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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

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FORM 6-K

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REPORT OF FOREIGN PRIVATE ISSUER  
PURSUANT TO RULE 13a-16 OR 15d-16 OF THE  
SECURITIES EXCHANGE ACT OF 1934

For the month of May 2025

Commission File Number: 000-30666

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**NETEASE, INC.**

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NetEase Building, No. 599 Wangshang Road  
Binjiang District, Hangzhou, 310052  
People's Republic of China  
(Address of principal executive offices)

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Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.

Form 20-F  Form 40-F

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**Exhibit**

[Exhibit 99.1 - NetEase Announces First Quarter 2025 Unaudited Financial Results](#)

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**SIGNATURE**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

NETEASE, INC.

By: /s/ William Lei Ding

Name: William Lei Ding

Title: Chief Executive Officer

Date: May 15, 2025

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**Contact for Media and Investors:**

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Tel: (+86) 571-8985-3378

**NetEase Announces First Quarter 2025 Unaudited Financial Results**

Hangzhou, China, May 15, 2025 - NetEase, Inc. (NASDAQ: NTES and HKEX: 9999, “NetEase” or the “Company”), a leading internet and game services provider, today announced its unaudited financial results for the first quarter ended March 31, 2025.

**First Quarter 2025 Financial Highlights**

- Net revenues were RMB28.8 billion (US\$4.0 billion), an increase of 7.4% compared with the same quarter of 2024.
- Games and related value-added services net revenues were RMB24.0 billion (US\$3.3 billion), an increase of 12.1% compared with the same quarter of 2024.
- Youdao net revenues were RMB1.3 billion (US\$178.9 million), a decrease of 6.7% compared with the same quarter of 2024.
- NetEase Cloud Music net revenues were RMB1.9 billion (US\$256.1 million), a decrease of 8.4% compared with the same quarter of 2024.
- Innovative businesses and others net revenues were RMB1.6 billion (US\$223.8 million), a decrease of 17.6% compared with the same quarter of 2024.
- Gross profit was RMB18.5 billion (US\$2.5 billion), an increase of 8.6% compared with the same quarter of 2024.
- Total operating expenses were RMB8.0 billion (US\$1.1 billion), a decrease of 14.4% compared with the same quarter of 2024.
- Net income attributable to the Company’s shareholders was RMB10.3 billion (US\$1.4 billion). Non-GAAP net income attributable to the Company’s shareholders was RMB11.2 billion (US\$1.5 billion).<sup>[1]</sup>
- Basic net income per share was US\$0.45 (US\$2.24 per ADS). Non-GAAP basic net income per share was US\$0.49 (US\$2.44 per ADS).<sup>[1]</sup>

<sup>[1]</sup> As used in this announcement, non-GAAP net income attributable to the Company’s shareholders and non-GAAP basic and diluted net income per share and per ADS are defined to exclude share-based compensation expenses. See the unaudited reconciliation of GAAP and non-GAAP results at the end of this announcement.

## First Quarter 2025 and Recent Operational Highlights

- Success of recently released titles drove increased traction in the global game market and further diversified our portfolio across genres.
  - *Marvel Rivals* topped Steam’s global top sellers chart shortly after its Season 2 update in April 2025.
  - *Where Winds Meet* has maintained strong popularity since its December 2024 launch, surpassing 30 million registered players as of March 2025.
  - *FragPunk*’s March 2025 launch ignited player enthusiasm, ranking No. 6 on Steam’s global top sellers chart and amassing over 110,000 peak concurrent players in three days.
  - *Once Human* mobile game quickly claimed the No.1 position on the iOS download charts in more than 160 regions upon its April 2025 launch, garnering significant global attention.
- Blizzard titles sustained robust momentum, with *World of Warcraft* and *Hearthstone* engaging local communities through customized regional events in China. Additionally, the return of *Overwatch* pushed its regional peak concurrent players in China to a new record high. With technical testing initiated on April 16, 2025, *Diablo 3* is also on track for its return to China.
- Increased the popularity of established titles through targeted events and crossover synergies, including *Fantasy Westward Journey Online* and mobile game, *Infinite Borders*, *Identity V*, *Eggy Party*, *Naraka: Bladepoint* franchises and *Justice* franchises, highlighting NetEase’s strength in long-term game operations.
- Strengthened global game pipeline with multiple new titles under development, including *MARVEL Mystic Mayhem*, *Destiny: Rising* and *Ananta*.
- Youdao remained committed to technology-driven innovation and profitability enhancement, achieving record-high first-quarter operating profit, maintaining the profitability momentum in previous quarters.

“We entered 2025 with solid momentum, fueled by our ongoing innovation and new titles that strengthen our reach across genres and resonate with players around the world,” said Mr. William Ding, Chief Executive Officer and Director of NetEase. “In addition to the strong performance of our latest games, our long-standing franchises continue to thrive, powered by outstanding content updates and continuous gameplay enhancements that bring fresh takes to player experiences. As we reimagine new gaming possibilities, we remain rooted in innovation and long-term operations, partnering with top talent and strategic collaborators to deliver engaging experiences to players everywhere.

