



NEXON

INVESTOR PRESENTATION Q1 2020

May 13, 2020 NEXON Co., Ltd.

Owen Mahoney President and CEO

Shiro Uemura CFO

CEO Highlights





Q1 Results Above Outlook

Record-breaking Quarter in Korea;
In-line Results in China

- Performance reflects strong franchises coupled with new focused strategy
- Game development on track with no major disruption from COVID-19
- China *Dungeon&Fighter*'s performance within the expected range despite the temporary closure of some PC cafés
- *Dungeon&Fighter* 2D Mobile¹ completed 2nd closed beta with encouraging results
- Generated EBITDA of ¥49.9 billion in Q1; at the quarter end had ¥517.6 billion in total cash²

¹ Mobile game based on original IPs.

² Aggregated amount of "Cash and cash equivalents" and "Other deposits" on balance sheet.

Korea: Strong Q1 Performance Across Our Portfolio. Up 78% Y/Y

MapleStory

EA SPORTS FIFA ONLINE 4 FIFA OFFICIAL LICENSED PRODUCT

DUNGEON & FIGHTER

SUDDEN ATTACK



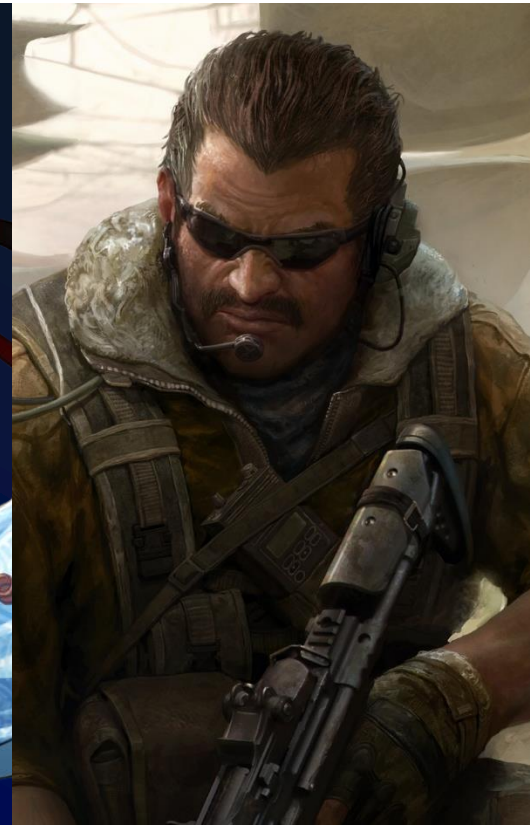
PC: 132%¹ Y/Y growth
Mobile: 184%¹ Y/Y growth



Record-high quarter.
Significant Y/Y growth



53%¹ Y/Y growth



52%¹ Y/Y growth

¹ Year-over-year growth on a constant currency basis

China *Dungeon&Fighter*

- Performed within outlook range but revenue down Y/Y
- Lunar New Year update and March updates both well-received, earning great reviews and improving engagement
- Temporary closure of PC cafés in some regions affected momentum
- Expect more players to return and KPIs to improve as PC cafés re-open
- Continue to be optimistic about the long-term growth of this game in China



China *Dungeon&Fighter* 2D Mobile¹



Pre-Registration
34 million²



Stores
AOS / iOS



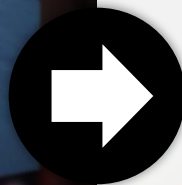
Launch Date
Summer 2020

¹ Mobile game based on original IPs.

² Pre-registration as of May 12th, 2020



CRAZYRACING
KARTRIDER



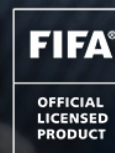
KARTRIDER
RUSH+



FIFA ONLINE 4



FIFA
MOBILE



CFO Highlights



Q1 2020 Results

Q1 2020 Result Highlights

Strong Performance in Korea; China Revenues within Expected Range

Revenues

Exceeded our outlook. Stronger-than-expected performances of our major franchises in Korea including *MapleStory*, *FIFA ONLINE 4*¹, *Dungeon&Fighter* and *V4*

Operating Income

In-line with our expectation. Revenue outperformance as well as lower-than-planned HR costs were partially offset by a ¥6.1 billion impairment loss primarily on Nexon GT's goodwill and Pixelberry's game IP

Net Income²

Exceeded our outlook largely driven by an ¥18.7 billion FX gain primarily on U.S. dollar-denominated cash deposits

(Unit: ¥ millions, except per share data)

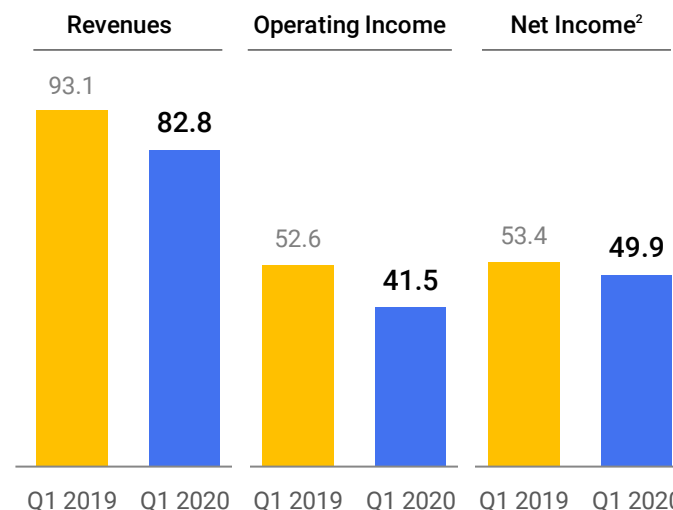
	Q1 2019	Q1 2020 Outlook		Q1 2020	YoY %
Revenues	¥93,077	¥74,038	~ ¥80,689	¥82,762	(11%)
PC ³	77,639	¥58,730	~ ¥63,979	65,725	(15%)
Mobile	15,438	¥15,308	~ ¥16,711	17,037	10%
Operating income	52,601	¥35,982	~ ¥42,098	41,543	(21%)
Net income²	53,400	¥31,731	~ ¥36,638	49,911	(7%)
Earnings per share	59.67	36.00	~ 41.57	56.57	
Exchange rates					
100 KRW/JPY	9.80	9.39	9.39	9.15	(7%)
CNY/JPY	16.33	15.80	15.80	15.62	(4%)
USD/JPY	110.20	109.89	109.89	108.92	(1%)

¹ Official titles are EA SPORTS™ FIFA ONLINE 4 (PC) and EA SPORTS™ FIFA ONLINE 4 M (mobile).

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

³ PC revenues include other revenues besides PC online games and mobile games.

(Unit: ¥ billions)



Q1 2020 Revenue Breakdown

(Unit: ¥ millions)

Revenue by Region¹

	Q1 2019	Q1 2020		YoY % Change	
		As-Reported	Constant Currency ⁴	As-Reported	Constant Currency ⁴
China	¥57,550	¥33,499	¥35,372	(42%)	(39%)
Korea	22,357	39,744	42,565	78%	90%
Japan	3,833	1,567	1,614	(59%)	(58%)
North America and Europe	5,551	4,168	4,272	(25%)	(23%)
Rest of World ²	3,786	3,784	3,958	(0%)	5%
Nexon Total	93,077	82,762	87,781	(11%)	(6%)

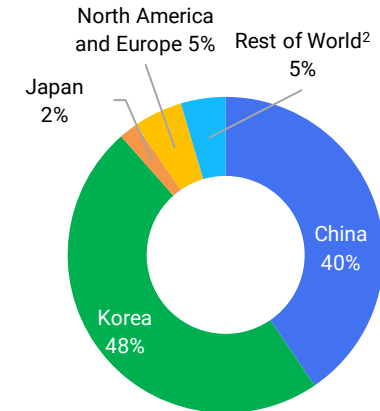
Revenue by Platform

PC ³	77,639	65,725	69,741	(15%)	(10%)
Mobile	15,438	17,037	18,040	10%	17%
Nexon Total	93,077	82,762	87,781	(11%)	(6%)

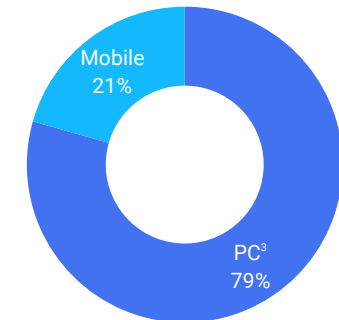
FX Rate

100 KRW/JPY	9.80	9.15	9.80	(7%)
CNY/JPY	16.33	15.62	16.33	(4%)
USD/JPY	110.20	108.92	110.20	(1%)

Q1 2020 Revenue by Region¹



Q1 2020 Revenue by Platform



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

² "Rest of World" includes other Asian countries as well as central and south American countries.

³ PC revenues include other revenues besides PC online games and mobile games.

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, we calculate royalty revenues from China *Dungeon&Fighter* by applying the same CNY/USD, USD/KRW and KRW/JPY exchange rates from last year's same fiscal quarter.

