



November 9, 2022

NEXON Co., Ltd.

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

(Stock Code: 3659, TSE Prime Market)

## Nexon Releases Earnings for Third Quarter 2022

*Q3 Revenue Up 28% YoY Driven by MapleStory, FIFA ONLINE 4,  
Dungeon&Fighter Mobile and HIT2 in Korea*

*Q4 and Full-Year 2022 Tracking to Achieve  
Highest Annual Revenue in Nexon's 28-Year History*

**TOKYO – November 9, 2022** – NEXON Co., Ltd. (Nexon) (3659.TO), a global leader in Virtual Worlds, today announced financial results for its third quarter ended on September 30, 2022.

“In a global business environment that is best described as ugly, 2022 is shaping up to be a tremendous year for Nexon, and our confidence in 2023 is growing,” said Owen Mahoney, President and CEO of Nexon. “Our portfolio of established franchises is tracking to achieve the biggest full-year revenue in our 28-year history, and we have by far our best pipeline of new games for global distribution on multiple platforms.”

### Recent Highlights Include:

- In Q3, Nexon achieved record-breaking quarterly revenue. Group revenues were within the range of our outlook — ¥97.5 billion, up 28% year-over-year on an as-reported basis and up 16% on a constant currency basis<sup>1</sup>.
- Operating income was up 6% year-over-year to ¥31.5 billion and within our outlook.
- Net income<sup>2</sup> was up 14% year-over-year to ¥43.3 billion and exceeded our outlook. Results were driven by an operating income increase and a FX gain of ¥26.4 billion, partially offset by a tax expense increase.
- Q3 performance was driven by growth in major franchises including *MapleStory* and *FIFA ONLINE 4*<sup>3</sup> in Korea as well as new mobile titles including *Dungeon&Fighter Mobile* and *HIT2*.
- In Korea, Nexon achieved its highest quarterly revenues, up 56% on an as-reported basis and 43% on a constant currency basis<sup>1</sup>. *MapleStory* grew by 47% year-over-year and came close to reaching its highest Q3 revenue.
- Also in Korea, the combined PC and mobile revenue for *FIFA ONLINE 4*<sup>3</sup> was at the high end of our outlook. Its revenues grew significantly year-over-year and marked a quarterly record high for the third quarter in a row.
- *Dungeon&Fighter Mobile* continues to deliver consistent incremental revenue, but Q3 results were below our expectations.

- *HIT2*, which launched in August, is off to a strong start and exceeded our expectations driven by the success in attracting many core MMORPG players while also achieving a PC-like high retention rate.
- In China, revenues were slightly below our outlook and decreased 14% year-over-year. *Dungeon Fighter's* revenue decreased year-over-year as expected due to a tough comparison with the strong performance in Q3 2021.
- Revenues from Japan increased by 13% year-over-year driven by the growth of *Blue Archive* and a contribution from *CounterSide*.
- In North America and Europe, revenues increased by 10% year-over-year. *MapleStory* grew year-over-year and we benefited from new games while *MapleStory M* and *Choices: Stories You Play* decreased year-over-year.
- Revenues from the Rest of World<sup>4</sup> increased by 28% year-over-year driven by the growth in *MapleStory* and contributions from new games.
- Following a highly successful Alpha test of *THE FINALS* in September, Nexon's Embark Studios is planning a public beta test in the first quarter of 2023.
- *KartRider: Drift* – another promising game in development for global distribution on multiple platforms completed a successful Beta test and is now preparing for a launch in the first half of 2023.
- Nexon has a powerful far-reaching pipeline of new titles in development including:
  - *TalesWeaver: Second Run*, to be released on mobile in Japan in Q4
  - *KartRider: Drift* in 1H 2023. It will be available on PC, mobile and console
  - *THE FINALS* from Embark Studios on PC and console
  - *VEILED EXPERTS* from NEXON Games on PC
  - *ARC Raiders* from Embark Studios for PC and console
  - *Warhaven* from Nexon Korea on PC and console
  - *The First Descendant* from NEXON Games on PC and console
  - *MABINOGI MOBILE* from our devCAT Studio in Korea
- On November 9, Nexon's Board of Directors approved an execution of ¥50-billion share repurchase in the market from November 10, 2022 to April 19, 2023 under our ¥100-billion share repurchase policy Nexon announced on August 9, 2022. The remaining ¥50-billion share repurchase authorization will be completed by August 2025 at the latest, considering several factors including investment opportunities, financial and market conditions. The decision to repurchase shares reflects our strong belief in the long-term stability and growth of the company.

#### Fourth Quarter Outlook:

- Expect revenues in the range of ¥75.5 to ¥83.7 billion, up 39% to 54% year-over-year on an as reported basis, up 27% to 41% year-over-year on a constant currency basis<sup>1</sup>
- Expect operating income of ¥7.5 to ¥14.0 billion
- Expect net income<sup>2</sup> of ¥5.5 to ¥10.1 billion
- Forex sensitivity<sup>5</sup>: Every one Japanese yen move against the U.S. dollar would have the following impact on our financials for Q4 2022:
  - Revenues: ¥0.54 billion
  - Operating Income: ¥0.09 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. Q&A session will be conducted with consecutive translations.

Time: November 9, 2022 at 5:00 p.m. JST / 3:00 a.m. EST (planned)

### **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=5382316&linkSecurityString=bcd13d70c>

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

### **Telephone Number**

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\*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 45 live games on multiple platforms including mobile and available in more than 190 countries. 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**

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

<sup>3</sup> Official titles are *EA SPORTS™ FIFA ONLINE 4* (PC) and *EA SPORTS™ FIFA ONLINE 4 M* (mobile).

<sup>4</sup> "Rest of World" includes other Asian countries as well as Central and South American countries.

<sup>5</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 US. dollar and Japanese yen.