Internet Disclosure of Information Regarding the Notice of the 16th Annual General Meeting of Shareholders

NEXON Co., Ltd.

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Pursuant to applicable laws and regulations and Article 16 of the Articles of Incorporation of the Company, the above matters are provided to shareholders by posting them on the Company's website (https://ir.nexon.co.jp/stock/meeting.html).

Systems and organization to ensure the execution of duties by directors is in compliance with laws and regulations and the articles of incorporation, other systems and organization to ensure proper operation and the summary of the operating status of such systems

The summary of decisions regarding a system to ensure the execution of duties by directors is in compliance with laws and regulations and the articles of incorporation and other systems to ensure proper operations of the Company as well as the summary of these systems and their operating status during the current fiscal year are as follows:

1. System to ensure that the execution of duties by directors and employees complies with laws and regulations and the articles of incorporation
   (i) Board of directors
   The meeting of the Board of Directors shall be held at least once a month in order to ensure the effective monitoring functions for directors' performance.
   (ii) Statutory auditors
   Statutory auditors shall attend the meeting of the board of directors to ensure the effective supervising functions for directors' performance. In addition, statutory auditors shall enhance their expertise in their supervising functions by appointing external professionals as external statutory auditors.
   (iii)Internal audit office
   The internal audit office shall be responsible for carrying out continuous internal audits of the business operations. The internal audit office shall report directly to President/CEO and maintain independence of internal audit.
   (iv)Legal department
   The legal department shall serve as the contact point for matters concerning compliance of business operations ("compliance") to ensure compliance within the Company.

   (Operating status)
   During the current fiscal year, the meeting of the Board of Directors and the Statutory Auditors were held 17 times and 13 times, respectively, to ensure supervision over directors' performance. In addition, two external directors and three external statutory auditors with professional insight were elected in order to ensure the effective monitoring functions.
   The internal audit office, which reports directly to President/CEO, has performed audits of departments within the Company. The legal department has served as the contact point for compliance matters and promoted activities to raise employees' awareness for compliance. It has also developed and operated relevant internal regulations.

2. System to store and control information on the directors' execution of their duties
   Information on the directors' execution of their duties including minutes of the meetings of the Board of Directors and requests for approval shall be recorded and stored in a document format or electromagnetic devices in accordance with the documentation control regulations. Directors and statutory auditors shall be allowed to access any of these records at any time.

(Operating status)

In accordance with the documentation control regulations, information on the directors' execution of their duties including minutes of the meetings of the Board of Directors and requests for approval was recorded and stored in a document format or electromagnetic devices, and directors and statutory auditors are allowed to access any of these records at any time.

3. System to ensure the reliability of financial reporting

The Company shall establish systems to prepare proper financial reporting and to review the effectiveness of the system on a regular or as needed basis.

(Operating status)

The Company has appointed personnel in charge of finance and information disclosure and set up an internal process to collect accurate financial information. If any facts which occurred subject to timely disclosure are identified, it shall be notified to the personnel in charge of information disclosure who shall then discuss the response measures with prescribed consultative departments and disclose information.

4. Regulations and other systems to manage potential risks of losses

The Company shall develop risk management regulations to minimize the potential exposure to risk of incurring losses. In addition, the Company shall prepare for serious incidents by developing a risk management manual and establishing a system enabling timely response.

(Operating status)

Based on risk management regulations, the Company has formed a risk management project consisting of managers of each department, developed a risk map by identifying potential risks in each department in order to take prevention and mitigation measures for risks. In addition, the Company has developed a risk management manual and has in place a communication and response system in the event of problems.

5. System to ensure efficient execution of duties by directors

(i) Directors shall report the status of executing their respective duties on a monthly basis at a meeting of the Board of Directors. Obstructive factors in the execution of duties, if any, shall be addressed to improve the situation in a timely manner.

(ii) Directors shall facilitate the process of decision making and information sharing by taking advantage of the IT infrastructure.

(Operating status)

At the monthly meeting of the Board of Directors, the status of executing their respective duties is reported, and improvement measures are discussed as needed. In addition, the Company has introduced an electromagnetic system for internal application and approval of decision-making request in order to accelerate process for decision making and information sharing.

6. System to ensure proper operations of the corporate group composed of the Company, its parent company and subsidiaries

(i) System for reporting matters regarding execution of duties by subsidiaries' directors to the Company

The Company shall request subsidiaries' directors to report necessary matters regularly based on the related companies' management regulations.

(ii) Regulations and other systems to manage potential risks of losses in subsidiaries

According to the Company's risk management regulations, the Company shall request subsidiaries to minimize potential exposure to risk of incurring losses and establish a system enabling timely response in cooperation with the Company in the event of serious incidents.

(iii) System to ensure efficient execution of duties by subsidiaries' directors

The Company shall request subsidiaries' directors to report the status of executing their respective duties on a monthly basis and to improve obstructive factors in the execution of duties in a timely manner, if any.

(iv) System to ensure that the execution of duties by directors and employees of subsidiaries complies with laws and regulations and the articles of incorporation

The Company shall review the compliance status by collecting and obtaining relevant information through methods including audit and investigation by directors, statutory auditors, the Internal Audit Office and the Legal Department. In addition, the Company shall request subsidiaries to take necessary measures including preventive measures.

(v) Other systems to ensure proper operations of the corporate group composed of the Company, its parent company and subsidiaries

While respecting the independence of each entity due to unique local circumstances, the Company shall request subsidiaries to take necessary measures according to the system to ensure proper operations of the Company.

(Operating status)

The Company ensures proper operations of the corporate group through supervision by requesting timely and appropriate reporting to the Company in accordance with the related companies' management regulations.

7. Matters concerning employees assigned to assist the duties of the statutory auditors at the request of statutory auditors, matters concerning the independence of these employees from directors, and matters concerning securement of effective instructions by the statutory auditors to the employees

If the statutory auditors request to assign assistants to assist their duties, the Company shall assign the necessary number of full-time assistants. If no full-time assistants are assigned, the statutory auditors may assign employees in the Internal Audit Office to assist statutory auditors in the execution of audit-related duties as necessary.

Regardless of whether employees are full-time assistant or not, the assigned employees shall not be subjected to instructions of executive officers including directors with respect to the instructions from the statutory auditors.

