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Earnings Letter: Q3 2026

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MANAGEMENT SUMMARY

Nexon's third quarter came in well above our outlook, with operating income close to 30% above the high end of our range, putting us on track for record full-year revenue and operating income. Q3 revenue was ¥138.4 billion and operating income was ¥41.8 billion, led by the MapleStory and FC franchises and costs below plan. Year over year, revenue grew 17% and operating income 11%, against a prior-year quarter that included a one-time ¥3.9 billion gain. These results belong to the teams behind the MapleStory and FC franchises, plus our other live games.

The quarter also reflects measurable results of the **transformation initiative** Nexon adopted in spring. Focused deployment of our creative teams, the adoption of performance targets, and an improved process for greenlighting new projects are showing solid early results. Diversified revenue from new and existing games – particularly from our MapleStory and FC franchises – demonstrates a marked improvement in our business fundamentals, making Nexon less dependent on the performance of a single franchise.

Now in its 24th year, the MapleStory franchise once again set a quarterly revenue record, growing 72% year over year, on results that include a strong showing for *MapleStory Classic* in China; the core PC game in Korea; and sustained momentum for new experiences, *MapleStory: Idle RPG* and *MapleStory Worlds*.

MapleStory Classic, a new experience within our existing PC service that inspires nostalgia for the earlier *MapleStory* experience, is another proof point of our franchise expansion strategy, delivering more revenue, more fun for players, and expanding the global player community. The ongoing success of this initiative gives us confidence that the ***MapleStory Playbook*** can be applied to spur growth in other Nexon franchises.

On that playbook, the Dungeon&Fighter franchise pipeline includes new experiences like *Dungeon&Fighter Classic*, brand extensions like *Arad: Idle RPG*, and *Dungeon&Fighter: ARAD*, as well as Project OVERKILL. We expect the expanded portfolio of new offerings to reshape and grow the franchise's long-term financial contribution while we stabilize the core PC and mobile offerings.

Within that pipeline, we have moved the launch of *Arad: Idle RPG* to 1H 2027. The recent soft launch helped us identify areas where we can further improve the player experience and enhance the overall quality of the game. The game remains the first step in applying the **MapleStory** expansion model to Dungeon&Fighter.

Recently, Nexon management met with Tencent to align on a long-term plan for the Dungeon&Fighter franchise. The discussion started from a clear premise: Dungeon&Fighter continues to hold a unique position in its genre in China, with no comparable game. Turning around the live services for the PC and mobile games comes down to execution: increasing content production, optimizing game operations, and communicating better with players. Together, we are working on solutions to each, and both are committed to long-term improvement of these games.

In addition to these efforts, Project OVERKILL, announced today, is part of our broader initiative to expand the Dungeon&Fighter franchise into new experiences. Following *Dungeon&Fighter Classic*, which is targeted for release next year, Project OVERKILL, developed by Neople, presents a new vision for the franchise with a focus on the Chinese market.

Next is our FC franchise. Thanks to a great effort by the team, the franchise returned to strong year-over-year growth, led by *FC ONLINE*, which delivered its highest quarterly revenue. Improvements to the player experience have restored momentum, positioning us to finish the year on strong footing.

Looking ahead to our fourth quarter, we have a series of releases that expand Nexon's global profile.

On October 8, Embark Studios released ***Frozen Trail***, the largest update to *ARC Raiders* since the launch one year ago. Having sold more than 17 million units to date, we are pleased with the launch, but the true measure of success is the ability to sustain the game.

Packed with new enemies, weapons, outfits and a large new map, the players' response to *Frozen Trail* tells us a lot about the value of the *ARC Raiders* IP. Many who had moved on came back, the core community grew, and new players bought the game a full year after the release. This is a performance we expect to see from a franchise, and why we built *ARC Raiders* for the long term. Additionally, our partnership with Chernin Entertainment to develop film and television projects based on *ARC Raiders* and *THE FINALS* is a sign of how far the IP already reaches beyond the game.

Following its July release in Taiwan, Hong Kong, and Macau, ***MABINOGI MOBILE*** launched in Japan this October.