“Alongside our games, Youdao and our other businesses continued their healthy development in the first quarter, driven by the same commitment to high-quality, technology-driven innovation. We remain focused on deepening engagement and creating lasting value by finding ways to connect, entertain and serve our users both domestically and worldwide,” Mr. Ding concluded.

## **First Quarter 2025 Financial Results**

### Net Revenues

Net revenues for the first quarter of 2025 were RMB28.8 billion (US\$4.0 billion), compared with RMB26.7 billion and RMB26.9 billion for the preceding quarter and the same quarter of 2024, respectively.

Net revenues from games and related value-added services were RMB24.0 billion (US\$3.3 billion) for the first quarter of 2025, compared with RMB21.2 billion and RMB21.5 billion for the preceding quarter and the same quarter of 2024, respectively. Net revenues from the operation of online games accounted for approximately 97.5% of the segment’s net revenues for the first quarter of 2025, compared with 96.7% and 95.2% for the preceding quarter and the same quarter of 2024, respectively. The quarter-over-quarter increase was primarily due to increased online games net revenues, such as *Identity V* and certain newly launched titles including *Where Winds Meet* and *Marvel Rivals*. The year-over-year increase was primarily due to increased net revenues from *Identity V*, several newly launched titles, as well as certain licensed games.

Net revenues from Youdao were RMB1.3 billion (US\$178.9 million) for the first quarter of 2025, compared with RMB1.3 billion and RMB1.4 billion for the preceding quarter and the same quarter of 2024, respectively. The year-over-year decrease was primarily due to a decrease in net revenues from its learning services as it continued to prioritize core services with strong long-term potential.

Net revenues from NetEase Cloud Music were RMB1.9 billion (US\$256.1 million) for the first quarter of 2025, compared with RMB1.9 billion and RMB2.0 billion for the preceding quarter and the same quarter of 2024, respectively. The year-over-year decrease was primarily due to decreased net revenues from its social entertainment services.

Net revenues from innovative businesses and others were RMB1.6 billion (US\$223.8 million) for the first quarter of 2025, compared with RMB2.3 billion and RMB2.0 billion for the preceding quarter and the same quarter of 2024, respectively. The quarter-over-quarter and year-over-year decreases were primarily due to decreased net revenues from Yanxuan, advertising services and certain other businesses in this segment.

### Gross Profit

Gross profit for the first quarter of 2025 was RMB18.5 billion (US\$2.5 billion), compared with RMB16.3 billion and RMB17.0 billion for the preceding quarter and the same quarter of 2024, respectively. The quarter-over-quarter and year-over-year increases were primarily due to increased net revenues from online games as mentioned above.

### Operating Expenses

Total operating expenses for the first quarter of 2025 were RMB8.0 billion (US\$1.1 billion), compared with RMB8.5 billion and RMB9.4 billion for the preceding quarter and the same quarter of 2024, respectively. The quarter-over-quarter decrease was mainly due to decreased research and development investments related to games and related value-added services and marketing expenditures related to innovative businesses and others. The year-over-year decrease was mainly due to decreased marketing expenditures related to games and related value-added services.

### Other Income/(Expenses)

Other income/(expenses) consisted of investment income/(loss), interest income, net exchange gains and others. The quarter-over-quarter decrease was mainly due to decreased net exchange gains. The year-over-year increase was mainly due to lower investment impairment provisions incurred in the first quarter of 2025.

### Income Tax

The Company recorded a net income tax charge of RMB1.9 billion (US\$262.5 million) for the first quarter of 2025, compared with RMB1.4 billion and RMB1.5 billion for the preceding quarter and the same quarter of 2024, respectively. The effective tax rate for the first quarter of 2025 was 15.3%, compared with 13.4% and 16.0% for the preceding quarter and the same quarter of 2024, respectively. The effective tax rate represents certain estimates by the Company as to the tax obligations and benefits applicable to it in each quarter.

### Net Income and Non-GAAP Net Income

Net income attributable to the Company's shareholders totaled RMB10.3 billion (US\$1.4 billion) for the first quarter of 2025, compared with RMB8.8 billion and RMB7.6 billion for the preceding quarter and the same quarter of 2024, respectively.

Basic net income was US\$0.45 per share (US\$2.24 per ADS) for the first quarter of 2025, compared with US\$0.38 per share (US\$1.90 per ADS) and US\$0.33 per share (US\$1.64 per ADS) for the preceding quarter and the same quarter of 2024, respectively.

Non-GAAP net income attributable to the Company's shareholders totaled RMB11.2 billion (US\$1.5 billion) for the first quarter of 2025, compared with RMB9.7 billion and RMB8.5 billion for the preceding quarter and the same quarter of 2024, respectively.

