



November 9, 2023

NEXON Co., Ltd.

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

(Stock Code: 3659, TSE Prime Market)

## Nexon Releases Earnings for Third Quarter 2023

*Record-Breaking Q3 Revenue and Operating Income;  
Sixth-Straight Quarter of Double-Digit YoY Revenue Growth*

*Embark Studios' THE FINALS Ready for Release This Year*

*Junghun Lee Nominated to Succeed Owen Mahoney as CEO in March 2024*

**TOKYO – November 9, 2023** – NEXON Co., Ltd. (Nexon) (3659.TO), a global leader in Virtual Worlds, today announced financial results for its third quarter ended on September 30, 2023.

“Nexon is tracking to finish the year with seven consecutive quarters of double-digit revenue growth,” said Owen Mahoney, President and CEO of Nexon. “And following an incredibly popular and successful open-beta test, *THE FINALS* is ready to launch this year – the first in an exciting line up of new titles in development that include *ARC Raiders* and *The First Descendant*, as well as Embark’s new creative platform. For our investors, this translates to an asymmetric upside opportunity with existing franchises delivering steady revenue and new releases offering potential for step-function growth.

“Today we also announced that after an enormously gratifying decade as Nexon’s CEO, I will be stepping down in March – a decision that has been in the works for some time. Following a transition period and a vote at our Annual Shareholders Meeting in March, company veteran Junghun Lee will begin a new generation of leadership as Nexon’s CEO.”

### Recent Highlights Include:

- In Q3, Nexon achieved record-breaking third-quarter revenue and operating income.
- Group revenue was ¥120.3 billion, up 23% year over year on an as-reported basis and up 17% year over year on a constant-currency<sup>1</sup> basis, which exceeded our outlook.
- Q3 performance was driven by the growth of *MapleStory* and *FC MOBILE*<sup>2</sup> in Korea, and *Blue Archive* in multiple markets, as well as newly released games including: *Wars of Prasia*, *DAVE THE DIVER*, and in China, *MapleStory: The Legends of Maple*<sup>3</sup>.
- Operating income was up 47% year over year, which exceeded our outlook at ¥46.3 billion.
- Net income<sup>4,5</sup> of ¥35.2 billion exceeded our outlook, driven by strong performance in operating income and an FX gain of ¥6.0 billion, but decreased 15% year over year when Nexon recorded a ¥26.4 billion FX gain in Q3 2022.
- In Korea, quarterly results driven by *MapleStory* and *FC ONLINE*<sup>6</sup> delivered record-breaking quarterly revenue of ¥75.9 billion – up 21% year over year, and exceeding our outlook.



- Also in Korea, *MapleStory* achieved record-breaking quarterly revenue. MAUs, paying users, and ARPPU all increased year over year driven by the successful major update in July and the a well-received event held in September. Newly rebranded *FC ONLINE*<sup>6</sup> built on momentum from last year's World Cup with MAUs and paying users increasing year over year. *FC MOBILE*<sup>2</sup> also maintained its momentum with record-setting quarterly revenue.
- In China, revenue was within our outlook, increasing 22% year over year, driven by new titles including *MapleStory: The Legends of Maple*<sup>3</sup> and *Blue Archive*. *Dungeon&Fighter*'s revenue in China was within the range of our outlook, decreasing slightly year over year. While packaged sales of digital items increased year over year, sales of individual items decreased as Nexon ramped up award incentives to attract players.
- Also in China, *MapleStory: The Legends of Maple*<sup>3</sup> (a localized version of *MapleStoryM*), was introduced in August and acquired a fan base which exceeded our expectations. *Blue Archive* also made its China debut in August.
- In Japan, revenue increased by 12% year over year driven by the growth of *Blue Archive*. In October, *Blue Archive* achieved the #1 sales ranking on the Apple App Store driven by a recent content update.
- In North America and Europe, Q3 revenue increased by 78% year over year, primarily driven by *MapleStory* and multiple mobile games, as well as contribution from *DAVE THE DIVER*.
- Rest-of-World<sup>7</sup> revenue increased by 17% year over year, driven by the growth of *Blue Archive* and contributions from *HIT2* and *DAVE THE DIVER*.
- *DAVE THE DIVER* debuted on Nintendo Switch<sup>8</sup> in October and appeared among #3 on Nintendo's best-sellers ranking in Japan, Korea, Hong Kong, Germany, and Australia, plus as #4 in the U.S.
- Another new title from Nexon – *The First Descendant* – completed an open-beta test on PC and consoles in September. Feedback from players was very positive and the game ranked in the top 8 most-played games on Steam. *The First Descendant* is scheduled to launch in 2024.
- Embark Studios' *THE FINALS* completed a highly successful open-beta test on November 7. More than 7.5 million players downloaded the beta on PC, PlayStation 5 and Xbox Series X/S. Throughout much of the test, *THE FINALS* was among the top 4 or 5 most-played game on Steam and is now ranked as the #1 most wish-listed game on that platform.
- The second title from Embark Studios, *ARC Raiders*, has made rapid progress toward a targeted launch in 2024. Another Embark initiative is a creative platform that uses new technology and in-game tools that will fundamentally change how games are created and played.
- Nexon's Board of Directors authorized the repurchase of ¥30 billion yen worth of shares in a three-month period beginning November 10, under the ¥100 billion share repurchase plan announced in 2022. This represents a second acceleration of the original timeline. Based on this new authorization, the timeline on the original ¥100 billion, three-year share repurchase plan has been shortened to 1.5 years and is expected to conclude by February 16, 2024. To date, Nexon has repurchased ¥70 billion worth of shares.



