

NEXON Co., Ltd Full Fiscal Year 2023 Report

Overview

Research. July 9, 2024. All rights reserved by Data40 Ltd. Researcher: Data40.com

Goals and Objectives of the Research	2
Disclaimers	2
Document Markup	2
Conclusions	3
General Information	3
Members of the Board and Managers	4
Employees	5
Shareholders	6
Shareholders Structure	6
Shareholders Equities	7
Mergers, Acquisitions, and Subsidiaries	8
Company Strategy	9
Games	10
Genres of games	10
Gaming Structure	10
Famous games	11
TBA Games	13
Technology	13
Financial Statements for 2023 Fiscal Year Revenue Retrospective	14
Revenue Retrospective	14
Sales per Business	15
Sales per Products and Services	16
Sales per Region	17
Dividend Information	18
Balance Sheet	18
Income Statement	19
Cashflow Statement	19
Criticism	20
Analyst's Opinion	21
Summary	21
Sources List	22
META	23

Goals and Objectives of the Research

Research Objective: To study NEXON publicly available financial information, determine the company's development strategy, and compile an overview of its Annual Financial Reports.

Research Tasks:

- Find the company's comprehensive financial and corporate information;
- Analyze the gathered information;
- Draw conclusions based on the analyzed data.

Disclaimers

The information collected in this report reflects data from the company's public reports and is not questioned or verified via other sources. In other words, information from the company's public reports is taken and used as is.

If additional information from other sources is used or if the data used is reflective of the researcher's personal opinion, this will be labeled accordingly.

Document Markup

- FY - Financial Year;
- NEX - NEXON Co., Ltd;
- iDCC - i Digital Connect Co., Ltd;
- Q - Quarter;
- CAO - Chief Administrative Officer;
- This report uses the American number format: a period is used as the decimal separator, while commas separate thousands;
- Year-over-year (YoY) calculations of relative values were not performed in cases where last year's profit changed to a loss in the current year and vice versa within the scope of the current report;
- NEXON Co., Ltd Annual Report Period is from January 1, to December 31, 2023;
 - The specified financial year coincides with the calendar year.

Conclusions

General Information

Parameter	NEXON Co., Ltd
Website	nexon.com
Country (location)	Japan
Country (issuer)	Japan **
Year of foundation	1994 *
Founder	Kim Jung-ju
Sector	Information & Communication
Type	Public
Year of IPO	2011
Stock market	Tokyo Stock Exchange
Ticker	3659 **
Previous Annual Report from Data40	-
Previous Quarterly Report from Data40	-

*Note: In 1994, NXC Corporation was founded in Korea. In 2002 NXC Corporation established NEXON Co., Ltd. as its subsidiary in Japan.

**Note: To access the information on Tokyo Stock Exchange, enter the company name in the "Issue name (company name)" field and click "Search."

Members of the Board and Managers

Board of Directors ¹		
Name	Title	Since
Mitch Lasky	External Director	2023
Patrick Söderlund	Director	2019
Owen Mahoney	Director and Senior Advisor	2010
Shiro Kuniya	External Director	2012
Satoshi Honda	External Director	2012
Shiro Uemura	Representative Director and Chief Financial Officer	2011
Alexander Iosilevich	External Director	2022
JungHun Lee	Representative Director, President and Chief Executive Officer	2023

¹ [NEX Web, Leadership](#)

Executive Team ²		
Name	Title	Since
Shiro Uemura	Representative Director and Chief Financial Officer	2011
JungHun Lee	Representative Director, President and Chief Executive Officer	2023
Owen Mahoney	Director and Senior Advisor	2010

Employees^{3 4}

Parameter	Number of Employees
Number of Employees as of Dec 31, 2021	6,683
Number of Employees as of Dec 31, 2022	7,467
Number of Employees as of Dec 31, 2023	8,231

² [NEX Web, Leadership](#)

³ [NEX Q4 and FY21 Presentation, p.34](#)

⁴ [NEX Q4 and FY23 Presentation, p.32](#)

Shareholders

Shareholders Structure

Ownership Breakdown as of Jun 4, 2024 ⁵		
Owner Type	Number of Shares	Ownership Percentage, %
Private Companies	248,462,800	29.61
General Public	185,764,294	22.14
VC/PE Firms	167,186,400	19.92
Institutions	136,753,143	16.30
Sovereign Wealth Funds	82,226,400	9.80
Individual Insiders	18,728,385	2.23
Total Shares	839,121,422	100.00