Regardless of whether employees are full-time assistant or not, the assigned employees shall follow the instructions of the statutory auditors. If full-time assistants are assigned, the Board of Statutory Auditors shall be consulted when determining or changing personnel affairs and treatment such as salary of the assigned employees.

(Operating status)

Internal regulations stipulate that the statutory auditors may assign employees in the Internal Audit Office to assist statutory auditors in the audit-related duties and that the assigned employees shall not be subjected to instructions of executive officers (i.e. independence of their work).

8. System to report to the Company's statutory auditors

(i) System for directors and/or employees to report to statutory auditors and other systems concerning reports to statutory auditors

Directors or employees shall immediately report to statutory auditors any facts that may cause substantial damages to the Company or Nexon Group and any facts that execution of duties by directors is in violation of laws and regulations and the articles of incorporation.

(ii) System for reporting to the Company's statutory auditors from directors, statutory auditors, business executing persons and employees of subsidiaries or persons who received report from them, and other systems concerning reports to statutory auditors

Directors, statutory auditors, business executing persons and employees of subsidiaries or persons who received report from them shall immediately report to the Company's statutory auditors any facts that may cause substantial damages to Nexon Group and any facts that execution of duties by subsidiaries' directors is in violation of laws and regulations and the articles of incorporation.

(Operating status)

The code of conduct and ethics applicable to the Company and Nexon Group companies provides a system in which any facts that may cause substantial damages to the Company or Nexon Group and any facts that execution of duties by directors is in violation of laws and regulations and the articles of incorporation shall be reported to statutory auditors.

9. System to ensure that persons who made a report prescribed in the preceding item shall receive no unfair treatment because of such report

Regardless of whether or not it is reported under the whistle-blower system, persons who reported to statutory auditors shall receive no unfair treatment because of such report.

(Operating status)

The code of conduct and ethics applicable to the Company and Nexon Group companies provides that the identity of the employees who made a report prescribed in the preceding item shall remain confidential as much as possible and that any retaliatory sanctions and unfair treatment to such employees shall be prohibited.

10. Matters concerning policy for treatment of expenses or liabilities arising from execution of duties by the Company's statutory auditors

When statutory auditors or the Board of Statutory Auditors claim expenses required to engage lawyers, certified public accountants and other external professionals for their advice, to consign investigation, appraisal or other work or to make a business trip to subsidiaries, etc., in order to execute their duties, the Company shall pay these expenses as the Company's expense, unless such expenses are considered unnecessary for execution of duties by statutory auditors or the Board of Statutory Auditors.

(Operating status)

Internal regulations provide that expenses arising from execution of duties by statutory auditors shall be paid as the Company's expense.

11. Other systems to ensure effective performance of audit by statutory auditors

Statutory auditors shall hold periodic meetings to exchange opinions with each of President/CEO, other directors and the independent auditors. In addition, the head of the Internal Audit Office shall report to statutory auditors on the status of internal audit on a regular basis.

(Operating status)

Statutory auditors have held periodic meetings to exchange opinions with President/CEO and the independent auditors, and the head of the Internal Audit Office has reported to statutory auditors on the status of internal audit on a regular basis, in order to ensure the effectiveness of the audit.

12. Basic policy and relevant system to eliminate anti-social forces

(i) Basic policy to eliminate the threats posed by anti-social forces

The Company shall maintain a firm attitude toward anti-social forces that may pose threats to the order and security of the society and block any relationships including ordinary commercial transactions.

(ii) System to eliminate anti-social forces

The Company shall exercise its best efforts to block any relationships with anti-social forces by assigning the Legal Department to be in charge of dealing with anti-social forces and conducting customer reviews. In case the Company is approached by anti-social forces, a systematic response shall be taken jointly with external special agencies.

(Operating status)

The Company has in place a system to deal with anti-social forces in which elimination of anti-social forces is included in "NEXON Group Code of Conduct and Business Ethics (Code of Conduct)" and an anti-social forces manual is prepared. In addition, the Company conducts preliminary review for new customers to examine whether they fall under the category of anti-social forces.

Notes to Consolidated Financial Statements

1. Significant basis for preparation of the consolidated financial statements

(1) Basis of preparation of consolidated financial statements

The consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) pursuant to provisions of Article 120, Paragraph 1 of the Ordinance on Accounting of Companies. Certain disclosure items required by IFRS are omitted in the consolidated financial statements as permitted by the second sentence of the above-mentioned paragraph.

(2) Scope of consolidation

Status of consolidated subsidiaries

Number of consolidated subsidiaries: 26

Name of major consolidated subsidiaries

NEXON Korea Corporation (Korea)
NEOPLE Inc. (Korea)
gloops, Inc. (Japan)
NEXON GT Co., Ltd. (Korea)
NEXON America Inc. (United States)
NEXON M Inc. (United States)
Lexian Software Development (Shanghai) Co., Ltd. (China)

(3) Application of the equity method

Status of affiliates accounted for using the equity method

Number of affiliates accounted for using the equity method: 14

Name of the major affiliates accounted for using the equity method

Six Waves Inc. (Hong Kong)
NAT Games Co., Ltd. (Korea)

(4) Changes in the scope of consolidation and application of the equity method

1) Changes in the scope of consolidation

NEXON OC Studio (United States) was newly established and is included in the scope of consolidation from the current fiscal year. The following companies are included in the scope of consolidation as the Company acquired their shares and they became its subsidiaries: JoongAng Pangyo Development Co., Ltd (Korea) and Pixelberry Studios (United States).

Fantage.com Inc. (United States) was excluded from the scope of consolidation as the Company sold all holding shares and Neon Studio Corporation (Korea) was excluded from the scope of consolidation as it became an affiliate from a consolidated subsidiary due to partial sale of its shares.

Also, an absorption-type merger was executed, with NEXON Korea Corporation (Korea) as the surviving company and NSC Corporation (Korea) as the absorbed company.

2) Changes in the scope of the equity method application

IMC GAMES Co., Ltd. (Korea), WEREDSOFT Inc. (currently, Super Acid Inc.) (Korea) and CWAVE SOFT Corporation (Korea) became affiliates accounted for by the equity method as a result of new acquisition of shares, and MOAI GAMES Corporation (Korea) became an affiliate accounted for by the equity method as the Company has gained significant influence over it.

