網易 NETEASE

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NetEase Announces Third Quarter 2026 Unaudited Financial Results

Hong Kong, China, November 19, 2026 - 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 third quarter ended September 30, 2026.

Third Quarter 2026 Financial Highlights

- Net revenues were RMB27.9 billion (US$4.2 billion), a decrease of 1.8% compared with the same quarter of 2025.
  - Games and related value-added services net revenues were RMB22.9 billion (US$3.4 billion), a decrease of 1.7% compared with the same quarter of 2025.
  - Youdao net revenues were RMB1.4 billion (US$213.1 million), a decrease of 12.3% compared with the same quarter of 2025.
  - NetEase Cloud Music net revenues were RMB1.9 billion (US$290.3 million), a slight decrease of 0.9% compared with the same quarter of 2025.
  - Innovative businesses and others net revenues were RMB1.5 billion (US$229.7 million), an increase of 7.1% compared with the same quarter of 2025.
- Gross profit was RMB19.0 billion (US$2.8 billion), an increase of 4.8% compared with the same quarter of 2025.
- Total operating expenses were RMB9.6 billion (US$1.4 billion), a decrease of 5.4% compared with the same quarter of 2025.
- Net income attributable to the Company's shareholders was RMB8.4 billion (US$1.3 billion). Non-GAAP net income attributable to the Company's shareholders was RMB9.2 billion (US$1.4 billion).[1]
- Basic net income per share was US$0.39 (US$1.96 per ADS). Non-GAAP basic net income per share was US$0.43 (US$2.13 per ADS).[1]

[1] 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.

Third Quarter 2026 and Recent Operational Highlights

- Sustained engagement across established titles, underscoring the lasting appeal of our gaming portfolio. The *Fantasy Westward Journey* franchise, *Identity V*, *Eggy Party*, *Sword of Justice* and *Where Winds Meet* continued to captivate diverse player communities through content updates, gameplay innovation and crossover collaborations.

- Strengthened our global appeal through differentiated gaming experiences and continued content innovation. *Marvel Rivals* deepened engagement with players worldwide through new features and fresh content, while *Where Winds Meet* surpassed 100 million players globally in August 2026, highlighting our growing capabilities in game development and live operations for the global market.

- Advanced our diverse pipeline of games spanning more genres, gameplay experiences and themes. We progressed development and launch preparations for *Ananta*, which is currently scheduled for a multiplatform global launch on January 15, 2027. We also began rolling out player tests for several other titles in development.

"In the third quarter, we remained committed to delivering thoughtfully crafted game content and nurturing lasting player communities through fresh and compelling experiences," said Mr. William Ding, Chief Executive Officer and Director of NetEase. "While we continue to evolve our established titles with content and gameplay mechanics that appeal to a broader range of players, we are also steadily advancing our titles in development across genres, platforms and markets.

"Looking ahead, we remain focused on bringing together creative vision, technological innovation and strong execution to deliver games that stand the test of time. By continuing to strengthen our development and live operations capabilities, we aim to bring exceptional gaming experiences to vibrant player communities worldwide, creating long-term value for our partners and shareholders," Mr. Ding concluded.

Third Quarter 2026 Financial Results

Net Revenues

Net revenues for the third quarter of 2026 were RMB27.9 billion (US$4.2 billion), compared with RMB30.1 billion and RMB28.4 billion for the preceding quarter and the same quarter of 2025, respectively.

Net revenues from games and related value-added services were RMB22.9 billion (US$3.4 billion) for the third quarter of 2026, compared with RMB25.0 billion and RMB23.3 billion for the preceding quarter and the same quarter of 2025, respectively. Net revenues from the operation of online games accounted for approximately 97.5% of the segment's net revenues for the third quarter of 2026, compared with 97.7% and 97.6% for the preceding quarter and the same quarter of 2025, respectively. The quarter-over-quarter decrease was primarily due to lower net revenues from certain self-developed games.

Net revenues from Youdao were RMB1.4 billion (US$213.1 million) for the third quarter of 2026, compared with RMB1.5 billion and RMB1.6 billion for the preceding quarter and the same quarter of 2025, respectively. The year-over-year decrease was mainly due to decreased net revenues from its smart devices and online marketing services.