Total Shares Outstanding - 857,453,260 (as of December 31, 2023).⁶

⁵ [Simplywall. NEX Ownership](#)

⁶ [NEX Consolidated FY23 Consolidated Financial Results](#)

Shareholders Equities

Top 10 Shareholders as of Jun 4, 2024 ⁷				
Name	Number of Shares	Current Value ⁸ , mill JPY	Last Reported Holding Date	Ownership Percentage, %
NXC Corporation	248,462,800	658,800	Jan 4, 2024	29.61
NXMH B.V.B.A	167,186,400	443,300	Jan 4, 2024	19.92
Public Investment Fund	82,226,400	218,000	Dec 31, 2024	9.80
Nomura Asset Management Co., Ltd.	33,610,400	89,100	Apr 30, 2024	4.01
Nikko Asset Management Co., Ltd.	15,647,000	41,500	Apr 30, 2024	1.86
Daiwa Asset Management Co., Ltd.	15,155,400	40,200	Apr 30, 2024	1.81
BlackRock, Inc.	14,473,562	38,400	Apr 30, 2024	1.72
The Vanguard Group, Inc.	13,165,002	34,900	Apr 30, 2024	1.57
Mitsubishi UFJ Asset Management Co., Ltd.	9,385,800	24,900	Apr 30, 2024	1.12
Min Seo	9,000,000	23,900	Dec 31, 2024	1.07
Total Top 10	608,312,764	1,613,000	-	72.49

⁷ [Simplywall. NEX Top Shareholders](#)

⁸ As of June 4, 2024

Mergers, Acquisitions, and Subsidiaries⁹

Mergers and Acquisitions for 2014-2023

Mergers and Acquisitions		
Name	Date	Price, mill USD
BOOLEAN GAMES (merged into NEXON Korea Corporation in January 2020)	Apr 2, 2015	-
Big Huge Games, Inc	Mar 9, 2016	-
Wellgames Corporation (merged into NEXON Korea Corporation in February 2020)	May 12, 2016	-
N Media Platform Co., LTD	Jul, 2016	-
NSC Corporation (merged into NEXON Korea Corporation in November 2017)	Nov, 2016	-
iDCC (current Nexon Thailand Co.,Ltd)	Jun 29, 2017*	-
JoongAng Pangyo Development Co., Ltd	Sep 6, 2017	-
Pixelberry Studios	Nov 9, 2017	-
Ngin Studio	Feb, 2018	-
NAT GAMES Co., Ltd. (current NEXON Games Co., Ltd.)	Jun 27, 2018	-
10 Years Co., Ltd (merged into N Media Platform in December 2019)	Aug, 2018	-
Embark Studios	Jul 2, 2019	96
methinks Co., Ltd	May 2022	-

The list of subsidiary companies of NEX as of December 7, 2023 is available through the [link](#).

Note: This section may not fully represent all the company's transactions, but, within the scope of this current report, presents the maximum amount of information available via open sources.

*Note: Nexon acquired a 41% equity stake of iDCC in late 2016, and on June 29th, 2017 acquired the remaining 51% of its equity stake.

⁹ [Annual FY22 Securities Report, p.8](#)

Company Strategy^{10 11 12}

“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 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.”

“Nexon is a leader in global entertainment with a portfolio of successful game franchises enjoyed by hundreds of millions of people around the world. At Nexon’s core are globally recognized entertainment franchises sustained with ongoing fresh content by our live-operations teams -- a unique skill set Nexon pioneered and mastered over the past 30 years.”

NEX’s sustainability initiatives:

- **“Environment.** Taking the initiative to create a social environment;
- **Social.** Supporting society through Nexon’s “FUN” and “CONNECT”;
- **Governance.** Aiming for sustainable growth and improvement of corporate value.”

¹⁰ In this chapter, quotes are used from the [NEX Web](#) and [NEX Sustainability Web](#)

¹¹ [NEX Web, Location](#)

¹² [NEX Web, Our Business](#)

Games

Genres of games

Main game genres:¹³

- Sandbox
- Real-time strategy (RTS)
- Shooter:
 - FPS
 - TPS
- Multiplayer online battle arena (MOBA)
- Role-playing:
 - RPG
 - ARPG
 - CRPG
 - MMORPG
 - TRPG
 - Roguelike
 - Roguelite
- Simulation and sports
- Puzzler and party game
- Action-adventure
- Survival and horror
- Platformer

Note: This gaming genre structure, in our view, is the most comprehensive and flexible when specifying the genre of a particular game.

