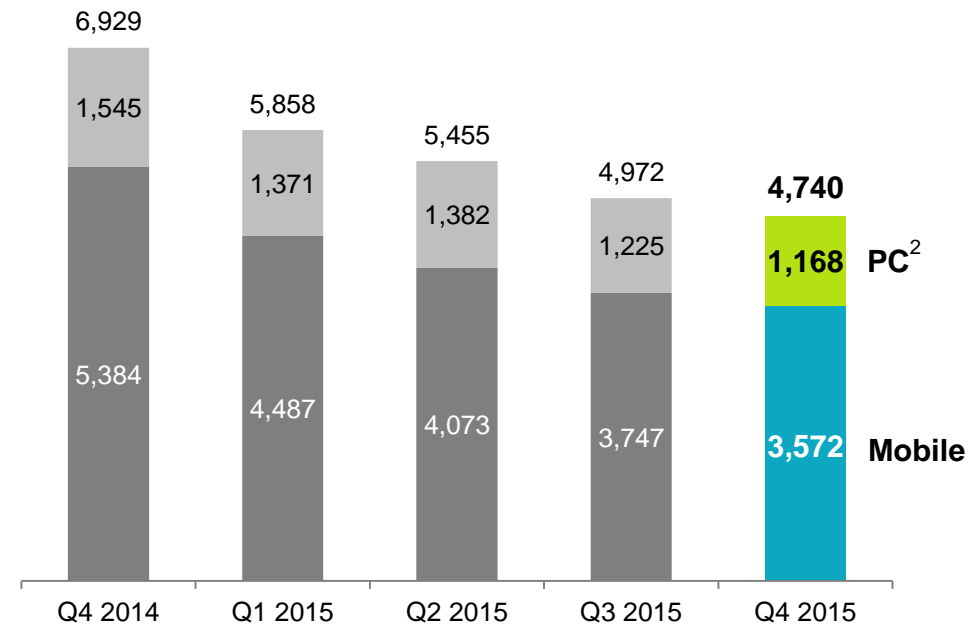
LAPLACE LINK

(Unit: ¥ millions)

YoY% change:

As Reported: **-32%**

Constant Currency¹: **-32%**



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² PC revenue includes revenues other than PC/mobile revenues.

North America, Europe and Others¹ – Highlights

- Started Early Access Program² for *Ghost in the Shell S.A.C. – First Assault Online* on Steam and Nexon Launcher in North America, Europe, and Oceania (12/14)

(Unit: ¥ millions)

YoY% change:

As Reported: **+49%**

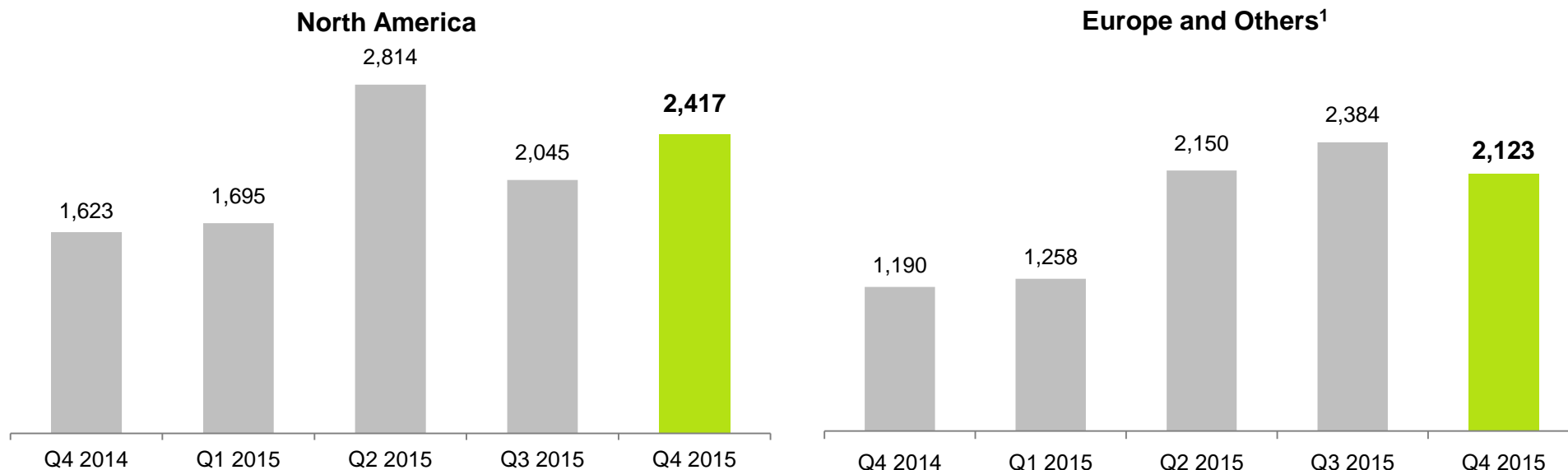
Constant Currency³: **+42%**

(Unit: ¥ millions)

YoY% change:

As Reported: **+78%**

Constant Currency³: **+78%**



¹ Europe and Others includes Asian countries (excluding Japan, Korea and China) and South American countries.

² Early Access Program is a model by which players can pay for a game in the early stage of development and obtain access to a playable but unfinished version. Those players provide developers with feedback and suggestions. Developers can update and add content to the games with the involvement of players and communities and build lasting relationships that help make better games.

³ 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. As an example, Neople, the Korean entity that develops *Dungeon&Fighter* for China, records its revenues in South Korean Won. The constant currency figures for the fourth quarter show what Neople revenues would have been had the KRW/JPY exchange rate not changed from last year's fourth quarter.

Q1 2016 Outlook

Q1 2016 Business Outlook

- Expect revenues to be down 6% to up 1% year-over-year on an as-reported basis, up 2% to 10% on a constant currency¹ basis

(Unit: ¥ millions, except per share data)

	Q1 2015	Q1 2016 Outlook		YoY %	
Revenues	¥51,972	¥48,963	~	¥52,532	(6%) ~ 1%
PC ²	43,602	38,067	~	40,506	(13%) ~ (7%)
Mobile	8,370	10,896	~	12,026	30% ~ 44%
Operating income	22,219	18,636	~	22,202	(16%) ~ (0%)
Net income³	18,539	16,280	~	19,304	(12%) ~ 4%
 Earnings per share	 43.05	 37.50	 ~	 44.46	
 FX Rate Assumptions					
100 KRW/JPY	10.85	9.86		9.86	
CNY/JPY	19.32	18.01		18.01	
USD/JPY	119.09	118.34		118.34	

- Forex sensitivity: every one Japanese yen move against the U.S. dollar would have the following impact on our financials for the first quarter of 2016⁴

Revenue	0.4 billion yen
Operating Income	0.2 billion yen

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² PC revenue includes revenues other than PC/mobile revenues.

³ Net income refers to net income attributable to owners of the parent, as stated in Nexon's consolidated financial results.

⁴ 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.

Q1 2016 and Full-Year Regional Outlook



China

Q1

- Expect low teens to low single digit % YoY decrease on an as-reported basis
- *Dungeon&Fighter*: Introduced Female Ghost Knight 2nd Awakening Update and Lunar New Year Update (Jan)

Full-Year

- Mobile: Preparing launch for *Dungeon&Fighter* mobile (Publisher: Tencent)
- PC: Preparing launch for *MapleStory2* (Publisher: Tencent)



Japan

Q1

- Expect 30+% to 20+% YoY decrease on an as-reported basis
- Started TV mass promotion for *DomiNations* (Jan)

Full-Year

- PC: Scheduled to launch *Tree of Savior*
- Mobile
 - gloops to launch *LAPLACE LINK*. Simultaneously releasing native / browser version (Apr)
 - Multiple native titles scheduled for launch in 2016



Korea

Q1

- Expect low single digit to high single digit % YoY increase on an as-reported basis
- PC
 - Tier 1 content update scheduled for key PC titles
 - Started servicing *TERA™* (Jan)

Full-Year

- Multiple PC / mobile titles scheduled for launch in 2016



North America, Europe and Others

Q1

- North America: Expect 20+% to 40+% YoY increase on an as-reported basis
- Europe and Others: Expect 70+% to 80+% YoY increase on as-reported basis
- PC: Conducted CBT for *Riders of Icarus* in North America (Jan)

