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NEXON Co., Ltd.

<https://www.nexon.co.jp/en/>

(Stock Code: 3659, TSE Prime Market)

Nexon Releases Earnings for First Quarter 2025

Recovery in Key Titles: Dungeon&Fighter and MapleStory

Launched Two New Brand Extensions:

The First Berserker: Khazan and MABINOGE MOBILE

TOKYO – May 13, 2025 – NEXON Co., Ltd. (Nexon) (3659.TO), a global leader in online games, today announced the financial results for its first quarter ending on March 31, 2025.

“Nexon is delivering on its promises to our players and our investors,” said Junghun Lee, President and CEO of Nexon. “In the past three months we saw a recovery in our key titles, *Dungeon&Fighter* and *MapleStory*, and launched two new games: *The First Berserker: Khazan* and *MABINOGE MOBILE*. And we are making solid progress in our partnership initiatives with Tencent, including the release of new co-developed content for *Dungeon&Fighter Mobile* later this year and pre-registrations on *THE FINALS* and *The First Berserker: Khazan* in China. And in another breakthrough in our global expansion strategy, Embark Studios recently completed a large test on a new game, *ARC Raiders*, which exceeded our expectations for YouTube and Twitch views, and beat our wishlist goal on Steam by 50%. The Embark team is now working to integrate player feedback and polish the game ahead of the launch.

“Despite global economic turmoil, Nexon is deeply resilient and positioned for sustained growth. Our company is anchored by recurring revenue from multiple established franchises, a clearly defined growth plan, a robust pipeline of new games, strategic partnership for capturing growth opportunities in large markets, world-class live operations, and a balance sheet with approximately ¥600 billion in cash which can be used to capture new opportunities and enhance shareholder returns.”

Recent Highlights:

- Q1 demonstrates our solid execution against both our 2025 priorities and mid-term growth plan. We made good progress on regaining momentum in our key titles while making strategic steps towards global expansion with new games and brand extensions.
- Q1 revenue was up 5% year over year and came within our expectations at ¥113.9 billion on an as-reported basis, and up 9% on a constant-currency basis¹, driven by the collective growth in our three major franchises and contributions from new games.
- Operating income was ¥41.6 billion, up 43% year over year on an as-reported basis, which exceeded our outlook, driven by the strength of key titles as well as lower-than-planned costs.
- Net income² came within the expected range at ¥26.3 billion. The operating income outperformance was offset by a ¥4.2 billion FX loss and an impairment loss of ¥1.6 billion on

an investment accounted for using the equity method.

- Nexon's three biggest franchises – Dungeon&Fighter, MapleStory, and FC – delivered an aggregate 21% year-over-year growth, up from 8% in Q4 2024.
- Two new games – brand extensions on established franchises – were launched in the quarter. *The First Berserker: Khazan* met our objective as a strategic first step in the plan to introduce the Dungeon&Fighter IP to new players globally. The release of *MABINOGI MOBILE* significantly exceeded our expectations in its debut in Korea.
- Nexon and Tencent are making progress in our partnership for increasing the presence of Nexon IP in China. Under the recently established co-development agreement, new content for *Dungeon&Fighter Mobile* will be released in China later this year. Additionally, pre-registration has opened for two Nexon titles Tencent will publish in China: *The First Berserker: Khazan* and *THE FINALS*.

