

Q2 2025 Earnings Release

2025. 8. 12 NCSOFT IR



Disclaimer

The financial results for Q2 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), This Game Studio(40%, CAN), NC Vietnam Visual Studio(100%, VNM),
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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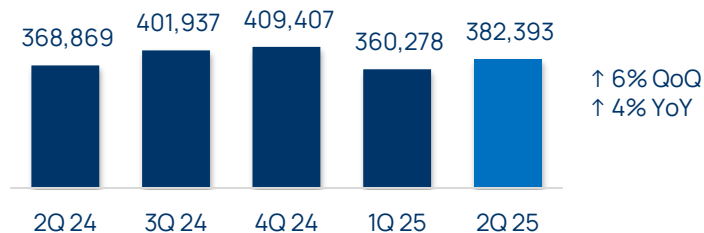
1. Financial Highlights

- Q2 sales was KRW 382.4 billion, up 6% QoQ and 4% YoY
- Operating profit grew 189% QoQ to KRW 15.1 billion, supported by sales growth and other cost savings. YoY, it rose by 71%
- The period ended with a net loss, due to decline in FX-related profit/loss driven by a weaker US dollar

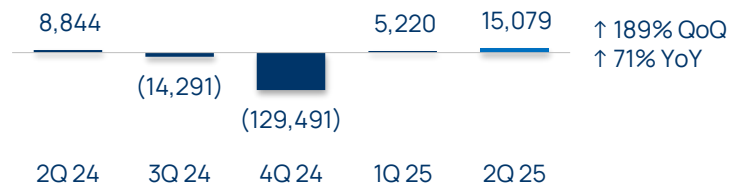
Quarterly Performance

(Unit : KRW MN)