Net revenues from NetEase Cloud Music were RMB1.9 billion (US$290.3 million) for the third quarter of 2026, compared with RMB2.0 billion each for the preceding quarter and the same quarter of 2025.

Net revenues from innovative businesses and others were RMB1.5 billion (US$229.7 million) for the third quarter of 2026, compared with RMB1.6 billion and RMB1.4 billion for the preceding quarter and the same quarter of 2025, respectively.

Cost of Revenues

Cost of revenues for the third quarter of 2026 was RMB8.8 billion (US$1.3 billion), compared with RMB8.9 billion and RMB10.2 billion for the preceding quarter and the same quarter of 2025, respectively. The year-over-year decrease was mainly due to lower revenue-sharing costs.

Gross Profit

Gross profit for the third quarter of 2026 was RMB19.0 billion (US$2.8 billion), compared with RMB21.2 billion and RMB18.2 billion for the preceding quarter and the same quarter of 2025, respectively.

Operating Expenses

Total operating expenses for the third quarter of 2026 were RMB9.6 billion (US$1.4 billion), compared with RMB9.1 billion and RMB10.2 billion for the preceding quarter and the same quarter of 2025, respectively. The quarter-over-quarter increase was primarily due to increased marketing expenses. The year-over-year decrease was primarily due to decreased marketing expenses and general and administrative expenses.

Other Income/(Expenses)

Other income/(expenses) consisted of investment income/(loss), interest income, net exchange gains/(losses) and others. The quarter-over-quarter and year-over-year fluctuations in other income/(expenses) were mainly due to fair value changes of listed equity securities.

Income Tax

The Company recorded a net income tax charge of RMB1.9 billion (US$275.9 million) for the third quarter of 2026, compared with RMB2.5 billion and RMB1.3 billion for the preceding quarter and the same quarter of 2025, respectively. The effective tax rate for the third quarter of 2026 was 17.8%, compared with 25.5% and 13.0% for the preceding quarter and the same quarter of 2025, 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 RMB8.4 billion (US$1.3 billion) for the third quarter of 2026, compared with RMB7.0 billion and RMB8.6 billion for the preceding quarter and the same quarter of 2025, respectively.

Basic net income was US$0.39 per share (US$1.96 per ADS) for the third quarter of 2026, compared with US$0.33 per share (US$1.63 per ADS) and US$0.40 per share (US$2.01 per ADS) for the preceding quarter and the same quarter of 2025, respectively.

Non-GAAP net income attributable to the Company's shareholders totaled RMB9.2 billion (US$1.4 billion) for the third quarter of 2026, compared with RMB7.7 billion and RMB9.5 billion for the preceding quarter and the same quarter of 2025, respectively.

Non-GAAP basic net income was US$0.43 per share (US$2.13 per ADS) for the third quarter of 2026, compared with US$0.36 per share (US$1.80 per ADS) and US$0.44 per share (US$2.22 per ADS) for the preceding quarter and the same quarter of 2025, respectively.

Other Financial Information

As of September 30, 2026, 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 loans) totaled RMB175.2 billion (US$26.1 billion), compared with RMB163.5 billion as of December 31, 2025. Net cash provided by operating activities was RMB10.5 billion (US$1.6 billion) for the third quarter of 2026, compared with RMB10.0 billion and RMB12.9 billion for the preceding quarter and the third quarter of 2025, respectively.

Quarterly Dividend

The board of directors approved a dividend of US$0.117 per share (US$0.585 per ADS) for the third quarter of 2026 to holders of ordinary shares and holders of ADSs as of the close of business on December 3, 2026, 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, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, no later than 4:30 p.m. on December 3, 2026 (Beijing/Hong Kong Time). The payment date is expected to be December 14, 2026 for holders of ordinary shares and on or around December 17, 2026, for holders of ADSs.

NetEase paid a dividend of US$0.096 per share (US$0.480 per ADS) for the second quarter of 2026 in September 2026.

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 20, 2025, the Company announced the extension of its previously approved share repurchase program of up to US$5.0 billion of the Company's ADSs and ordinary shares in open market purchases or other transactions for an additional 36 months until January 9, 2029. As of September 30, 2026, approximately 24.9 million ADSs had been repurchased under this program for a total cost of US$2.3 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 7:00 a.m. Eastern Time on Thursday, November 19, 2026 (Beijing/Hong Kong Time: 8:00 p.m., Thursday, November 19, 2026). 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: 10058096, 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: 10058096. The replay will be available through November 26, 2026.