Neon Studio Corporation (Korea) is included in the scope of the equity method application as it became an affiliate from a consolidated subsidiary due to partial sale of its shares.

5 Ants Games S.L. (Korea) was excluded from the scope of the equity method application as a result of liquidation.

(5) Matters related to fiscal year of consolidated subsidiaries

All consolidated subsidiaries have the same fiscal year-end as the consolidated fiscal year-end.

(6) Accounting policies

1) Valuation basis and method for financial assets

(a) Non-derivative financial assets

Financial assets are initially recognized on the date when Nexon Group becomes a party to the contractual terms of such financial assets.

Financial assets are classified as financial assets measured at amortized cost if both of the following conditions are met. If not, they are classified as financial assets measured at fair value.

- The assets are held within a business model whose objective is to hold assets in order to collect contractual cash flows
- The contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Financial assets measured at fair value are classified into financial assets measured at fair value through profit or loss (FVTPL) and measured at fair value through profit or loss.

Equity instruments, except for those held for trading purpose, that are designated as financial instruments measured at fair value through other comprehensive income (FVTOCI) at initial recognition are classified into financial assets measured at FVTOCI and measured at fair value through other comprehensive income. Such designation is made for individual equity instrument as an irrevocable election and applied consistently.

Nexon Group adopted the following exemption under IFRS 1 in respect of IFRS 9 and determined classification of equity instruments held on the date of transition to IFRS.

- Based on the facts and circumstances existed on the date of transition to IFRS, companies may designate investments in equity instruments as financial assets measured at fair value through other comprehensive income.

(Financial assets measured at amortized cost)

Financial assets measured at amortized cost are initially recognized at fair value plus directly attributable transaction costs.

Subsequently, the carrying amount of the financial assets measured at amortized cost is calculated using the effective interest method, less accumulated impairment loss if any.

(Financial assets measured at FVTPL)

Financial assets measured at FVTPL are initially recognized at fair value, and transaction costs are recognized in profit or loss when incurred. Subsequently, they are measured at fair value, with changes in fair value recognized in profit or loss.

(Financial assets at FVTOCI)

Financial assets measured at FVTOCI are initially recognized at fair value plus directly attributable transaction costs. Subsequently, they are measured at fair value, with changes in fair value recognized in other comprehensive income. If they are derecognized or their fair value substantially declines, the accumulated gains or losses recognized through other comprehensive income are reclassified into retained earnings.

Dividends earned from these investments are recognized in profit or loss unless they clearly represent return of initial investment.

Nexon Group derecognizes financial assets when the contractual rights to cash flows from the asset expire, or when Nexon Group transfers the contractual rights to receive cash flows from financial assets in transactions in which substantially all risks and rewards of ownership of the asset are transferred.

(b) Impairment of financial assets measured at amortized cost

Financial assets measured at amortized cost are assessed on a quarterly basis as to whether there is any objective evidence that the assets are impaired. Objective evidence of impairment includes significant financial difficulty of the debtor or debtor group, default or delinquency in principal or interest payments, and bankruptcy of the debtor.

Financial assets measured at amortized cost are considered to be impaired when there is objective evidence that loss events occurred after the initial recognition of the assets, and when it is reasonably expected that the loss events have a negative impact on the estimated future cash flows of the assets.

Nexon Group assesses whether evidence of impairment exists individually and collectively for financial assets measured at amortized cost. Individually significant financial assets are individually assessed for impairment. All individually significant financial assets found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet recognized. Financial assets that are not individually significant are collectively assessed for impairment in a group of financial assets with similar risk characteristics.

The impairment loss for financial assets measured at amortized cost is measured as the difference between the assets' carrying amount and the present value of estimated future cash flows discounted at the assets' original effective interest rate, and recognized in profit or loss. Interest on the impaired assets continues to be recognized through the unwinding of the discount. If there are events that reduce the amount of an impairment loss after the recognition of the impairment, reversal of the impairment loss is recognized in profit or loss. Impairment losses may be reversed up to the carrying amount that would have been determined if the assets had been depreciated or amortized until the time of reversal.

(c) Fair value of financial assets

Fair values of financial assets are determined based on quoted market prices if assets are traded on active financial markets at the end of each reporting period.

If an active market does not exist, fair values of financial assets are determined using appropriate valuation techniques (e.g. income approach, market approach).

See "4. Financial instrument" for calculation method of fair value.

2) Valuation basis and method and depreciation or amortization method for property, plant and equipment and intangible assets (excluding goodwill)

(a) Property, plant and equipment

(Recognition and measurement)

Property, plant and equipment are measured at cost less any accumulated depreciation and accumulated impairment losses.

The cost of an item of property, plant and equipment includes costs directly attributable to the acquisition, costs of dismantling and removing the item and restoring the site on which it is located, and borrowing costs to be capitalized.

Items of property, plant and equipment that have different useful lives are recorded as separate items.

(Depreciation)

Depreciation is calculated based on the depreciable amount. Depreciable amount is calculated as the cost of an asset less its residual value.

Each item of property, plant and equipment is depreciated using the straight-line method over the estimated useful life. Leased assets are depreciated over the shorter of the lease term and their economic life, unless there is reasonable certainty that Nexon Group will obtain ownership by the end of the lease term. Land is not depreciated.

The estimated useful lives of major items of property, plant and equipment are as follows:

- Buildings and structure: 3 to 50 years
- Tools, furniture and fixtures: 3 to 15 years

The depreciation methods, useful lives and residual values are reviewed at the end of each consolidated fiscal year and revised if necessary.

(b) Intangible assets

(Intangible assets acquired through business combination)

Intangible assets acquired through business combination and recognized separately from goodwill are initially recognized at fair value on the acquisition date.

Subsequently, those intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses.

(Software)

Nexon Group incurs certain costs to purchase or develop software for internal use.

Expenditures arising from research activities to obtain new scientific or technical knowledge are recognized as expenses when incurred. Expenditures arising from development activities are capitalized as intangible assets, if, and only if, they are reliably measurable, developments are technically feasible, it is highly probable to generate future economic benefits, and Nexon Group has an intention and adequate resources to complete the development of the assets to use or sell them.

Capitalized software costs are carried at cost less any accumulated amortization and any accumulated impairment losses.

