Q3 2025 Earnings Release

2025. 11. 11 NCSOFT IR

Disclaimer

The financial results for Q3 2025 have been prepared on an unaudited basis and may be subject to change during an independent auditing process.

Please note that NCSOFT will not be responsible for individual investment decisions based on this material.

※ Key Consolidated Subsidiaries (based on K-IFRS):
NCSOFT Corporation(HQ, KOR), NC West Holdings(100%, USA),
NC America(100%, USA), NC Europe(100%, GBR), NC Japan(100%, JPN),
NC Taiwan(100%, TWN), NCSOFT Service(100%, KOR), NC Dinos(100%, KOR),
NC ITS(100%, KOR), NCSOFT Asia Holdings(100%, SG), NC IDS(100%, KOR),
NC QA(100%, KOR), FirstSpark Games Co., Ltd.(100%, KOR),
BigFire Games Co., Ltd.(100%, KOR), Ludius Games Co., Ltd.(100%, KOR),
NC AI Co., Ltd.(100%, KOR)

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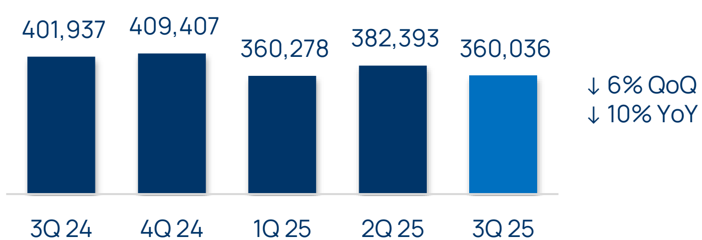
1. Financial Highlights

- Q3 sales was KRW 360.0 billion, down 6% QoQ and 10% YoY
- Operating loss recorded KRW 7.5 billion, affected by sales decline and one-time labor costs
- Pre-tax income came in at KRW 435.1 billion and net income at KRW 347.4 billion, reflecting a one-time gain from property sales and FX-related profit/loss

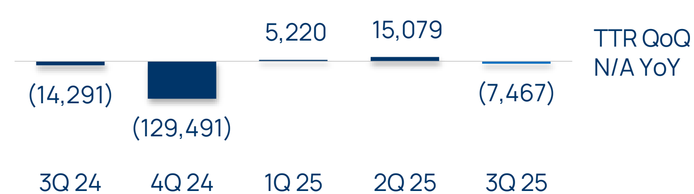
Quarterly Performance

(Unit : KRW MN)

