



October 21, 2025

Name of Company: NEXON Co., Ltd.  
Representative: Junghun Lee, Representative Director,  
President and Chief Executive Officer  
(Stock Code: 3659, TSE Prime Market)  
Contact: Shiro Uemura, Representative Director  
and Chief Financial Officer  
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Notice Concerning Filing of Petition for  
Commencement of Bankruptcy Proceedings by a Consolidated Subsidiary

Nitro Studio Co., Ltd. (“Nitro”), a consolidated subsidiary of NEXON Co., Ltd. (the “Company”), which is incorporated in the Republic of Korea, has resolved to file a petition for bankruptcy under the Korean Bankruptcy Act on October 21, 2025, through a decision made by its executive management.

**1. Background**

Nitro was established on August 26, 2020, as a joint venture between NEXON Korea Corporation (“NEXON Korea”), a subsidiary of the Company, and Wonder Holdings Co., Ltd., a Korean corporation, for the purpose of developing games utilizing the Company group’s intellectual property. In February 2024, NEXON Korea acquired all outstanding shares of Nitro, making it a wholly owned subsidiary.

In March 2023, Nitro launched a game developed in-house; however, the title did not achieve the expected performance, and the service was terminated as of October 16, 2025.

Given that Nitro has completed its role as a corporate entity, it was determined that liquidation through bankruptcy proceedings would be the most appropriate course of action. Accordingly, Nitro resolved to file a petition for bankruptcy.

**2. Total Liabilities**

Approx. KRW 105,859 million (approx. JPY 9,967 million).

(Of this amount, KRW 83,000 million (approx. JPY 7,802 million) represents loans from NEXON Korea.)

**3. Overview of the Subsidiary Subject to Bankruptcy (as of August 31, 2025)**

|   |   |   |
|---|---|---|
| (1) Company Name                          | Nitro Studio Co., Ltd.                                |   |
| (2) Address                               | 412, Teheran-ro, Gangnam-gu, Seoul, Republic of Korea |   |
| (3) Representative                        | CEO Moon, Saebyuk                                     |   |
| (4) Date of Incorporation                 | August 26, 2020                                       |   |
| (5) Business Description                  | Game development and publishing                       |   |
| (6) Capital                               | KRW 100 million                                       |   |
| (7) Major Shareholder and Ownership Ratio | NEXON Korea Corporation (a Korean corporation) 100%   |   |
| (8) Relationship with the Company         | Capital   | The Company holds 100% of the shares of NEXON Korea (in row (7))  |
|   | Personnel   | No direct personnel relationship with the Company. Two directors concurrently serve as employees of NEXON Korea (row (7)) |

|  |                      |  |               |  |
|--|----------------------|--|---------------|--|
|  | Transactional        | The Company distributes games developed by Nitro in the Japanese market. Nitro received funding and development commissions from NEXON Korea (row (7)) |               |  |
|  | Related Party Status | The subsidiary is a consolidated subsidiary (sub-subsidiary) of the Company.   |               |  |
| (9) Financial Results for the Past Three Fiscal Years (JPY million): |                      |  |               |  |
| Fiscal Year  | December 2022        | December 2023  | December 2024 |  |
| Operating Revenue  | 530                  | 446  | 450           |  |
| Operating Expenses   | 2,346                | 2,749  | 2,170         |  |
| Operating Loss   | (1,816)              | (2,303)  | (1,720)       |  |
| Cash and Cash Equivalents  | 428                  | 424  | 360           |  |
| Other Assets   | 2,256                | 1,543  | 1,318         |  |
| Total Assets   | 2,684                | 1,967  | 1,678         |  |
| Borrowings   | 2,355                | 4,710  | 6,688         |  |
| Other Liabilities  | 2,574                | 2,732  | 2,504         |  |
| Total Liabilities  | 4,929                | 7,442  | 9,192         |  |
| Equity   | (2,245)              | (5,475)  | (7,514)       |  |

#### 4. Impact on Business Operations

As all business activities have been terminated, no further value creation or revenue generation is expected.

#### 5. Impact on Consolidated Financial Results

Although NEXON Korea holds loans receivable from the subsidiary, full allowance for doubtful accounts has already been recorded. Therefore, no additional losses will arise. The Company's consolidated financial results will not be affected.