

NEXON Co., Ltd Q2FY24 Report Overview

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Goals and Objectives of the Research

Research Objective: To perform a comparative analysis of the Q2FY24 quarterly report and those of previous periods.

Research Tasks:

- Gather comprehensive financial and corporate information pertaining to the company for Q2FY24;
- Analyze the collected information;
- Conduct a comparative assessment of the report for the Q2FY24 with reports for previous quarters up to the Q2FY23;
- Formulate 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.

The provided public company quarterly reports are unaudited.

Document Markup

- FY - Financial Year;
- NEXON - NEXON Co., Ltd;
- Q - Quarter;
- QoQ - Quarter-over-Quarter;
- 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 Q2FY24 Report Period is from April 1 to June 30, 2024.

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	NEXON Co., Ltd Full Fiscal Year 2023 Report Overview
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".

About Company¹

Founded in 1994, NEXON Co., Ltd. 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 has 45 live games in 190 countries on PC, console, and mobile. NEXON's game franchises: "MapleStory", "KartRider" and "Dungeon&Fighter".

¹ [NEXON Q2FY24 Press Release, p.3](#)

Conference Call Information²

On **August 8, 2024, at 5:00 p.m. JST / 4:00 a.m. EDT**, NEXON Co., Ltd. announced the financial results for **Q2FY24**. [Audio archives](#) are available on the [Nexon Investor Relations website](#).

Public Quarterly Reports Calendar FY24-25³

Quarter	Period	Date
FY24		
Q1	Jan 1, 2024 to Mar 31, 2024	May 14, 2024
Q2	Apr 1, 2024 to Jun 30, 2024	Aug 8, 2024
Q3	Jul 1, 2024 to Sep 30, 2024	Nov 6, 2024 (Projected)
Q4 and FY24	Oct 1, 2024 to Dec 31, 2024	Feb 10, 2025 (Projected)
FY25		
Q1	Jan 1, 2025 to Mar 31, 2025	May 7, 2025 (Projected)
Q2	Apr 1, 2025 to Jun 30, 2025	TBA
Q3	Jul 1, 2025 to Sep 30, 2025	TBA
Q4 and FY25	Oct 1, 2025 to Dec 31, 2025	TBA

Follow the announcements of the release of new reports on the website [Data40.com](#) in the [Calendars by Financial reports section of DATA40.com](#).

² [NEXON Q2FY24 Press Release, p.3](#)

³ [Marketscreener, NEXON Calendar](#)

Highlights and Metrics

Q2FY24 Highlights^{4 5}

- **Revenue** of 122,474 million JPY, an increase of 12.96%, compared to 108,418 million JPY in Q1FY24 and an increase of 29.69% compared to 94,436 million JPY in Q2FY23;
- **Gross Profit** of 78,287 million JPY, an increase of 15.36%, compared to 67,861 million JPY in Q1FY24 and an increase of 27.02%, compared to 61,632 million JPY in Q2FY23;
- **Operating income** of 45,224 million JPY, an increase of 55.16%, compared to 26,146 million JPY in Q1FY24 and an increase of 63.77% compared to 27,614 million JPY in comparable prior-year-period;
- **Profit** of 39,388 million JPY, an increase of 9.56%, compared to 35,951 million JPY in Q1FY24 and an increase of 61.06%, compared to 24,455 million JPY in Q2FY23;
- **EPS Basic and Diluted** of 47.66 JPY and 47.49 JPY respectively;
- From May 15 to July 19, NEXON executed share repurchases of 30 billion JPY. The remaining 70 billion JPY worth of shares will be repurchased by February 2027.

Acquisitions and Divestitures

The company has not made any acquisitions or divestitures in Q2FY24.