Also in October, ***MapleStory Classic World*** was released in Western markets. Developed and hyperlocalized by our Los Angeles studio as a companion to the Western PC *MapleStory* service, it offers the classic *MapleStory* experience for the enjoyment of both new and long-time players.

And two new games are scheduled for release on November 26. ***TEMPPAL: OVERGEARED***, a full-3D MMORPG based on the popular web novel/webtoon IP *Overgeared*, developed by GRAYGAMES, will be released in Korea, Taiwan, Hong Kong,

and Macau. And ***Azur Promilia,*** a fantasy world RPG for PC and mobile developed by Manjuu Games, the studio behind the globally popular *Azur Lane*, will launch in Korea.

Update on Nexon's Transformation Initiative

At our Capital Markets Briefing, we explained how Nexon is changing how we manage our business, including how we build and where we spend. Our third quarter offers an early look at what our change agenda can deliver. Costs came in below our plan, despite royalties that were pushed up by higher revenue. Year over year, headcount at the end of the quarter was essentially flat and below plan. Holding headcount flat in what we expect to be a record-setting year is a choice. We are investing in the people and projects that can carry the company.

Every Nexon project is assigned a **performance target**, benchmarked against competing titles and as part of our portfolio, and a series of gates to measure progress toward launch. Our **greenlight process** is an important filter that speeds good ideas to market and hits the brakes on less promising ones. From concept to launch approval, every new game goes through a three-tiered evaluation process that tests player appeal and commercial viability.

- **Concept and prototype:** Each idea is reviewed for concept, target market, differentiation, initial budget, and team strength to validate the core gameplay appeal, market fit, and technical needs.
- **Production:** Before approving full production, we validate the budget, schedule, production processes, and business plan. As development advances, we assess actual progress, player feedback, and adherence to schedule and budget.
- **Launch:** Before approving the launch, we conduct a final review of quality, monetization plan, service stability, marketing strategy, profit projections, and overall readiness.

In the recent months, we have discontinued six projects and deployed the budget and

people to initiatives with greater commercial potential.

And we are putting AI to work in how we make games, with a clear position on it: people make our games, and that is not changing. AI takes the repetitive work off developers' desks and makes it cheaper and faster to try an idea. Today a creative team can build five versions of a mechanic in the time it used to take to build one, so it tests more ideas and takes more creative risk before we commit to a direction. We want better and more ambitious games, made by the people we have, not the same games made cheaper.

We have started where the gains are easy to measure and nothing changes for the player. We run a shared localization platform for our global games, so translation is managed in one place instead of title by title. We use AI-assisted code review that catches bugs and convention errors before a reviewer sees the code. We use tools that find assets across our libraries and run a first quality check. Each one is measured against a baseline before we expand it, and we release investment in stages, against results, rather than committing large sums up front. That discipline matters more now, when the cost of AI compute is rising and the industry is still learning where it pays off. When we have the numbers we will report them. We will be careful about how and where we use these tools. Players care about how their games are made, and so do we.

Q3 RESULTS AND Q4 OUTLOOK

In Q3, Nexon delivered revenue of ¥138.4 billion, and operating income of ¥41.8 billion, both above our outlook, growing 17% and 11% year over year, respectively, led by strength in the MapleStory and FC franchises. The MapleStory franchise set another quarterly revenue record and the FC franchise returned to solid year-over-year growth.

Total costs came in lower than planned. Higher royalties tied to the outperformance of *FC ONLINE* and *MapleStory: Idle RPG* were more than offset by lower marketing costs,

partly due to a shift in the timing of promotions, as well as lower HR costs and cloud service fees.

Year-over-year operating income growth reflects a prior-year comparison that included a one-time ¥3.9 billion gain from the liquidation of trusts in Q3 2025. Costs increased against prior Q3 from higher revenue-linked expenses, such as royalties, PG fees, and creator fees; higher cloud and software service fees; and HR costs.

Net income was ¥38.1 billion, also above our outlook, driven by the operating income outperformance and a ¥7.5 billion valuation gain on funds. Year over year, net income was flat: higher operating income and the absence of the ¥6.1 billion equity-method impairment loss recorded in Q3 2025 were offset by lower finance income, which a year ago included FX gains and securities valuation gains.