(Research and development costs)
Expenditures arising from research activities to obtain new scientific or technical knowledge and understanding are recognized as expenses when incurred. Development costs that satisfy certain conditions are capitalized and carried at cost less any accumulated amortization and any accumulated impairment losses.

(Game copyrights and other intangible assets (individually acquired intangible assets))
Nexon Group purchases distribution rights for online games developed by other companies and recognizes them as intangible assets. Game copyrights and other intangible assets acquired by Nexon Group with finite useful lives are measured at cost less accumulated amortization and accumulated impairment losses. There are no intangible assets with indefinite useful lives.

(Amortization)
Amortization is calculated based on the cost of an asset less its residual value. Amortization of intangible assets is computed using the straight-line method over their estimated useful lives from the date when the assets become available for use.

Estimated useful lives for major intangible assets are as follows:

- Game copyrights 2 to 10 years

The amortization methods, useful lives and residual values are reviewed at the end of each consolidated fiscal year and revised if necessary. Residual values are considered to be zero.

(Leases)
Leases are classified as finance leases when substantially all the risks and rewards incidental to ownership of an asset in an arrangement are transferred to Nexon Group. All other leases are classified as operating leases.

Finance leases are recognized at the lower of fair value of the leased asset at the inception of the lease and present value of the minimum lease payments. Lease obligations are recorded in the consolidated statement of financial position as current liabilities and non-current liabilities. Finance costs are allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Operating lease payments are recognized in profit or loss on a straight-line basis over the lease term.

Variable lease payments are recognized as expenses in the period they are incurred.

(Impairment loss of non-financial assets)

The carrying amounts of Nexon Group's non-financial assets, excluding inventories and deferred tax assets, are assessed on a quarterly basis as to whether there is any indication of impairment. If any such indication exists, the recoverable amount of the assets is estimated. Regarding goodwill, intangible assets with indefinite useful lives, and intangible assets not yet available for use, the recoverable amount is estimated at the end of each consolidated fiscal year and when any indication of impairment is identified.

The recoverable amount of an asset or a cash-generating unit (CGU) is the higher of its value in use and its fair value less cost to sell. In calculating value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the time value of money and the risks specific to the asset. A CGU is the smallest group of assets which generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets.

The CGU of goodwill is determined based on the unit by which the goodwill is monitored for internal management purposes and does not exceed an operating segment.

Because corporate assets do not generate independent cash inflows, if there is an indication that corporate assets may be impaired, the recoverable amount is determined for the CGU to which the corporate assets belong.

If the carrying amount of an asset or a CGU exceeds its recoverable amount, an impairment loss is recognized through profit or loss. The impairment loss recognized related to a CGU is allocated to reduce the carrying amount of the goodwill allocated to the CGU and then to reduce the carrying amount of the other assets of the CGU on a prorated basis.

Nexon Group assesses on a quarterly basis as to whether there is any indication that an impairment loss recognized in prior years for an asset may have decreased or may no longer exist. An impairment loss is reversed if an indication of reversal exists and there has been a change in the estimates used to determine the asset's recoverable amount. An impairment loss is reversed to the extent the carrying amount does not exceed the carrying amount that would have been determined, net of depreciation and amortization, had no impairment loss been recognized. Impairment losses recognized for goodwill are not reversed.

3) Major provisions

Provisions are recognized when Nexon Group has a present legal or constructive obligation that can be reliably estimated as a result of past events, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation. Provisions are calculated as the estimated future cash flows discounted to their present value using a pre-tax discount rate that reflects the time value of money and the risks specific to the liabilities. The unwinding of the discount is recognized as finance costs.

Asset retirement obligations are recognized to provide for obligations to restore leased offices and other premises to their original conditions. The amount of the obligations is estimated, recognized and measured considering the conditions of each property individually and specifically, based on factors including Nexon Group's past experience of restoration and the estimated periods of use determined taking into account the useful lives of leasehold improvements.

4) Revenue recognition

Nexon Group is engaged in PC online business, mobile business, consulting business for PC online game distribution and internet advertisement business. Revenue is measured at the fair value of the consideration received for services rendered in the ordinary course of business less sales-related taxes.

Revenue associated with a transaction involving the rendering of services is recognized by reference to the stage of completion at the end of the reporting period when all of the following conditions have been satisfied and also the outcome of the transaction can be estimated reliably:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to Nexon Group;
- the stage of completion of the transaction at the end of the reporting period can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue is recognized only to the extent of the expenses considered recoverable.

Revenue recognition criteria and basis for gross versus net presentation of revenue for major revenue categories are as follows.

(a) Revenue recognition criteria by major revenue category

Nexon Group generates revenue primarily from (i) sales of items used in PC online business and mobile business (revenue from item charging); (ii) royalty from granting distribution rights for PC online games developed and commercialized by Nexon Group; and (iii) consulting business for PC online game distribution and in-game advertisement business.

(i) Revenue from sales of items used in PC online business and mobile business (revenue from item charging)
PC online business distributes PC online games developed by Nexon Group or other companies. To play Nexon Group's PC online games, there is no basic usage fee, but certain fees are charged to purchase necessary items or use certain services. In PC online game, revenue is recognized over the estimated usage period during which the game items purchased in exchange for game points are expected to be used.

Mobile business distributes mobile games developed by Nexon Group or other companies through terminals including smart phones and tablets. To play mobile games, there is no basic usage fee, but certain fees are charged to purchase necessary items or use certain services. In mobile game, revenue is recognized over the estimated usage period during which the game items purchased in exchange for game points are expected to be used.

(ii) Royalty revenue from granting distribution rights for PC online games developed and commercialized by Nexon Group

As the owner of the copyright, Nexon Group enters into a license agreement with third party distribution companies and grant distribution rights for PC online games developed and commercialized by Nexon Group.

Royalty revenue arising from granting distribution rights to third parties is accrued, having regard to the substance of the related royalty agreement, only when it is probable that the economic benefits associated with the transaction will flow to the entity and the revenue amount is reliably measurable.

(iii) Revenue from consulting business for PC online game distribution and in-game advertisement business

In consulting business, a subsidiary provides Chinese domestic distribution companies with consulting services for setting up and maintaining billing systems and membership systems, business strategy development, game business management, and marketing, and recognize revenue for rendered services by reference to the stage of completion of the transaction.