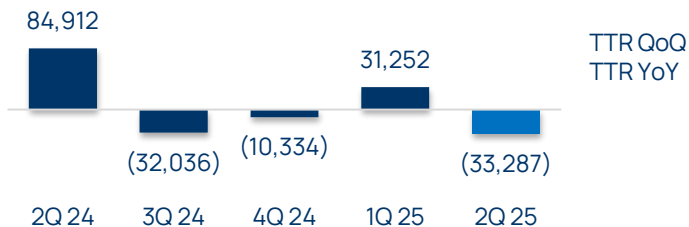
Sales



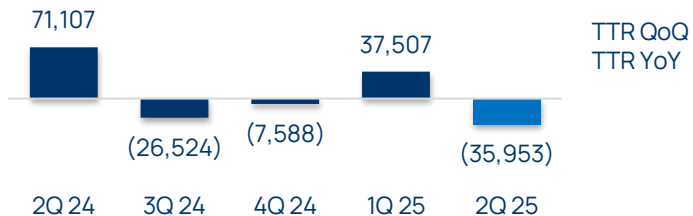
Operating Profit



Pre-tax Income



Net Income

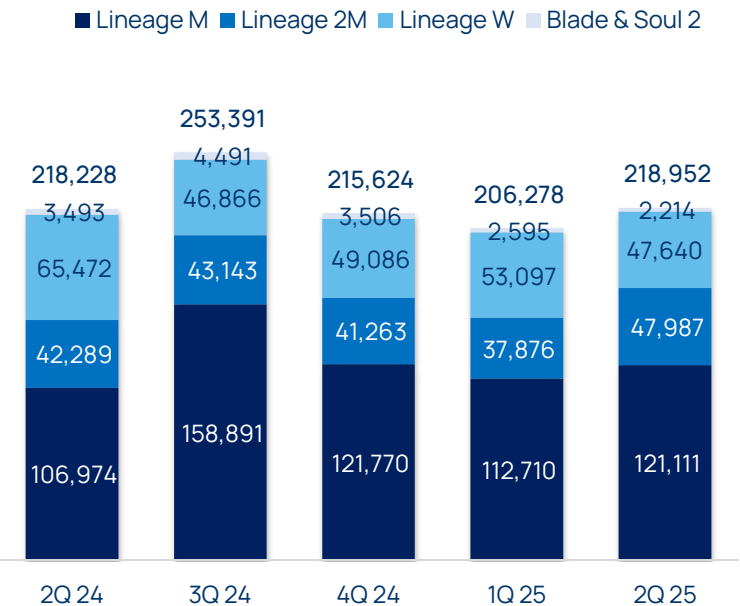


2. Sales Breakdown (by Title)

- Both mobile and PC online game sales grew quarter-over-quarter and year-over-year
- Q2 mobile game sales rose 6% QoQ and 0.3% YoY to KRW 219.0 billion, representing 57% of total sales
- Legacy PC online game sales recorded KRW 91.7 billion, up 10% QoQ and 6% YoY, accounting for 24% of sales

Mobile Games

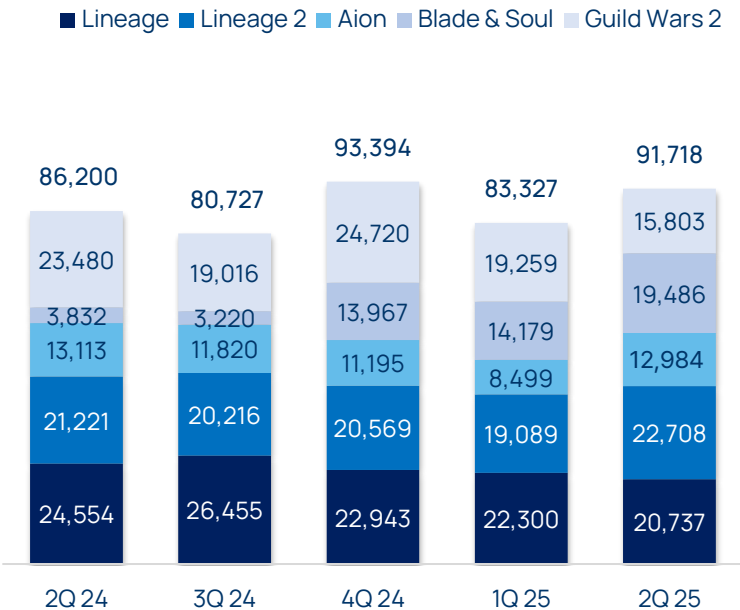
(Unit : KRW MN)



* Not including other mobile games

PC Online Games

(Unit : KRW MN)