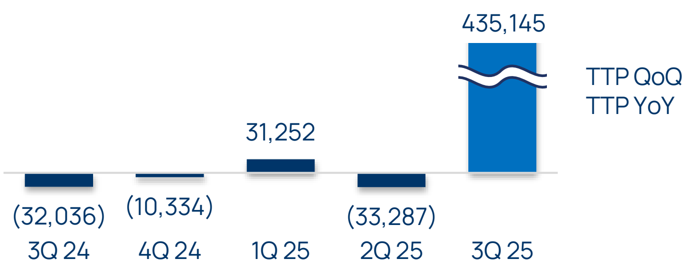
Sales



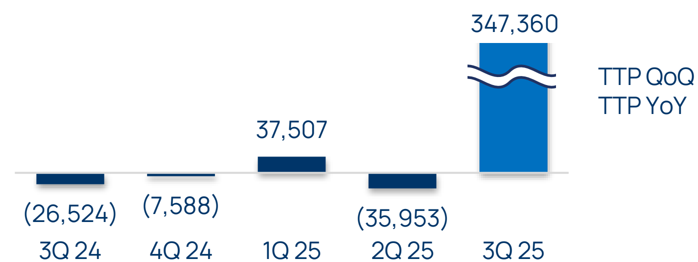
Operating Profit



Pre-tax Income



Net Income

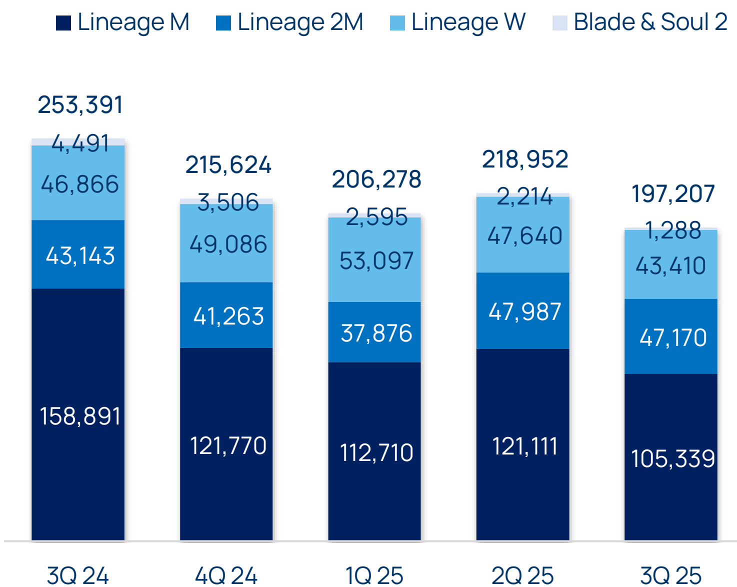


2. Sales Breakdown (by Title)

- Q3 mobile game sales declined 10% QoQ to KRW 197.2 billion, due to adjustments in business activities, representing 55% of total sales
- Legacy PC online games grew 9% YoY to KRW 87.7 billion, driven by global expansion and PLC extension efforts, achieving YoY growth for the second consecutive quarter and accounting for 24% of total sales

Mobile Games

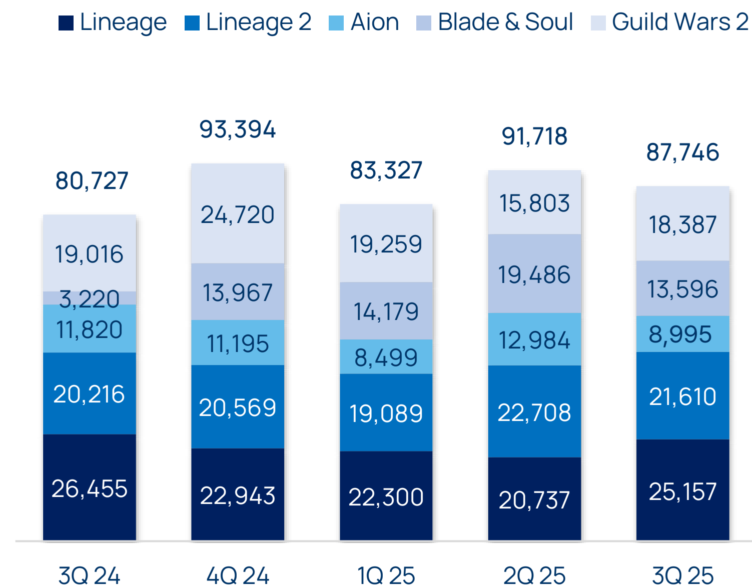
(Unit : KRW MN)



* Not including other mobile games

PC Online Games

(Unit : KRW MN)



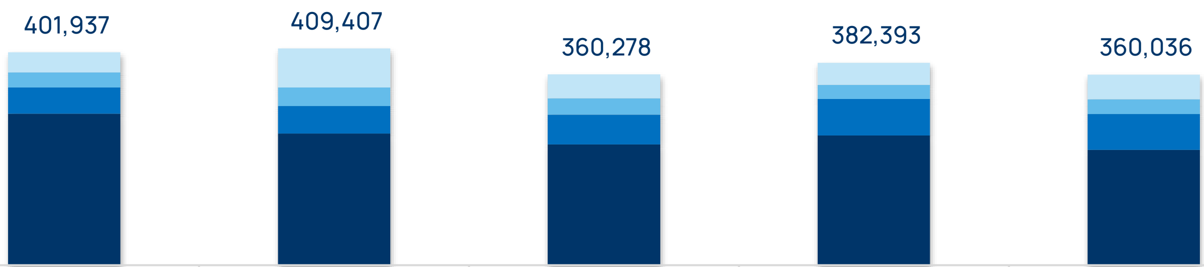
* Not including other PC online games

2. Sales Breakdown (by region)

- Q3 Korea sales recorded KRW 217.8 billion, down 11% QoQ, reflecting weaker sales across major game titles
- Asia sales decreased 2% QoQ to KRW 67.5 billion, but grew 37% YoY, supported by L2M launch in SEA and BNS Neo's regional expansion
- Royalty sales increased 11% QoQ sequentially to 46.8 billion, mainly driven by higher sales in Lineage M Taiwan and PC B&S China

Sales by Region

(Unit : KRW MN)