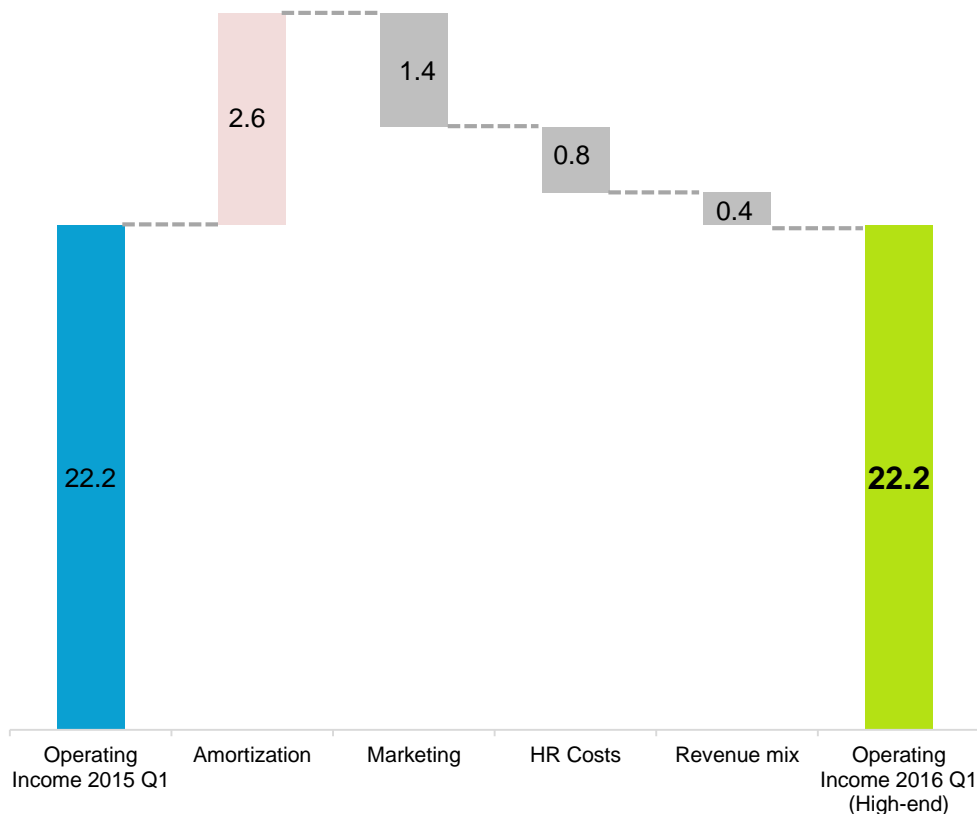
Full-Year

- Multiple PC / mobile titles scheduled for launch in 2016

Q1 2016 Operating Income Outlook

YoY Operating Income Comparison

(Unit: ¥ billions)



Expect Q1 2016 operating income of ¥18.6 to ¥22.2 billion due to:

- Decrease in amortization expense due to completion of *Dungeon&Fighter* IP amortization
- Increase in marketing costs primarily related to mobile games currently under service
- Increase in HR costs associated with increase in payroll and headcount primarily in Korea
- Revenue mix change including increased revenue contribution from mobile business, which has lower margin than PC online business

Committed to Building Shareholder Value

- Scheduled to pay ¥5 per share dividend for the year-end
- Reclassify capital stock of approximately ¥55 billion to capital surplus in order to secure flexibility to increase shareholder returns and improve capital efficiency
- Subject to resolution at the AGM in March 2016
- Continue to focus on shareholder returns through growing earnings as well as returning capital through dividends and share repurchases

Pipeline¹

2016 and onward

PC Online



TERA™



Riders of Icarus



Need for Speed™ Edge



LawBreakers



Moonlight Blade



Ghost in the Shell S.A.C.
- First Assault Online



Tree of Savior



Sudden Attack 2



Titanfall™



MapleStory2

Mobile



Medal Masters



MapleStoryM



Fantasy War Tactics



© KOEI TECMO GAMES
Sangokushi Sousouden
Online²



Dungeon & Fighter
mobile³



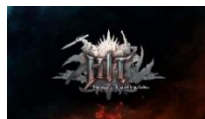
Project MNP



FINAL FANTASY XI
mobile³



LAPLACE LINK



HIT



Durango



TERA™ mobile³



LEGO® mobile³



Titanfall™ mobile³







¹ Chart is illustrative excerpt pipeline.

² Title is tentative and may be subject to change.

³ Mobile games based on the original IPs.