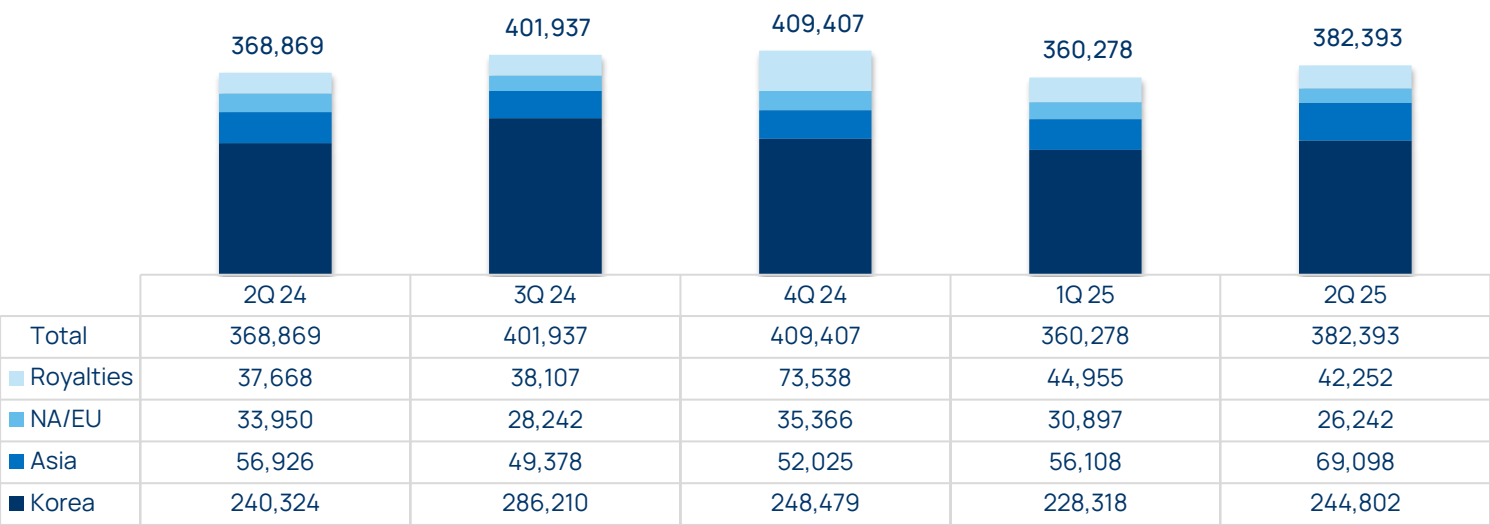
* Not including other PC online games

2. Sales Breakdown (by Region)

- Q2 Korea sales rose 7% QoQ and 2% YoY to KRW 244.8 billion, thanks to solid performance across our Legacy IPs
- Asia sales grew 23% QoQ and 21 % YoY to KRW 69.1 billion, mainly driven by the successful launch of Lineage 2M in SEA
- Royalties declined 6% QoQ but rose 12% YoY, totaling KRW 42.3 billion

Sales by Region

(Unit : KRW MN)

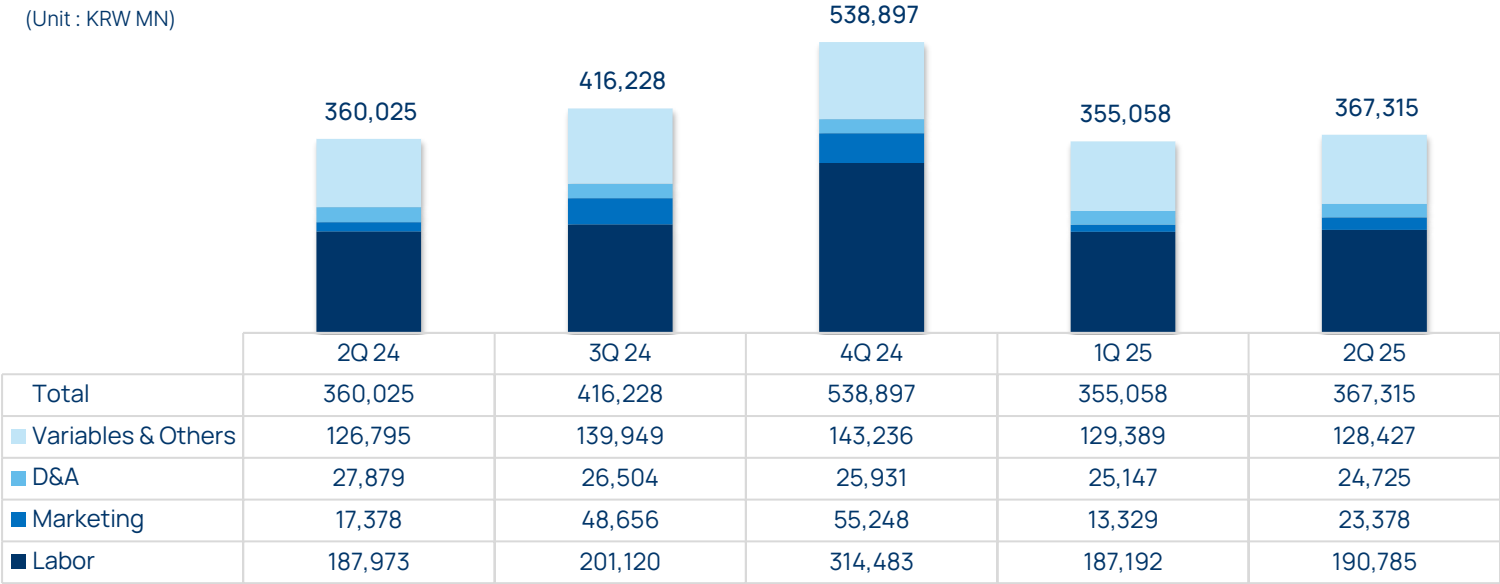


3. Cost Breakdown

- Total operating expenses for Q2 increased 3% QoQ to KRW 367.3 billion
- Labor cost grew 2% QoQ and 1% YoY to KRW 190.8 billion
- Marketing expenses totaled KRW 23.4 billion, a 75% QoQ increase, impacted by large-scale updates and regional expansion of live-service games, as well as marketing efforts for new titles