⁴ [NEXON Q2FY24 Press Release, p.1-2](#)

⁵ [NEXON Q1FY24 Consolidated Financial Results, p.9](#)

Business Overview⁶

- “Nexon delivered record-high Q2 results driven by Dungeon&Fighter Mobile in China, which launched on May 21 and sustained the top grossing position on China’s iOS chart for more than 11 weeks – making it one of the most successful mobile releases in that country’s history”;
- “In Q2, three major franchises – Dungeon&Fighter, MapleStory and FC – in aggregate delivered strong year-over-year growth of 57%;
 - **Dungeon&Fighter**. Extending the franchise to mobile platforms and markets in China succeeded in acquiring new players and reenergizing dormant players. As a result, Dungeon&Fighter’s franchise revenues more than doubled year over year;
 - **MapleStory**. Ongoing improvements in Live Operations and extensions to new regions and new formats resulted in 9% year-over-year revenue growth. In MapleStory’s biggest market, Korea, the Net Promoter Score improved by 13 points;
 - **FC**. Both FC ONLINE5 and FC MOBILE6 exceeded our expectations. However, as expected, FC ONLINE5 revenue was down year over year due to a challenging comparison with Q2 2023;
- Other product highlights include:
 - **Blue Archive** : The April debut of the animated series has expanded the IP fanbase. Worldwide, game revenue set a Q2 record driven by double-digit growth in Japan and a contribution from our China service;
 - **THE FINALS** : Ongoing adjustments to the game’s balance and modes are designed to improve player retention;
- **The First Descendant** : A new Nexon IP which launched globally on July 2 and quickly became a top-seller on Steam. North American players comprised the highest number globally and console players made up approximately 60% of the total;
- Nexon and Embark Studios announced agreements with Tencent to customize THE FINALS and ARC Raiders to appeal to players in China”.

⁶ In this chapter, quotes are used from the [Q2FY24 Press Release, p.1-2](#)

Announced Titles ⁷	
Title	Launch date
The First Berserker: Khazan	TBD
ARC Raiders	TBD
MapleStory N	TBD
MABINOGI MOBILE	TBD
SUPERVIVE	TBD
NAKWON: LAST PARADISE	TBD
OVERKILL	TBD
Vindictus: Defying Fate	TBD

Business Outlook⁸

“Third Quarter 2024 Outlook:

- Expect revenue in the range of ¥137.8 to ¥152.0 billion, up 15% to 26% year over year on an as reported basis, up 8% to 19% year over year on a constant-currency basis;
- Expect operating income of ¥46.0 to ¥57.3 billion, down 1% to up 24% year over year on an as reported basis, down 10% to up 12% year over year on a constant-currency basis;
- Expect net income of ¥34.6 to ¥43.0 billion, down 2% to up 22% year over year on an as reported basis, down 13% to up 9% year over year on a constant-currency basis;
- FX sensitivity – For every one JPY move against the USD, expect the following impact on our Q3 2024 financials:
 - Revenue: ¥0.90 billion;
 - Operating Income: ¥0.33 billion”.

⁷ [NEXON Q2FY24 Presentation, p.19-20](#)

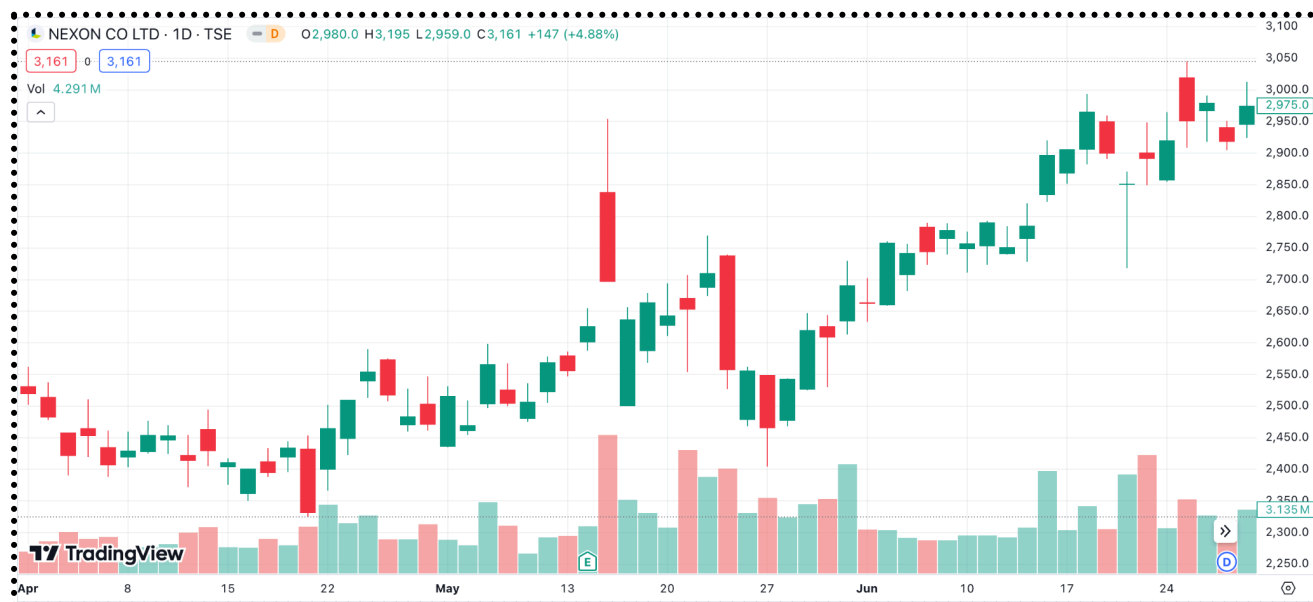
⁸ In this chapter, quotes are used from the [Q2FY24 Press Release, p.2](#)