Gaming Structure¹⁴

Studios:

- Korea:
 - [NEXON Korea](#);
 - [Nitro Studios](#);
 - [Neople](#);
 - [devCat](#);
 - [NEXON Games](#).
- North America:
 - [Big Huge Games](#);
 - [Pixelberry Studios](#).
- Sweden:
 - [Embark Studios](#).

¹³ [HP, Video Game Genres](#)

¹⁴ [Wikipedia, Nexon](#)

Famous games¹⁵

NEXON Co., Ltd	
Name	Genre
Dungeon Fighter Online	Role-playing
FC Online	Simulation and sports
MapleStory	Role-playing
Blue Archive	Role-playing
Maple Story M	Role-playing
FC Mobile	Simulation and sports
Pracia Biography	Role-playing
Dungeon and Fighter Mobile	Role-playing
Counter-Strike Online	Shooter
Sudden Attack	Shooter
Mabnogi Heiroes	Role-playing
Hit 2	Role-playing
Maple Story Worlds	Sandbox
Kingdom of the Winds: Yeon	Role-playing
Mabinogi Heroes	Role-playing
Dave The Diver	Role-playing
KartRider Rush Plus	Simulation and sports
Elsword	Role-playing
Dynasty Warriors M	Role-playing

¹⁵ [NEX Web, Games](#)

V4	Role-playing
Tales Weaver	Role-playing
Legend Of Darkness	Role-playing
Land Of Wind	Role-playing
Night Walker	Role-playing
Crazy Arcade	Puzzler and party game
Dungeon & Fighter Duel	Action-adventure
Asgard	Role-playing
Cyphers	MOBA
Closers	Role-playing
KartRider Drift	Simulation and sports
Godzilla Defense Force	Strategy
Ellancia	Role-playing
Maple Story 2	Role-playing
THE FINALS	Shooter
Nexon Town: NEXONTOWN	Puzzler and party game
The First Descendant	Shooter
Tales Runner	Puzzler and party game
Final Fantasy 14	Role-playing
Freestyle 2	Simulation and sports
ArcheAge	Role-playing
Dragon Nest	Role-playing

Note: This section may not fully represent all the company's games, but, within the scope of this current report, presents the maximum amount of information available via open sources.

TBA Games¹⁶

Title	Launch Date
ARC Raiders	TBA
Nakwon: Last Paradise	TBA
Wakerunners	TBA
Mabinogi Mobile	TBA
OVERKILL	TBA
The First Berserker: Khazan	TBA
MapleStory N	TBA
Vindictus: Defying Fate	TBA

Technology¹⁷

NEX's Technology Companies:

- [Lexian Software Development \(Shanghai\) Co., Ltd.](#) - provides Chinese publishers with consulting services for setting up and maintaining billing systems and membership systems, business strategy development, game operation and marketing;
- [Nexon Networks Corporation](#) - provides services related to customer support and net-café operation offering PC online games;
- [N Media Platform Co., LTD.](#) - provides net-café with advertisement platform and operation management services.