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's 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 regulatory environment in the markets where NetEase operates, including policy or rule changes on taxation; 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)

	December 31, 2025	September 30, 2026	September 30, 2026
	RMB	RMB	USD (Note 1)
Assets			
Current assets:			
Cash and cash equivalents	47,167,904	14,333,233	2,137,853
Time deposits	92,639,378	100,906,832	15,050,613
Restricted cash	4,319,344	4,197,727	626,106
Accounts receivable, net	5,337,819	5,513,936	822,423
Inventories	689,183	496,657	74,078
Prepayments and other current assets, net	7,658,346	6,114,564	912,009
Short-term investments	22,803,503	67,398,463	10,052,720
Total current assets	180,615,477	198,961,412	29,675,802
Non-current assets:			
Property, equipment and software, net	8,425,327	8,042,340	1,199,544
Land use rights, net	4,047,355	3,950,226	589,190
Deferred tax assets	2,831,423	2,771,580	413,391
Time deposits	2,995,000	260,000	38,780
Restricted cash	3,893	3,723	555
Other long-term assets	22,496,585	25,355,630	3,781,882
Total non-current assets	40,799,583	40,383,499	6,023,342
Total assets	221,415,060	239,344,911	35,699,144
Liabilities, Redeemable Noncontrolling Interests and Shareholders' Equity			
Current liabilities:			
Accounts payable	643,164	701,150	104,579
Salary and welfare payables	4,889,708	3,136,439	467,811
Taxes payable	3,874,143	4,458,494	665,000
Short-term loans	6,384,417	11,876,923	1,771,485
Contract liabilities	20,514,540	20,213,305	3,014,886
Accrued liabilities and other payables	16,062,984	15,433,013	2,301,890
Total current liabilities	52,368,956	55,819,324	8,325,651
Non-current liabilities:			
Deferred tax liabilities	2,637,258	4,017,523	599,228
Other long-term liabilities	1,304,837	1,321,111	197,048
Total non-current liabilities	3,942,095	5,338,634	796,276
Total liabilities	56,311,051	61,157,958	9,121,927
Redeemable noncontrolling interests	91,319	96,715	14,425
NetEase, Inc.'s shareholders' equity	160,296,119	173,598,286	25,892,801
Noncontrolling interests	4,716,571	4,491,952	669,991
Total equity	165,012,690	178,090,238	26,562,792
Total liabilities, redeemable noncontrolling interests and shareholders' equity	221,415,060	239,344,911	35,699,144

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)

	Three Months Ended				Nine Months Ended		
	September 30, 2025	June 30, 2026	September 30, 2026	September 30, 2026	September 30, 2025	September 30, 2026	September 30, 2026
	RMB	RMB	RMB	USD (Note 1)	RMB	RMB	USD (Note 1)
Net revenues	28,358,625	30,106,546	27,852,400	4,154,284	85,078,834	88,550,227	13,207,581
Cost of revenues	(10,181,020)	(8,889,221)	(8,807,375)	(1,313,651)	(30,369,341)	(27,070,805)	(4,037,707)
Gross profit	18,177,605	21,217,325	19,045,025	2,840,633	54,709,493	61,479,422	9,169,874
Operating expenses:							
Selling and marketing expenses	(4,457,675)	(3,678,809)	(4,090,659)	(610,136)	(10,731,446)	(11,210,953)	(1,672,153)
General and administrative expenses	(1,164,573)	(805,268)	(832,311)	(124,142)	(3,177,488)	(2,274,176)	(339,201)
Research and development expenses	(4,541,891)	(4,643,910)	(4,694,212)	(700,158)	(13,284,850)	(13,820,279)	(2,061,344)
Total operating expenses	(10,164,139)	(9,127,987)	(9,617,182)	(1,434,436)	(27,193,784)	(27,305,408)	(4,072,698)
Operating profit	8,013,466	12,089,338	9,427,843	1,406,197	27,515,709	34,174,014	5,097,176
Other income/(expenses):							
Investment income/(loss), net	1,379,402	(2,953,671)	320,000	47,729	2,400,597	(2,628,199)	(392,005)
Interest income, net	936,706	863,201	907,085	135,295	2,951,082	2,660,553	396,831
Exchange losses, net	(373,812)	(436,492)	(280,914)	(41,899)	(257,972)	(1,339,514)	(199,793)
Other, net	153,198	62,858	11,217	1,673	600,680	513,053	76,524
Income before tax	10,108,960	9,625,234	10,385,231	1,548,995	33,210,096	33,379,907	4,978,733
Income tax	(1,316,356)	(2,458,674)	(1,850,000)	(275,934)	(4,782,256)	(6,832,512)	(1,019,093)
Net income	8,792,604	7,166,560	8,535,231	1,273,061	28,427,840	26,547,395	3,959,640
Accretion of redeemable noncontrolling interests	(1,044)	(1,087)	(1,075)	(160)	(3,144)	(3,266)	(487)
Net income attributable to noncontrolling interests	(175,883)	(184,817)	(131,933)	(19,678)	(906,852)	(487,144)	(72,659)
Net income attributable to the Company's shareholders	8,615,677	6,980,656	8,402,223	1,253,223	27,517,844	26,056,985	3,886,494
Net income per share *							
Basic	2.70	2.18	2.62	0.39	8.64	8.14	1.21
Diluted	2.67	2.17	2.61	0.39	8.55	8.08	1.21
Net income per ADS *							
Basic	13.50	10.90	13.12	1.96	43.20	40.70	6.07
Diluted	13.36	10.83	13.03	1.94	42.77	40.40	6.03
Weighted average number of ordinary shares used in calculating net income per share *							
Basic	3,191,231	3,203,046	3,201,386	3,201,386	3,184,651	3,200,864	3,200,864
Diluted	3,223,497	3,221,637	3,224,224	3,224,224	3,214,910	3,224,407	3,224,407