Stock Information

About Shares⁹

Total number of shares issued (including treasury shares) - 841,160,548 (as of June 30, 2024).

TradingView Retrospective Q2FY24¹⁰



Date	Open Price, JPY	Highest Price, JPY	Lowest Price, JPY	Close Price, JPY
Apr 1, 2024	2,531.5	2,562.0	2,502.0	2,520.0
Jun 28, 2024	2,945.5	3,013.0	2,924.0	2,975.0

Q2FY24 Price MAX: 3,045.0 JPY (June 25, 2024).

Q2FY24 Price MIN: 2,325.0 JPY (April 19, 2024).

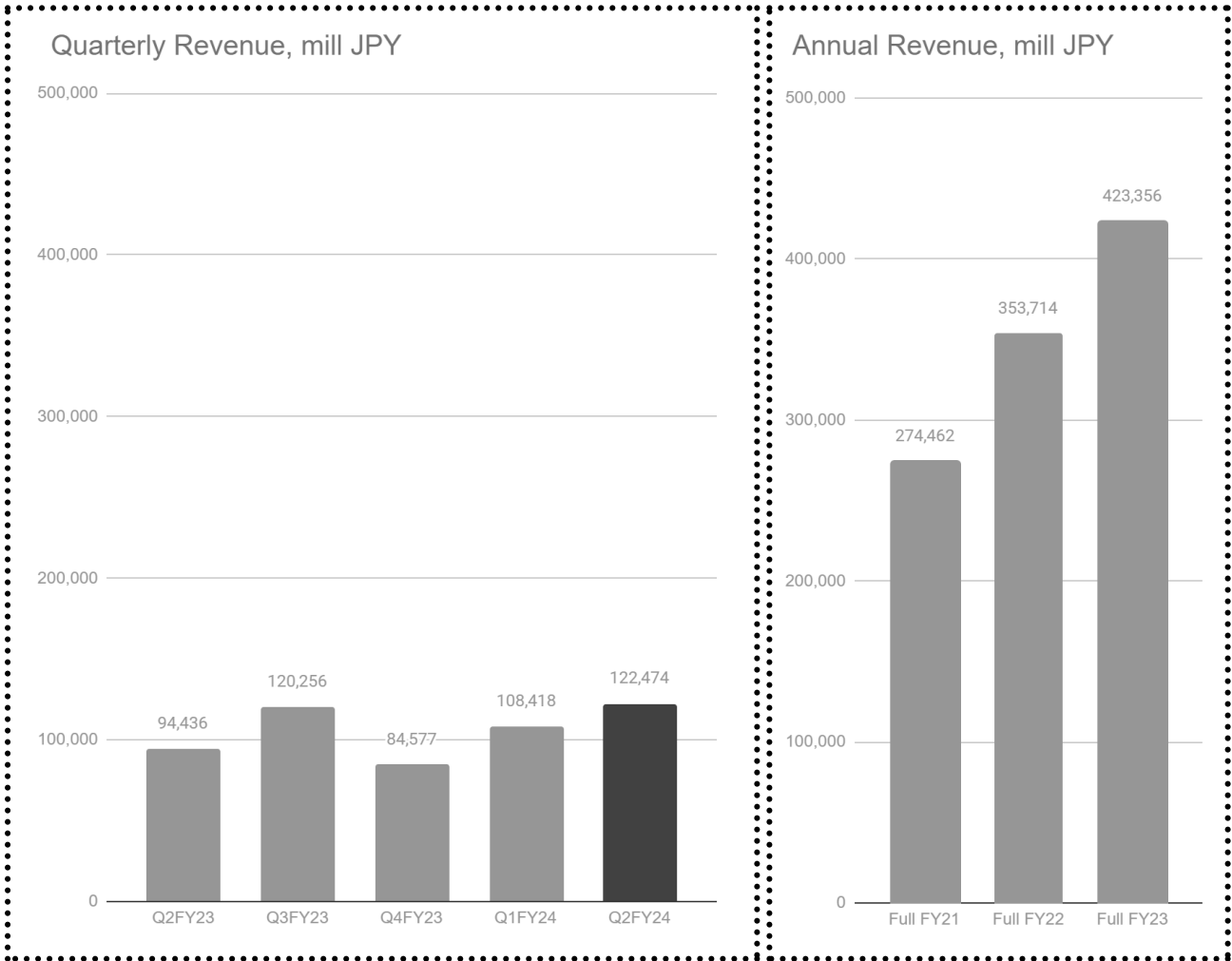
⁹ [NEXON Q2FY24 Consolidated Financial Results, p.3](#)