Cost Breakdown

(Unit : KRW MN)



4. Consolidated Financial Statements

Statement of Financial Position

(Unit : KRW MN)

| | FY 2024 | 2Q 25 |
|--|-----------|-----------|
| Assets | | |
| I. Current Assets | 1,788,537 | 1,786,299 |
| Cash and cash equivalents | 1,260,473 | 996,867 |
| Short-term financial instruments | 178,293 | 385,814 |
| Account receivables | 130,279 | 174,380 |
| Other receivables | 36,941 | 24,196 |
| Short-term investment assets | 39,816 | 72,589 |
| Non-current assets held for sale | 87,425 | 93,882 |
| Others | 55,309 | 38,572 |
| II. Non-current Assets | 2,165,404 | 2,164,609 |
| Long-term Loans | 8,050 | 600 |
| Other receivables | 22,131 | 21,371 |
| Long-term investment assets | 813,452 | 813,505 |
| Investment stock in associated companies | 50,198 | 65,988 |
| Investment property | - | - |
| Tangible assets | 997,620 | 1,001,249 |
| Intangible assets | 103,873 | 104,100 |
| Others | 170,079 | 157,795 |
| Total Assets | 3,953,941 | 3,950,908 |

| | FY 2024 | 2Q 25 |
|--|-----------|-----------|
| Liabilities | | |
| I. Current Liabilities | 322,188 | 393,684 |
| Borrowings | - | - |
| Account payables | 70,549 | 100,226 |
| Lease liabilities | 45,845 | 48,192 |
| Current tax liabilities | 721 | 4,709 |
| Other current liabilities | 193,718 | 230,289 |
| Liabilities held for sale | 11,354 | 10,268 |
| II. Non-current Liabilities | 568,165 | 477,374 |
| Debentures and borrowings | 169,805 | 169,843 |
| Defined benefit obligations | 1,263 | 3,647 |
| Long-term employee benefits | 21,033 | 22,386 |
| Lease liabilities | 163,806 | 151,846 |
| Others | 212,256 | 129,652 |
| Total Liabilities | 890,353 | 871,059 |
| Shareholders Equity | | |
| Capital stock | 10,977 | 10,977 |
| Other paid-in capital | (365,222) | (239,211) |
| Other components of equity | (61,168) | (13,481) |
| Retained Earnings | 3,473,871 | 3,313,784 |
| Non-controlling interest | 5,130 | 7,780 |
| Total Stockholders Equity | 3,063,589 | 3,079,850 |
| Total Liabilities and Stockholders Equity | 3,953,941 | 3,950,908 |

4. Consolidated Financial Statements

Income Statement

(Unit : KRW MN)

| | 2Q 24 | 3Q 24 | 4Q 24 | 1Q 25 | 2Q 25 |
|---|---------|----------|-----------|---------|----------|
| Sales | 368,869 | 401,937 | 409,407 | 360,278 | 382,393 |
| Operating Expenses | 360,025 | 416,228 | 538,897 | 355,058 | 367,315 |
| Operating Income | 8,844 | (14,291) | (129,491) | 5,220 | 15,079 |
| Non-operating Income | 76,069 | (17,744) | 119,156 | 26,032 | (48,366) |
| Pre-tax Income | 84,912 | (32,036) | (10,334) | 31,252 | (33,287) |
| Income Tax | 13,806 | (5,512) | (2,746) | (6,255) | 2,666 |
| Net Income | 71,107 | (26,524) | (7,588) | 37,507 | (35,953) |
| Equity Attribution to the Owners of the Parent Company | 70,994 | (26,500) | (7,455) | 37,760 | (35,412) |
| Non-controlling interest | 112 | (23) | (134) | (253) | (541) |

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