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

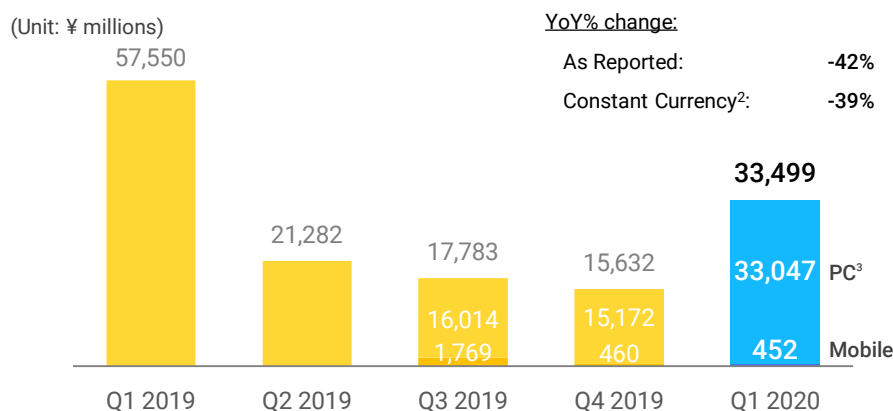
⁶ Nexon Group has made a change to a part of its regional segmentation of revenue from external customers from the three months ended March 31, 2020. The numbers for the three months ended March 31, 2019 have also been adjusted accordingly.

Q1 2020 China / Korea – Highlights

China

Dungeon&Fighter performed within expected range. Temporary closure of PC cafés slowed revival

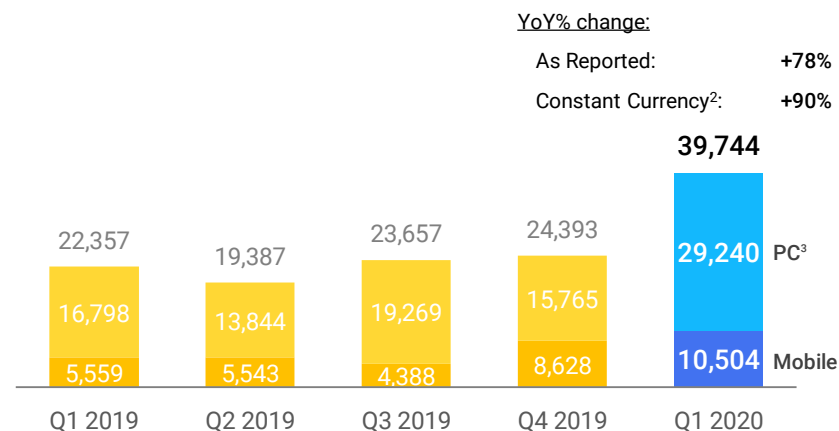
- Introduced Lunar New Year update (1/14 – 4/9); the new key update – Level Cap Release and the Third Awakening¹ (3/19)
- Q/Q MAUs and paying users decreased, negatively affected by closure of PC cafés in some regions
- Q/Q Revenue and ARPPU increased due to typical seasonality
- Y/Y MAUs and paying users decreased due to churn of users in 2H 2019 and reduced bots following stricter player identification measurements
- Y/Y Revenue and ARPPU decreased due to last year's strong sales from the Lunar New Year package offerings



Korea

Exceeded our outlook. Achieved our highest quarterly revenue driven by strength across portfolio

- MapleStory*: Revenue grew 132%⁵ Y/Y. Achieved record quarter
- FIFA ONLINE 4*⁴: Revenue grew significantly Y/Y. Generated highest quarterly revenue
- Dungeon&Fighter*: Built momentum following a major update in January. Improved user metrics; Y/Y revenue growth of 53%⁵
- Sudden Attack*: Revenue grew 52%⁵ Y/Y
- V4*: Strength driven by the major update in February.
- MapleStory M*: Revenue grew 184%⁵ Y/Y. Achieved highest quarterly revenue



¹ Third awakening allows players to gain new skills for their characters

² 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, we calculate royalty revenues from China *Dungeon&Fighter* by applying the same CNY/USD, USD/KRW and KRW/JPY exchange rates from last year's same fiscal quarter.

³ PC revenues include other revenues besides PC online games and mobile games.

⁴ Official title is EA SPORTS™ FIFA ONLINE 4 (PC).

⁵ Year-over-year growth on a constant currency basis

Q1 2020 Japan / North America and Europe / Rest of World¹ – Highlights

Japan

Revenues slightly below our outlook

- Benefited from *MapleStory M* which launched in Q2 2019, but revenue was more than offset by the decreases in *FAITH*, *Dynasty Warriors: Unleashed* and *OVERHIT*
- Disposition of gloops in February 2020 added to the Y/Y revenue decline

North America and Europe

Better-than-expected revenues driven by *Choices*⁴ and *MapleStory*

- MapleStory* revenue increased Y/Y
- This was more than offset by revenue declines of *Choices*⁴, *Darkness Rises* and *AxE*

Rest of World¹

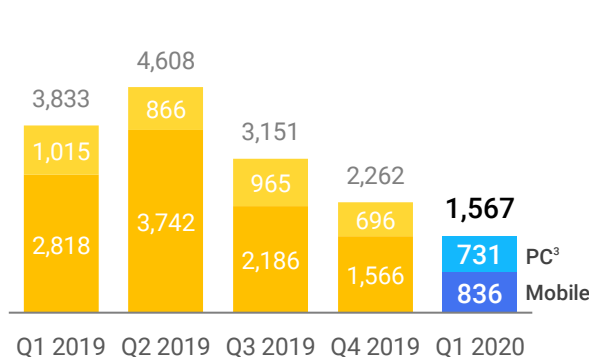
Outperformance driven by stronger-than-expected revenue from *MapleStory*

- MapleStory* revenue increased Y/Y
- Benefited from *World of Dragon Nest* (launched in Southeast Asia on 1/8), as well as *V4* (launched in Taiwan, Hong Kong and Macau on 3/25)
- These were more than offset by declines in revenue from *AxE*, *MapleStory M* and *Moonlight Blade*

(Unit: ¥ millions)

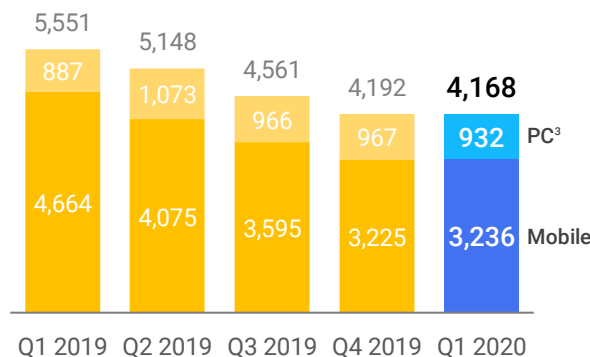
YoY% change:

As Reported: -59%
Constant Currency²: -58%



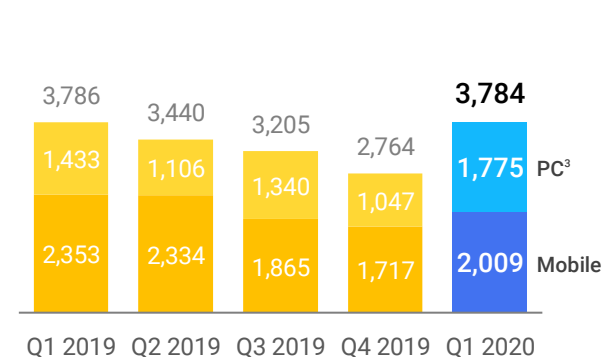
YoY% change:

As Reported: -25%
Constant Currency²: -23%



YoY% change:

As Reported: -0%
Constant Currency²: +5%



¹ "Rest of World" includes other Asian countries as well as central and south American countries.

² 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, we calculate royalty revenues from China *Dungeon&Fighter* by applying the same CNY/USD, USD/KRW and KRW/JPY exchange rates from last year's same fiscal quarter.

³ PC revenues include other revenues besides PC online games and mobile games.

⁴ Official title is *Choices: Stories You Play*.

⁵ Nexon Group has made a change to a part of its regional segmentation of revenue from external customers from the three months ended March 31, 2020. The numbers for the last year have also been adjusted accordingly.

Q2 2020 Outlook



Q2 2020 Financial Outlook

Expect Year-over-year Growth Primarily Driven by Korea Businesses

Revenues

- Constant currency¹ up 16% to 26%
- Expect strong Y/Y growth in Korea driven by our major franchises
- Expect China *Dungeon&Fighter* revenue to grow Y/Y including one-time royalty gain

Operating Income

- Expect a Y/Y increase primarily driven by the top line growth
- Expect lower Other Expense – in Q2 2019, we recorded a ¥3.6 billion impairment loss²

Net Income³

- Expect a Y/Y increase primarily due to the operating income growth
- Expect lower Finance Income – in Q2 2019, we recorded a ¥5.9 billion FX gain

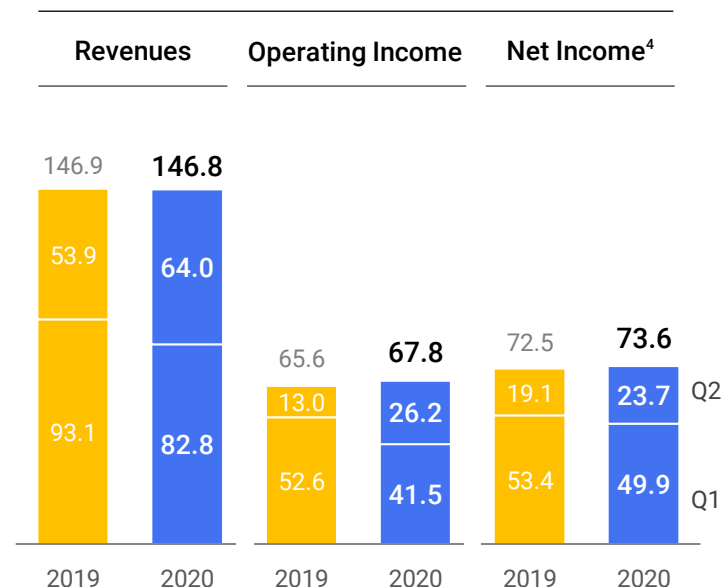
(Unit: ¥ millions, except per share data)

	Q2 2019	Q2 2020 Outlook		YoY %		
Revenues	¥53,865	¥59,044	~	¥64,008	10%	~ 19%
PC ⁴	38,125	43,248	~	46,585	13%	~ 22%
Mobile	15,740	15,796	~	17,423	0%	~ 11%
Operating income	12,987	21,911	~	26,212	69%	~ 102%
Net income ³	19,145	20,291	~	23,708	6%	~ 24%
Earnings per share	21.37	22.98	~	26.85		
FX Rate Assumptions						
100 KRW/JPY	9.43	8.83		8.83	(6%)	
CNY/JPY	16.10	15.24		15.24	(5%)	
USD/JPY	109.90	107.53		107.53	(2%)	

Forex sensitivity⁵: Every one Japanese yen move against the U.S. dollar would have the following impact on our financials for Q2 2020

Revenues	0.57 billion yen
Operation Income	0.24 billion yen

(Unit: ¥ billions) Q2 Accumulated (High-end)



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, we calculate royalty revenues from China *Dungeon&Fighter* by applying the same CNY/USD, USD/KRW and KRW/JPY exchange rates from last year's same fiscal quarter.