¹⁰ [Tradingview, NEXON Chart](#)

Financial Statements

Revenue Retrospective

NEXON Co., Ltd Revenue Retrospective^{11 12 13 14 15}



¹¹ [NEXON Q2FY24 Consolidated Financial Results, p.10](#)

¹² [NEXON Q1FY24 Consolidated Financial Results, p.9](#)

¹³ [NEXON FY23 Consolidated Financial Results, p.15](#)

¹⁴ [NEXON Q3FY23 Consolidated Financial Results, p.11](#)

¹⁵ [NEXON FY22 Consolidated Financial Results, p.15](#)

Sales per Segment

Net Revenue Structure^{16 17 18 19}

(In million, except Percentages)

Parameter	Q2FY24, JPY	QoQ, %	Q1FY24, JPY	QoQ, %	Q4FY23, JPY	QoQ, %	Q3FY23, JPY	QoQ, %	Q2FY23, JPY	YoY, %
PC online	56,480	-28.40	78,888	33.25	59,205	-30.79	85,550	31.88	64,872	-12.94
Mobile	65,593	125.24	29,121	17.55	24,773	-27.76	34,292	17.86	29,096	125.44
Other	401	-1.96	409	-31.72	599	44.69	414	-11.54	468	-14.32
Total Consolidated Revenue	122,474	12.96	108,418	28.19	84,577	-29.67	120,256	27.34	94,436	29.69

Net Revenue Structure Percentages

Parameter	Q2FY24, %	Q1FY24, %	Q4FY23, %	Q3FY23, %	Q2FY23, %
PC online	46.12	72.76	70.00	71.14	68.69
Mobile	53.56	26.86	29.29	28.52	30.81
Other	0.33	0.38	0.71	0.34	0.50

¹⁶ [NEXON Q2FY24 Consolidated Financial Results, p.20-21](#)

¹⁷ [NEXON Q1FY24 Consolidated Financial Results, p.18](#)

¹⁸ [NEXON FY23 Consolidated Financial Results, p.28](#)

¹⁹ [NEXON Q3FY23 Consolidated Financial Results, p.25-26](#)

Sales per Region

Sales by Region^{20 21 22 23}

(In million, except Percentages)