⁴ The letters, graphics, symbols, logos and other marks shown in this material are trademarks or registered trademarks owned by respective right holders.

2016 Tier 1 Content Update Schedule

	Game Title	2H 2015	Q1 2016	Q2 2016
China	 <i>Dungeon&Fighter</i>	Q3: Summer Update Q3: National Day Update Q4: Winter Update	Female Ghost Knight 2 nd Awakening Update Lunar New Year Update	8th Anniversary Update
	 <i>Counter-Strike Online</i>	Q3: Summer Update Q3: National Day Update Q4: Winter Update	Lunar New Year Update	TBD
Korea	 <i>EA SPORTS™ FIFA Online 3</i>	Q3: LIVE & BROAD Update Q3: Korean Thanksgiving Package Q4: ENGINE Update	Roster Update Trade system Update	TBD
	 <i>MapleStory</i>	Q3: Summer Update Q3&4: New Character Update Q4: Heroes of Maple Update	Heroes of Maple Update (Continued from Q4 2015) New Boss Monster Update	TBD
	 <i>Dungeon&Fighter</i>	Q3: 10 th Anniversary & D&F Fever Update Q3: Korean Thanksgiving Package Q4: Rare Avatar & Christmas Package Q4: Knight 2 nd Awakening Update	New Dungeon Game Mode Update New Character Update	TBD
	 <i>Sudden Attack</i>	Q3: Summer Update Q3: 10 th Anniversary Event Q3&4: Celebrity Character Update Q4: Winter Update	Winter Update (Continued from Q4 2015)	TBD

¹ The letters, graphics, symbols, logos and other marks shown in this material are trademarks or registered trademarks owned by respective right holders.

Appendix

Summary of Results and Key Operational Metrics

(Unit: ¥ millions except per share data)

	Q1 2014	Q2 2014	Q3 2014	Q4 2014	Q1 2015	Q2 2015	Q3 2015	Q4 2015	YoY%
<i>(By Region)</i>									
China	¥21,302	¥13,530	¥15,685	¥16,441	¥22,697	¥15,994	¥20,247	¥16,450	0%
Korea	15,251	13,433	19,976	16,749	20,464	16,251	20,163	20,086	20%
Japan	8,121	7,656	7,232	6,929	5,858	5,455	4,972	4,740	(32%)
North America	1,345	1,131	1,420	1,623	1,695	2,814	2,045	2,417	49%
Europe and Others	1,472	1,144	1,300	1,190	1,258	2,150	2,384	2,123	78%
<i>(By Platform)</i>									
PC ¹	40,297	28,459	35,931	34,041	43,602	32,511	39,481	32,677	(4%)
Mobile	7,194	8,435	9,682	8,891	8,370	10,153	10,330	13,139	48%
<i>Japan</i>	6,100	5,959	5,570	5,384	4,487	4,073	3,747	3,572	(34%)
<i>ex-Japan</i>	1,094	2,476	4,112	3,507	3,883	6,080	6,583	9,567	173%
Revenue	47,491	36,894	45,613	42,932	51,972	42,664	49,811	45,816	7%
Operating income/(loss)	21,171	9,962	15,124	(748)	22,219	11,320	18,436	10,315	<i>n/a</i>
Net income/(loss) ²	16,144	4,085	13,585	(4,498)	18,539	13,010	19,184	4,399	<i>n/a</i>
Earnings/(loss) per share	36.74	9.33	31.49	(10.45)	43.05	30.35	44.47	10.14	
Cash and deposits	149,040	140,157	114,155	117,729	120,990	116,261	128,236	194,225	
FX rate									
100 KRW/JPY	9.63	9.95	10.15	10.55	10.85	11.07	10.46	10.52	
CNY/JPY	16.83	16.54	16.87	18.59	19.32	19.76	19.48	19.00	
USD/JPY	102.78	102.16	103.92	114.54	119.09	121.36	122.23	121.50	
Key Performance (Excluding Mobile)									
MAU (millions)	55.9	51.9	52.7	50.5	48.9	48.2	49.1	46.5	
Pay Rate	11.0%	10.2%	9.7%	9.3%	10.0%	10.0%	10.1%	11.8%	
ARPPU (as-reported)	3,639	2,781	3,476	3,776	4,805	3,508	4,470	3,162	

¹ PC revenue includes revenues other than PC/mobile revenues.