- On November 9, Nexon's Board of Directors has unanimously nominated Junghun Lee to serve as the company's next Representative Director, President and CEO, effective following Nexon's Annual General Meeting of Shareholders in March 2024 and subsequent appointment by the board. Mr. Lee currently serves as CEO of Nexon Korea Corporation and on Nexon's Board of Directors.

#### **Fourth Quarter 2023 Outlook:**

- Expect revenue in the range of ¥87.9 to ¥96.2 billion, representing a 8% to 19% increase year over year on an as-reported basis and a 2% to 12% increase on a constant-currency basis<sup>1</sup>
- Expect operating income of ¥11.4 to ¥17.8 billion
- Expect net income<sup>4</sup> of ¥8.9 to ¥13.9 billion
- FX sensitivity<sup>9</sup>: Every one-Japanese yen move against the U.S. dollar would have the following impact on our financials for Q4 2023:
  - Revenue: ¥0.61 billion
  - Operating Income: ¥0.10 billion

#### **Conference Call (Japanese & English)**

Nexon management will host a conference call for investors, analysts and the media to discuss the company's financial results and outlook. The conference call will be held at 5:00 p.m. JST / 3:00 a.m. EST and will be simultaneously conducted in Japanese and English. It will consist of brief remarks made by the management team followed by a Q&A session. The Q&A session will be conducted with consecutive translations.

Time: November 9, 2023, at 5:00 p.m. JST / 3:00 a.m. EST

#### **Pre-registration Required**

Please register from the link below. Passcode and PIN code will be provided upon registration.

To register, please go to [Registration Page](#)

<https://eng-services.choruscallasia.com/DiamondPassRegistration/register?confirmationNumber=9413178&linkSecurityString=17a0e2e492>

(Please note that the link is accessible on Google Chrome, Mozilla Firefox, Microsoft Edge (Chromium) only.)

#### **Telephone Number**

+81-50-5824-9210(Japan), +1-646-661-3380(US),  
+44-20-3695-1891(UK), +852-580-87206(Hong Kong),  
+65-315-87696(Singapore), +82-23-483-3906(Korea)  
\*Passcode and PIN code will be required to join the call

If you have any questions, do not hesitate to contact at the e-mail address or telephone number



below:

E-mail : [customer\\_support\\_asia@choruscall.com](mailto:customer_support_asia@choruscall.com)

Phone: +(81)50-5824-9227

Weekdays 8:30 a.m. - 6:00 p.m. JST.

### **Audio Archive and Transcript**

An audio archive and a transcript will be available on Nexon's Investor Relations website at <https://ir.nexon.co.jp/en/> after the earnings conference call.

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://company.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 and Virtual Worlds. 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 50 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.

### **Contact Information**

NEXON Co., Ltd. Corporate Communications

[CorporatePR.Team@nexon.co.jp](mailto:CorporatePR.Team@nexon.co.jp)

---

<sup>1</sup> Constant currency is a non-GAAP measure used to show performance unaffected by fluctuations in foreign currency exchange rates. Constant-currency basis amounts are calculated using the average foreign currency exchange rates for the comparable period in the prior year and applied to the current period.

<sup>2</sup> Official title is *EA SPORTS FC™ MOBILE*.

<sup>3</sup> Localized version of *MapleStory M* in China.

<sup>4</sup> Net income refers to net income attributable to owners of the parent.

<sup>5</sup> As a result of finalizing the provisional accounting treatment for a certain investment where the equity method is applied, "Equity loss of affiliates, equity method companies" increased by 2.1 billion yen and "Net income" decreased by 2.1 billion yen in Q3 2022. There is no financial impact on the annual performance of 2022.

<sup>6</sup> Official title is *EA SPORTS FC™ ONLINE*.

<sup>7</sup> "Rest of World" includes other Asian countries as well as Central and South American countries.

<sup>8</sup> Nintendo Switch is a trademark of Nintendo.

<sup>9</sup> In most situations, the exchange rates of both the South Korean Won and the Chinese Yuan are linked to the U.S. dollar. For simplicity, forex sensitivity is calculated based on the assumption that Korean Won and Chinese Yuan move similarly against Japanese yen when there is an exchange rate movement in U.S. dollar and Japanese yen.