* 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)

	Three Months Ended				Nine Months Ended		
	September 30, 2025	June 30, 2026	September 30, 2026	September 30, 2026	September 30, 2025	September 30, 2026	September 30, 2026
	RMB	RMB	RMB	USD (Note 1)	RMB	RMB	USD (Note 1)
Cash flows from operating activities:							
Net income	8,792,604	7,166,560	8,535,231	1,273,061	28,427,840	26,547,395	3,959,640
Adjustments to reconcile net income to net cash provided by operating activities:							
Depreciation and amortization	617,872	439,439	394,720	58,874	1,527,060	1,264,742	188,641
Fair value changes of equity security, other investments and financial instruments	(1,965,526)	2,023,477	(190,712)	(28,445)	(2,468,310)	2,950,482	440,075
Impairment losses on investments and other long-term assets	1,616,146	1,281,917	269,011	40,124	1,866,680	1,895,799	282,765
Share-based compensation cost	902,201	781,656	778,331	116,090	2,800,468	2,176,167	324,584
Allowance for expected credit losses	180,085	1,309	8,896	1,327	350,035	16,924	2,524
Losses/(gains) on disposal of property, equipment and software	404	(13,983)	755	113	(10,223)	(13,793)	(2,057)
Unrealized exchange losses	368,559	487,982	323,799	48,296	174,444	1,455,723	217,126
(Gains)/losses on disposal of long-term investments, subsidiaries and other financial instruments	(38,072)	5,550	(12,897)	(1,924)	(167,475)	(1,078,789)	(160,906)
Deferred income taxes	(933,553)	693,742	216,553	32,300	(1,459,045)	1,442,552	215,162
Share of results on equity method investees	1,389,265	96,645	42,282	6,307	1,384,076	581,502	86,733
Fair value changes of short-term investments	(278,636)	(372,234)	(382,258)	(57,015)	(824,849)	(1,139,887)	(170,018)
Changes in operating assets and liabilities:							
Accounts receivable	(194,823)	726,762	210,162	31,346	(330,488)	(251,913)	(37,574)
Inventories	(45,582)	34,048	15,112	2,254	(65,753)	192,259	28,676
Prepayments and other assets	(889,519)	(16,816)	(775,783)	(115,711)	(601,213)	(676,447)	(100,894)
Accounts payable	16,042	(105,340)	27,042	4,033	(12,390)	56,147	8,374
Salary and welfare payables	(566,362)	1,107,729	(643,690)	(96,009)	(1,730,811)	(1,789,520)	(266,913)
Taxes payable	517,353	(2,038,642)	741,871	110,653	1,549,104	598,553	89,276
Contract liabilities	2,579,424	(2,511,144)	923,705	137,774	4,386,903	(202,994)	(30,277)
Accrued liabilities and other payables	880,072	184,272	59,714	8,906	1,120,416	222,942	33,252
Net cash provided by operating activities	12,947,954	9,972,929	10,541,844	1,572,354	35,916,469	34,247,844	5,108,189
Cash flows from investing activities:							
Purchase of property, equipment and software	(283,645)	(18,785)	(175,278)	(26,143)	(927,558)	(506,211)	(75,503)
Proceeds from sale of property, equipment and software	1,261	14,539	1,475	220	24,096	17,687	2,638
Purchase of content, licensed copyrights and other intangible assets	(190,983)	(61,554)	(13,999)	(2,088)	(803,103)	(365,572)	(54,526)
Net changes of short-term investments with terms of three months or less	(1,111,376)	(1,594,496)	(4,926,331)	(734,780)	(6,473,504)	(22,287,135)	(3,324,206)