² In Q2 2019, we recorded a ¥3.6 billion impairment loss primarily on right-of-use assets related to the adoption of IFRS 16 Leases and prepaid royalties.

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

⁴ PC revenues include other revenues besides PC online games and mobile games.

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 U.S. dollar and Japanese yen.

Q2 2020 China / Korea Outlook

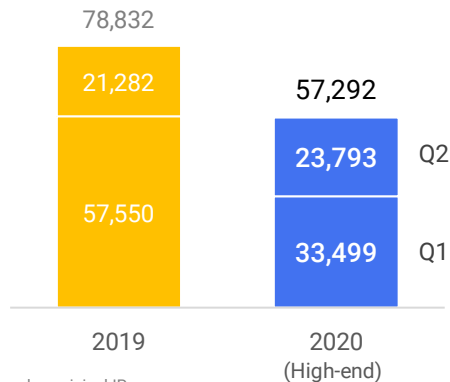
China

Expect *Dungeon&Fighter* local-currency revenue to increase Y/Y including one-time royalty income gain. *Dungeon&Fighter* 2D Mobile¹ is not included in our Q2 outlook

- Introduced Labor Day update (4/23); scheduled to introduce the 12th Anniversary update (June)
- Expect local-currency revenue to be roughly flat Y/Y even when compared with high base set in Q2 2019
- In addition, we expect to record a ¥2.3 billion one-time royalty income gain as an estimated adjustment for the past six-year period

(Unit: ¥ millions)

Q2 2019	Q2 2020 Outlook		YoY % Change	
Actual	Low-end	High-end	As-Reported	Constant Currency ²
21,282	21,325 ~	23,793	0% ~ 12%	6% ~ 18%

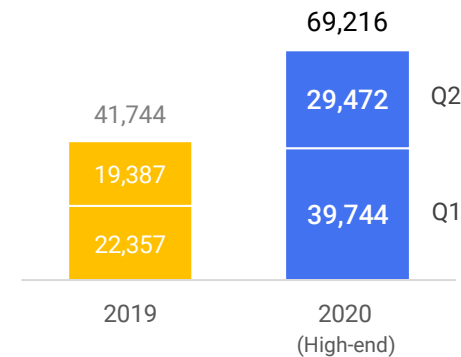


Korea

Expect revenues to increase Y/Y driven by continued strength of our major franchises, as well as recently-launched *KartRider Rush+*¹

- MapleStory*: Expect strong momentum to continue into Q2, with its revenue growing triple-digits Y/Y
- Also expect Y/Y revenue growth in other major franchises, including *FIFA ONLINE 4*³, *Sudden Attack* and *Dungeon&Fighter*
- Expect to benefit from *V4* and *KartRider Rush+*¹ (launched on May 12th)
- MapleStory M*: Expect triple-digit Y/Y revenue growth

Q2 2019	Q2 2020 Outlook		YoY % Change	
Actual	Low-end	High-end	As-Reported	Constant Currency ²
19,387	27,942 ~	29,472	44% ~ 52%	54% ~ 62%



¹ Mobile game based on original IPs.

² 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, we calculate royalty revenues from China *Dungeon&Fighter* by applying the same CNY/USD, USD/KRW and KRW/JPY exchange rates from last year's same fiscal quarter.

³ Official titles is EA SPORTS™ FIFA ONLINE 4 (PC).

Q2 2020 Japan / North America and Europe / Rest of World¹ Outlook

Japan

Expect revenues to decrease Y/Y

- Expect to benefit from *TRAHA* which launched on April 23rd
- However, we anticipate this will be more than offset by disposition of gloops and Y/Y revenue decrease in *MapleStory M* due to high comps of Q2 2019

North America and Europe

Expect revenues to decrease Y/Y

- Expect to benefit from *KartRider Rush+*³ which launched on May 12th
- Expect this to be more than offset by revenue declines in *OVERHIT*, *AxE*, and *Darkness Rises*

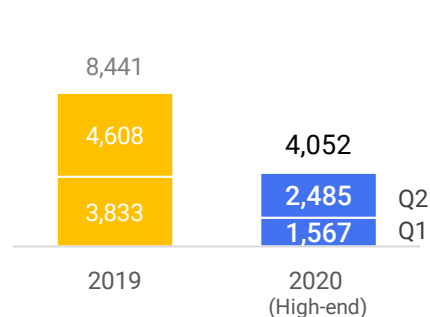
Rest of World¹

Expect revenues to be roughly flat Y/Y

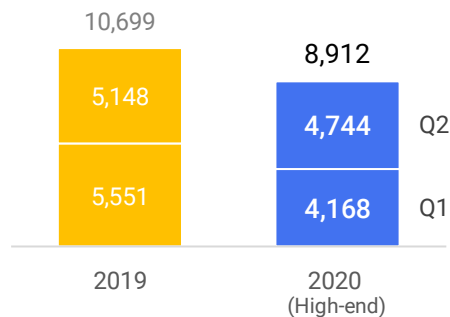
- Expect to benefit from *KartRider Rush+*³ which launched on May 12th, as well as *V4* and *World of Dragon Nest* – both launched in Q1 2020
- Expect growth of these titles to be offset by declines in revenue from *OVERHIT*, *Moonlight Blade*, *AxE* and *MapleStory M*

(Unit: ¥ millions)

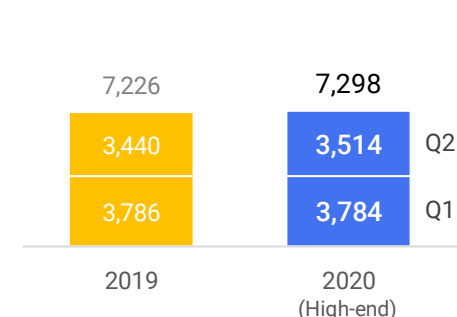
Q2 2019	Q2 2020 Outlook		YoY % Change	
Actual	Low-end	High-end	As-Reported	Constant Currency ²
4,608	2,253 ~	2,485	(51%) ~ (46%)	(49%) ~ (44%)



Q2 2019	Q2 2020 Outlook		YoY % Change	
Actual	Low-end	High-end	As-Reported	Constant Currency ²
5,148	4,344 ~	4,744	(16%) ~ (8%)	(13%) ~ (5%)



Q2 2019	Q2 2020 Outlook		YoY % Change	
Actual	Low-end	High-end	As-Reported	Constant Currency ²
3,440	3,181 ~	3,514	(8%) ~ 2%	(3%) ~ 8%



¹ "Rest of World" includes other Asian countries and South American countries.