Non-GAAP basic net income was US\$0.49 per share (US\$2.44 per ADS) for the first quarter of 2025, compared with US\$0.42 per share (US\$2.10 per ADS) and US\$0.37 per share (US\$1.83 per ADS) for the preceding quarter and the same quarter of 2024, respectively.

#### **Other Financial Information**

As of March 31, 2025, the Company's net cash (total cash and cash equivalents, current and non-current time deposits and restricted cash, as well as short-term investments balance, minus short-term and long-term loans) totaled RMB137.0 billion (US\$18.9 billion), compared with RMB131.5 billion as of December 31, 2024. Net cash provided by operating activities was RMB12.1 billion (US\$1.7 billion) for the first quarter of 2025, compared with RMB13.0 billion and RMB9.6 billion for the preceding quarter and the first quarter of 2024, respectively.

#### **Quarterly Dividend**

The board of directors approved a dividend of US\$0.1350 per share (US\$0.6750 per ADS) for the first quarter of 2025 to holders of ordinary shares and holders of ADSs as of the close of business on May 30, 2025, Beijing/Hong Kong Time and New York Time, respectively, payable in U.S. dollars. For holders of ordinary shares, in order to qualify for the dividend, all valid documents for the transfer of shares accompanied by the relevant share certificates must be lodged for registration with the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17<sup>th</sup> Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, no later than 4:30 p.m. on May 30, 2025 (Beijing/Hong Kong Time). The payment date is expected to be June 10, 2025, for holders of ordinary shares and on or around June 13, 2025, for holders of ADSs.

NetEase paid a dividend of US\$0.24405 per share (US\$1.22025 per ADS) for the fourth quarter of 2024 in March 2025.

Under the Company's current dividend policy, the determination to make dividend distributions and the amount of such distribution in any particular quarter will be made at the discretion of its board of directors and will be based upon the Company's operations and earnings, cash flow, financial condition and other relevant factors.

#### **Share Repurchase Program**

On November 17, 2022, the Company announced that its board of directors had approved a share repurchase program of up to US\$5.0 billion of the Company's ADSs and ordinary shares in open market transactions. This share repurchase program commenced on January 10, 2023 and will be in effect for a period not to exceed 36 months from such date. As of March 31, 2025, approximately 21.6 million ADSs had been repurchased under this program for a total cost of US\$1.9 billion.

The extent to which NetEase repurchases its ADSs and its ordinary shares depends upon a variety of factors, including market conditions. These programs may be suspended or discontinued at any time.

\*\* The United States dollar (US\$) amounts disclosed in this announcement are presented solely for the convenience of the reader. The percentages stated are calculated based on RMB.

### **Conference Call**

NetEase's management team will host a teleconference call with a simultaneous webcast at 8:00 a.m. New York Time on Thursday, May 15, 2025 (Beijing/Hong Kong Time: 8:00 p.m., Thursday, May 15, 2025). NetEase's management will be on the call to discuss the quarterly results and answer questions.

Interested parties may participate in the conference call by dialing 1-914-202-3258 and providing conference ID: 10046898, 15 minutes prior to the initiation of the call. A replay of the call will be available by dialing 1-855-883-1031 and entering PIN: 10046898. The replay will be available through May 22, 2025.

This call will be webcast live and the replay will be available for 12 months. Both will be available on NetEase's Investor Relations website at <http://ir.netease.com/>.

### **About NetEase, Inc.**

NetEase, Inc. (NASDAQ: NTES and HKEX: 9999, "NetEase") is a leading internet and game services provider centered around premium content. With extensive offerings across its expanding gaming ecosystem, the Company develops and operates some of the most popular and longest running mobile and PC games available in China and globally.

Powered by one of the largest in-house game R&D teams focused on mobile, PC and console, NetEase creates superior gaming experiences, inspires players, and passionately delivers value for its thriving community worldwide. By infusing play with culture, and education with technology, NetEase transforms gaming into a meaningful vehicle to build a more entertaining and enlightened world.

Beyond games, NetEase service offerings include its majority-controlled subsidiaries *Youdao* (NYSE: DAO), an intelligent learning and advertising solutions provider, and *NetEase Cloud Music* (HKEX: 9899), a well-known online music platform featuring a vibrant content community, as well as *Yanxuan*, NetEase's private label consumer lifestyle brand.

For more information, please visit: <http://ir.netease.com/>.

