

FY2025 Q2 Online Earnings Presentation (August 13th, 2025)

Q&A Summary

【Q】 Please tell me about your outlook for the second half of 2025. What titles are you expecting in the second half of 2025 or early 2026 to drive revenue?

【A】 Junghun Lee (Chief Executive Officer)

First of all, we are prioritizing maintaining the strong performance of Korea *MapleStory* and *Dungeon&Fighter* (PC). For *Dungeon&Fighter Mobile*, we think that the co-development content with Tencent, set to be introduced within this year, will deliver good results in the medium to long term.

As for new releases, we are most excited for *ARC Raiders*, which is scheduled to launch on October 30. This game is currently #6 on Steam's Wishlist ranking. We believe that *ARC Raider's* \$40 price point will be attractive enough to approach users in a market saturated with hardcore games and highly-priced games from existing franchises. We hope to maintain the game in the long term through our proven live operations and a steady stream of DLCs.

In addition, we plan to release *MapleStory: Idle RPG* globally this year. We expect that its casual gameplay will help expand our fan base to a wider audience.

For next year, we are positive about the current progress for the Chinese version of *THE FINALS*, which is currently conducting a closed alpha test.

Finally, we plan to start the global expansion of *MABINOGE MOBILE* next year, which has been well-received in Korea. *MABINOGE MOBILE* is unusual for a typical MMORPG in that it has a nearly even gender distribution of males and females and has maintained a strong retention to this point. We believe that *MABINOGE MOBILE's* gameplay has great potential to attract a wide range of global users.

Through the stable progress of our live services, new releases, and the global expansion of existing games, we will work hard to ensure that our business continues to perform strongly next year.

【Q】 Currently, a labor union in one of your subsidiaries in Korea is making strong demands regarding wages and incentives. Is there a possibility that overall labor costs will rise from the second half of 2025 onwards?

【A】 Junghun Lee (Chief Executive Officer)

Our company already has a competitive compensation system to secure and retain talent. There is no possibility of an immediate increase in overall labor costs that would deviate from our current policy.

In addition, regarding this strike, we are doing our utmost to ensure that game operations proceed smoothly without any disruption. We do not believe that the strike will have any impact on Q3.

【A】 Shiro Uemura (Chief Financial Officer)

For labor costs, we have mentioned before that we are continuing to make investments to ensure solid growth towards 2027. In that regard, we are on schedule and making good progress with hiring the people we need.

On the other hand, the reason why labor costs appear to be decreasing year over year is largely due to a decrease in performance-based bonuses. Therefore, while we are securing necessary talent, labor costs appear to be slightly lower overall. We are making steady investments in our human resources and are preparing for growth.

【Q】 Sales for *Dungeon&Fighter* (PC) in both Korea and China are currently strong, but are the reasons for these strong performances different in each region? Also, why do you expect Q3 revenue to decline quarter over quarter in both Korea and China?

【A】 Junghun Lee (Chief Executive Officer)

For *Dungeon&Fighter* (PC), we significantly expanded the amount of content we provided in the first half of this year to revitalize the game. As a result, we saw significant year-over-year growth from Q2 onwards, resulting in a successful turnaround. In particular, I believe our strategy was effective in making up for last year's sluggish performance in China.

However, since we aggressively implemented content updates in the first half of this year, Q3 may appear relatively weak. Overall, there is steady year-over-year growth, and we are capable of maintaining the current strength.

【Q】 You are performing particularly well in the Korean market, but what upsides do you expect in this region in the future, considering the size of the Korean game market, your company's high market share, and the competitive environment? Also, could you explain the regional sales composition from the second half of 2025 through next year?

【A】 Junghun Lee (Chief Executive Officer)

We believe there is ample potential for further growth in the Korean market, as it is one of the world's largest markets. Nexon already has a diverse portfolio on the Korean PC platform, with titles such as *MapleStory*, *Dungeon&Fighter*, and *FC*, giving us a dominant position in the market. However, we believe there is still potential for growth in the Korean mobile market. We expect to continue strong and stable growth in our existing PC portfolio, while working to expand our share in the Korean mobile market.

We view Korea as a base market that can generate stable profits on a sustainable basis while we pursue aggressive growth in the global market. To grow globally, we will work towards recovery in the Chinese market through the continued success of the *Dungeon&Fighter* franchise and new titles such as the Chinese version of *THE FINALS*, along with growth in the West through *ARC Raiders*.

【Q】 You have stated that the Season 3 update for *The First Descendant* drives Q3 revenue to almost triple quarter over quarter. What are the reasons for your confidence, and what do you think of its sustainability going forward?

【A】 Junghun Lee (Chief Executive Officer)

The Season 3 update for *The First Descendant*, which we released on August 7, includes a particularly large amount of content, including support for new players, an expanded field, and 8-player raids. Therefore, we expect Q3 revenue to almost triple sequentially.

As we have just updated the game, we are currently closely monitoring its progress. The live operations team for *The First Descendant* is doing their best to help it grow again. We will continue to do our best to ensure that the service remains stable and successful.

【Q】 Despite the introduction of a level-cap update, why do you expect only a slight quarter-over-quarter revenue growth in Q3 for *Dungeon&Fighter Mobile* in China? Also, you expect to release the co-developed content with Tencent this year, but at what timing and scale do you expect sales growth? What KPIs do you pay attention to at that time?

【A】 Junghun Lee (Chief Executive Officer)

For *Dungeon&Fighter Mobile*, the anniversary update in Q2 was effective in attracting dormant users, but we were unable to sustain that success. However, with a series of updates starting with the level cap release in July, we expect a small increase in revenue sequentially in Q3.

Also, we will be introducing our co-developed content with Tencent within this year. I would like to emphasize that this collaboration is intended to achieve long-term growth, rather than just expecting an immediate or dramatic recovery from a single update. We believe that our initiatives with Tencent through hyperlocalization and new gameplay experiences will lead to more gradual improvements in key metrics and results over time. We hope you will keep an eye on how *Dungeon&Fighter Mobile* improves and what services we develop from a long-term perspective over the second half of this year and into next year.

【A】 Shiro Uemura (Chief Financial Officer)

Regarding KPIs, we view that increasing MAUs is the most important. After we bring users back, we will further revitalize the game, which will help recover sales.

【Q】 Why has *MapleStory Worlds* been very well-received in Taiwan?

【A】 Junghun Lee (Chief Executive Officer)

MapleStory Worlds has far exceeded our expectations, growing its revenue more than seven times year over year, and it has been most successful in Taiwan. The primary reason for this success is a content called "Artale." It is based on old content of *MapleStory*; in other words, it is akin to a classic *MapleStory* experience.

MapleStory is already a nationally beloved IP in Taiwan, and I believe that the popularity of the original IP and its fan base are the reasons for *MapleStory World's* success in Taiwan. Regarding its sustainability, "Artale" has already been launched in Korea and is currently performing well. As there is a lot of accumulated content already in the Korean version, I expect it to continue to perform well in Taiwan until the end of the year.

MapleStory Worlds is a UGC platform, creating a virtuous cycle where players who enter through content like "Artale" go on to engage with other content within *MapleStory Worlds*. We will continue to do our best to promote the overall growth of this platform.