August 13, 2026
NEXON Co., Ltd.
https://www.nexon.co.jp/en/
(Stock Code: 3659, TSE Prime Market)

Nexon Releases Earnings for Second Quarter 2026

Nexon to Return $2 Billion to Shareholders through Special Dividend

MapleStory Franchise Delivers Record Quarterly Revenue with 63% Year-Over-Year Growth

ARC Raiders®' Largest Content Update, Frozen Trail, Set for October Release

TOKYO – August 13, 2026 – NEXON Co., Ltd. (Nexon) (3659.TO), a global leader in online games, today announced financial results for its second quarter, ending June 30, 2026.

"We are pleased to report Nexon's second quarter results, with both revenue and operating income coming in above our outlook, driven by strong performances of our MapleStory franchise and the ongoing success of *ARC Raiders*," said Nexon President and CEO, Junghun Lee. "We are now looking ahead to a diversified pipeline of product launches this year, including *MABINOGI MOBILE* in multiple Asian markets; *Arad: Idle RPG*[1], which is a new experience in the Dungeon&Fighter universe; and *Frozen Trail*, the largest *ARC Raiders*' content update since the game launched in 2025.

"Years of steady returns from established franchises and new games have allowed Nexon to build a large cash reserve and, more recently, we realized a large sum from the divestiture of investments. Recognizing that a cash balance of ¥842 billion[2] is more than enough to fund future growth opportunities, and to improve our capital efficiency, we will return the surplus to our shareholders in the form of a special dividend of ¥415 per share, totaling approximately ¥324[3] billion or $2 billion[4]."

Recent Highlights

- Q2 revenue exceeded Nexon's outlook at ¥121.1 billion, driven by the sustained growth of the MapleStory franchise and a solid contribution from *ARC Raiders®* – up 2% year over year on an as-reported basis or down 6% on a constant-currency basis[5].
- Operating income was above our outlook at ¥31.3 billion, down 17% year over year on an as-reported basis or down 31% on a constant-currency basis[5], reflecting a shift in our product mix with higher revenue-linked costs – including creator fees, user-acquisition (UA) costs, plus cloud service fees from growing global live services and data usage, along with increased software service fees.
- Relative to our outlook, total expenses were below our plan, as higher creator fees were more than offset by lower-than-planned HR costs on a non-recurring reversal of share-based compensation, and lower royalties and marketing costs.
- Net income[6] exceeded our outlook at ¥29.6 billion, driven by the operating income

outperformance and a ¥5.5 billion valuation gain on funds. Year over year, it was up 77% primarily due to a ¥1.7 billion FX loss in Q2 2026 compared to a ¥17.5 billion loss recognized in Q2 2025.

- With an additional 800K units sold during the quarter, *ARC Raiders®* surpassed cumulative unit sales of 16.3 million in Q2. *Frozen Trail* – the largest content update since the 2025 launch – is slated for release in October.
- The first global expansion of *MABINOGI MOBILE* launched in Taiwan, Hong Kong, and Macau on July 22.
- In partnership with Blizzard Entertainment, Nexon launched its service of *Overwatch®* on PC in Korea on August 12.

Franchise Performance

Nexon's three largest franchises – MapleStory, Dungeon&Fighter and FC – collectively delivered revenue of ¥81.2 billion, down 5% year over year. Revenue from other titles grew 20% year over year to ¥39.9 billion. Our performance was driven by the MapleStory franchise, and *ARC Raiders®*, which contributed approximately 15% of total revenue for the quarter.

- **MapleStory Franchise:**
  - Q2 franchise revenue reached a record quarterly high, up 63% year over year. In Q3, we expect the franchise to sustain this momentum and grow approximately 40% year over year.
  - **Korea *MapleStory*:** Q2 revenue exceeded our outlook driven by strong sales from the June summer update. Year over year, revenue grew 7% on top of last year's 91% year-over-year growth, marking a Q2 record. Q3 revenue is expected to be broadly in line with the prior year, which grew approximately three times year over year.
  - **Global *MapleStory*:** Q2 revenue declined 7% year over year against a strong prior-year base. In Q3, revenue is expected to grow double digits year over year, supported by a hyperlocalized summer update in Western *MapleStory*.
  - ***MapleStory Worlds*:** Q2 revenue exceeded our outlook and grew 123% year over year, driven by two new user-generated worlds launched in late April in Korea and Taiwan. In Q3, we expect continued strength and revenue to approximately double year over year.
  - ***MapleStory: Idle RPG*:** Q2 revenue exceeded our outlook, driven by the April update. We expect the game to continue contributing to franchise growth in Q3, with revenue moderating sequentially.
- **Dungeon&Fighter Franchise:**
  - Q2 performed as expected, with franchise revenue declining 44% year over year. In Q3, we expect the franchise revenue to decline year over year while increasing sequentially.
  - ***Dungeon&Fighter* (PC):** In China, Q2 revenue was within guidance range but declined year over year on a soft start for the April new-season update. The June anniversary update drove solid retention among the core, which carried into July. Sales tied to the July summer update started strong but have since slowed. Combined with the September National Day update, and new raid content, Q3 revenue is expected to increase sequentially. Year-over-year revenue is expected to increase on favorable FX, with local-currency performance