## Forward Looking Statements

This announcement contains statements of a forward-looking nature. These statements are made under the “safe harbor” provisions of the U.S. Private Securities Litigation Reform Act of 1995. You can identify these forward-looking statements by terminology such as “will,” “expects,” “anticipates,” “future,” “intends,” “plans,” “believes,” “estimates” and similar expressions. In addition, statements that are not historical facts, including statements about NetEase’s strategies and business plans, its expectations regarding the growth of its business and its revenue and the quotations from management in this announcement are or contain forward-looking statements. NetEase may also make forward-looking statements in its periodic reports to the U.S. Securities and Exchange Commission (the “SEC”), in announcements made on the website of The Stock Exchange of Hong Kong Limited (the “Hong Kong Stock Exchange”), in press releases and other written materials and in oral statements made by its officers, directors or employees to third parties. The accuracy of these statements may be impacted by a number of business risks and uncertainties that could cause actual results to differ materially from those projected or anticipated, including risks related to: the risk that the online games market will not continue to grow or that NetEase will not be able to maintain its position in that market in China or globally; risks associated with NetEase’s business and operating strategies and its ability to implement such strategies; NetEase’s ability to develop and manage its operations and business; competition for, among other things, capital, technology and skilled personnel; potential changes in regulation environment in the markets where NetEase operates; the risk that NetEase may not be able to continuously develop new and creative online services or that NetEase will not be able to set, or follow in a timely manner, trends in the market; risks related to evolving economic cycles and geopolitical tensions, including the direct or indirect impacts of national trade, investment, protectionist, tax or other laws or policies as well as export controls and economic or trade sanctions; risks related to the expansion of NetEase’s businesses and operations internationally; risks associated with cybersecurity threats or incidents; and fluctuations in foreign currency exchange rates that could adversely affect NetEase’s business and financial results. Further information regarding these and other risks is included in NetEase’s filings with the SEC and announcements on the website of the Hong Kong Stock Exchange. NetEase does not undertake any obligation to update this forward-looking information, except as required under applicable law.

## **Non-GAAP Financial Measures**

NetEase considers and uses non-GAAP financial measures, such as non-GAAP net income attributable to the Company's shareholders and non-GAAP basic and diluted net income per ADS and per share, as supplemental metrics in reviewing and assessing its operating performance and formulating its business plan. The presentation of non-GAAP financial measures is not intended to be considered in isolation or as a substitute for the financial information prepared and presented in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

NetEase defines non-GAAP net income attributable to the Company's shareholders as net income attributable to the Company's shareholders excluding share-based compensation expenses. Non-GAAP net income attributable to the Company's shareholders enables NetEase's management to assess its operating results without considering the impact of share-based compensation expenses. NetEase believes that this non-GAAP financial measure provides useful information to investors in understanding and evaluating the Company's current operating performance and prospects in the same manner as management does, if they so choose. NetEase also believes that the use of this non-GAAP financial measure facilitates investors' assessment of its operating performance.

Non-GAAP financial measures are not defined under U.S. GAAP and are not presented in accordance with U.S. GAAP. Non-GAAP financial measures have limitations as analytical tools. One of the key limitations of using non-GAAP net income attributable to the Company's shareholders is that it does not reflect all items of expense/ income that affect our operations. Share-based compensation expenses have been and may continue to be incurred in NetEase's business and are not reflected in the presentation of non-GAAP net income attributable to the Company's shareholders. In addition, the non-GAAP financial measures NetEase uses may differ from the non-GAAP measures used by other companies, including peer companies, and therefore their comparability may be limited.

NetEase compensates for these limitations by reconciling non-GAAP net income attributable to the Company's shareholders to the nearest U.S. GAAP performance measure, all of which should be considered when evaluating the Company's performance. See the unaudited reconciliation of GAAP and non-GAAP results at the end of this announcement. NetEase encourages you to review its financial information in its entirety and not rely on a single financial measure.