Franchise Performance

- **Dungeon&Fighter Franchise:**
 - In Q1, the Dungeon&Fighter franchise delivered 60% year-over-year growth, driven by contributions from *Dungeon&Fighter Mobile* in China and the global release of *The First Berserker: Khazan*. In Q2, we expect franchise revenue to decline by approximately 40% due to a difficult comparison with the explosive launch of *Dungeon&Fighter Mobile* one year ago, which increased franchise revenue by 162%.
 - ***Dungeon&Fighter PC:*** Q1 revenue in China came in at the high end of our outlook. The New Year update provided solid improvements to the in-game economy balance and generated an increase in DAUs. While Q1 revenue declined year over year, improvement was seen throughout the quarter, and we expect Q2 revenue to return to year-over-year growth. In Korea, the New Year update delivered a powerful turnaround with new momentum and record-high quarterly revenue with 93% year-over-year growth.
 - ***Dungeon&Fighter Mobile:*** DAUs tracked below our expectations, resulting in Q1 revenue falling short of our outlook. In Q2, we anticipate a sequential decline in revenue due to seasonality, however a one-year anniversary update is planned with new content designed to energize the base and attract new players. New content co-developed with Tencent will be released in China later this year.
 - ***The First Berserker: Khazan:*** The game made its global debut on March 28 with strong ratings from both players and critics. While Q1 revenue was below our outlook, the game achieved our objective as a strategic first step in a multi-year plan to introduce Dungeon&Fighter IP to a global audience, which set a stage for two new titles – Project OVERKILL and *Dungeon&Fighter: ARAD* – expected by 2027. Additionally, our publishing partner, Tencent, has opened pre-registration for a Chinese adaptation of *Khazan*.
- **MapleStory Franchise:**
 - In Q1, franchise revenue returned to growth, increasing 8% year over year, primarily driven by the strong performance of *MapleStory* in Korea and the West. In Q2, we expect the franchise to accelerate growth to approximately 20% year over year.
 - ***Korea MapleStory:*** The large winter update in December drove strong improvements to player engagement, resulting in a 43% year-over-year increase in Q1 revenue, which

exceeded our outlook. Last month, the franchise celebrated its 22nd anniversary with a major content update and events. In the coming months, a rich pipeline of new content including a large summer update will be released to sustain the favorable trend.

- **Global *MapleStory*.** Q1 revenue exceeded our outlook but declined year over year compared to the record-high sales in Q1 2024. However, service in Western markets continued to deliver growth and increased revenue by 35% year over year, driven by hyperlocalized content developed by our team in Los Angeles. In Q2, we expect Global *MapleStory* to grow year over year.
- ***MapleStory Worlds*.** Q1 revenue increased by 11% year over year. Service was expanded to Europe in January and to Asia in April. Together with ongoing strength in Korea and the expanded territories, Q2 revenue is expected to maintain year-over-year growth.
- ***MapleStory Universe*:** The PC MMORPG *MapleStory N* is slated for release on May 15, in select markets around the world. The game uses blockchain technology to track and reward the in-game achievements and content contributions of players.
- **FC Franchise:**
 - *FC ONLINE*³'s Q1 revenue exceeded our expectations driven by solid sales from our *Team of the Year* feature, while *FC MOBILE*⁴ fell short of our expectations. Overall, franchise revenue declined year over year but came within the expected range. Looking ahead, we anticipate increased player excitement as we get closer to the World Cup in the summer of 2026.
- **Mabinogi Franchise:**
 - Following the March 27 launch in Korea, *MABINOgi MOBILE* performed significantly better than our expectations. The game charted in the launch window as the #1 most-popular and #3 grossing game on Android, and the #1 grossing game on iOS. The platform extension on an established franchise demonstrated broad appeal with strongly positive feedback.
- **Shooters:**
 - ***The First Descendant*.** Q1 revenue fell below our expectations due to lower-than-anticipated sales from a new episode of Season 2, but player metrics improved. In July, the first anniversary of the game will be celebrated with a Season 3 "Breakthrough" update, which will bring fresh excitement with new open fields, monsters, large-scale battles, cooperative gameplay and more.
 - ***THE FINALS*.** Q1 results came in at the high end of our outlook supported by the Season 6 update in March, which generated improvements to key player metrics. Additional momentum is expected from new content planned for May. Recently, our partners at Tencent opened pre-registration for the game in China and announced a play test planned for later this year.
 - ***ARC Raiders*.** A large, global tech test conducted earlier this month significantly exceeded our expectations for key metrics, including wishlisting on Steam. Participation and early retention were particularly good in Western markets. With very limited advertising, the game was a top six most-watched games on Twitch and surpassed 20 million views on YouTube.