approximately flat. In Korea, Q2 revenue declined year over year, reflecting a high prior-year comparison and soft reception to the March new-season update. We expect the year-over-year decline to continue in Q3, as we prioritize retention and re-engagement of lapsed players.

- ***Dungeon&Fighter Mobile*:** Q2 revenue declined year over year while exceeding our outlook. A series of updates are planned in Q3, while we expect revenue to decline year over year.

- **FC Franchise:**
  - In Q2, franchise revenue fell below our outlook and declined year over year.
  - ***FC ONLINE***[7]: Q2 revenue declined year over year, and fell below our outlook, as traffic and monetization were softer than expected. Following the June update, we expect revenue to recover sequentially and return close to prior-year levels in Q3.
  - ***FC MOBILE***[8]: Q2 revenue was down year over year and below our plan. Following a content launch in July, we expect both traffic and revenue to sequentially improve in Q3.
- **Mabinogi Franchise:**
  - In Q2, *MABINOGI MOBILE* revenue declined year over year against the strong launch quarter in 2025, and moderated sequentially. In Q3, we expect year-over-year revenue to decline against a high comparison from the prior year, but grow at a strong double-digit rate quarter over quarter, based on a solid July launch in Taiwan, Hong Kong, and Macau. A Japan launch is scheduled in Q4.
- **Shooters:**
  - ***ARC Raiders*®:** Cumulative unit sales reached 16.3 million in Q2, with sales momentum normalizing more than nine months after launch. *Frozen Trail*, the largest content drop since launch, is slated for October release. In July, we conducted a Closed Alpha Test in China together with our partner at Tencent, which exceeded our target for registrations. *ARC Raiders*® has generated more than ¥88 billion since the launch in October last year.
  - ***THE FINALS*®:** More than 30 months after launch, *THE FINALS*® continues to demonstrate stable engagement metrics among a passionate player base, supported by periodic season updates. Q2 revenue grew year over year, and we expect Q3 to remain stable versus prior year, supported by Season 11, which launched in July.

Pipeline of New Games

Games Scheduled for Release This Year:

- ***Arad: Idle RPG***[1]**:** Building on the success of *MapleStory: Idle RPG* in extending the franchise onto new formats, Nexon will launch *Arad: Idle RPG*[1] in Q4, a highly accessible, casual experience designed to re-engage lapsed *Dungeon&Fighter* users and attract new players to the franchise.
- ***DAVE THE DIVER* (Mobile):** The mobile version will launch globally on September 17.
- ***Azur Promilia*:** A fantasy world RPG for PC and mobile developed by China-based Manjuu Games, featuring a distinct art style and an expansive worldview. Nexon will publish in Korea this year.
- ***TEMPPAL: OVERGEARED*:** Developed by GRAYGAMES, this full-3D MMORPG brings the popular web novel/webtoon IP *Overgeared* to life with a realistic medieval fantasy concept and a third-person, seamless open world. Nexon will bring the game to players in Korea,

Taiwan, Hong Kong, and Macau.

Games Scheduled for 2027 and Beyond:

- **Dungeon&Fighter Franchise:**
  - ***Dungeon&Fighter Classic*:** A reboot of the original action-based experience with a modern twist, is scheduled for release in 2027.
  - ***Dungeon&Fighter: ARAD*:** The second game in a series designed to introduce the Dungeon&Fighter franchise to a global audience.
  - **Project OVERKILL:** Carries the Dungeon&Fighter franchise forward as a PC and console 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. Targeting a 2027 launch, the game will be serviced as free-to-play.
  - ***Mabinogi Eternity*:** A conversion of the original PC *Mabinogi* to Unreal Engine 5. The first alpha test will be conducted in Korea this September.
- **All New Titles:**
  - ***NAKWON: LAST PARADISE*:** A multiplayer zombie survival game set in a post-apocalyptic Seoul, leveraging Embark Studios' knowledge in design, narrative, and technology to further elevate the game's overall quality. 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.
  - ***Durango World*:** A multiplayer open-world survival game for PC and console that rebrands Nexon's original game, *Durango*.
  - **Project RX:** An anime-style game for PC, mobile, and consoles developed by IO division, the team behind *Blue Archive*. The playable will be available at Tokyo Game Show 2026.
  - ***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 is 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 is targeting a global release in early 2027.
  - **From Embark Studios:** Two new games in the early stage of development.