In in-game advertisement business, advertisements are directly exposed to users through their usage of functional items that are equipped with advertisement function in the game, and revenue is recognized over the advertisement period.

(b) Gross versus net presentation of revenue

In the ordinary course of business, there are cases where Nexon Group acts as an intermediary or agent. In reporting revenue arising from these transactions, Nexon Group determines whether to present revenue in the gross amount of the consideration received from customers or in the amount of consideration net of commissions and other fees payable to third parties. However, the decision as to whether revenue is presented in gross or net amount has no impact on profit or loss.

Determining whether to present revenue in the gross or net amount is based on an assessment of whether Nexon Group is acting as a “principal” or an “agent” in a transaction. Accordingly, revenue is presented in the gross amount when Nexon Group acts as a principal, and in the net amount when Nexon Group acts as an agent. Whether Nexon Group acts as a principal or an agent is determined based on an assessment of terms and conditions of each arrangement with respect to exposure to the significant risks and rewards associated with sale of goods or the rendering of services.

Factors to be considered as requirements for gross presentation of revenue arising from a transaction in which Nexon Group acts as a principal include:

- Nexon Group has the primary responsibility to provide services to customers or fulfill the order;
- Nexon Group has discretion in establishing prices, either directly or indirectly;
- Nexon Group bears the customer's credit risk for the amount receivable from the customer;

Factors to be considered as requirements for net presentation of revenue arising from a transaction in which Nexon Group acts as an agent include:

- the amount of the consideration (commissions or fees) for the service rendered is predetermined;
- the amount of the consideration for Nexon Group is calculated as a certain percentage of the value of services rendered.

5) Translation of major foreign currency denominated assets or liabilities to Japanese yen

(a) Functional currency and presentation currency

In preparing the financial statements, each of Nexon Group companies translates transactions denominated in currencies other than its functional currency into the functional currency using the exchange rates at the dates of the transactions. The presentation currency of Nexon Group's consolidated financial statements is Japanese yen which is the Company's functional currency.

(b) Translation of items denominated in foreign currencies

Monetary assets and liabilities denominated in foreign currencies are retranslated into the functional currency using the exchange rates at the end of the reporting period. Non-monetary assets and liabilities denominated in foreign currencies measured at fair value are retranslated into the functional currency using the exchange rates at the date the fair value is determined. Foreign exchange differences arising from the retranslation are recognized in profit or loss, except for those arising from retranslation of financial instruments measured at fair value with changes in fair value recognized in other comprehensive income and those arising from cash flow hedge, which are recognized in other comprehensive income. Non-monetary items denominated in foreign currencies measured at cost are translated using the exchange rates at the dates of the transactions.

(c) Foreign operations

Group companies (mainly foreign operations) that have a functional currency different from the presentation currency translate their assets and liabilities, including goodwill arising from the acquisition of the foreign operations, identified assets and liabilities and related fair value adjustments, into the presentation currency using the exchange rate at the end of the reporting period. Income and expenses of foreign operations are translated into the presentation currency using the average exchange rates for the reporting period, unless the exchange rates significantly fluctuated during that period.

Foreign exchange differences arising from translating the financial statements of foreign operations are recognized in other comprehensive income. On the disposal of the entire interest in a foreign operation and on the partial disposal of the interest resulting in loss of control or significant influence, the cumulative amount of foreign exchange differences is reclassified into profit or loss as part of gains or losses on disposal.

6) Goodwill

Nexon Group measures goodwill as the excess of the aggregate of acquisition-date fair value of consideration transferred and the amount of any non-controlling interest in the acquiree over the net of the acquisition-date amount of identifiable assets acquired and liabilities assumed. The negative excess is recognized in profit or loss.

On the date of acquisition, Nexon Group determines for each transaction whether to measure non-controlling interest at fair value or at proportionate share in the recognized amount of identifiable net asset.

Subsequently, goodwill is measured at cost less any accumulated impairment losses. The carrying amount of investments accounted for using the equity method includes the carrying amount of goodwill.

7) Hedge accounting

Nexon Group's derivative transactions are executed and managed in accordance with the derivative transaction management rules and carried out by the Accounting/Finance Department based on the approval of authorized personnel. Use of derivatives are limited to transactions with high-rated financial institutions in order to mitigate credit risk.

At the inception of the hedge, Nexon Group formally designates and documents the hedging relationship to which hedge accounting is applied and risk management objectives and strategies for undertaking the hedge. The documentation includes identification of hedging instruments, hedged items or transactions, the nature of the risks being hedged and the method to assess the effectiveness of hedging relationship.

Both at inception of the hedge and on an ongoing basis, the derivatives used in the hedge transactions are assessed whether they are highly effective in achieving offsetting changes in cash flows of the hedged item.

Derivatives are initially recognized at contract-date fair value, and subsequently measured at fair value with effective portion of changes in fair value recognized in other comprehensive income and ineffective portion recognized in profit or loss immediately. The cumulative amount of gains or losses recognized in other comprehensive income is reclassified into profit or loss in the consolidated statement of comprehensive income in the same period during which cash flows of the hedged item affect profit or loss.

Application of the hedge accounting is discontinued prospectively if the hedge no longer meets requirements for the hedge accounting, the hedging instrument expires or is sold, terminated, or exercised, or the hedge designation is removed. If the hedge accounting is discontinued, Nexon Group continues to recognize the balance related to the cash flow hedge previously recognized in other comprehensive income until the forecasted transaction affects profit or loss. When a forecasted transaction is no longer considered probable, the balance related to the cash flow hedge is recognized in profit or loss immediately.

8) Other significant basis for preparation of the consolidated financial statements

Accounting for consumption taxes

Transactions subject to consumption taxes are stated at the amount net of the consumption taxes ("Zei-nuki method").

(7) Changes in accounting policies

(Changes in accounting policies required by IFRS)

Nexon Group has applied the following standards from the current consolidated fiscal year, but the application of these standards did not have material impacts on the current consolidated fiscal year.