Moving to our Q4 outlook, the quarter carries a high prior-year comparison with the launch quarter of *ARC Raiders* and a decline in the Dungeon&Fighter franchise, plus new releases contributing mainly from late November. With this in mind, we expect revenue in the range of ¥107.7 billion to ¥118.9 billion, down 13% to 4%.

We expect Q4 operating income in the range of ¥4.0 billion to ¥11.7 billion, down 44% to up 63% year over year, with decreased costs set against lower revenue. The cost decrease comes from HR costs, PG fees, and marketing costs versus Q4 2025, which included launches for *ARC Raiders* and *MapleStory: Idle RPG*.

Net income is expected to be in the range of ¥4.7 billion to ¥10.6 billion, down 57% to 2% against Q4 2025, which included a ¥16.6 billion finance income from FX and securities valuation gains.

Heading into the final quarter of 2026, Nexon is on track to deliver record-high full-year revenue and operating income, driven by the sustained success of *ARC Raiders*, our IP

expansion strategy, as demonstrated by the MapleStory franchise, and renewed growth in the FC franchise, along with contributions from new services. We expect full-year revenue of ¥519.4 billion to ¥530.6 billion, up 9% to 12% year over year, and operating income of ¥135.2 billion to ¥142.9 billion, up 9% to 15%.

This provides a solid foundation for 2027.

FRANCHISE OVERVIEW

Nexon's three largest franchises, MapleStory, Dungeon&Fighter and FC, collectively delivered revenue of ¥108.5 billion, up 24% year over year, led by growth in MapleStory and FC. Horizontal revenue was ¥29.9 billion, down 4% year over year against a high Q3 2025 base driven by *MABINOGI MOBILE* in Korea.

MapleStory Franchise:

The MapleStory franchise grew 72% year over year in Q3, setting another quarterly record and exceeded our outlook. Growth was driven by new experiences, *MapleStory: Idle RPG* and *MapleStory Worlds*, and by the core PC business both in Korea and Global *MapleStory*. We expect this momentum to continue, with Q4 franchise revenue growing approximately 70% year over year.

- **Korea *MapleStory***: Q3 revenue exceeded our outlook, growing 19% year over year, driven by the summer and autumn updates. In Q4, we expect this momentum to continue, with revenue growing strong double digits year over year, backed by the favorable impact of the autumn update, the *Blue Archive* collaboration, and the start of the winter update in December.
- **Global *MapleStory*:** Q3 revenue significantly exceeded our outlook and doubled year over year, driven primarily by *MapleStory Classic*, a new experience within our existing PC service that pays homage to an earlier version of *MapleStory*. Following *Classic*'s release during the quarter, revenue grew nearly 4X in China and 2X in Taiwan. In the West, revenue grew 33%. In Q4, we expect Global

MapleStory to deliver approximately 2X year-over-year growth, driven by continued momentum from *Classic* experiences, including *MapleStory Classic World*, a hyperlocalized classic experience for the Western service from our Los Angeles team, that got a strong start in October.

- ***MapleStory: Idle RPG*:** Q3 revenue exceeded our outlook, supported by a series of updates that reflected player feedback, as well as the September Chuseok update. In Q4, we expect revenue to grow year over year, driven by the first-anniversary update.
- ***MapleStory Worlds*:** Q3 revenue was within the outlook and approximately doubled year over year, with solid performance throughout the quarter led by Korea and Taiwan. In Q4, we expect revenue to nearly triple year over year. New worlds from our global developer contest will join the platform, adding new genres for players to enjoy. To attract a broader audience, we will also run an open beta test of *MapleStory Worlds 2.0* in Korea, featuring webtoon creation tools.

Dungeon&Fighter Franchise:

Q3 franchise revenue came in below our outlook and declined 33% year over year, reflecting weaker-than-expected results from the September National Day updates for the PC and mobile games in China. In Q4, we expect revenue to decline year over year as we prioritize stabilizing engagement over monetization.

