



September 3, 2024

NEXON Co., Ltd.

<https://www.nexon.co.jp/en/>

(Stock Code: 3659, TSE Prime Market)

## **Nexon Announces Growth Strategy at Capital Markets Briefing 2024**

*Introduces IP Growth Initiative for Expansion of  
Established Franchises and All-New Games*

*Aspires to Increase Revenue and Operating Income to ¥750 Billion and ¥250 Billion  
Respectively by 2027*

*Over 33% of Prior-Year Operating Income to be Returned to Shareholders,  
Plus Double the Semi-Annual Dividend in 2H 2024*

*Minimum ROE Target of 10% with Potential to Grow to 15%*

**TOKYO – September 3, 2024** – NEXON Co., Ltd. (Nexon) (3659.TO), a global leader in online games, announced a mid-term growth strategy with financial targets and a new shareholder return policy. The announcements were made by Nexon President and CEO Junghun Lee and CFO Shiro Uemura at the company's Capital Markets Briefing in Shibuya, Tokyo on September 3.

"Nexon's highly advanced Live Game Operations capability has provided steady, if non-linear growth for the past thirty years," said Junghun Lee, President and CEO of Nexon. "With this as a foundation, we are centralizing our organizational structure around an IP Growth Initiative which can snowball growth within our established IP and develop new blockbusters."

"Today's briefing is designed to help our investors understand how Nexon aspires to grow our annual revenue to ¥750 billion and operating income to ¥250 billion by 2027," said Shiro Uemura, CFO of Nexon. "We have established a new shareholder return policy of returning over 33% of operating income<sup>1</sup> from prior year and doubling the semi-annual dividend in 2H 2024. In addition, we have set a minimum ROE target of 10% with the potential to grow as high as 15%."

### **IP Growth Initiative**

Nexon's new, IP Growth Initiative is a strategy for creating vertical growth by revitalizing and extending established blockbusters such as *Dungeon&Fighter* and *MapleStory* with new content, on new platforms, and in new markets. The strategy includes hyperlocalization, a concept that recognizes the cultural differences between markets and deploys teams customize content to match the unique player preferences in each region.

Additionally, horizontal growth initiatives will focus on developing new blockbusters from other Nexon games and franchises like *Mabinogi*, plus new games in development such as *ARC Raiders*.

**Financial Targets 2023-2027:**

- Nexon's growth plan aspires to grow annual revenue at a CAGR<sup>2</sup> of 15% from ¥423 billion in 2023 to ¥750 billion by 2027 with a minimum of double-digit annual revenue growth.
- The plan is expected to grow Nexon's operating income from ¥135 billion in 2023 to ¥250 billion by 2027, representing a CAGR<sup>2</sup> of 17%.
- Three major franchises – *Dungeon&Fighter*, *MapleStory*, and *FC* – are expected to deliver a collective CAGR<sup>2</sup> of 15% and grow aggregate revenues from ¥301 billion in 2023 to ¥530 billion by 2027.
- The target revenue for the rest of Nexon's portfolio, including new games in development, is ¥220 billion in 2027.

**New Shareholder Return Policy**

- Nexon established a new policy of returning over 33% of operating income<sup>1</sup> from the prior year to shareholders to be deployed with dividends and share buybacks. This includes the ¥70 billion balance of the three-year ¥100 billion share repurchase policy announced in February 2024.
- Additionally, the Board of Directors authorized doubling the semi-annual dividend of ¥7.5 to ¥15 in 2H 2024.
- Nexon also set a minimum ROE target of 10% with the potential to grow as high as 15%.

**New Game Demos**

The investor briefing included demos of three new games that reflect company's IP Growth Initiative:

***The First Berserker: Khazan***

To highlight vertical extensions on established IP, Myeonjin Yun, the CEO of Nexon's NEOPLE, presented *The First Berserker: Khazan*, a multi-platform game which is designed to introduce Nexon's *Dungeon&Fighter* franchise to global players. The game will hold a closed beta test in October and is scheduled for release in early 2025.

***MapleStory Universe***

To further illustrate extensions on established IP, Angela Son, the Head of Business Development and Partnerships for *MapleStory Universe*, showed new games and features which integrate blockchain technology to recognize player engagement in the franchise.

***ARC Raiders***

To highlight the potential of all-new IP, Sven Grundberg Director of Communications and Brand at Nexon's Embark Studios, presented an update on a *ARC Raiders*, a PvPvE game, which is scheduled for release in 2025.

This press release is prepared to offer reference information about Nexon to investors and is intended to generally provide investors and analysts with financial and operational information about Nexon, but not to solicit or recommend any sale or purchase of stock or other securities of Nexon.



**About NEXON Co., Ltd.** <https://www.nexon.co.jp/en/>

Founded in 1994, NEXON Co., Ltd. (Nexon) (3659.TO) is a company engaged in the production, development and operation of online games. First listed on the Tokyo Stock Exchange in December 2011, Nexon was placed on JPX400 in 2015 and added to the Nikkei Stock Index 300 in 2017. In 2020, Nexon was added to the Nikkei 225. Nexon currently has more than 45 live games in more than 190 countries on PC, console, and mobile. Major game franchises include *MapleStory*, *KartRider* and *Dungeon&Fighter*. In 2021, Nexon completed the acquisition of Embark Studios AB, a company based in Stockholm, Sweden, developing multiple projects for global release.

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<sup>1</sup> Excluding one-off expenses such as impairment loss

<sup>2</sup> Compound Annual Growth Rate