Standards	Title	Overview of New or Revised Standard
IFRS 12	Disclosure of Interests in Other Entities	Clarified that disclosure requirements under IFRS 12 apply to interests classified as held for sale or discontinued operations in accordance with IFRS 5 (subject to limited exceptions)
IAS 12	Income taxes	Clarified accounting treatment for deferred tax assets related to debt instruments measured at fair value

2. Notes to consolidated statement of financial position

(1) Assets pledged as collateral

Other financial assets (current)

Time deposits	¥3,687 million

(2) Liabilities corresponding to pledged assets

Borrowings (current)

Short-term borrowings	¥2,655 million

(3) Allowance for doubtful accounts directly deducted from assets

Trade and other receivables	¥1,071 million
Other financial assets (current)	¥1,260 million
Other financial assets (non-current)	¥1,209 million

(4) Accumulated depreciation of property, plant and equipment ¥16,609 million

Accumulated depreciation of property, plant and equipment above includes accumulated impairment loss on property, plant and equipment of ¥833 million.

(5) Guarantee liabilities

Not applicable

3. Notes to consolidated statement of changes in equity

(1) Class and number of shares issued and outstanding

Class of shares	Total number as of January 1, 2017	Increase	Decrease	Total number of shares as of December 31, 2017
Common stock	434,871,414 shares	8,416,000 shares	3,103,082 shares	440,184,332 shares

(Note) 1. The increase in common stock of 8,416,000 shares results from exercise of stock options.
2. The decrease in common stock of 3,103,082 shares results from cancellation of treasury stock.

(2) Class and number of treasury stock

Class of shares	Total number as of January 1, 2017	Increase	Decrease	Total number of shares as of December 31, 2017
Common stock	61 shares	3,103,021 shares	3,103,082 shares	― shares

(Note) 1. The increase in treasury common stock consists of an increase of 121 shares due to purchase demand of shares less than one unit and an increase of 3,102,900 shares due to purchase of treasury stock.
2. The decrease in treasury common stock of 3,103,082 shares results from cancellation of treasury stock.

(3) Dividends from surplus

1) Amount of dividend paid

Not applicable

2) Dividends with the record date in the current consolidated fiscal year but the effective date in the following fiscal year

Not applicable

(4) Subscription rights to shares as of December 31, 2017

	Class of underlying share	Number of underlying share
Subscription rights to shares as 2012 Stock Option (5-1)	Common stock	2,931,000 shares
Subscription rights to shares as 2014 Stock Option (7)	Common stock	2,902,000 shares
Subscription rights to shares as 2014 Stock Option (8)	Common stock	660,000 shares
Subscription rights to shares as 2014 Stock Option (9-1)	Common stock	927,000 shares
Subscription rights to shares as 2016 Stock Option (11)	Common stock	36,000 shares
Subscription rights to shares as 2016 Stock Option (12-1)	Common stock	1,817,000 shares

(Note) Subscription rights to shares whose exercise period is yet to start and unvested subscription rights to shares are excluded.

4. Notes to financial instruments

(1) Policies on the use of financial instruments

Nexon Group raises necessary working capitals and investment fund based on the business plan. Nexon Group mainly raises funds through loans from financial institutions. Excess funds are invested in short-term deposits and marketable securities. Nexon Group uses derivative contracts mainly for the purpose of hedging interest rates and foreign exchange fluctuation risk and do not use them for speculative purposes.

(2) Descriptions and risks of financial instruments as well as risk management system

Trade and other receivables are exposed to credit risk of business partners. With regard to the credit risk, the Company and its consolidated subsidiaries, based on the respective credit management regulations, regularly conduct credit reviews of their customers to obtain their credit information and manage due dates and outstanding credit balances by customer, in order to detect signs of deteriorating financial conditions of customers at an early stage and mitigate potential risks regarding collectibility.

Marketable securities included in other financial assets primarily consist of shares of commercial companies held for business promotion purpose, investments in investment partnership and unlisted bonds. These securities are exposed to credit risk of issuers, market price fluctuation risk and foreign exchange fluctuation risk. Nexon Group manages these risks by obtaining information about market values and financial conditions of these issuers regularly.

All trade and other payables become due within one year.

Borrowings are mainly financing from financial institutions for working capitals. Borrowings bearing variable interest rate are exposed to interest rate fluctuation risk and those denominated in foreign currency are exposed to foreign exchange fluctuation risk. Part of these risks are hedged by interest rate and currency swap.

Derivative transactions consist of interest rate and currency swap used to hedge interest rate or foreign exchange fluctuation risk associated with long-term borrowings denominated in foreign currencies. Execution and management of derivative transactions are in compliance with the derivative transaction management rules, and the use of derivatives are limited to the transactions with high-rated financial institutions to mitigate credit risk.

(3) Supplemental information on fair values of financial instruments

The fair values of financial instruments are estimated using values based on the fair value or discounting future cash flows when there are no fair values. As such values are calculated using variable factors, using different assumptions may result in different values.

(4) Fair values of financial instruments

Amounts on the consolidated statement of financial position, fair values and difference between these values as of December 31, 2017 are as follows.

	Consolidated statement of financial position (Millions of yen)	Fair value (Millions of yen)
Cash and cash equivalents	153,242	153,242
Trade and other receivables	35,255	35,255
Other deposits	234,092	234,092
Other financial assets (current)	6,538	6,538
Other financial assets (non-current)	20,754	20,177
Total assets	449,881	449,304
Trade and other payables	8,587	8,587
Borrowings (current)	3,490	3,490
Other financial liabilities (current)	173	173
Other financial liabilities (non-current)	506	506
Total liabilities	12,756	12,756

(Note) Calculation method of fair values of financial instruments

Cash and cash equivalents, other deposits, trade and other payables, other financial liabilities (current)

They are stated at carrying value as it approximates fair value because of the short period of time until its maturity or settlement.

Trade and other receivables

Fair values are estimated based on the present value of future cash flows of receivables grouped by category discounted at the appropriate rate such as government bonds yields adjusted with credit risk. Trade and other receivables with short maturities are stated at carrying value as it approximates fair value.

Other financial assets (current)

Marketable securities are classified as financial assets measured at fair value through profit or loss (FVTPL) and measured at fair value at the end of the reporting period. Fair values are based on market prices.

Other items presented in this category are stated at carrying value as it approximates fair value because of the short period of time until its maturity or settlement.

Other financial assets (non-current)

Stocks included in marketable securities are classified as financial assets measured at fair value through other comprehensive income (FVTOCI) and measured at fair value at the end of reporting period. Fair values are based on market prices.