² Net income/(loss) refers to net income/(loss) attributable to owners of the parent, as stated in Nexon's consolidated financial results.

COGS and SG&A

(Unit: ¥ millions)

	FY2014				FY2015			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Total Cost of Revenue ¹	¥10,249	¥9,839	¥12,731	¥11,516	¥12,602	¥11,092	¥12,552	¥13,455
Royalty ²	4,055	3,317	6,606	4,448	5,621	4,263	5,355	5,745
HR cost (COGS) ³	3,461	3,580	3,372	3,811	4,022	3,950	4,334	4,674
Other (COGS) ⁴	2,733	2,942	2,753	3,257	2,959	2,879	2,863	3,036
Total SG&A ¹	14,855	16,788	17,401	19,556	16,776	19,585	18,269	19,582
HR cost	3,602	4,758	4,025	4,202	3,695	3,738	3,428	3,602
PG fee ⁵	2,661	2,649	3,645	3,542	4,631	4,813	5,128	5,708
R&D	1,120	1,533	1,645	1,533	1,963	1,971	1,729	1,569
Marketing/advertising expenses	1,382	2,069	2,051	3,468	1,630	3,728	3,921	5,272
Depreciation and amortization	2,802	2,792	2,914	2,958	3,026	3,176	2,275	950
Other	3,288	2,987	3,121	3,853	1,831	2,159	1,788	2,481
Other Income ⁶	208	209	180	613	124	90	101	1,306
Other Expense ⁷	1,424	514	537	13,221	499	757	655	3,770

¹ Breakdown of COGS and SG&As are unaudited.

² Royalty includes royalties paid to third-party developers in order for us to obtain the right to publish their games.

³ HR cost includes salaries, bonuses and benefits for our live game developers, who support post launch servicing, updating and support for our games.

⁴ Other (COGS) primarily consists of depreciation and amortization of assets related to existing games, connection fees (mainly comprised of co-location and datacenter fees, internet bandwidth and access fees), and the costs of purchasing and maintaining our servers and computer equipment.

⁵ PG fee in SG&A includes commissions made to external payment gateway companies when users purchase in-game items in PC Online games that we service. It also includes mobile carrier-related commissions we pay regarding our Japanese mobile browser games, commissions we pay to Apple/Google regarding our mobile native games globally, and platform commission fees related to mobile browser games. Before 2014 Q4, platform commission fees related to mobile browser games are included in Other in SG&A.

⁶ Other Income includes other non-operating income, reversal of deferred revenue, gain on sale of properties, and gain on change in equity.

⁷ Other Expense includes other non-operating expenses, loss on sale/disposal of properties, loss on impairment of tangible fixed assets, loss on impairment of intangible assets, loss on impairment of other fixed assets, loss on change in equity, and loss on liquidation of subsidiaries. Q1 2014, Q2 2014, Q3 2014, Q4 2014, Q1 2015, Q2 2015, Q3 2015 and Q4 2015 Other Expense includes impairment of game IP and impairment of goodwill.

P&L Below Operating Income

(Unit: ¥ millions)

	FY2014				FY2015			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Operating Income/(Loss)	¥21,171	¥9,962	¥15,124	(¥748)	¥22,219	¥11,320	¥18,436	¥10,315
Finance Income ¹	1,014	1,024	5,122	5,381	2,576	2,331	4,277	841
Finance Costs ²	385	3,655	360	781	117	97	234	3,952
Equity income/(losses) of affiliates, equity method companies	(32)	(73)	(93)	0	4	11	11	65
Income/(Loss) before Income Tax	21,768	7,258	19,793	3,852	24,682	13,565	22,490	7,269
Tax expense ³	5,446	3,089	6,132	8,583	5,835	452	3,239	2,879
Net income/(loss) ⁴	16,144	4,085	13,585	(4,498)	18,539	13,010	19,184	4,399

¹ 2014 Q3, Q4 and 2015 Q1, Q2, Q3 Finance Income includes FX conversion gain related to foreign currency deposits & A/R. In addition, 2015 Q1 Finance Income includes dividend received from investee.

² 2014 Q2 and 2015 Q4 Finance Costs are primarily caused by FX conversion loss related to foreign currency deposits & A/R.

³ 2015 Q2 Tax Expense was small because of the partial reversal of income taxes payable due to the difference in opinion between the tax authorities being resolved during 2015 Q2 with regards to the estimate of income taxes payable recorded in FY2014 at a Korean subsidiary based on findings from tax inspection by the tax authorities.