Shareholder Return

- We started the execution of a ¥50 billion share repurchase plan on February 14 as a part of the one-year ¥100 billion share repurchase policy. Through the end of April, we have acquired approximately 14.8 million shares for ¥30.3 billion and expect to complete the purchase of the remaining ¥19.7 billion worth of shares by June 30, 2025.
- After the acquisition of the first ¥50 billion of the plan, we intend to buy the remaining ¥50 billion by February 2026, with the consideration of factors including investment opportunities, financial conditions, and the market environment.

Second Quarter 2025 Outlook:

- Expect revenue to be in the range of ¥99.6 billion to ¥110.3 billion, down 19% to 10% year over year on an as-reported basis, down 9% to up 1% on a constant-currency basis¹.
- Expect operating income in the range of ¥22.5 billion to ¥31.1 billion, down 50% to 31% year over year on an as-reported basis.
- Expect net income² of ¥16.8 billion to ¥23.3 billion, down 58% to 42% on an as-reported basis.
- Despite the extremely challenging comparison with Q2 2024 when the launch of *Dungeon&Fighter Mobile* in China helped to drive 30% year-over-year growth in Group revenue, we expect Q2 2025 revenue to be largely similar to last year on a constant-currency basis¹. This is attributable to strong growth expected from *Dungeon&Fighter* PC and *MapleStory* plus a solid contribution from new games, particularly *MABINOGE MOBILE*.
- FX sensitivity⁵ – For every one JPY move against the USD, expect the following impact on our Q2 2025 financials:
 - Revenue: ¥0.72 billion
 - Operating Income: ¥0.19 billion

Earnings Letter

Investors, analysts, and media are encouraged to visit Nexon's website, and review the Earnings Letter: Q1 2025 with details on our Q1 performance and Q2 outlook.

Nexon Investor Relations website: <https://www.nexon.co.jp/en/ir/>

Online Earnings Presentation (Japanese & English)

Nexon management will host an online earnings presentation through Zoom Webinar (audio only) for investors, analysts and the media to discuss the company's financial results and outlook which will be simultaneously conducted in Japanese and English. It will consist of brief remarks made by the management team followed by a Q&A session. The Q&A session will be conducted with consecutive translations.

Date & Time: May 13, 2025 at 5:00 p.m. JST / 4:00 a.m. EDT

Format / Pre-registration

Online earnings presentation will be held through Zoom Webinar (audio only). URL, webinar ID, and passcode will be provided upon registration from the link below. Please join the webinar from the URL provided and choose the language by clicking 'Interpretation' button.

To register, please go to the Registration Page:

https://zoom.us/webinar/register/WN_eeXbKhGX02GgfoRiSZDHxw

Q&A Session

An online Q&A session will be conducted with consecutive translation in Japanese, English, and Korean. When asking a question, please wait for the permission to speak prompt to appear on your screen, as some translations take longer to complete.

Audio Archive and Transcript

Audio archive and a transcript will be available on Nexon Investor Relations website (<https://www.nexon.co.jp/en/ir/>).

This press release is prepared to offer reference information about Nexon to investors and is intended to generally provide investors and analysts with financial and operational information about Nexon, but not to solicit or recommend any sale or purchase of stock or other securities of Nexon.

About NEXON Co., Ltd. <https://www.nexon.co.jp/en/>

Founded in 1994, NEXON Co., Ltd. (Nexon) (3659.TO) is a global leader in the production, development and operation of online games. First listed on the Tokyo Stock Exchange in December 2011, Nexon has since been listed on JPX400, Nikkei Stock Index 300, and Nikkei 225. Nexon currently has more than 40 games operating in more than 190 countries on PC, console, and mobile. Major game franchises include MapleStory, Mabinogi, and Dungeon&Fighter. In 2024, the company set a multi-year IP Growth Initiative that details vertical growth with new experiences in existing major franchises and horizontal growth with the creation of new pillars in the company's IP portfolio.

Contact Information

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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.

² Net income refers to net income attributable to owners of the parent.

³ Official title is *EA SPORTS FC™ ONLINE* (PC).

⁴ Official title is *EA SPORTS FC™ MOBILE*.

⁵ 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 the U.S. dollar and Japanese yen.