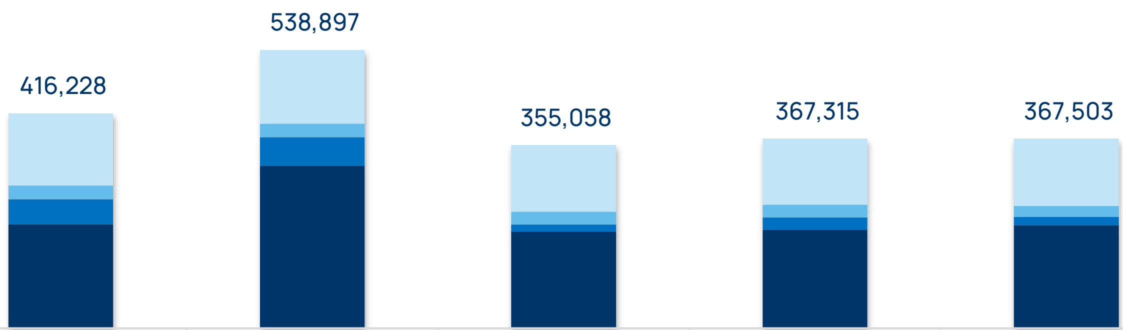
	3Q 24	4Q 24	1Q 25	2Q 25	3Q 25
Total	401,937	409,407	360,278	382,393	360,036
Royalties	38,107	73,538	44,955	42,252	46,783
NA/EU	28,242	35,366	30,897	26,242	27,950
Asia	49,378	52,025	56,108	69,098	67,529
Korea	286,210	248,479	228,318	244,802	217,774

3. Cost Breakdown

- Total operating expenses for Q3 stood at KRW 367.5 billion, similar to the prior quarter
- Labor costs rose 5 % QoQ to KRW 199.4 billion, reflecting one-time severance payments
- Marketing spend was effectively executed in line with strategic marketing adjustments, declining 32% QoQ to KRW 16.0 billion
- D&A expenses were 21.4 billion, down 13% QoQ, as depreciation for some server assets concluded

Cost breakdown

(Unit : KRW MN)



	3Q 24	4Q 24	1Q 25	2Q 25	3Q 25
Total	416,228	538,897	355,058	367,315	367,503
Variables & Others	139,949	143,236	129,389	128,427	130,724
D&A	26,504	25,931	25,147	24,725	21,397
Marketing	48,656	55,248	13,329	23,378	15,992
Labor	201,120	314,483	187,192	190,785	199,391

4. Consolidated Financial Statements

Statement of Financial Position

(Unit : KRW MN)

	FY 2024	3Q 25
Assets		
I. Current Assets	1,788,537	2,306,673
Cash and cash equivalents	1,260,473	416,513
Short-term financial instruments	178,293	594,946
Account receivables	130,279	160,101
Other receivables	36,941	29,639
Short-term investment assets	39,816	1,050,221
Non-current assets held for sale	87,425	8,944
Others	55,309	46,309
II. Non-current assets	2,165,404	2,052,156
Long-term loans	8,050	500
Other receivables	22,131	24,235
Long-term investment assets	813,452	745,551
Investment stocks in associated companies	50,198	52,873
Investment property	-	-
Tangible assets	997,620	1,017,998
Intangible assets	103,873	104,804
Others	170,079	106,195
Total assets	3,953,941	4,358,829

	FY 2024	3Q 25
Liabilities		
I. Current liabilities	322,188	597,083
Borrowings	-	129,939
Account payables	70,549	131,703
Lease liabilities	45,845	47,432
Current tax liabilities	721	32,650
Other current liabilities	193,718	255,153
Other Provisions	-	206
II. Non-current liabilities	568,165	334,794
Debentures and borrowings	169,805	39,938
Defined benefit obligations	1,263	4,096
Long-term employee benefits	21,033	22,639
Lease liabilities	163,806	142,611
Others	212,256	125,510
Total liabilities	890,353	931,877
Shareholders equity		
Capital stock	10,977	10,977
Other paid-in capital	(365,222)	(239,483)
other components of equity	(61,168)	(13,163)
Retained earnings	3,473,871	3,663,943
Non-controlling interest	5,130	4,677
Total shareholders equity	3,063,589	3,426,951
Total liabilities and shareholders equity	3,953,941	4,358,829

4. Consolidated Financial Statements

Income Statement

(Unit : KRW MN)

	3Q 24	4Q 24	1Q 25	2Q 25	3Q 25
Sales	401,937	409,407	360,278	382,393	360,036
Operating Expenses	416,228	538,897	355,058	367,315	367,503
Operating Income	(14,291)	(129,491)	5,220	15,079	(7,467)
Non-operating Income	(17,744)	119,156	26,032	(48,366)	442,612
Pre-tax Income	(32,036)	(10,334)	31,252	(33,287)	435,145
Income Tax	(5,512)	(2,746)	(6,255)	2,666	87,785
Net Income	(26,524)	(7,588)	37,507	(35,953)	347,360
Equity Attribution to the Owners of the Parent Company	(26,500)	(7,455)	37,760	(35,412)	346,699
Non-controlling Interest	(23)	(134)	(253)	(541)	661

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