Parameter	Q2FY24, JPY	QoQ, %	Q1FY24, JPY	QoQ, %	Q4FY23, JPY	QoQ, %	Q3FY23, JPY	QoQ, %	Q2FY23, JPY	YoY, %
Japan	4,556	25.51	3,630	26.09	2,879	-8.08	3,132	35.41	2,313	96.97
Korea	48,870	-14.77	57,340	9.30	52,462	-30.84	75,855	22.21	62,071	-21.27
China	56,340	93.06	29,182	92.84	15,133	-37.06	24,044	31.89	18,231	209.03
North America and Europe	7,044	-28.98	9,919	21.53	8,162	-8.55	8,925	63.43	5,461	28.99
Rest of World	5,664	-32.14	8,347	40.50	5,941	-28.42	8,300	30.50	6,360	-10.94
Total Consolidated Revenue	122,474	12.96	108,418	28.19	84,577	-29.67	120,256	27.34	94,436	29.69

²⁰ [NEXON Q2FY24 Consolidated Financial Results. p.23](#)

²¹ [NEXON Q1FY24 Consolidated Financial Results. p.19](#)

²² [NEXON FY23 Consolidated Financial Results. p.28](#)

²³ [NEXON Q3FY23 Consolidated Financial Results. p.25-26](#)

Sales by Region Percentages

Parameter	Q2FY24, %	Q1FY24, %	Q4FY23, %	Q3FY23, %	Q2FY23, %
Japan	3.72	3.35	3.40	2.60	2.45
Korea	39.90	52.89	62.03	63.08	65.73
China	46.00	26.92	17.89	19.99	19.31
North America and Europe	5.75	9.15	9.65	7.42	5.78
Rest of World	4.62	7.70	7.02	6.90	6.73

Dividend Information^{24 25 26}

(In million, except Per share data and Percentages)

Parameter	Q2FY24, JPY	PoP, %	Q4FY23, JPY	PoP, %	Q2FY23, JPY	YoY, %
Per share	7.50 JPY	50.00%	5.00 JPY	-	5.00 JPY	50.00%
Cash dividends declared	4,214	-1.33%	4,271	-0.86%	4,308	-2.18%

²⁴ [NEXON Q2FY24 Consolidated Financial Results, p.2](#)

²⁵ [NEXON Q2FY24 Consolidated Financial Results, p.16](#)

²⁶ [NEXON FY23 Consolidated Financial Results, p.23](#)

Balance Sheet^{27 28 29 30}

(In million, except Percentages)

Parameter	at Jun 30, 2024, JPY	QoQ, %	at Mar 31, 2024, JPY	QoQ, %	at Dec 31, 2023, JPY	QoQ, %	at Sep 30, 2023, JPY	QoQ, %	at Jun 30, 2023, JPY	YoY, %
Assets										
Total Current Assets	760,548	5.44	721,317	4.61	689,506	-3.90	717,461	6.33	674,779	12.71
Total Non-Current Assets	491,151	7.56	456,628	11.76	408,597	-14.18	476,137	-0.20	477,081	2.95
Total Assets	1,251,699	6.26	1,177,945	7.27	1,098,103	-8.00	1,193,598	3.62	1,151,860	8.67
Liabilities										
Total Current Liabilities	100,003	2.77	97,311	8.88	89,374	-3.70	92,804	14.62	80,968	23.51
Total Non-Current Liabilities	123,734	6.78	115,880	13.44	102,154	-2.54	104,821	3.39	101,383	22.05
Total Liabilities	223,737	4.95	213,191	11.31	191,528	-3.09	197,625	8.38	182,351	22.70
Total Equity	1,027,962	6.55	964,754	6.42	906,575	-8.98	995,973	2.73	969,509	6.03

²⁷ [NEXON Q2FY24 Consolidated Financial Results, p.7-8](#)

²⁸ [NEXON Q1FY24 Consolidated Financial Results, p.7-8](#)

²⁹ [NEXON Q3FY23 Consolidated Financial Results, p.8-9](#)

³⁰ [NEXON Q2FY23 Consolidated Financial Results, p.7-8](#)

Income Statement^{31 32 33 34}

(In million, except EPS data and Percentages)