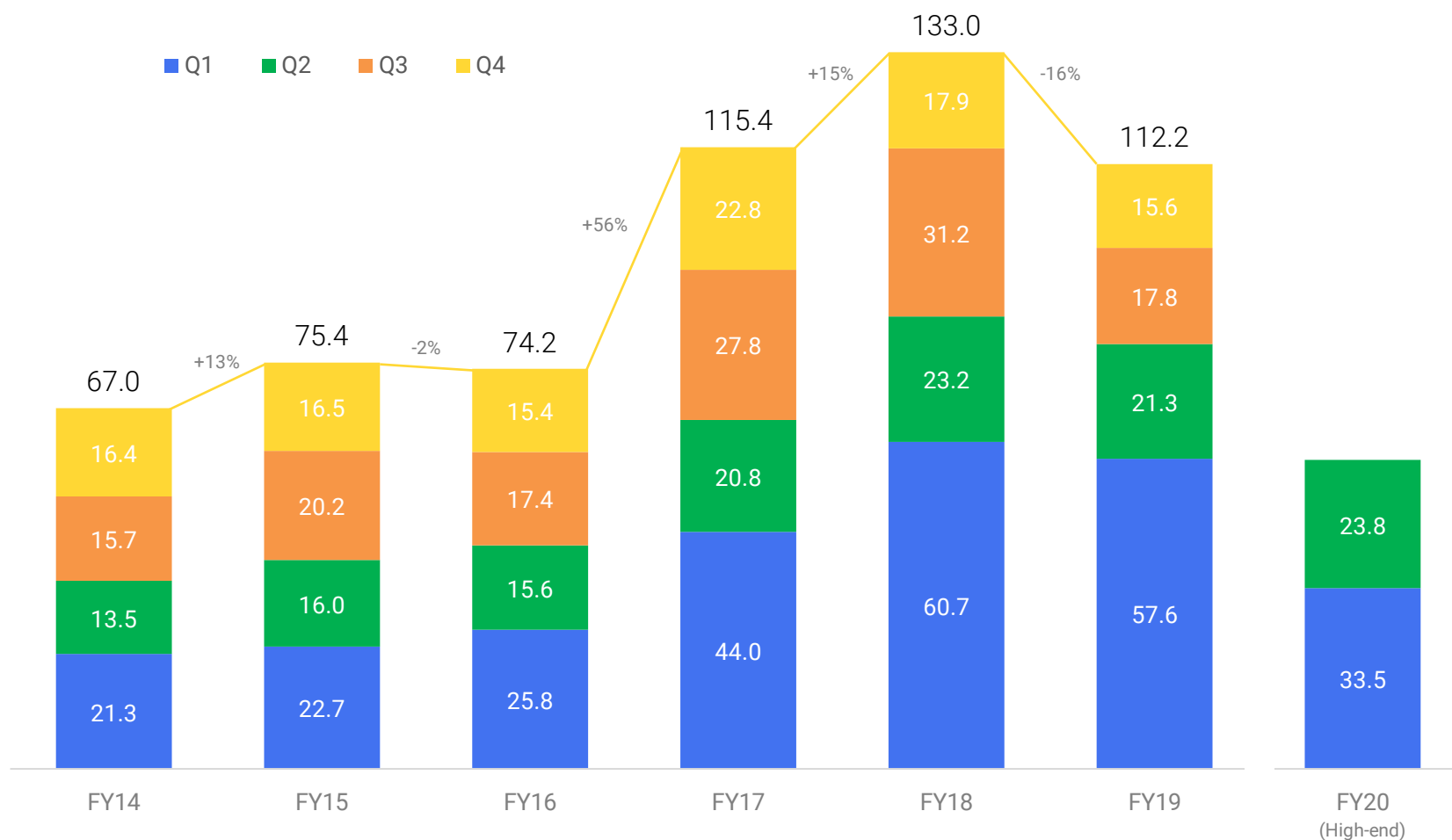
² Constant currency is a non-GAAP measure used to show performance unaffected by fluctuations in foreign currency exchange rates. Constant-currency basis amounts are calculated using the average foreign currency exchange rates for the comparable period in the prior year and applied to the current period. As an example, we calculate royalty revenues from China *Dungeon&Fighter* by applying the same CNY/USD, USD/KRW and KRW/JPY exchange rates from last year's same fiscal quarter.

³ Mobile game based on original IPs.

⁴ Nexon Group has made a change to a part of its regional segmentation of revenue from external customers from the three months ended March 31, 2020. The numbers for the last year have also been adjusted accordingly.

Historical China Revenues

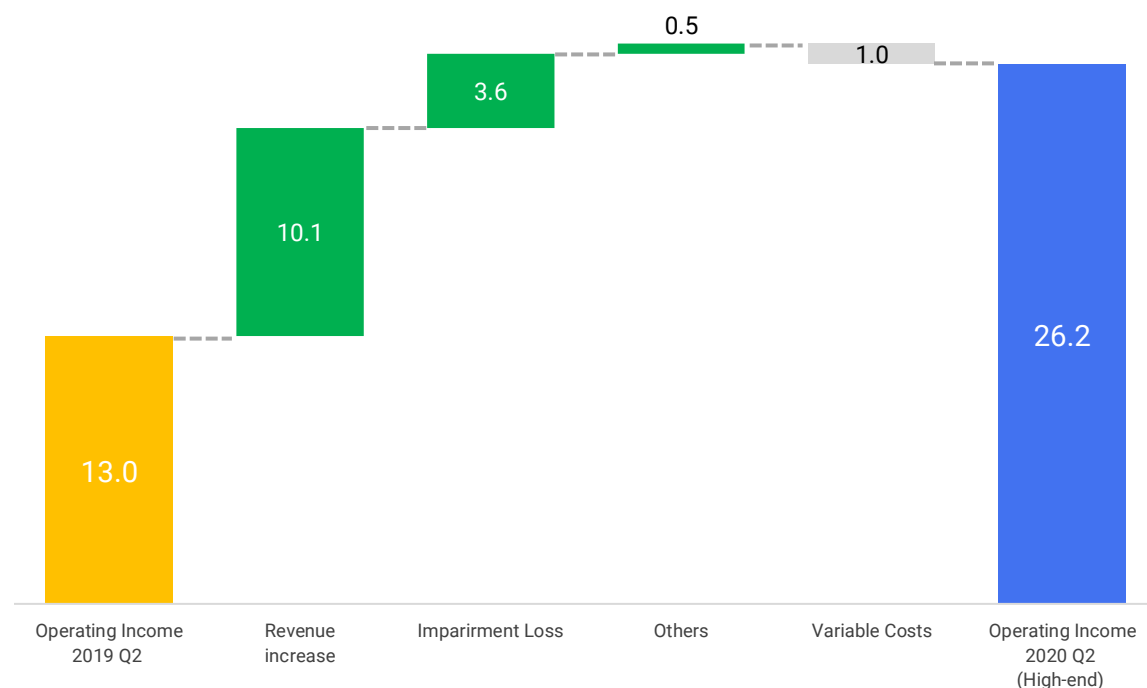
(Unit: ¥ billions)



Q2 2020 Operating Income Outlook

(Unit: ¥ billions)

Y/Y Operating Income Comparison





- + Increased revenues
- + Decreased impairment loss¹ of ¥3.6 billion recorded in Q2 2019
- + Others include:
 - Decreased marketing costs
 - Increased amortization costs on intangible assets associated with the launch of V4
- Increased variable costs associated with revenue growth in Korea

¹ In Q2 2019, we recorded a ¥3.6 billion impairment loss primarily on right-of-use assets related to the adoption of IFRS 16 Leases and prepaid royalties.

FY 2020 Shareholder Return Outlook

- At the end of FY 2019 we reinitiated a semi-annual 2.5 yen per share dividend
- Plan to pay the same dividend per share for the interim and year-end of FY 2020.
- Nexon remains disciplined in delivering shareholder value by growing our business globally and maintaining consistent dividends

2020 China *Dungeon&Fighter* Update Schedule

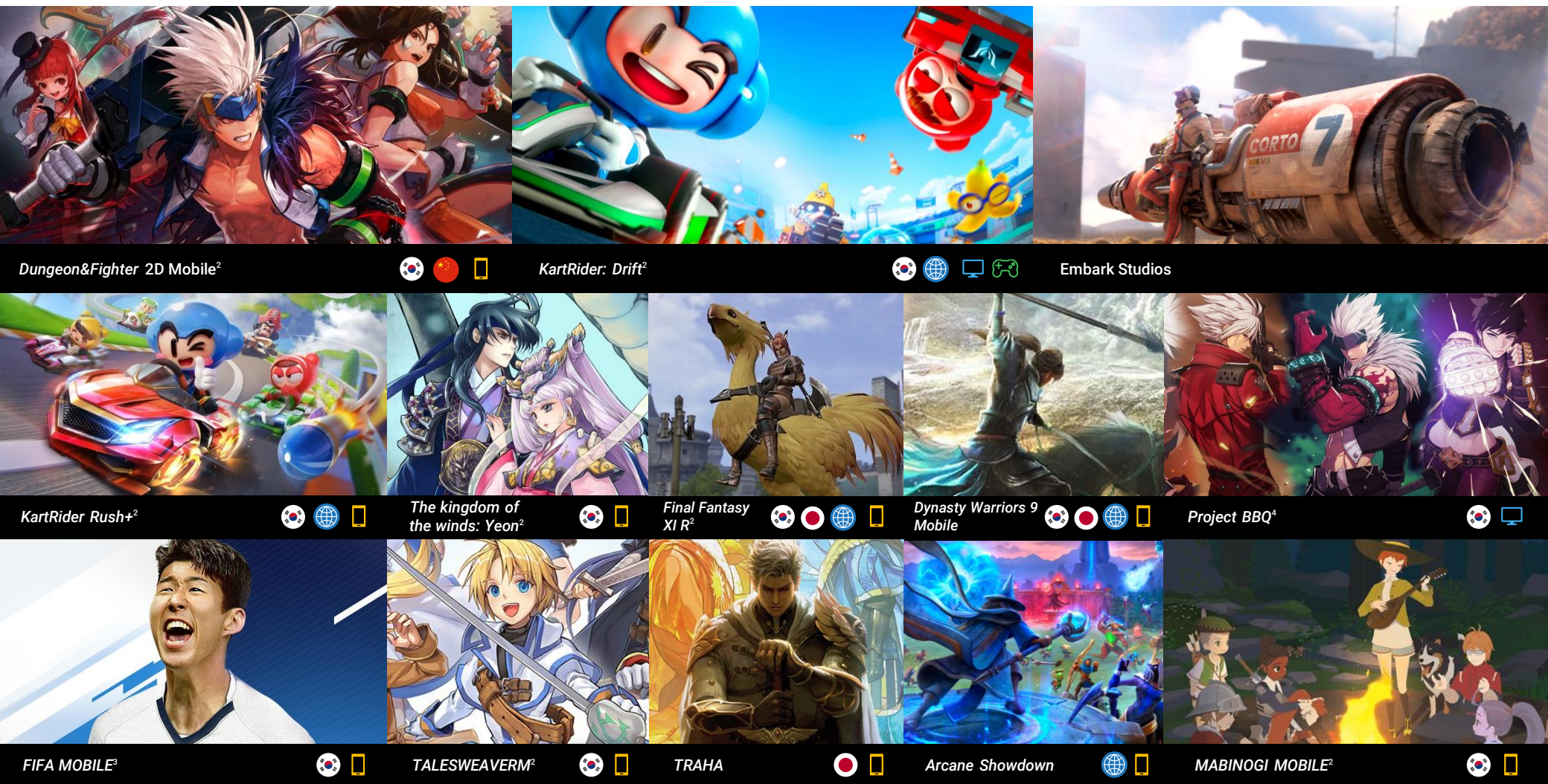
Period	Tier 1 Content Update	2019	2020
Q1	 Lunar New Year Update	January 21 st	January 14 th
	Level Cap Release	January 21 st	March 19 th
Q2	Labor Day Update	April 23 rd	April 23 rd
	Anniversary Update	June 18 th	June
Q3	Summer Update	July 4 th	TBD
	 National Day Update	September 24 th	TBD
Q4	Winter Update	N/A	TBD



Indicates financially important updates

* 2020 update schedule is subject to change depending on various operational factors

Pipeline¹



KOREA



CHINA



JAPAN



NORTH AMERICA & REST OF THE WORLD



PC ONLINE



MOBILE



CONSOLE

¹ Chart is illustrative excerpt of pipeline.