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

Key Cash Flow Statement

(Unit: ¥ millions)

	12 months ended December 31, 2014	12 months ended December 31, 2015
Cash flows from operating activities	¥58,118	¥60,152
Cash flows from investing activities	(61,820)	56,412
Cash flows from financing activities	(27,050)	(35,639)
Net increase / (decrease) in cash and cash equivalents	(30,752)	80,925
Cash and cash equivalents at beginning of fiscal year	138,843	117,729
Effect of exchange rate change on cash and cash equivalents	9,638	(4,429)
Cash and cash equivalents at end of fiscal year	117,729	194,225

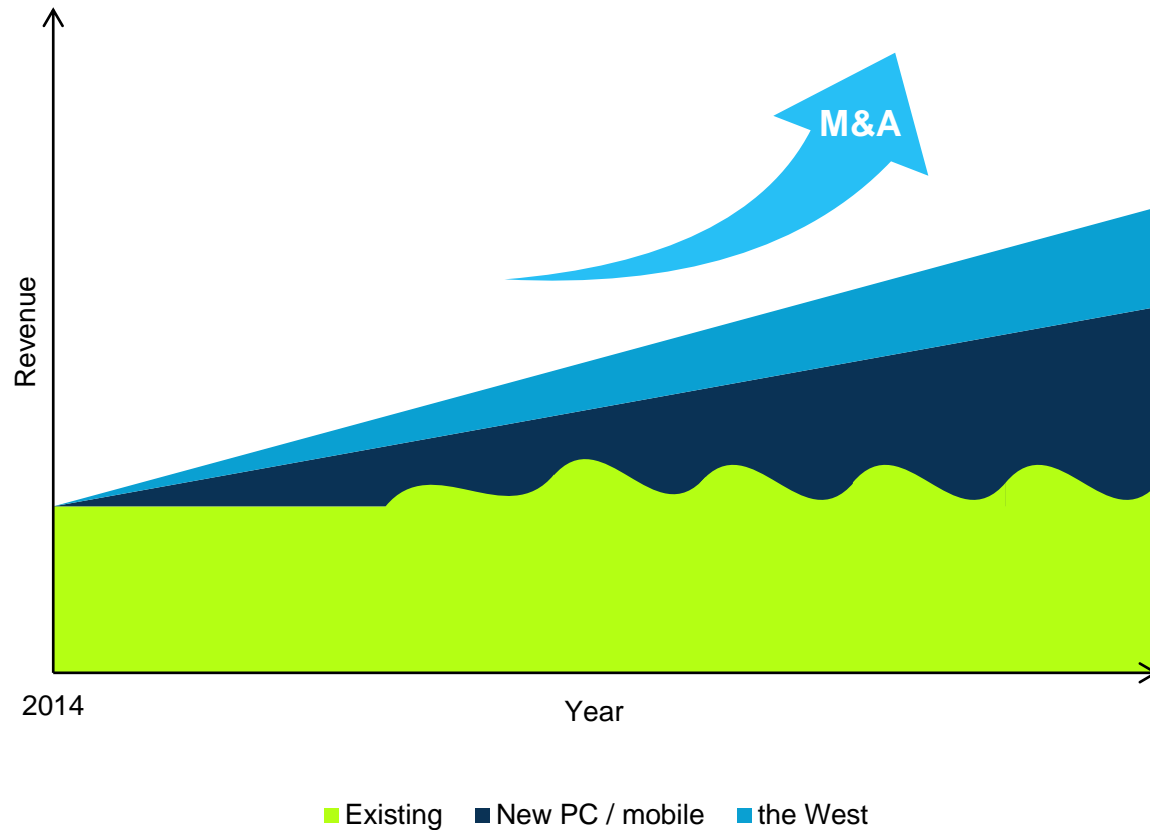
Balance Sheet

(Unit: ¥ millions)