- ***Dungeon&Fighter* (PC):** In China, Q3 revenue fell short of our outlook, coming in flat year over year as reported but down in local currency. The September National Day update and new raid had limited impact on re-engagement, with ARPPU rising but MAUs and paying users declining from Q2 and year over year. In Q4, we expect revenue to decline sequentially and year over year as we focus on stabilizing the player base with updates and events ahead of the Q1 New Year update.

  In Korea, Q3 revenue was within our outlook but declined year over year against a high prior-year comparison and with continued softness following the March

season update. Multiple content updates and events are planned through year-end; however, we expect Q4 revenue to decline year over year.

- ***Dungeon&Fighter Mobile*:** In China, Q3 revenue came in below our outlook, declining sequentially and year over year. The National Day update fell short of user expectations. Together with Tencent, we are continuing to dedicate resources to improving the game and delivering content that meets those expectations. In Q4, multiple hyperlocalized content releases are planned to address an expected sequential and year-over-year decline in revenue.

FC Franchise:

Gameplay improvements delivered a Q3 rebound for *FC ONLINE*, exceeding our outlook and returning the franchise to double-digit year-over-year growth. In Q4, we expect franchise momentum to continue, with revenue growing by double digits year over year.

- ***FC ONLINE***: Q3 revenue significantly exceeded our outlook and grew double digits year over year, marking the game's highest quarterly revenue. Gameplay and progression improvements drove average playtime to a record high, translating into strong reception for promotions, including the September Chuseok event. In Q4, we expect another quarter of double-digit year-over-year growth, supported by a new player class and year-end promotions.
- ***FC MOBILE*:** Q3 user traffic recovered sequentially and increased year over year,. Building on the solid player base, we expect updates and winter promotions in Q4 to increase revenue sequentially and to narrow the gap to prior-year levels.

Mabinogi Franchise:

Q3 franchise revenue grew sequentially, supported by the July launch of *MABINOGI MOBILE* in Taiwan, Hong Kong, and Macau, but declined year over year against a high prior-year comparison in Korea. In Q4, we expect *MABINOGI MOBILE*'s revenue to be broadly flat sequentially, supported by the October Japan launch, but to decline year over year.

Shooters:

- ***ARC Raiders*:** Q3 revenue came in within our outlook. The October *Frozen Trail* update re-energized core players and attracted new ones, driving additional unit sales. In Q4, we expect revenue to decline year over year against the launch quarter in 2025, and to be broadly flat sequentially. Compared with Q3, this reflects lower revenue per unit from promotional discounts, less revenue recognized from earlier deferrals, and more revenue deferred to future periods, while we expect additional unit sales and contributions from the Premium Reward Pass and the Collector Set DLC package.
- ***THE FINALS***: Q3 revenue declined slightly year over year, and we expect Q4 revenue to be essentially flat year over year, supported by the October release of Season 12, which includes a new game mode, a new play style, and a full UI overhaul.

PIPELINE OF NEW GAMES

Q4 adds *MABINOGI MOBILE* in Japan and two new titles, *TEMPPAL: OVERGEARED* and *Azur Promilia*, both launching on November 26, rounding out a year of steady releases across new markets and formats.

- ***MABINOGI MOBILE***: Following the expansion to Taiwan, Hong Kong and Macau in July, the Japan service launched on October 7.
- ***TEMPPAL: OVERGEARED***: A full-3D MMORPG developed by GRAYGAMES, based on the popular web novel and webtoon IP *Overgeared*, featuring a realistic medieval fantasy setting and a seamless third-person open world. The game will launch in Korea, Taiwan, Hong Kong, and Macau.
- ***Azur Promilia***: A fantasy world RPG for PC and mobile from China-based Manjuu Games, featuring a distinct art style and an expansive worldview.

Looking to 2027 and beyond, our pipeline spans new experiences in our established franchises as well as all-new IP.