³ Official title is EA SPORTS™ FIFA MOBILE.

² Games based on original IPs.

⁴ PC 3D action RPG based on *Dungeon&Fighter* universe.

⁵ The letters, graphics, symbols, logos and other marks, and illustrations, characters and other works, which are shown in this material are trademarks, registered trademarks, copyrighted works or other legally protected materials owned by respective right holders

Appendix x

Summary of Results and Key Operational Metrics

(Unit: ¥ millions, except per share data)

	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Q1 2020	YoY%
(By Region)						
China	¥57,550	¥21,282	¥17,783	¥15,632	¥33,499	(42%)
Korea	22,357	19,387	23,657	24,393	39,744	78%
Japan	3,833	4,608	3,151	2,262	1,567	(59%)
North America and Europe	5,551	5,148	4,561	4,192	4,168	(25%)
Rest of World	3,786	3,440	3,205	2,764	3,784	(0%)
(By Platform)						
PC ²	77,639	38,125	38,554	33,647	65,725	(15%)
Mobile	15,438	15,740	13,803	15,596	17,037	10%
Revenue	93,077	53,865	52,357	49,243	82,762	(11%)
Operating income	52,601	12,987	24,419	4,518	41,543	(21%)
Net income ³	53,400	19,145	39,844	3,275	49,911	(7%)
Earnings per share	59.67	21.37	44.42	3.68	56.57	
FX rate						
100 KRW/JPY	9.80	9.43	9.00	9.26	9.15	(7%)
CNY/JPY	16.33	16.10	15.32	15.46	15.62	(4%)
USD/JPY	110.20	109.90	107.35	108.76	108.92	(1%)
KPI (Excluding Mobile)						
MAU (millions)	35.0	34.6	35.4	27.4	27.1	(23%)
Pay Rate	16.5%	16.4%	11.5%	14.8%	15.4%	
ARPPU (as-reported)	9,265	3,885	4,837	4,223	9,031	(3%)

¹ "Rest of World" includes other Asian countries as well as central and south American countries.

² PC revenues include other revenues besides PC online games and mobile games.

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

⁴ Nexon Group has made a change to a part of its regional segmentation of revenue from external customers from the three months ended March 31, 2020. The numbers for the last year have also been adjusted accordingly.

COGS and SG&A

(Unit: ¥ millions)

	FY2019				FY2020
	Q1	Q2	Q3	Q4	Q1
Total Cost of Revenue ¹	¥15,899	¥15,055	¥14,180	¥14,451	¥15,343
Royalty ²	4,510	4,119	4,344	3,694	5,738
HR cost (COGS) ³	7,163	6,685	6,010	7,367	6,443
Other (COGS) ⁴	4,226	4,251	3,826	3,390	3,162
Total SG&A ¹	22,055	22,178	19,189	21,695	20,614
HR cost	4,770	4,756	3,964	4,475	3,907
PG fee ⁵	6,108	5,829	4,952	5,661	6,696
R&D	3,266	3,499	3,950	4,180	3,907
Marketing/advertising expenses	5,194	5,500	3,767	4,260	2,836
Depreciation and amortization	866	792	820	1,490	1,299
Other	1,851	1,802	1,736	1,629	1,969
Other Income ⁶	429	181	7,708	741	1,197
Other Expense ⁷	2,950	3,826	2,277	9,320	6,459
Includes: impairment loss	2,890	3,648	2,228	9,240	6,063

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.

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

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 and loss on change in equity. It also includes impairment loss of game IPs and goodwill.

P&L Below Operating Income

(Unit: ¥ millions)

	FY2019				FY2020
	Q1	Q2	Q3	Q4	Q1
Operating Income	¥52,601	¥12,987	¥24,419	¥4,518	¥41,543
Finance Income ¹	9,810	9,663	18,910	3,051	21,918
Finance Costs ²	265	466	723	12,212	1,585
Equity profit / (loss) of affiliates, equity method companies	(334)	(101)	14	96	113
Income / (Loss) before Income Tax	61,812	22,083	42,620	(4,547)	61,989
Tax expense	9,005	3,588	3,596	(7,457)	12,235
Non-controlling interests	(593)	(650)	(820)	(365)	(157)
Net income ³	53,400	19,145	39,844	3,275	49,911

¹ Finance Income includes interest income primarily on cash deposits. 2019 Q1, Q2, Q3 and 2020 Q1 Finance Income includes FX conversion gains related to foreign currency deposits and accounts receivable.

² 2019 Q4 Finance Costs are primarily caused by FX conversion loss related to foreign currency deposits and accounts receivable.

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

Cash Flow Statement

(Unit: ¥ millions)

	3 months ended March 31, 2019	3 months ended March 31, 2020
Cash flows from operating activities	¥15,241	¥29,548
Cash flows from investing activities	(994)	1,034
Cash flows from financing activities	731	(4,177)
Net increase / (decrease) in cash and cash equivalents	14,978	26,405
Cash and cash equivalents at beginning of fiscal year	205,292	253,636
Effect of exchange rate change on cash and cash equivalents	(99)	(4,897)
Cash and cash equivalents at end of fiscal year	220,171	275,144

Balance Sheet

(Unit: ¥ millions)

	December 31, 2019	March 31, 2020
Asset		
Current Assets		
Cash and cash equivalents	¥253,636	¥275,144
Other deposits	257,331	242,479
Other current assets	42,529	70,004
Total current assets	553,496	587,627
Noncurrent assets		
Tangible assets	23,481	21,977
Goodwill	42,480	36,694
Intangible assets	21,519	16,597
Others	78,112	75,233
Total noncurrent assets	165,592	150,501
Total assets	719,088	738,128

	December 31, 2019	March 31, 2020
Liability		
Current liabilities		
Current tax liabilities	7,403	16,247
Current borrowings	2,223	1,962
Others	31,542	34,406
Total current liabilities	41,168	52,615
Noncurrent liabilities		
Non-current borrowings	-	-
Others	46,789	42,595
Total noncurrent liabilities	46,789	42,595
Total liabilities	87,957	95,210
Shareholders' equity		
Capital stock	17,967	19,003
Capital surplus	35,688	13,762
Treasury shares	(27,219)	-
Other equity interest	38,511	4,055
Retained earnings	555,038	595,718
Non-controlling interests	11,146	10,380
Total equity	631,131	642,918
Total liabilities and total equity	719,088	738,128

P&L by Reporting Segment¹

Notice of correction to P&L by Reporting Segment

Corrections has been made to Q1 2019 Investor Presentation, disclosed on May 10, 2019. Corrected "Revenue from external customers" of each reporting segment in Q1 2019 are underlined.

(Unit: ¥ millions)

	FY2019				FY2020
	Q1	Q2	Q3	Q4	Q1
Japan					
Revenue from external customers	<u>¥2,469</u>	¥1,884	¥1,952	¥1,344	¥895
Segment profit/(loss)	(958)	(1,165)	(455)	(912)	(655)
Korea					
Revenue from external customers	<u>84,572</u>	47,079	45,521	43,261	76,336
Segment profit/(loss)	56,865	19,038	20,849	15,513	47,724
China					
Revenue from external customers	870	669	695	587	903
Segment profit/(loss)	596	324	381	256	653
North America					
Revenue from external customers	<u>4,716</u>	3,862	3,730	3,648	3,714
Segment profit/(loss)	(1,385)	(1,613)	(1,233)	(1,296)	(461)
Others					
Revenue from external customers	<u>450</u>	371	459	403	914
Segment profit/(loss)	2	36	(560)	(435)	(461)
Adjustments					
Revenue from external customers	-	-	-	-	-
Segment profit/(loss)	2	12	6	(29)	5
Total					
Revenue from external customers	93,077	53,865	52,357	49,243	82,762
Segment profit/(loss)	55,122	16,632	18,988	13,097	46,805

¹ Representation based on location of Nexon's entities; not based on regions in which revenues originate.