Purchase of short-term investments with terms over three months and debt securities	(7,270,000)	(12,851,707)	(19,798,006)	(2,952,943)	(16,040,000)	(38,534,713)	(5,747,590)
Proceeds from maturities of short-term investments with terms over three months	1,426,005	3,515,814	7,635,472	1,138,858	9,880,060	16,012,769	2,388,361
Investment in long-term investments	(95,169)	(3,494,624)	(84,645)	(12,625)	(2,927,776)	(6,783,664)	(1,011,808)
Proceeds from disposal of long-term investments, subsidiaries and other financial instruments	1,554,537	50,733	643,624	95,998	2,416,820	2,048,304	305,511
Placement/rollover of matured time deposits	(49,326,969)	(50,216,128)	(32,890,611)	(4,905,751)	(126,909,381)	(113,714,872)	(16,960,977)
Proceeds from maturities of time deposits	30,600,384	30,056,765	33,052,752	4,929,935	108,144,376	105,128,386	15,680,272
Change in other long-term assets	75,342	(58,891)	(123)	(18)	47,297	6,895	1,028
Net cash used in investing activities	(24,620,613)	(34,658,334)	(16,555,670)	(2,469,337)	(33,568,673)	(58,978,126)	(8,796,800)
Cash flows from financing activities:							
Net changes from loans with terms of three months or less	536,886	420,940	(2,769,480)	(413,078)	300,041	(1,166,157)	(173,936)
Proceeds of loans with terms over three months	1,481,550	1,326,090	3,720,142	554,872	5,460,100	11,180,752	1,667,649
Payment of loans with terms over three months	(5,879,605)	-	(1,590,280)	(237,196)	(10,620,012)	(4,211,180)	(628,112)
Dividends paid to NetEase's shareholders	(2,583,740)	(3,138,873)	(2,086,044)	(311,141)	(11,250,394)	(10,381,237)	(1,548,398)
Net amounts received/(paid) related to capital contribution from or repurchase of noncontrolling interests shareholders	18,072	4,874	5,287	789	102,989	(13,257)	(1,977)
Net amount received/(paid) related to repurchase of NetEase's ADSs/purchase of subsidiaries' shares	35,227	(1,795,596)	25,282	3,771	(623,937)	(3,084,317)	(460,037)
Net cash used in financing activities	(6,391,610)	(3,182,565)	(2,695,093)	(401,983)	(16,631,213)	(7,675,396)	(1,144,811)
Effect of exchange rate changes on cash, cash equivalents and restricted cash held in foreign currencies	(117,878)	(187,753)	(22,198)	(3,311)	(206,559)	(550,780)	(82,151)
Net decrease in cash, cash equivalents and restricted cash	(18,182,147)	(28,055,723)	(8,731,117)	(1,302,277)	(14,489,976)	(32,956,458)	(4,915,573)
Cash, cash equivalents and restricted cash, at the beginning of the period	58,167,094	55,321,523	27,265,800	4,066,791	54,474,923	51,491,141	7,680,087
Cash, cash equivalents and restricted cash, at the end of the period	39,984,947	27,265,800	18,534,683	2,764,514	39,984,947	18,534,683	2,764,514
Supplemental disclosures of cash flow information:							
Cash paid for income taxes, net	1,967,228	2,487,225	1,027,701	153,285	5,358,339	4,979,576	742,721
Cash paid for interest expenses	207,879	25,374	43,590	6,502	369,669	147,290	21,969

The accompanying notes are an integral part of this announcement.

