

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.