**NETEASE, INC.**  
**UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS**  
(in thousands)

|  | <b>December 31,</b><br><b>2024</b> | <b>March 31,</b><br><b>2025</b> | <b>March 31,</b><br><b>2025</b> |
|--|------------------------------------|---------------------------------|---------------------------------|
|  | RMB                                | RMB                             | USD (Note 1)                    |
| <b>Assets</b>  |                                    |                                 |                                 |
| Current assets:  |                                    |                                 |                                 |
| Cash and cash equivalents  | 51,383,310                         | 41,748,614                      | 5,753,113                       |
| Time deposits  | 75,441,355                         | 81,008,298                      | 11,163,242                      |
| Restricted cash  | 3,086,405                          | 3,641,643                       | 501,832                         |
| Accounts receivable, net   | 5,669,027                          | 6,742,202                       | 929,100                         |
| Inventories  | 571,548                            | 517,787                         | 71,353                          |
| Prepayments and other current assets, net  | 6,416,868                          | 6,654,459                       | 917,009                         |
| Short-term investments   | 10,756,143                         | 17,357,707                      | 2,391,956                       |
| Total current assets   | <u>153,324,656</u>                 | <u>157,670,710</u>              | <u>21,727,605</u>               |
| Non-current assets:  |                                    |                                 |                                 |
| Property, equipment and software, net  | 8,520,101                          | 8,454,460                       | 1,165,056                       |
| Land use rights, net   | 4,172,465                          | 4,140,969                       | 570,641                         |
| Deferred tax assets  | 1,113,435                          | 1,283,673                       | 176,895                         |
| Time deposits  | 3,025,000                          | 3,025,000                       | 416,856                         |
| Restricted cash  | 5,208                              | 5,226                           | 720                             |
| Other long-term assets   | 25,830,685                         | 26,278,094                      | 3,621,218                       |
| Total non-current assets   | <u>42,666,894</u>                  | <u>43,187,422</u>               | <u>5,951,386</u>                |
| Total assets   | <u>195,991,550</u>                 | <u>200,858,132</u>              | <u>27,678,991</u>               |
| <b>Liabilities, Redeemable Noncontrolling Interests and Shareholders' Equity</b> |                                    |                                 |                                 |
| Current liabilities:   |                                    |                                 |                                 |
| Accounts payable   | 720,549                            | 565,140                         | 77,878                          |
| Salary and welfare payables  | 4,683,009                          | 2,614,923                       | 360,346                         |
| Taxes payable  | 2,759,185                          | 4,557,696                       | 628,067                         |
| Short-term loans   | 11,805,051                         | 9,824,016                       | 1,353,786                       |
| Contract liabilities   | 15,299,222                         | 17,748,602                      | 2,445,823                       |
| Accrued liabilities and other payables   | 14,400,641                         | 13,827,806                      | 1,905,523                       |
| Total current liabilities  | <u>49,667,657</u>                  | <u>49,138,183</u>               | <u>6,771,423</u>                |
| Non-current liabilities:   |                                    |                                 |                                 |
| Deferred tax liabilities   | 2,173,117                          | 2,671,570                       | 368,152                         |
| Long-term loans  | 427,997                            | -                               | -                               |
| Other long-term liabilities  | 1,228,641                          | 1,179,135                       | 162,489                         |
| Total non-current liabilities  | <u>3,829,755</u>                   | <u>3,850,705</u>                | <u>530,641</u>                  |
| Total liabilities  | <u>53,497,412</u>                  | <u>52,988,888</u>               | <u>7,302,064</u>                |
| Redeemable noncontrolling interests  | 84,272                             | 86,005                          | 11,852                          |
| NetEase, Inc.'s shareholders' equity   | 138,685,606                        | 143,834,194                     | 19,820,882                      |
| Noncontrolling interests   | 3,724,260                          | 3,949,045                       | 544,193                         |