Capital Allocation and Shareholder Returns

- Nexon's transformation initiative includes a renewed focus on the management of our balance sheet. Steady revenue from established franchises, together with operating cash flow from all-new games, funds both investment in future growth and Nexon's commitment to returning capital to shareholders.
- Nexon's recent divestiture of its investments generated ¥142 billion in gains and returned ¥106 billion in principal, which brought our total cash reserves to ¥842 billion at the end of Q2. Our Board has determined that this is more than sufficient for investing in growth opportunities and the surplus can be returned to our shareholders.

- With this in mind, Nexon today announced a planned special dividend of ¥415 per share totaling approximately ¥324 billion[3] (or $2 billion[4]), to be paid to shareholders registered as of September 30 of this year – a decision subject to formal Board resolution expected in September, and a significant step forward in improving our capital efficiency.
- This is consistent with our standing target of a minimum ROE of 10%, with an aim to grow to 15% over the mid-to-long term and our policy of returning more than 33% of the prior year's operating income to shareholders.
- For 2026, Nexon plans a semi-annual dividend of ¥30 per share, or an annual dividend of ¥60. In July, Nexon completed the ¥30 billion share repurchase approved by our Board in May.
- Collectively with our regular dividends and buybacks, the special dividend will bring our total capital returned to shareholders since our IPO in 2011 to more than ¥900 billion by the end of 2026.

Third Quarter 2026 Outlook

- Expect revenue to be in the range of ¥120.7 billion to ¥133.4 billion, up 2% to 12% year over year on an as-reported basis, down 3% to up 7% on a constant-currency basis[5].
- Expect operating income in the range of ¥22.6 billion to ¥32.3 billion, down 40% to 14% year over year on an as-reported basis.
- Expect net income[6] of ¥18.2 billion to ¥25.6 billion, down 52% to 33% on an as-reported basis.
- FX sensitivity[9] – For every one JPY move against the USD, expect the following impact on our Q3 2026 financials:
  - Revenue: ¥0.78 billion
  - Operating Income: ¥0.19 billion
- Our Q3 performance will be led by continued momentum in the MapleStory franchise, contributions from *ARC Raiders®*, as well as new titles including the regional expansion of *MABINOGI MOBILE*.
- Q3 2025 operating income included a ¥3.9 billion gain from the liquidation of trusts, and net income[6] included an FX gain of ¥9.2 billion — neither repeats in Q3 2026.
- Similar to Q2, year-over-year decline in operating income reflects product diversification and the resulting higher revenue-linked costs, – including PG fees and royalties, along with cloud and software service fees, as well as marketing costs for UA and new-title promotions.
- Our Q3 outlook also includes a one-time cost of ¥1.5 billion for the adjustment of outstanding stock options in connection with the special dividend, subject to Board approval.

Earnings Letter

Investors, analysts, and media are encouraged to visit Nexon's Investor Relations website at https://www.nexon.co.jp/en/ir/, which includes our Q2 2026 Earnings Letter with details on our Q2 performance and Q3 outlook.

Online Earnings Presentation (Japanese & English)

On August 13, 2026, at 5:00 p.m. JST / 4:00 a.m. EDT, Nexon management will host an online earnings presentation through Zoom Webinar (audio only) to share the company's financial results and outlook. The presentation will be simultaneously conducted in Japanese and English and include

brief remarks from management, followed by a Q&A session with investors. To register, please go to the Registration Page:
https://zoom.us/webinar/register/WN_3I1X-zxCTSWE_dZny8uueA

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
An audio archive and a transcript will be available on Nexon's 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 JPX 400, 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.

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[1] Tentative title and subject to change.
[2] As of June 30, 2026.
[3] The aggregate amount reflects ¥415 per share applied to the number of shares outstanding, net of treasury shares, as of July 31, 2026, and is subject to change based on the number of shares outstanding as of the record date of September 30, 2026.
[4] Calculated at an exchange rate of US$1 = ¥160.7
[5] 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.
[6] Net income refers to net income attributable to owners of the parent.
[7] Official titles are *EA SPORTS FC™ ONLINE* (PC) and *EA SPORTS FC™ ONLINE M* (mobile).
[8] Official title is *EA SPORTS FC™ MOBILE*.
[9] 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 the 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.