Number of Employees by Reporting Segment

Full-time employees	March 31, 2019	June 30, 2019	September 30, 2019	December 31, 2019	March 31, 2020
Japan	535	516	503	422	294
Korea	5,168	5,232	5,225	5,149	5,210
China	223	204	207	207	209
North America	487	485	422	418	408
Others	86	131	212	232	240
Total	6,499	6,568	6,569	6,428	6,361

NJ Corporate Entity Financial Statement¹ (1)

(Unit: ¥ millions)

Condensed Income Statement	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019
Revenue	¥11,236	¥7,987	¥5,815	¥5,208	¥5,927	¥7,024	¥6,016
Cost of revenue	4,829	3,679	3,117	3,134	3,438	3,510	3,249
Gross profit	6,407	4,308	2,698	2,074	2,489	3,514	2,767
SG&A	7,275	7,585	6,470	6,736	6,941	9,447	7,910
Operating profit / (loss)	(868)	(3,277)	(3,772)	(4,662)	(4,452)	(5,933)	(5,143)
Non-operating income	14,186	28,335	19,163	636	5,049	15,646	32,565
Includes: dividend income	12,926	24,613	18,869	22	4,612	15,025	30,313
Non-operating expenses	603	526	1,246	1,826	1,969	9,352	4,063
Ordinary income / (loss)	12,715	24,532	14,145	(5,852)	(1,372)	361	23,359
Extraordinary income	-	244	6,443	852	58	109	635
Extraordinary losses	4,451	18,717	6,897	39,573	9,643	138	77
Income / (loss) before income taxes	8,264	6,059	13,691	(44,573)	(10,957)	332	23,917
Tax expense	725	4,656	5,519	(201)	234	755	1,520
Net income / (loss)	7,539	1,403	8,172	(44,372)	(11,191)	(423)	22,397

¹ Excerpt of NEXON Co., Ltd.'s standalone financial statements included in Annual Securities Report (Yuuka Shouken Houkokusho). Please note NEXON Co., Ltd.'s standalone financial statements are based on J-GAAP (Nexon Group's consolidated financial statements are based on IFRS).

NJ Corporate Entity Financial Statement¹ (2)

(Unit: ¥ millions)

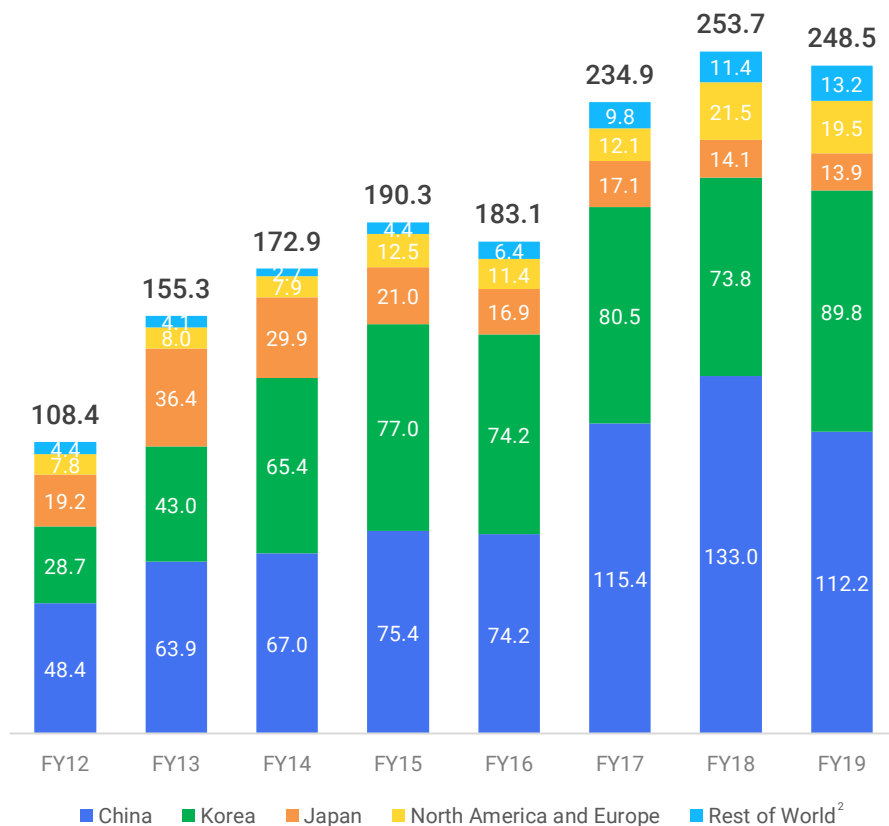
Condensed Balance Sheet	December 31, 2013	December 31, 2014	December 31, 2015	December 31, 2016	December 31, 2017	December 31, 2018	December 31, 2019
Current assets	¥45,632	¥46,760	¥70,444	¥52,632	¥42,946	¥55,209	¥45,374
Includes: cash and cash equivalents	32,367	30,711	68,997	49,531	41,868	53,096	43,100
Non-current assets	135,011	101,337	38,190	6,438	5,494	4,836	17,630
Property, plant and equipment	183	222	200	74	7	3	1
Intangible assets	56	60	66	-	-	-	-
Investments and other assets	134,772	101,055	37,924	6,364	5,487	4,833	17,629
Total assets	180,643	148,097	108,634	59,070	48,440	60,045	63,004
Current liabilities	13,103	16,345	3,506	2,341	1,796	2,303	2,037
Non-current liabilities	39,644	23,154	498	448	457	415	363
Total liabilities	52,747	39,499	4,004	2,789	2,253	2,718	2,400
Shareholder's equity	110,163	98,122	99,779	50,669	41,230	50,838	53,133
Capital stock	51,868	52,332	56,227	3,307	9,183	14,199	17,757
Capital surplus	51,728	42,192	36,087	88,621	43,021	36,846	39,981
Includes: other capital surplus	50,000	40,000	30,000	86,064	34,588	23,397	22,974
Retained earnings	6,567	3,598	7,465	(41,259)	(10,974)	(206)	22,614
Includes: other retained earnings	6,130	2,724	6,160	(41,476)	(11,191)	(423)	22,397
Treasury shares	(0)	-	-	(0)	-	(0)	(27,219)
Valuation and translation adjustments	15,844	6,536	246	77	(10)	(21)	(28)
Subscription rights to shares	1,889	3,940	4,605	5,535	4,967	6,510	7,499
Total net assets	127,896	108,598	104,630	56,281	46,187	57,327	60,604
Statement of changes in equity (excerpt)	December 31, 2013	December 31, 2014	December 31, 2015	December 31, 2016	December 31, 2017	December 31, 2018	December 31, 2019
Payment of dividends	(4,807)	(4,372)	(4,305)	(4,352)	-	-	-
Acquisition of treasury shares	(0)	(10,000)	(10,000)	(5,000)	(10,000)	(1)	(27,218)
Cancellation of treasury shares	-	10,000	10,000	5,000	10,000	-	-

¹ Excerpt of NEXON Co., Ltd.'s standalone financial statements included in Annual Securities Report (Yuuka Shouken Houkokusho). Please note NEXON Co., Ltd.'s standalone financial statements are based on J-GAAP (Nexon Group's consolidated financial statements are based on IFRS).

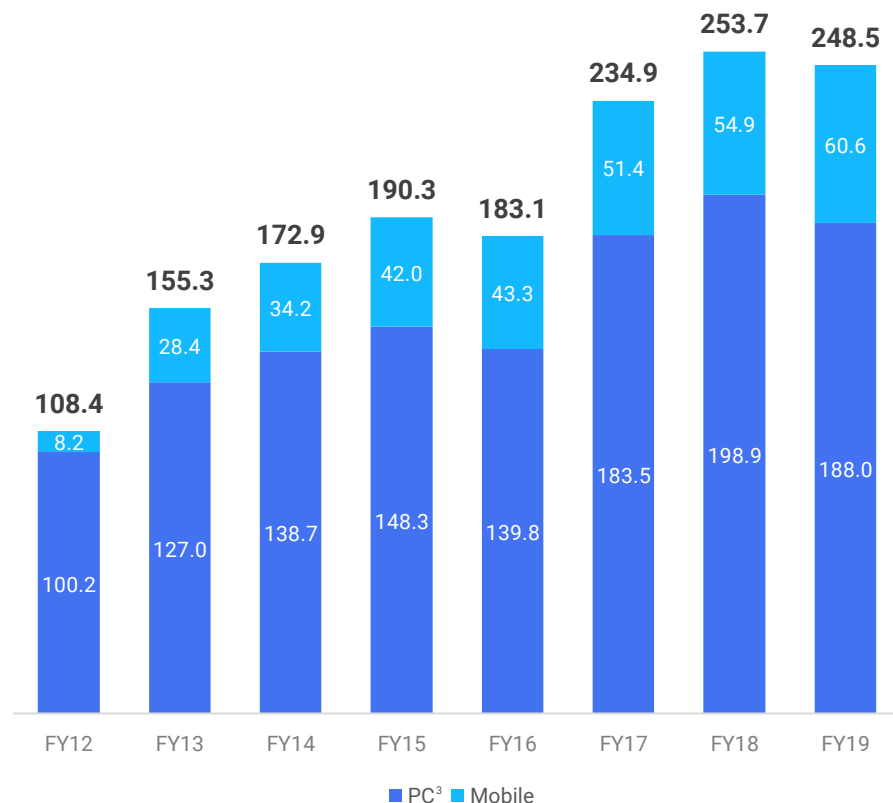
Historical Financials

(Unit: ¥ billions)