Parameter	Q2FY24, JPY	QoQ, %	Q1FY24, JPY	QoQ, %	Q4FY23, JPY	QoQ, %	Q3FY23, JPY	QoQ, %	Q2FY23, JPY	YoY, %
Revenue	122,474	12.96	108,418	28.19	84,577	-29.67	120,256	27.34	94,436	29.69
Gross Profit	78,287	15.36	67,861	36.86	49,584	-41.21	84,348	36.86	61,632	27.02
Operating Profit	45,224	55.16	29,146	541.14	4,546	-90.18	46,310	67.70	27,614	63.77
Profit	39,388	9.56	35,951	-	(42,122)	-	35,485	45.10	24,455	61.06
Selling, general and administrative expenses	(32,422)	-0.92	(32,723)	-23.64	(42,854)	13.61	(37,720)	10.03	(34,283)	-5.43
EPS Basic	47.66 JPY	11.43	42.77 JPY	-	(48.88) JPY	-	41.28 JPY	43.33	28.80 JPY	65.49
EPS Diluted	47.49 JPY	11.56	42.57 JPY	-	(48.50) JPY	-	41.05 JPY	43.53	28.60 JPY	66.05

³¹ [NEXON Q2FY24 Consolidated Financial Results, p.10](#)

³² [NEXON Q1FY24 Consolidated Financial Results, p.9](#)

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

³⁴ [NEXON Q3FY23 Consolidated Financial Results, p.11](#)

Cashflow Statement^{†35 36 37 38}

(In million, except Percentages)

Parameter	Q2FY24, JPY	QoQ, %	Q1FY24, JPY	QoQ, %	Q4FY23, JPY	QoQ, %	Q3FY23, JPY	QoQ, %	Q2FY23, JPY	YoY, %
Cash flows from operating activities	22,126	81.61	12,183	-59.32	29,948	-27.14	41,102	41.10	29,129	-24.04
Cash flows from investing activities	(22,551)	-50.22	(45,305)	-	34,078	-	(42,730)	-36.78	(67,589)	-66.64
Cash flows from financing activities	(20,540)	72.88	(11,881)	-55.93	(26,962)	69.51	(15,906)	371.71	(3,372)	509.13

³⁵ [NEXON Q2FY24 Consolidated Financial Results, p.15-16](#)

³⁶ [NEXON Q1FY24 Consolidated Financial Results, p.13-14](#)

³⁷ [NEXON FY23 Consolidated Financial Results, p.19-20](#)

³⁸ [NEXON Q3FY23 Consolidated Financial Results, p.16-17](#)

News³⁹

- April 5, 2024 - [Blue Archive The Animation Coming to TV and Streaming Platforms This Weekend.](#)
- April 10, 2024 - [Nexon to Release First Quarter 2024 Financial Results.](#)
- April 12, 2024 - [DAVE THE DIVER Wins Game Design Category at BAFTA Game Awards 2024.](#)
- April 16, 2024 - [DAVE THE DIVER is Now Available on PlayStation.](#)
- April 17, 2024 - [Nexon Launches HIT 2 in Japan.](#)
- April 19, 2024 - [Nexon Signs Publishing Agreement with Theocracy Games to Launch Project Loki in Japan and Korea.](#)
- April 22, 2024 - [Nexon's Highly Anticipated Dungeon&Fighter Mobile to Launch in China on May 21.](#)
- April 25, 2024 - [Nexon Launches MapleStory Worlds in Korea.](#)
- April 25, 2024 - [Notice of Financial Results of Unlisted Other Affiliated Company.](#)
- April 30, 2024 - [Nexon Signs Global Publishing Agreement for Project T.](#)
- May 14, 2024 - [Investor Presentation Q1 2024.](#)
- May 14, 2024 - [Q1 2024 Earnings Letter.](#)
- May 14, 2024 - [Consolidated Financial Results for the Three Months Ended March 31, 2024 \[IFRS\].](#)
- May 14, 2024 - [Nexon Releases Earnings for First Quarter 2024.](#)
- May 14, 2024 - [Announcement Regarding Differences Between First Quarter Outlook and Actual Results.](#)
- May 14, 2024 - [Notice of Share Buyback Program.](#)
- May 14, 2024 - [Notice of Revision \(Increase\) of Dividend Forecast.](#)
- May 21, 2024 - [Nexon's Highly Anticipated Dungeon&Fighter Mobile Now Available in China.](#)
- June 3, 2024 - [Status Report of Share Buyback Program \(Share buyback based on the stipulation of the Articles of Incorporation pursuant to Article 165\(2\) of the Companies Act\).](#)
- June 10, 2024 - [Nexon's New Co-Op Looter Shooter. The First Descendant to Launch Worldwide on July 2.](#)