Dungeon&Fighter Franchise:

- ***Arad: Idle RPG***: The first step in applying the MapleStory franchise-expansion blueprint to Dungeon&Fighter, this casual idle game is now set to launch in 1H 2027.
- ***Dungeon&Fighter Classic***: A reboot of the original action-based experience with a modern twist, in development for a 2027 release.
- ***Dungeon&Fighter: ARAD***: An open-world action title expanding the Dungeon&Fighter franchise for a global audience.
- **Project OVERKILL**: Carries the franchise forward as an online action RPG that fully modernizes combat physics and visuals.

Mabinogi Franchise:

- ***Vindictus: Defying Fate***: A modern PC and console action experience based on the Mabinogi franchise. The game is planned to launch as a free-to-play title in 2027.
- ***Mabinogi Eternity***: A conversion of the original PC *Mabinogi* to Unreal Engine 5. The first alpha test in Korea this September received positive feedback from players.

Embark:

- Two new games in the early stage of development.

All-New Titles:

- ***NAKWON: LAST PARADISE***: A Zombie Extraction Survival game set in post-apocalyptic Seoul. The game is scheduled for a global release in 2027.
- ***Woochi the Wayfarer***: An action-adventure game inspired by Jeon Woochi, a folk hero of Korea's Joseon era, developed on Unreal Engine 5.

- ***FAREIDOLIA***: Formerly known as Project RX, this anime-style game for PC, mobile, and consoles is in development by IO division at our Nexon Games studio, the team behind *Blue Archive*. At Tokyo Game Show 2026, its first playable demo drew strong interest from players.
- ***CrazyRacing KartRider***: A game that reboots the timeless KartRider franchise, upgraded with today's technology for players in Korea and Taiwan.
- ***Bancho the Chef***: A new RPG-meets-cooking simulator in development for PS5 and Steam globally, as a spin-off of *DAVE THE DIVER*.
- ***Godzilla Defense Force: X***: A strategy-management game featuring monsters from the many films spanning 70 years of Godzilla history, targeting a global release in Q1 2027.

CAPITAL ALLOCATION AND SHAREHOLDER RETURNS

In September, the Board of Directors approved a special dividend of ¥415 per share, totaling approximately ¥324 billion (or $2 billion), payable on November 25 to shareholders of record as of September 30 – a significant step forward in improving our capital efficiency. We also plan to pay a year-end dividend of ¥30 per share, for a regular annual dividend of ¥60.

Our balance sheet remains strong, with sufficient cash to fund future growth initiatives. We continue to aim to raise ROE to 15% over the mid-to-long term through disciplined financial management, and to return more than 33% of the prior year’s operating income to shareholders, an amount that will grow with our profits.

SUMMARY

Nexon’s third-quarter results show progress on several fronts that point to long-term strength in our business fundamentals.

Our Q3 performance was driven by record quarterly revenue from the MapleStory franchise, a rebound in the FC franchise, and a contribution from new IP, *ARC Raiders*. This broad-based performance shows that Nexon is less dependent on a single franchise or market.

The quarter also shows the impact of our transformation initiative. Performance targets, a new greenlight process, and a clear focus on putting people and investment behind the most commercially viable projects are already delivering results.

These trends point in the right direction and put Nexon on a solid foundation for 2027.

DISCLAIMER

This letter is prepared to offer reference information about NEXON group to the 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. NEXON Co., Ltd. (“Nexon”) has not verified and would assume no responsibility for the accuracy, appropriation, or completeness thereof. This letter does not contain all relevant information relating to Nexon or the sale of its shares, including, without limitation, the information that would be stated under the captions “Risk Factors”, “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and “Business” in an annual report. Any investment decision with respect to any shares of Nexon should be made solely upon the basis of the information contained in the disclosure documents and is qualified in its entirety by reference to the detailed information appearing in the disclosure documents. This letter includes non-GAAP and non-IFRS financial measures, including but not limited to key performance indicators, as well as ratios calculated on the basis thereof. These non-GAAP and non-IFRS financial measures should not be considered in isolation or as a substitute for the most directly comparable financial measures included in our consolidated financial statements and presented in accordance with IFRS. This letter 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 letter 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 letter to reflect new information, future events or otherwise. We caution you not to place undue reliance on the forward-looking statements contained in this letter.