| Total equity   | <u>142,409,866</u>                 | <u>147,783,239</u>              | <u>20,365,075</u>               |
| Total liabilities, redeemable noncontrolling interests and shareholders' equity  | <u>195,991,550</u>                 | <u>200,858,132</u>              | <u>27,678,991</u>               |

The accompanying notes are an integral part of this announcement.

NETEASE, INC.  
**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF INCOME**  
(in thousands, except per share data or per ADS data)

|  | <b>Three Months Ended</b> |                              |                           |                           |
|--|---------------------------|------------------------------|---------------------------|---------------------------|
|  | <b>March 31,<br/>2024</b> | <b>December 31,<br/>2024</b> | <b>March 31,<br/>2025</b> | <b>March 31,<br/>2025</b> |
|  | RMB                       | RMB                          | RMB                       | USD (Note 1)              |
| <b>Net revenues</b>  | 26,851,741                | 26,747,811                   | 28,828,545                | 3,972,680                 |
| <b>Cost of revenues</b>  | (9,835,821)               | (10,475,470)                 | (10,349,139)              | (1,426,149)               |
| <b>Gross profit</b>  | <u>17,015,920</u>         | <u>16,272,341</u>            | <u>18,479,406</u>         | <u>2,546,531</u>          |
| <b>Operating expenses:</b>   |                           |                              |                           |                           |
| Selling and marketing expenses   | (4,022,204)               | (2,818,645)                  | (2,695,597)               | (371,463)                 |
| General and administrative expenses  | (1,196,475)               | (1,162,381)                  | (956,337)                 | (131,787)                 |
| Research and development expenses  | (4,174,758)               | (4,469,868)                  | (4,386,313)               | (604,450)                 |
| Total operating expenses   | <u>(9,393,437)</u>        | <u>(8,450,894)</u>           | <u>(8,038,247)</u>        | <u>(1,107,700)</u>        |
| <b>Operating profit</b>  | <u>7,622,483</u>          | <u>7,821,447</u>             | <u>10,441,159</u>         | <u>1,438,831</u>          |
| <b>Other income/(expenses):</b>  |                           |                              |                           |                           |
| Investment income/(loss), net  | 179,291                   | (506,077)                    | 692,751                   | 95,464                    |
| Interest income, net   | 1,277,597                 | 1,174,333                    | 1,060,886                 | 146,194                   |
| Exchange gains, net  | 15,011                    | 1,535,312                    | 1,803                     | 248                       |
| Other, net   | 193,888                   | 278,952                      | 255,315                   | 35,183                    |
| <b>Income before tax</b>   | <u>9,288,270</u>          | <u>10,303,967</u>            | <u>12,451,914</u>         | <u>1,715,920</u>          |
| Income tax   | (1,485,910)               | (1,385,014)                  | (1,905,143)               | (262,536)                 |
| <b>Net income</b>  | <u>7,802,360</u>          | <u>8,918,953</u>             | <u>10,546,771</u>         | <u>1,453,384</u>          |
| Accretion of redeemable noncontrolling interests   | (958)                     | (1,039)                      | (1,049)                   | (145)                     |
| Net income attributable to noncontrolling interests and redeemable noncontrolling interests  | <u>(167,456)</u>          | <u>(151,435)</u>             | <u>(244,565)</u>          | <u>(33,702)</u>           |
| <b>Net income attributable to the Company's shareholders</b>                                 | <u><u>7,633,946</u></u>   | <u><u>8,766,479</u></u>      | <u><u>10,301,157</u></u>  | <u><u>1,419,537</u></u>   |
| <b>Net income per share *</b>  |                           |                              |                           |                           |
| Basic  | 2.38                      | 2.76                         | 3.25                      | 0.45                      |
| Diluted  | 2.35                      | 2.73                         | 3.21                      | 0.44                      |
| <b>Net income per ADS *</b>  |                           |                              |                           |                           |
| Basic  | 11.88                     | 13.81                        | 16.23                     | 2.24                      |
| Diluted  | 11.75                     | 13.67                        | 16.06                     | 2.21                      |
| <b>Weighted average number of ordinary shares used in calculating net income per share *</b> |                           |                              |                           |                           |
| Basic  | 3,211,665                 | 3,174,113                    | 3,173,899                 | 3,173,899                 |
| Diluted  | 3,249,452                 | 3,206,100                    | 3,206,362                 | 3,206,362                 |