Unlisted stocks classified as financial assets measured at fair value through other comprehensive income are measured at fair value at the end of reporting period. Fair values are estimated primarily by discounting future cash flows.

Securities other than the above are classified as financial assets measured at fair value through profit or loss (FVTPL) and measured at fair value at the end of the reporting period. Fair values are based on market prices.

For other items presented in this category, fair values are estimated primarily by discounting future cash flows.

Borrowings (current)

The carrying value of borrowings with floating interest rates approximates fair value as it reflects market interest rate within a short period of time and the credit condition of Nexon Group companies are not expected to have changed significantly since the drawdown. Fair value of borrowings with fixed interest rates is estimated by discounting the sum of principal and interest at the rate adjusted for the remaining period and credit risk. Borrowings with short maturity are stated at the carrying value as it approximates fair value.

Other financial liabilities (non-current)

Fair value of contingent consideration included in other financial liabilities (non-current) is determined by discounting future cash flows.

5. Notes to rental properties

Disclosure is omitted as the total amount of rental properties is immaterial.

6. Notes to per share information

(1) Equity attributable to owners of the parent per share	1,056.85 yen
(2) Basic earnings per share	129.35 yen

7. Notes to material subsequent events

Stock split

At the Board of Directors meeting held on February 8, 2018, the Company resolved to execute a stock split as detailed below.

(1) Purpose of the stock split

To increase the liquidity of the Company's stock and expanding the investor base by reducing the stock price per trading unit.

(2) Overview of the stock split

(i) Method of stock split

The record date of the stock split will be Saturday, March 31, 2018 (provided, however, that since this day falls under a non-business day of the shareholder registry administrator, the practical record date will be Friday, March 30, 2018). Each share of common stock owned by shareholders recorded on the final shareholder registry as of the record date will be split into two shares.

(ii) Number of shares to be increased by the stock split

Total number of shares outstanding before stock split:	440,372,332 shares
Number of shares to be increased by this stock split:	440,372,332 shares
Total number of shares outstanding after stock split:	880,744,664 shares
Total number of authorized shares after stock split:	1,400,000,000 shares

Note: Total number of shares outstanding before stock split, number of shares to be increased by this stock split and total number of shares outstanding after stock split above are each calculated based on the total number of shares outstanding as of January 31, 2018. Although the Company has issued subscription rights to shares, no increase in the total number of shares outstanding due to any exercise of such subscription rights to shares on or after February 1, 2018 has been included above. Therefore, the total number of shares outstanding may increase during the period from February 1, 2018 to the record date of the stock split as a result of an exercise of subscription rights to shares.

(3) Stock split schedule

(i) Date of announcement of the record date: Thursday, March 15, 2018
(ii) Record date: Saturday, March 31, 2018
(iii) Effective date: Sunday, April 1, 2018

(4) Impact on per-share information

Per-share information on the assumption that the stock split was executed at the beginning of the current consolidated fiscal year is as follows:

(i) Equity attributable to owners of the parent per share 528.42 yen
(ii) Basic earnings per share 64.67 yen

(5) Other

There is no change in the amount of capital due to this stock split.

8. Other Notes

During the current consolidated fiscal year, Nexon Group performed impairment tests for goodwill and intangible assets and recognized impairment losses as realization of profits originally expected is no longer probable. Those impairment losses are included in "Other expenses" in the consolidated income statement.

Major components of impairment losses are as follows:

Item	Reportable segment	Company	Impairment losses (Millions of yen)
Goodwill	North America	Big Huge Games, Inc.	699
	Korea	NSC Corporation (Note 1)	517
	Korea	NDOORS Corporation	1,460
	Korea	NEXON RED Corp. (Note 2)	831
	Korea	Thingsoft Inc.	1,458
Game copyrights	Korea	NSC Corporation (Note 1)	857
	North America	Big Huge Games, Inc.	486
	Korea	NEXON RED Corp. (Note 2)	498
	Korea	Thingsoft Inc.	101
Game distribution rights	Korea	NEXON Korea Corporation	314
	North America	NEXON M Inc.	117

(Note) 1. In November 2017, an absorption-type merger was executed, with NEXON Korea Corporation (Korea) as the surviving company and NSC Corporation (Korea) as the absorbed company.

2. In March 2017, Wellgames Corporation changed its name to NEXON RED Corp.

As the recoverable amount of investments in certain affiliates fell below the carrying amount, impairment loss of ¥305 million was recognized and included in "Finance costs" in the consolidated income statement.

Notes to non-consolidated financial statements

1. Notes to significant accounting policies

(1) Valuation basis and method for securities

Stocks of subsidiaries and affiliates

Stated at cost based on the moving-average method.

Available-for-sale securities

With fair value

Securities with fair values are stated at fair market value at year end. Unrealized gains and losses, net of applicable taxes, are directly recorded in Net assets and cost of securities sold is calculated using the moving-average method.

Without fair value

Securities without fair values are stated at cost based on the moving-average method.

(2) Valuation basis and method for derivatives

Marked-to-market method.

(3) Depreciation method for non-current assets

1) Tangible fixed assets, excluding lease assets

Straight-line method

Useful lives of major assets are as follows:

Leasehold improvements: 10 to 15 years

Tools, furniture and fixtures: 4 to 5 years

2) Intangible fixed assets, excluding lease assets

Software for internal use

Software for internal use is amortized using the straight-line method over the expected useful life (five years).

3) Lease assets

Finance lease transactions that do not transfer ownership

Finance lease assets without ownership transfer are depreciated using the straight-line method over the lease period, assuming no residual value.

(4) Accounting for allowances

1) Allowance for doubtful accounts

Allowance for performing receivable is provided based on the actual credit loss ratio. Allowance for specific receivable such as those with doubtful collectibility is provided for the expected uncollectible amount based on the individual assessment for collectibility.

2) Provision for bonuses

Provision for bonuses is provided for the estimated bonus amount to be paid to the employees attributable to the current fiscal year.

3) Provision for retirement benefits

Provision for employees' retirement benefits is provided for the amount of obligation expected to have been incurred at year-end based on the estimated retirement benefit obligation as of year-end.

(5) Revenue recognition

In the PC online game business, "Service period method" is applied whereby revenue is recognized ratably over the estimated period during which a game user can use in-game items purchased in exchange for game points.