³⁹ [NEXON web, news](#)

June 10, 2024 - [Embark Studios' THE FINALS Season 3 Arrives June 13.](#)

June 20, 2024 - [Wars of Prasia Now Available in Taiwan, Hong Kong, and Macau.](#)

June 20, 2024 - [Nexon's Dungeon&Fighter Mobile Celebrates Four Weeks as the Top-Grossing Game on iOS in China.](#)

June 25, 2024 - [Welcome to Nexon's Newly Redesigned Corporate Website.](#)

Analyst's Opinion

Summary

Founded in 1994, NEXON Co., Ltd. is a company engaged in the production, development and operation of online games. 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 has 45 live games in 190 countries on PC, console, and mobile. NEXON's Game franchises include "MapleStory", "KartRider" and "Dungeon&Fighter".

NEXON has been publicly traded on the TSE since 2011 under the ticker 3659. The total number of shares issued was 841,160,548 as of June 30, 2024. The trading range for the company's shares in Q2 FY24 was from 2,325.0 JPY to 3,045.0 JPY. The opening price on April 1, 2024, was 2,531.5 JPY, and the closing price on June 28, 2024, was 2,975.0 JPY. In Q2 FY24, NEXON paid dividends of 7.50 JPY per share.

In Q2FY24 NEXON launched "Dungeon&Fighter Mobile" on May 21.

The quarterly revenue figures were 120,256 million JPY, 84,577 million JPY, 108,418 million JPY, and 122,474 million JPY for Q3 FY23, Q4 FY23, Q1 FY24, and Q2 FY24, respectively. In Q2 FY24, the revenue from PC online was 56,480 million JPY, from Mobile was 65,593 million JPY, and from Other was 401 million JPY. The revenue share from PC online, Mobile, and Other in Q2 FY24 was 46.12%, 53.56%, and 0.33%, respectively, of the total quarterly revenue.

Total revenue in Q2 FY24 was 122,474 million JPY, which is 29.69% higher compared to Q2 FY23, which was 94,436 million JPY, and 12.96% higher compared to Q1 FY24, which was 108,418 million JPY.

As of June 30, 2024, Total Equity amounted to 1,027,962 million JPY, which is higher compared to the 969,509 million JPY as of June 30, 2023, by 6.03%. Total Assets were 1,251,699 million JPY as of June 30, 2024, and Total Liabilities amounted to 223,737 million JPY.

In Q2FY24, three franchises – "Dungeon&Fighter", "MapleStory" and "FC" – in aggregate delivered YoY growth of 57%.

NEXON announced titles: "The First Berserker: Khazan", "ARC Raiders", "MapleStory N", "MABINOOGI MOBILE", "SUPERVIVE", "NAKWON: LAST PARADISE", "OVERKILL", "VIndictus: Defying Fate".

The company has not made any acquisitions or divestitures in Q2FY24.

Follow the announcements of the release of new reports on the website [Data40.com](https://data40.com) in the [Calendars by Financial reports section of DATA40.com](#).

Sources List

- [Nexon Co., Ltd web](#)
- [Tokyo Stock Exchange](#)
- [Wikipedia](#)
- [Marketscreener](#)
- [Tradingview](#)
- [NEXON Q2FY24 Press Release](#)
- [NEXON Q2FY24 Presentation](#)
- [NEXON Q2FY24 Consolidated Financial Results](#)
- [NEXON Q1FY24 Consolidated Financial Results](#)
- [NEXON FY23 Consolidated Financial Results](#)
- [NEXON Q3FY23 Consolidated Financial Results](#)
- [NEXON Q2FY23 Consolidated Financial Results](#)
- [NEXON FY22 Consolidated Financial Results](#)
- [Data40](#)

META



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DCS/GD-D40/NEX6-Q2-03-2024

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