\* Each ADS represents five ordinary shares.  
The accompanying notes are an integral part of this announcement.

**NETEASE, INC.**  
**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**(in thousands)**

|  | <b>Three Months Ended</b> |                              |                           |                           |
|--|---------------------------|------------------------------|---------------------------|---------------------------|
|  | <b>March 31,<br/>2024</b> | <b>December 31,<br/>2024</b> | <b>March 31,<br/>2025</b> | <b>March 31,<br/>2025</b> |
|  | RMB                       | RMB                          | RMB                       | USD (Note 1)              |
| <b>Cash flows from operating activities:</b>   |                           |                              |                           |                           |
| Net income   | 7,802,360                 | 8,918,953                    | 10,546,771                | 1,453,384                 |
| Adjustments to reconcile net income to net cash provided by operating activities:                                |                           |                              |                           |                           |
| Depreciation and amortization  | 567,923                   | 697,447                      | 480,761                   | 66,251                    |
| Fair value changes of equity security and other investments  | (368,258)                 | 358,852                      | (558,499)                 | (76,963)                  |
| Impairment losses on investments   | 128,417                   | 422,801                      | 89,071                    | 12,274                    |
| Fair value changes of short-term investments   | (60,810)                  | (241,431)                    | (201,609)                 | (27,782)                  |
| Share-based compensation cost  | 894,300                   | 931,444                      | 951,872                   | 131,170                   |
| Allowance for expected credit losses   | 11,600                    | 12,031                       | 16,771                    | 2,311                     |
| Losses/(gains) on disposal of property, equipment and software   | 2,132                     | (3,644)                      | 20,293                    | 2,797                     |
| Unrealized exchange gains  | (17,509)                  | (1,542,986)                  | (28,453)                  | (3,921)                   |
| (Gains)/losses on disposal of long-term investments, business and subsidiaries                                   | (13,487)                  | 232                          | 11,675                    | 1,609                     |
| Deferred income taxes  | 485,054                   | 404,109                      | 328,272                   | 45,237                    |
| Share of results on equity method investees and revaluation results from previously held equity interest         | 164,271                   | (19,437)                     | (18,668)                  | (2,572)                   |
| Changes in operating assets and liabilities:   |                           |                              |                           |                           |
| Accounts receivable  | (1,358,711)               | 517,850                      | (1,088,960)               | (150,063)                 |
| Inventories  | 91,378                    | 42,135                       | 53,773                    | 7,410                     |
| Prepayments and other assets   | 326,140                   | (432,196)                    | (295,178)                 | (40,676)                  |
| Accounts payable   | (7,001)                   | 218,689                      | (148,076)                 | (20,405)                  |
| Salary and welfare payables  | (2,178,608)               | 1,759,382                    | (2,085,111)               | (287,336)                 |
| Taxes payable  | 1,271,822                 | 154,651                      | 1,796,123                 | 247,512                   |
| Contract liabilities   | 1,574,086                 | (209,626)                    | 2,526,198                 | 348,119                   |
| Accrued liabilities and other payables   | 242,070                   | 1,022,944                    | (290,374)                 | (40,015)                  |
| Net cash provided by operating activities  | <u>9,557,169</u>          | <u>13,012,200</u>            | <u>12,106,652</u>         | <u>1,668,341</u>          |
| <b>Cash flows from investing activities:</b>   |                           |                              |                           |                           |
| Purchase of property, equipment and software   | (415,018)                 | (311,982)                    | (454,071)                 | (62,573)                  |
| Proceeds from sale of property, equipment and software   | 3,506                     | 9,295                        | 1,336                     | 184                       |
| Purchase of intangible assets, content and licensed copyrights   | (188,821)                 | (120,387)                    | (298,771)                 | (41,172)                  |
| Net changes of short-term investments with terms of three months or less   | 2,401,649                 | 3,798,989                    | (6,138,556)               | (845,916)                 |
| Purchase of short-term investments with terms over three months  | -                         | (4,560,000)                  | (2,970,000)               | (409,277)                 |
| Proceeds from maturities of short-term investments with terms over three months                                  | -                         | 2,853,778                    | 2,708,601                 | 373,255                   |
| Investment in long-term investments and acquisition of subsidiaries  | (481,804)                 | (201,686)                    | (90,966)                  | (12,535)                  |
| Proceeds from disposal of long-term investments, businesses, subsidiaries and other financial instruments        | 85,456                    | 355,142                      | 77,428                    | 10,670                    |
| Placement/rollover of matured time deposits  | (34,558,836)              | (21,691,769)                 | (49,601,807)              | (6,835,312)               |
| Proceeds from maturities of time deposits  | 46,048,382                | 40,570,700                   | 43,926,482                | 6,053,231                 |
| Change in other long-term assets   | (34,625)                  | (73,553)                     | (678)                     | (93)                      |
| Net cash provided by/(used in) investing activities  | <u>12,859,889</u>         | <u>20,628,527</u>            | <u>(12,841,002)</u>       | <u>(1,769,538)</u>        |
| <b>Cash flows from financing activities:</b>   |                           |                              |                           |                           |
| Net changes from loans with terms of three months or less  | (399,726)                 | 606,092                      | (2,254,415)               | (310,667)                 |
| Proceeds of loans with terms over three months   | 6,998,250                 | 457,000                      | 2,747,550                 | 378,623                   |
| Payment of loans with terms over three months  | (957,000)                 | -                            | (2,935,677)               | (404,547)                 |
| Net amounts received related to capital contribution from or repurchase of noncontrolling interests shareholders | 42,214                    | 51,614                       | 42,517                    | 5,859                     |
| Cash paid for repurchase of NetEase's ADSs/purchase of subsidiaries' ADSs and shares                             | (1,233,780)               | (1,595,093)                  | (303,601)                 | (41,837)                  |
| Dividends paid to NetEase's shareholders   | (4,945,016)               | (1,982,595)                  | (5,584,532)               | (769,569)                 |
| Net cash used in by financing activities   | <u>(495,058)</u>          | <u>(2,462,982)</u>           | <u>(8,288,158)</u>        | <u>(1,142,138)</u>        |
| Effect of exchange rate changes on cash, cash equivalents and restricted cash held in foreign currencies         |                           |                              |                           |                           |
|  | (43,138)                  | 113,792                      | (56,932)                  | (7,845)                   |
| Net increase/(decrease) in cash, cash equivalents and restricted cash  | 21,878,862                | 31,291,537                   | (9,079,440)               | (1,251,180)               |
| <b>Cash, cash equivalents and restricted cash, at the beginning of the period</b>                                | <u>24,206,658</u>         | <u>23,183,386</u>            | <u>54,474,923</u>         | <u>7,506,845</u>          |
| <b>Cash, cash equivalents and restricted cash, at end of the period</b>  | <u>46,085,520</u>         | <u>54,474,923</u>            | <u>45,395,483</u>         | <u>6,255,665</u>          |
| <b>Supplemental disclosures of cash flow information:</b>  |                           |                              |                           |                           |
| Cash paid for income taxes, net  | 1,182,711                 | 603,514                      | 1,206,555                 | 166,268                   |
| Cash paid for interest expenses  | 146,455                   | 24,343                       | 97,424                    | 13,425                    |

The accompanying notes are an integral part of this announcement.