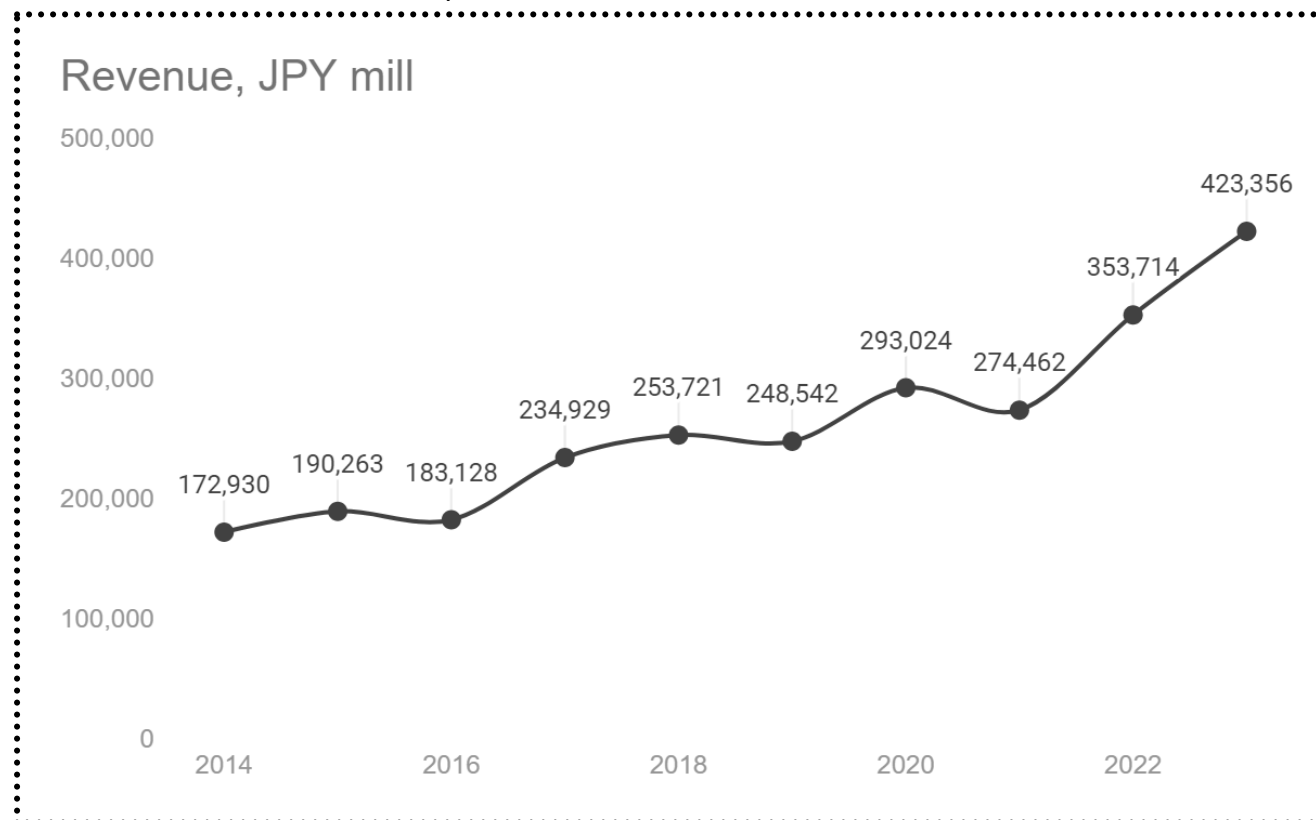
¹⁶ [Wikipedia, Nexon](#)

¹⁷ [NEX Consolidated FY23 Consolidated Financial Results, p.9](#)

Financial Statements for 2023 Fiscal Year Revenue Retrospective

Revenue Retrospective

NEXON Co., Ltd Revenue Retrospective for 2014-2023^{18 19 20 21 22}



¹⁸ [NEX Consolidated FY23 Consolidated Financial Results, p.15](#)

¹⁹ [NEX Consolidated FY21 Consolidated Financial Results, p.16](#)

²⁰ [NEX Consolidated FY19 Consolidated Financial Results, p.15](#)

²¹ [NEX Consolidated FY17 Consolidated Financial Results, p.15](#)

²² [NEX Consolidated FY15 Consolidated Financial Results, p.18](#)

Sales per Business

Net Revenue Structure^{23 24}

(In million, except Percentages)

Parameter	2023, JPY	YoY, %	2022, JPY	YoY, %	2021, JPY
PC online	302,273	24.79	242,230	24.41	194,699
Mobile	119,178	8.54	109,802	40.63	78,078
Other	1,905	13.26	1,682	-0.18	1,685
Total Consolidated Revenue	423,356	19.69	353,714	28.88	274,462

Net Revenue Structure 2023 Percentages

Parameter	Percentage, %
PC online	71.40
Mobile	28.15
Other	0.45

²³ [NEX Consolidated FY23 Consolidated Financial Results, p.27-28](#)

²⁴ [NEX Consolidated FY21 Consolidated Financial Results, p.28](#)

Sales per Products and Services

Sales by Products and Services^{25 26}

(In million, except Percentages)

Parameter	2023, JPY	YoY, %	2022, JPY	YoY, %	2021, JPY
Item charging	307,949	21.52	253,415	33.13	190,345
Royalty	110,487	15.96	95,279	20.17	79,285
Other	4,920	-1.99	5,020	3.89	4,832
Total Consolidated Revenue	423,356	19.69	353,714	28.88	274,462

Sales by Products and Services 2023 Percentages

Parameter	Percentage, %
Item charging	72.74
Royalty	26.10
Other	1.16

²⁵ [NEX Consolidated FY23 Consolidated Financial Results, p.27](#)

²⁶ [NEX Consolidated FY21 Consolidated Financial Results, p.27](#)

Sales per Region

Sales by Region^{27 28}

(In million, except Percentages)