NETEASE, INC.
UNAUDITED SEGMENT INFORMATION
(in thousands)

	Three Months Ended				Nine Months Ended		
	September 30, 2025	June 30, 2026	September 30, 2026	September 30, 2026	September 30, 2025	September 30, 2026	September 30, 2026
	RMB	RMB	RMB	USD (Note 1)	RMB	RMB	USD (Note 1)
Net revenues:							
Games and related value-added services	23,327,508	25,022,788	22,937,367	3,421,190	70,181,974	73,673,130	10,988,609
Youdao	1,628,524	1,466,861	1,428,803	213,111	4,344,327	4,243,686	632,961
NetEase Cloud Music	1,964,063	1,977,472	1,946,001	290,253	5,791,180	5,904,707	880,708
Innovative businesses and others	1,438,530	1,639,425	1,540,229	229,730	4,761,353	4,728,704	705,303
Total net revenues	28,358,625	30,106,546	27,852,400	4,154,284	85,078,834	88,550,227	13,207,581
Cost of revenues:							
Games and related value-added services	(7,151,130)	(5,973,965)	(5,884,092)	(877,633)	(21,438,632)	(18,340,488)	(2,735,549)
Youdao	(940,661)	(749,986)	(806,100)	(120,233)	(2,432,877)	(2,301,815)	(343,324)
NetEase Cloud Music	(1,269,289)	(1,237,231)	(1,248,028)	(186,148)	(3,703,921)	(3,732,325)	(556,690)
Innovative businesses and others	(819,940)	(928,039)	(869,155)	(129,637)	(2,793,911)	(2,696,177)	(402,144)
Total cost of revenues	(10,181,020)	(8,889,221)	(8,807,375)	(1,313,651)	(30,369,341)	(27,070,805)	(4,037,707)
Gross profit:							
Games and related value-added services	16,176,378	19,048,823	17,053,275	2,543,557	48,743,342	55,332,642	8,253,060
Youdao	687,863	716,875	622,703	92,878	1,911,450	1,941,871	289,637
NetEase Cloud Music	694,774	740,241	697,973	104,105	2,087,259	2,172,382	324,018
Innovative businesses and others	618,590	711,386	671,074	100,093	1,967,442	2,032,527	303,159
Total gross profit	18,177,605	21,217,325	19,045,025	2,840,633	54,709,493	61,479,422	9,169,874

The accompanying notes are an integral part of this announcement.

NETEASE, INC.

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 = RMB 6.7045 on the last trading day of September 2026 (September 30, 2026) 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 September 30, 2026, 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				Nine Months Ended		
	September 30, 2025	June 30, 2026	September 30, 2026	September 30, 2026	September 30, 2025	September 30, 2026	September 30, 2026
	RMB	RMB	RMB	USD (Note 1)	RMB	RMB	USD (Note 1)
Share-based compensation cost included in:							
Cost of revenues	267,472	241,560	243,024	36,248	792,509	753,920	112,450
Operating expenses	634,729	540,096	535,307	79,842	2,007,959	1,422,247	212,134

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 that 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				Nine Months Ended		
	September 30, 2025	June 30, 2026	September 30, 2026	September 30, 2026	September 30, 2025	September 30, 2026	September 30, 2026
	RMB	RMB	RMB	USD (Note 1)	RMB	RMB	USD (Note 1)
Net income attributable to the Company's shareholders	8,615,677	6,980,656	8,402,223	1,253,223	27,517,844	26,056,985	3,886,494
Add: Share-based compensation	886,380	766,058	761,346	113,557	2,752,871	2,128,122	317,417
Non-GAAP net income attributable to the Company's shareholders	9,502,057	7,746,714	9,163,569	1,366,780	30,270,715	28,185,107	4,203,911
Non-GAAP net income per share *							
Basic	2.98	2.42	2.86	0.43	9.51	8.81	1.31
Diluted	2.95	2.40	2.84	0.42	9.41	8.74	1.30
Non-GAAP net income per ADS *							
Basic	14.89	12.09	14.31	2.13	47.53	44.03	6.57
Diluted	14.73	12.02	14.21	2.12	47.05	43.70	6.52

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