**NETEASE, INC.**  
**UNAUDITED SEGMENT INFORMATION**  
(in thousands)

|  | <b>Three Months Ended</b> |                              |                           |                           |
|--|---------------------------|------------------------------|---------------------------|---------------------------|
|  | <b>March 31,<br/>2024</b> | <b>December 31,<br/>2024</b> | <b>March 31,<br/>2025</b> | <b>March 31,<br/>2025</b> |
|  | RMB                       | RMB                          | RMB                       | USD (Note 1)              |
| <b>Net revenues:</b>                   |                           |                              |                           |                           |
| Games and related value-added services | 21,460,378                | 21,242,410                   | 24,048,007                | 3,313,904                 |
| Youdao                                 | 1,391,859                 | 1,339,798                    | 1,298,262                 | 178,905                   |
| NetEase Cloud Music                    | 2,029,541                 | 1,880,490                    | 1,858,388                 | 256,093                   |
| Innovative businesses and others       | 1,969,963                 | 2,285,113                    | 1,623,888                 | 223,778                   |
| <b>Total net revenues</b>              | <b>26,851,741</b>         | <b>26,747,811</b>            | <b>28,828,545</b>         | <b>3,972,680</b>          |
| <b>Cost of revenues:</b>               |                           |                              |                           |                           |
| Games and related value-added services | (6,555,311)               | (7,075,562)                  | (7,495,262)               | (1,032,875)               |
| Youdao                                 | (710,356)                 | (699,045)                    | (684,035)                 | (94,263)                  |
| NetEase Cloud Music                    | (1,259,006)               | (1,279,951)                  | (1,175,777)               | (162,026)                 |
| Innovative businesses and others       | (1,311,148)               | (1,420,912)                  | (994,065)                 | (136,985)                 |
| <b>Total cost of revenues</b>          | <b>(9,835,821)</b>        | <b>(10,475,470)</b>          | <b>(10,349,139)</b>       | <b>(1,426,149)</b>        |
| <b>Gross profit:</b>                   |                           |                              |                           |                           |
| Games and related value-added services | 14,905,067                | 14,166,848                   | 16,552,745                | 2,281,029                 |
| Youdao                                 | 681,503                   | 640,753                      | 614,227                   | 84,642                    |
| NetEase Cloud Music                    | 770,535                   | 600,539                      | 682,611                   | 94,067                    |
| Innovative businesses and others       | 658,815                   | 864,201                      | 629,823                   | 86,793                    |
| <b>Total gross profit</b>              | <b>17,015,920</b>         | <b>16,272,341</b>            | <b>18,479,406</b>         | <b>2,546,531</b>          |

The accompanying notes are an integral part of this announcement.

## NOTES TO UNAUDITED FINANCIAL INFORMATION

Note 1: The conversion of Renminbi (RMB) into United States dollars (USD) is based on the noon buying rate of USD1.00 = RMB7.2567 on the last trading day of March 2025 (March 31, 2025) as set forth in the H.10 statistical release of the U.S. Federal Reserve Board. No representation is made that the RMB amounts could have been, or could be, converted into US\$ at that rate on March 31, 2025, or at any other certain date.

Note 2: Share-based compensation cost reported in the Company's unaudited condensed consolidated statements of comprehensive income is set out as follows in RMB and USD (in thousands):

|  | Three Months Ended |              |           |              |
|--|--------------------|--------------|-----------|--------------|
|  | March 31,          | December 31, | March 31, | March 31,    |
|  | 2024               | 2024         | 2025      | 2025         |
|  | RMB                | RMB          | RMB       | USD (Note 1) |
| Share-based compensation cost included in: |                    |              |           |              |
| Cost of revenues                           | 254,935            | 304,687      | 233,711   | 32,206       |
| Operating expenses                         |                    |              |           |              |
| Selling and marketing expenses             | 17,869             | 7,435        | 32,578    | 4,489        |
| General and administrative expenses        | 289,636            | 246,424      | 261,259   | 36,002       |
| Research and development expenses          | 331,860            | 372,898      | 424,324   | 58,473       |

The accompanying notes are an integral part of this announcement.

Note 3: The financial information prepared and presented in this announcement might be different from those published and to be published by NetEase's listed subsidiary to meet the disclosure requirements under different accounting standards requirements.

Note 4: The unaudited reconciliation of GAAP and non-GAAP results is set out as follows in RMB and USD (in thousands, except per share data or per ADS data):

|  | Three Months Ended |                  |                   |                  |
|--|--------------------|------------------|-------------------|------------------|
|  | March 31,          | December 31,     | March 31,         | March 31,        |
|  | 2024               | 2024             | 2025              | 2025             |
|  | RMB                | RMB              | RMB               | USD (Note 1)     |
| Net income attributable to the Company's shareholders          | 7,633,946          | 8,766,479        | 10,301,157        | 1,419,537        |
| Add: Share-based compensation                                  | 876,898            | 915,489          | 935,570           | 128,925          |
| Non-GAAP net income attributable to the Company's shareholders | <u>8,510,844</u>   | <u>9,681,968</u> | <u>11,236,727</u> | <u>1,548,462</u> |
| <b>Non-GAAP net income per share *</b>                         |                    |                  |                   |                  |
| Basic  | 2.65               | 3.05             | 3.54              | 0.49             |
| Diluted  | 2.62               | 3.02             | 3.50              | 0.48             |
| <b>Non-GAAP net income per ADS *</b>                           |                    |                  |                   |                  |
| Basic  | 13.25              | 15.25            | 17.70             | 2.44             |
| Diluted  | 13.10              | 15.09            | 17.51             | 2.41             |

\* Each ADS represents five ordinary shares.

The accompanying notes are an integral part of this announcement.