Parameter	2023, JPY	YoY, %	2022, JPY	YoY, %	2021, JPY
Japan	11,933	13.40	10,523	0.52	10,469
Korea	255,330	19.93	212,900	37.64	154,683
China	100,488	16.32	86,391	17.39	73,595
North America and Europe	27,704	38.17	20,051	7.41	18,668
Rest of World	27,901	16.99	23,849	39.90	17,047
Total Consolidated Revenue	423,356	19.69	353,714	28.88	274,462

Sales by Region 2023 Percentages

Parameter	Percentage, %
Japan	2.82
Korea	60.31
China	23.74
North America and Europe	6.54
Rest of World	6.59

²⁷ [NEX Consolidated FY23 Consolidated Financial Results, p.27-28](#)

²⁸ [NEX Consolidated FY21 Consolidated Financial Results, p.28](#)

Dividend Information^{29 30}

(In million, except Per share data and Percentages)

Parameter	2023, JPY	YoY, %	2022, JPY	YoY, %	2021, JPY
Per share	10.00 JPY	-	10.00 JPY	33.33	7.50 JPY
Cash dividends declared	8,485	-1.74	8,635	29.23	6,682

Balance Sheet^{31 32}

(In million, except Percentages)

Parameter	at Dec 31, 2023, JPY	YoY, %	at Dec 31, 2022, JPY	YoY, %	at Dec 31, 2021, JPY
Assets					
Total Current Assets	689,506	7.39	642,029	8.14	593,717
Total Non-Current Assets	408,597	1.94	400,820	2.01	392,915
Total Assets	1,098,103	5.30	1,042,849	5.70	986,632
Liabilities					
Total Current Liabilities	89,374	7.51	83,134	55.90	53,325
Total Non-Current Liabilities	102,154	10.83	92,169	5.44	87,414
Total Liabilities	191,528	9.26	175,303	24.56	140,739
Total Equity	906,575	4.50	867,546	2.56	845,893

²⁹ [NEX Consolidated FY23 Consolidated Financial Results, p. 2](#)

³⁰ [NEX Consolidated FY21 Consolidated Financial Results, p. 2](#)

³¹ [NEX Consolidated FY23 Consolidated Financial Results, p.13-14](#)

³² [NEX Consolidated FY21 Consolidated Financial Results, p.14-15](#)

Income Statement^{33 34}

(In million, except EPS data and Percentages)

Parameter	2023, JPY	YoY, %	2022, JPY	YoY, %	2021, JPY
Revenue	423,356	19.69	353,714	28.88	274,462
Gross profit	285,418	15.12	247,936	22.53	202,341
Operating Income	134,745	29.94	103,696	13.28	91,541
Net Income	71,084	-28.91	99,990	-11.56	113,066
EPS Basic	82.89 JPY	-27.76	114.74 JPY	-10.99	128.91 JPY
EPS Diluted	82.33 JPY	-27.66	113.81 JPY	-10.07	126.55 JPY

Cashflow Statement^{35 36}

(In million, except Percentages)

Parameter	2023, JPY	YoY, %	2022, JPY	YoY, %	2021, JPY
Cash flows from operating activities	128,712	-1.10	130,144	22.88	105,914
Cash flows from investing activities	(188,367)	1,625.29	(10,918)	-	18,084
Cash flows from financing activities	(78,554)	-25.79	(105,859)	402.82	(21,053)

³³ [NEX Consolidated FY23 Consolidated Financial Results, p.15](#)

³⁴ [NEX Consolidated FY21 Consolidated Financial Results, p.16](#)

³⁵ [NEX Consolidated FY23 Consolidated Financial Results, p.19-20](#)

³⁶ [NEX Consolidated FY21 Consolidated Financial Results, p.19](#)

Criticism

In 2016, Nexon faced criticism after the acquittal of its founder Kim Jung-ju on bribery charges. The prosecution had indicted Kim on charges of providing Jin Kyung-joon, former prosecutor, with 425 million won to purchase 10,000 then-unlisted shares of Nexon in 2005. After Nexon went public in Tokyo in 2006, Jin sold his stocks to amass profits of more than 12,000 million won in 2015. The court found insufficient evidence and ruled both men not guilty. The district court's ruling protests among local citizens, civil groups and political circles who raised questions over the Korean legal system.³⁷