	December 31, 2014	December 31, 2015
Asset		
Current Assets		
Cash and cash equivalents	¥117,729	¥194,225
Other current assets	140,396	137,445
Total current assets	258,125	331,670
Noncurrent assets		
Tangible assets	24,039	22,027
Goodwill	35,426	35,387
Intangible assets	16,574	7,520
Others	102,858	28,982
Total noncurrent assets	178,897	93,916
Total assets	437,022	425,586
Liability		
Current liabilities		
Current tax liabilities, current	12,836	7,135
Current borrowings	13,180	1,916
Others	31,007	27,833
Total current liabilities	57,023	36,884
Noncurrent liabilities		
Non-current borrowings	23,244	2,501
Others	11,278	6,520
Total noncurrent liabilities	34,522	9,021
Total liabilities	91,545	45,905
Equity		
Capital stock	52,481	56,441
Capital surplus	40,830	34,597
Treasury shares	-	-
Other equity interest	92,044	73,308
Retained earnings	155,025	210,101
Non-controlling interests	5,097	5,234
Total equity	345,477	379,681
Total liabilities and total equity	437,022	425,586

Our Business Continues to Evolve

Long-term Growth Vision and Evolution¹



¹ Above graph is illustrative and not to scale.

Glossary of Terms

Term / Abbreviation	Meaning
AOS	AOS is a sub-genre of the real-time strategy genre, in which two teams of players compete with each other in discrete games, with each player controlling a single character through an RTS-style interface.
FPS (first person shooter)	A game in which the player plays from the point of view of the game character in three-dimensional graphics
RTS (real-time strategy)	A game that is usually played from a third-person perspective, in which the player controls vast numbers of in-game characters in a tactical scenario
MMORPG (massively multiplayer online role playing game)	An online role-playing game that has a “massive” number (usually several hundred or more) of players who play concurrently
MAU (monthly active user)	The total number of accounts of users who log in and play a particular game in a given month
ARPPU (average revenue per paying user)	Online game net revenues for any given period divided by the average number of paying players of such games during the period
Pay Rate	The number of paying users divided by monthly active users for any given period of time
MCCU (maximum concurrent users)	The maximum number of users concurrently accessing a game at a particular moment. MCCU is generally used to measure the popularity of a game
Closed Beta Test (CBT)	A trial mode (beta version) of a game taken in a certain period with a limited number of users or groups
Open Beta Test (OBT)	A trial mode (beta version) of a game usually taken after CBT without restrictions on participation
Tier One Update	Large scale updates to existing PC games typically launched in Q1 or Q3 around peak season
Tier Two Update	Smaller updates to existing PC games released throughout the year
Immersive Games	Games that are designed to be played continuously for hours and enable thousands of concurrent users to interact with each other in real time. Our games are architected to evolve over years, in contrast to packaged goods games, which often have finite story lines and comparatively less open-ended player engagement.

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This presentation includes forward-looking statements. In some cases, you can identify forward-looking statements by terms such as “anticipate”, “assume”, “believe”, “estimate”, “expect”, “forecast”, “may”, “plan”, “potential”, “predict”, “seek”, “should”, or “will”, or by other similar terminology. These statements discuss expectations, identify strategies, contain projections of Nexon’s financial condition or results of operations or state other forward-looking information. The forward-looking statements in this presentation are subject to various risks, uncertainties and assumptions about Nexon’s business and results of operations. The expectations expressed in these forward-looking statements may not be achieved, and actual results could differ materially from and be worse than expectations. Potential risks and uncertainties that could cause actual results to differ materially from expectations include, without limitation:

- Continued growth and popularity of Nexon’s key titles;
- Nexon’s ability to maintain favorable relationships with key licensing partners;
- Nexon’s continued ability to offer games in China, through local partners or otherwise;
- Nexon’s ability to compete effectively in the online games industry;
- Nexon’s ability to address hacking, viruses, security breaches and other technical challenges;
- Fluctuations in currency exchange rates;
- Nexon’s ability to maintain and further develop its brand name;
- Effective acquisition of new companies, businesses, technologies and games from third parties and the possibility of recognizing impairment losses;
- Continued growth of the online games market, including the underlying infrastructure, and free-to-play/item-based revenue generation model;
- Nexon’s ability to adapt to new technologies;
- Nexon’s ability to enter into licensing arrangements for third-party titles on terms favorable to it;
- Effective defense of Nexon’s intellectual property; and
- Legislative, regulatory, accounting and taxation changes in the countries in which Nexon operates.

Nexon does not intend, and disclaims any duty, to update or revise any forward-looking statements contained in this presentation to reflect new information, future events or otherwise. We caution you not to place undue reliance on the forward-looking statements contained in this presentation.



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