(6) Basis of translation of foreign currency denominated assets and liabilities to Japanese yen

Foreign currency denominated monetary receivables and payables are translated into Japanese yen using the year-end spot foreign exchange rates, with resulting gains and losses included in earnings.

(7) Material hedge accounting policy

The Company's policy is to hedge risks arising from fluctuation in interest rates and foreign exchange rates in accordance with the Company's internal regulation "Derivative Transaction Management Rules."

(8) Accounting for consumptions taxes

Transactions subject to consumption taxes are stated at the amount, net of the consumption taxes ("Zei Nuki method").

2. Notes to non-consolidated balance sheet

(1) Monetary claims from and monetary debts to subsidiaries and affiliates other than those presented separately are as follows:

Short-term monetary claims:	¥265 million
Long-term monetary claims:	¥425 million
Short-term monetary debts:	¥233 million

(2) Guarantee liabilities

The Company has jointly and severally guaranteed the rent payments as a lessee under two rent agreements entered into by its subsidiaries

Joint and several guarantee for rent agreement:	¥1,060 million

3. Notes to non-consolidated statement of income

(1) Transactions with subsidiaries and affiliates

Operating transactions

Net sales:	¥355 million
Purchase of goods:	¥1,307 million
Non-operating transactions:	¥54 million

(2) Extraordinary loss

Provision of allowance for doubtful accounts for subsidiaries and affiliates consists of the following:

NEXON America, Inc.	¥4,709 million
gloops, Inc.	¥1,226 million
Other	¥428 million

Loss on valuation of stocks of subsidiaries and affiliates consists of the following:

NEXON M Inc.	¥1,669 million

4. Notes to non-consolidated statement of changes in net assets

Class and number of treasury stock

Class of shares	Total number as of January 1, 2017	Increase	Decrease	Total number of shares as of December 31, 2017
Common stock	61 shares	3,103,021 shares	3,103,082 shares	－ shares

(Note) 1. The increase in treasury common stock consists of an increase of 121 shares due to purchase demand of shares less than one unit and an increase of 3,102,900 shares due to purchase of treasury stock.

2. The decrease in treasury common stock of 3,103,082 shares results from cancellation of treasury stock.

5. Notes to deferred tax accounting

(1) Major components of deferred tax assets and liabilities

Deferred tax assets	(Millions of yen)
Loss on valuation of stocks of subsidiaries and affiliates	13,650
Unearned revenue	246
Subscription rights to shares	891
Impairment loss	161
Loss on valuation of investment securities	673
Allowance for doubtful accounts	8,347
Other	348
Deferred tax assets - subtotal	24,316
Valuation allowance	(24,316)
Total deferred tax assets	-
Deferred tax liabilities	
Total deferred tax liabilities	-
Deferred tax liabilities, net	-

(2) Major components of significant differences between the statutory effective tax rate and the corporate tax rate after adoption of deferred tax accounting

The disclosure is omitted because loss before income taxes was recorded.

6. Notes to related party transactions

(1) Parent company and major corporate shareholders

Not applicable

(2) Subsidiaries and affiliates

Attribute	Name of company	Ownership ratio of voting rights	Relationship	Transactions	Transaction amount (Millions of yen)	Account	Balance at end of year (Millions of yen)
Subsidiary	NEXON Korea Corporation	Holding Direct 100%	License for publishing developed game titles Concurrent position of directors	Purchase (Note 1)	695	Accounts payable-trade	140
Subsidiary	NEXON America Inc.	Holding Direct 100%	Concurrent position of directors	Loans made (Note 2)	5,020	Long-term loans receivable from subsidiaries and affiliates (Note 3)	16,631
Subsidiary	NEXON M Inc.	Holding Direct 100%	Concurrent position of directors	Loans made (Note 2)	700	Long-term loans receivable from subsidiaries and affiliates (Note 3)	7,123
Subsidiary	gloops, Inc.	Holding Direct 100%	Concurrent position of directors	Loans made (Note 2)	1,835	Long-term loans receivable from subsidiaries and affiliates (Note 3)	1,835
Subsidiary	NEXON Europe GmbH	Holding Direct 100%	Concurrent position of directors	—	—	Long-term loans receivable from subsidiaries and affiliates (Note 3)	810
Subsidiary	Rushmo America, Inc.	Holding Direct 100%	—	Collection of loans	28	Long-term loans receivable from subsidiaries and affiliates (Note 3)	735

(3) Companies, etc. with the same parent company and other related companies' subsidiaries, etc.

Not applicable.

(4) Officers and major individual shareholders, etc.

Attribute	Name of company or individual	Ownership ratio of voting rights	Relationship	Transactions	Transaction amount (Millions of yen)	Account	Balance at end of year (Millions of yen)
Officer	Shiro Uemura	0.00%	Representative Director and Chief Financial Officer of NEXON Co., Ltd.	Exercise of stock option (Note 4)	51	—	—
Officer	Jiwon Park	0.01%	Director	Exercise of stock option (Note 4)	205	—	—
Officer	Satoshi Honda	—	External Director	Exercise of stock option (Note 4)	11	—	—
Officer	Shiro Kuniya	—	External Director	Exercise of stock option (Note 4)	20	—	—

Terms and conditions and its determination policies

(Note 1) Purchase relates to royalty, and transaction terms are determined in consideration of general transaction terms prevailing in the PC online game market.

(Note 2) For loans receivable, transaction terms are determined based on funding costs in Japan in consideration of market rates.

(Note 3) Provision for allowance for doubtful account of ¥6,485 million and allowance for doubtful account of ¥26,890 million are recognized with respect to loans made to and interest receivable from the above subsidiaries during the current fiscal year.

(Note 4) Referring to subscription rights to shares as 2012 Stock Option and 2014 Stock Option exercised during the current fiscal year.

7. Notes to per share information

Net assets per share	¥93.64
Net loss per share	¥25.51

8. Notes to material subsequent events

Stock split

The Company resolved to execute a stock split at the Board of Directors meeting held on February 8, 2018. As details are described in 7. Notes to material subsequent events in Notes to Consolidated Financial Statements, only the impact on per-share information is disclosed below.

Impact on per-share information

Per-share information on the assumption that the stock split was executed at the beginning of the current fiscal year is as follows:

(i) Net assets per share	¥46.82
(ii) Net loss per share	¥12.75