Revenue by Region¹



Revenue by Platform



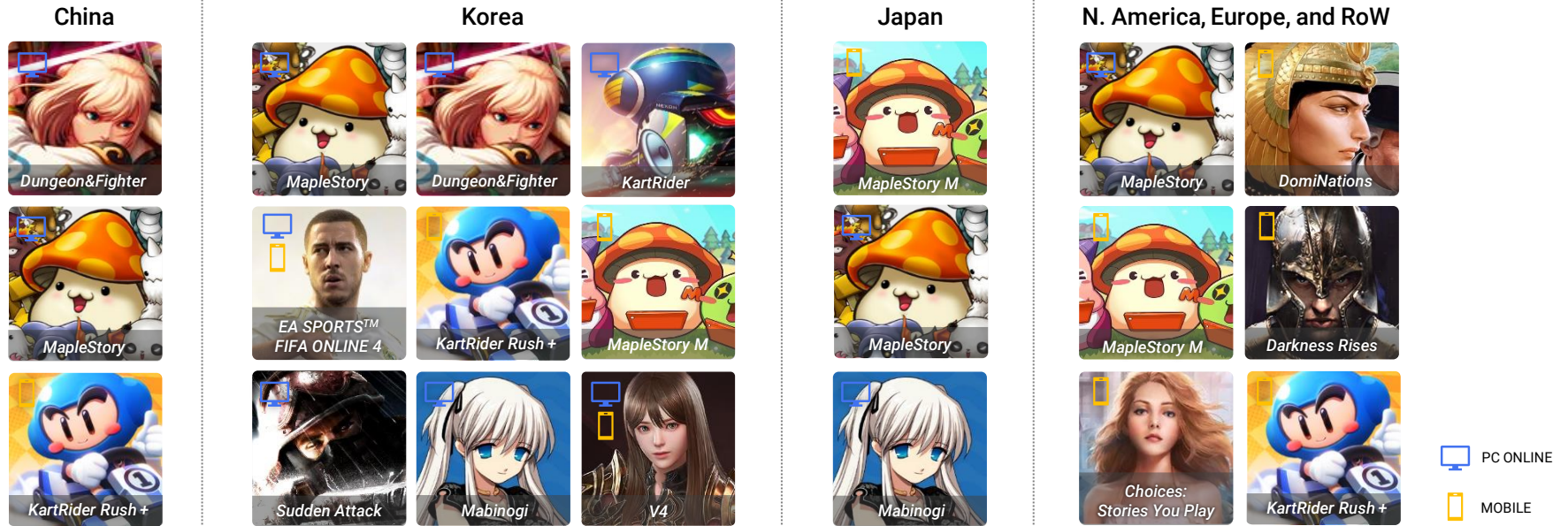
¹ Based on the regions in which revenues originate; not a representation of revenues according to Nexon entities.

² "Rest of World" includes other Asian countries as well as central and south American countries..

³ PC revenues include other revenues besides PC online games and mobile games.

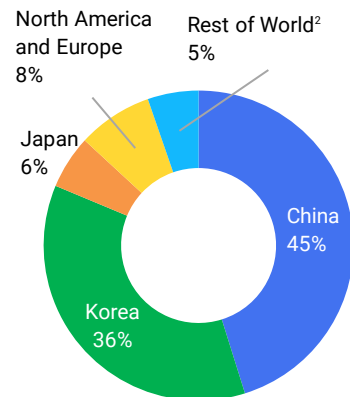
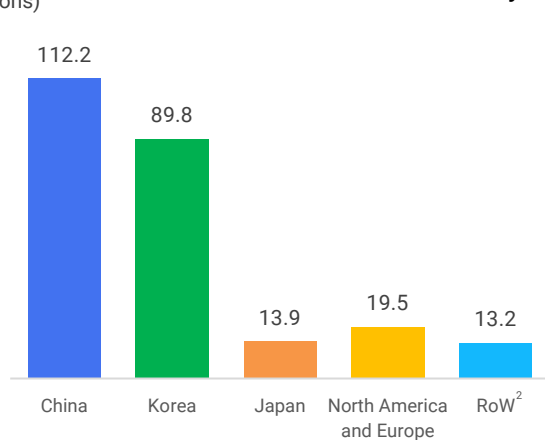
⁴ Nexon Group has made a change to a part of its regional segmentation of revenue from external customers from the three months ended March 31, 2020. The numbers for the past years have also been adjusted accordingly.

Key Titles by Region¹

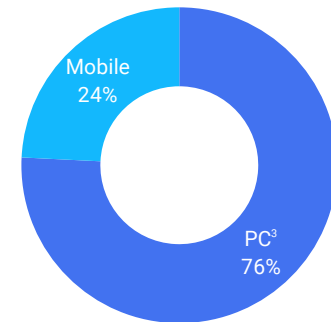


(Unit: ¥ billions)

FY2019 Revenue by Region¹



FY2019 Revenue by Platform



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

³ PC revenues include other revenues besides PC online games and mobile games.

⁴ Nexon Group has made a change to a part of its regional segmentation of revenue from external customers from the three months ended March 31, 2020. The numbers for the last year have also been adjusted accordingly.



Dungeon&Fighter LTD Overview



Launched 2005



Over 700 million registered users worldwide



Life-to-date gross revenue well over 15 billion U.S. dollars



Gross revenue several billion dollars more than life-to-date box office of *Star Wars* and *Harry Potter* series; approximately double the revenue of the entire *Avengers* series¹

¹ Life-to-date global box office revenues as of May 12th, 2020 sourced from BoxOfficeMojo.com

² The letters, graphics, symbols, logos and other marks, and illustrations, characters and other works, which are shown in this material are trademarks, registered trademarks, copyrighted works or other legally protected materials owned by respective right holders

MapleStory Franchise LTD Overview



Launched 2003

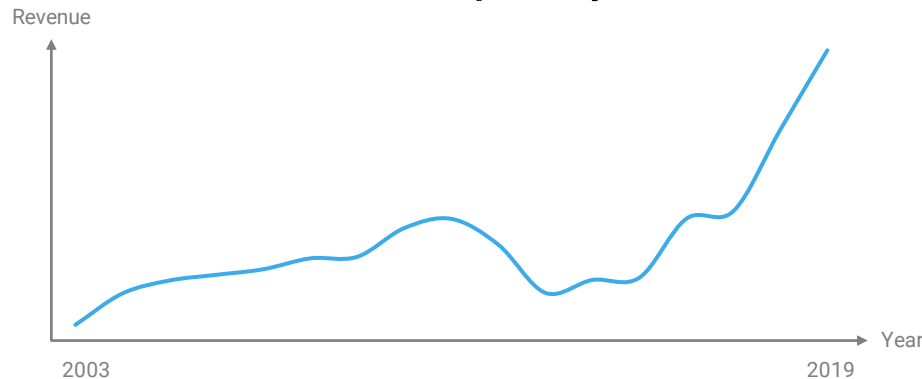


Over 180 million registered users worldwide.
Player registrations equal to 45% of Korean population

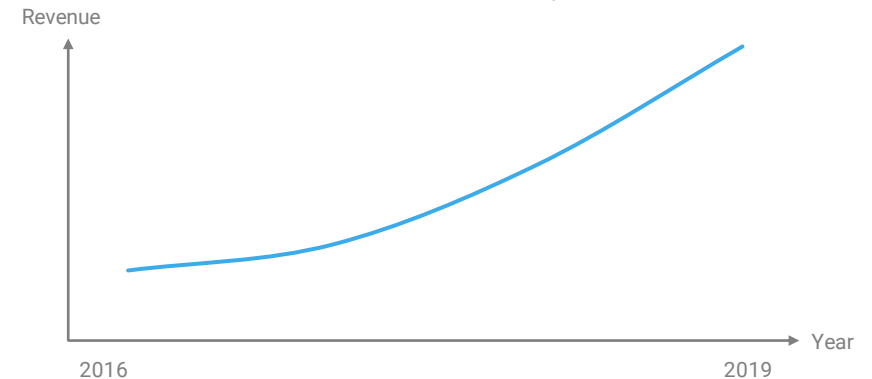


Combined PC and mobile revenue exceeds
global box office of the movie franchise
Frozen – one of Disney's biggest¹

Korea MapleStory



Korea MapleStory M



¹ Life-to-date global box office revenues as of May 12th, 2020 sourced from BoxOfficeMojo.com