In April 2023, a Dark and Darker lawyer accused NEX of "anti-competitive intimidation tactics" in a letter to Valve. NEX claims that developer Ironmace used stolen code from the "P3" project to create Dark and Darker, which led to a raid on Ironmace's office, a copyright infringement lawsuit, and the removal of the game from the Steam platform. In the letter to Valve, Ironmace's lawyer, Aaron Moss, asserted that NEX's accusations are baseless and intended to destroy the independent studio. He notes that NEX is claiming ideas not protected by copyright and asks Valve to restore the game to the platform.³⁸

In November 2023, NEX was criticised, when a hand gesture associated with a defunct radical feminist community was spotted in promotional videos for NEX's game MapleStory. As the controversy spread online, the company removed the videos that they said had been produced by an outsourced company, and apologised for failing to review the videos.³⁹

³⁷ [The Investor, Nexon faces mounting criticism after founder's acquittal](#)

³⁸ [Eurogamer, Dark and Darker lawyer accuses Nexon of "anti-competitive bully tactics"](#)

³⁹ [The Korea Times, Nexon, Kakao Games accused of using feminist hand gesture in promotional videos](#)

Analyst's Opinion

Summary

NEXON Co., Ltd is an entertainment company, founded in 1994. Company develops and distributes video games for mobile and PC. Nexon's intellectual property includes Virtual Worlds - online, multiplayer games supported by live operations. NEX's game portfolio includes franchises: MapleStory and Dungeon&Fighter with 18th and 16th year of live service respectively.

Shares of NEX trade on Tokyo Stock Exchange under the ticker symbol 3659. As of December 31, 2023, the total shares outstanding were 857,453,260. In FY23, NEX declared a dividend of 10.00 JPY per common share at the amount of 8,485 million JPY.

In FY23 NEX launched new game titles: HIT2 in May 2023, DAVE THE DIVER in June 2023, MapleStory: The Legends of Maple in August 2023, THE FINALS in December 2023.⁴⁰

Net revenue of 423,356 million JPY for FY23. An increase of 19.69% compared to 353,714 million JPY for FY22. An increase of 54.25% compared to 274,462 million JPY for FY21.

Net Revenue Structure in FY23: 71.40% from PC online segment at 302,273 million JPY, 28.15% from Mobile segment at 119,178 million JPY, and 0.45% from Other at 1,905 million JPY.

Sales per Region in FY23 were distributed as follows: 60.31% from Korea, totaling 255,330 million JPY; 23.74% from China, totaling 100,488 million JPY; 6.59% from Rest of World, totaling 27,901 million JPY; 6.54% from North America and Europe, totaling 27,704 million JPY; and 2.82% from Japan, totaling 11,933 million JPY of the total revenue.

At December 31, 2023, Total Equity amounted to 906,575 million JPY, an increase of 4.50% compared to December 31, 2022 in 867,546 million JPY and an increase of 7.17% compared to December 31, 2021 in 845,893 million JPY. Total Current Assets at December 31, 2023 amount to 689,506 million JPY, which is more than Total Current Liabilities in 89,374 million JPY by 600,132 million JPY.

In FY22, NEX acquired methinks Co., Ltd. In FY23, the company did not make any acquisitions or divestitures.

⁴⁰ [NEX Consolidated FY23 Consolidated Financial Results, p.2](#)

Sources List

- [NEX Web](#)
- [Wikipedia](#)
- [Simply Wall St](#)
- [NEX Consolidated FY23 Consolidated Financial Results](#)
- [NEX Consolidated FY21 Consolidated Financial Results](#)
- [NEX Consolidated FY19 Consolidated Financial Results](#)
- [NEX Consolidated FY17 Consolidated Financial Results](#)
- [NEX Consolidated FY15 Consolidated Financial Results](#)
- [NEX Q4 and FY21 Presentation](#)
- [NEX Q4 and FY23 Presentation](#)
- [Annual FY22 Securities Report](#)
- [Tokyo Stock Exchange](#)
- [The Korea Times](#)
- [Eurogamer](#)
- [The Investor](#)
- [LinkedIn](#)
- [HP](#)

META



Data40 - professional research agency. We do all kinds of researches in gaming, gamedev, gambling, venture and blockchain. 15+ years of experience in the field. Loyal price development, quick and informative results.

DCS/GD-D40/NEX2-03-2024

[Website: Data40.com](https://data40.com)

E-mail: danila@data40.com

Phone: +44 770-141-90-59

Address: 010000, Republic of Kazakhstan, Astana city, Yesil district, Dostyk street 20, office 1501

[More researches at https://data40.com/buy-data/](https://data40.com/buy-data/)

All rights reserved 2024