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KartRider LTD Overview



Launched 2004



Registered users over 380 million
PC platform alone

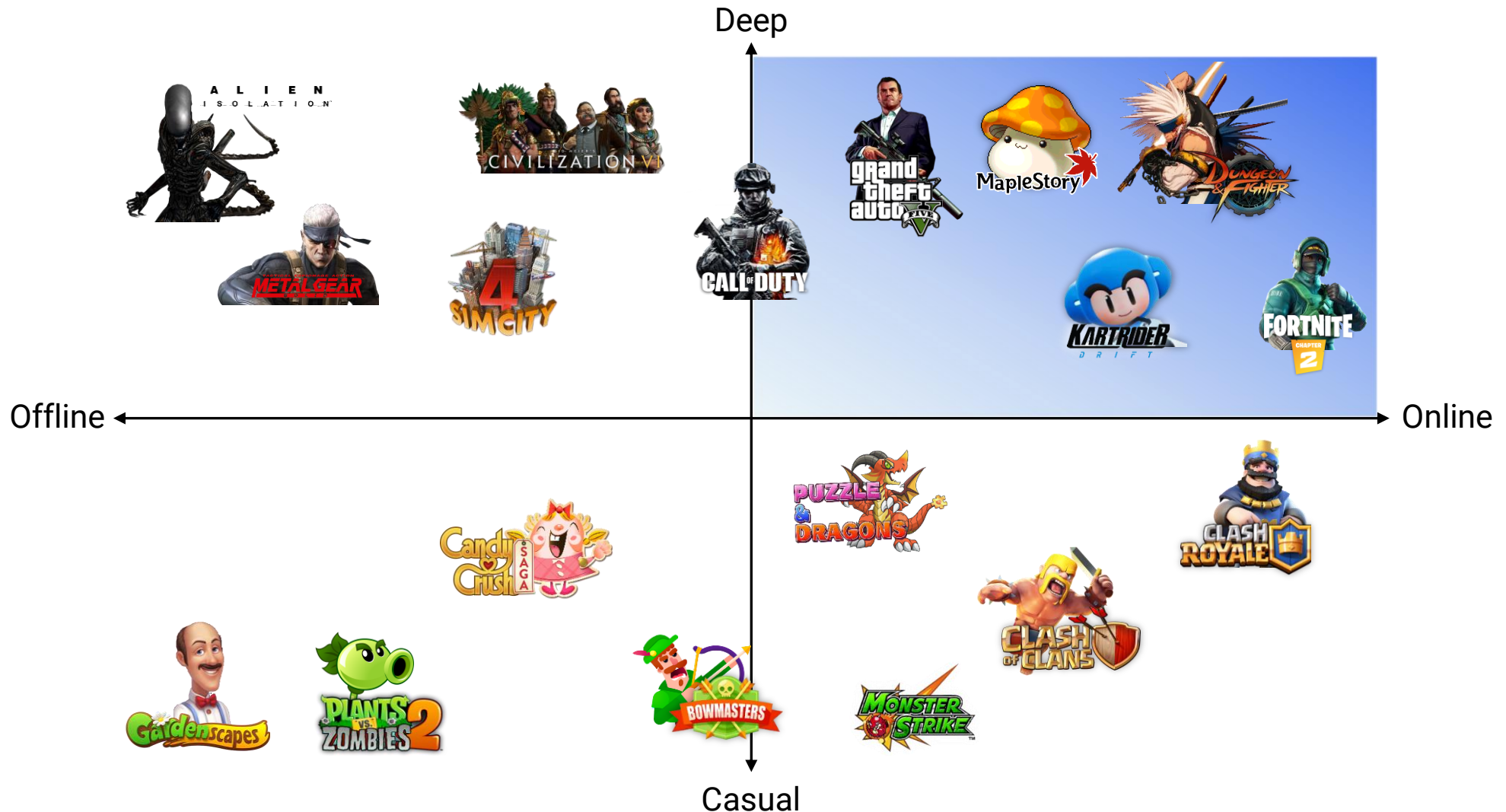


Over half of all Korean population; over
45% of Taiwanese population has
played the game

¹ The letters, graphics, symbols, logos and other marks, and illustrations, characters and other works, which are shown in this material are trademarks, registered trademarks, copyrighted works or other legally protected materials owned by respective right holders

The Four Quadrants

Massive TAM¹ Growth In Deeply Immersive Online Games, Enabled by Mobile



¹ TAM means "Total Addressable Market".

² The letters, graphics, symbols, logos and other marks, and illustrations, characters and other works, which are shown in this material are trademarks, registered trademarks, copyrighted works or other legally protected materials owned by respective right holders.

³ The categorization of the games shown in this material is based on our own view. It may not necessarily reflect the common views in the market.

Focus

1

Fully-online multiplayer games



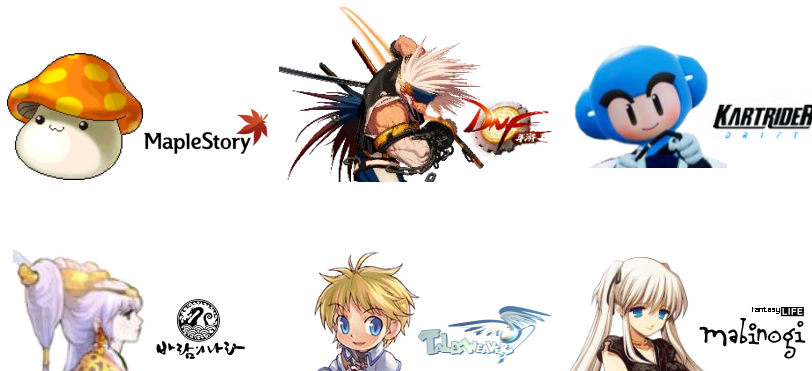
2

Multiple platforms: PC, console and mobile



3

Leveraging Nexon's substantial IP portfolio



4

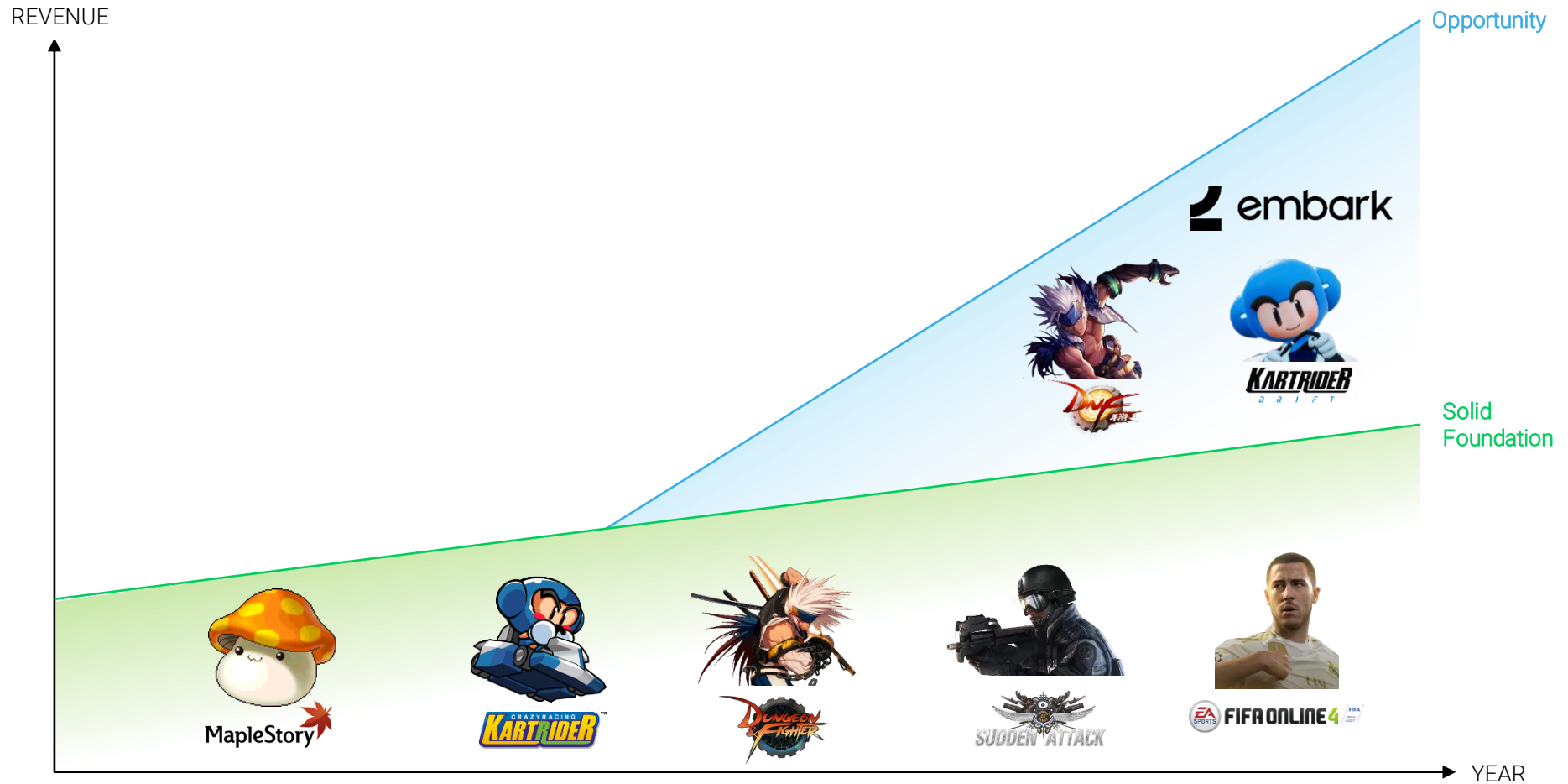
Selective Investment in highly unique new IPs



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Solid Foundation. Significant Opportunities for Growth

Nexon is Well-positioned to Lead the Next Wave of Online Games



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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 on 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)	Monthly total number of users who logged in and played Nexon’s PC online games. MAU in this presentation is the quarterly average of such numbers. Nexon’s PC online games include game developed and serviced by Nexon group, games developed by Nexon group and serviced by non-Nexon group publishers, and game developed by non Nexon group acquired publishing rights.
ARPPU (average revenue per paying user)	The amount obtained by dividing monthly PC online game gross revenues by the number of monthly paying users. ARPPU in this presentation is the quarterly average of such numbers. Gross revenues used in the calculation are in-game sales, and exclude other revenues included in PC revenues such as sales from PC café time charge.
Pay Rate	The percentage rate obtained by dividing the number of monthly paying users by the number of monthly active users. Pay rate in this presentation is calculated using the quarterly average of such numbers.
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 version (beta version) of a game offered for a certain period of time to a limited number of users or groups. A Limited Beta Test in an even smaller-scale trial mode of a game with fewer numbers of users or group
Open Beta Test (OBT)	A trial version (beta version) of a game a certain period of time without restrictions on participation. OBT is usually conducted after CBT.
Tier One Update	Large scale update to existing PC games typically launched in Q1 or Q3 around peak season
Tier Two Update	Smaller update 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.

Disclaimer

This presentation 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 presentation 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 presentation 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 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:

Disclaimer

- 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.

Q2 2020 Earnings Release Schedule

Q2 2020 financial results are scheduled for release on

Thursday, August 6th, 2020.

Nexon management is scheduled to host an earnings conference call for investors, analysts and the media on the same day.

Details of the earnings conference call will be available on our IR website about a month prior to the release.



