

Securities code: 3659
March 9, 2022

To Shareholders

1-4-5 Roppongi, Minato-ku, Tokyo
NEXON Co., Ltd.
President and Chief Executive Officer Owen Mahoney

Notice of the 20th Annual General Meeting of Shareholders

Dear Shareholders:

We are pleased to inform you that the 20th Annual General Meeting of Shareholders will be held as outlined below.

In lieu of attending the meeting, you may exercise your voting rights in writing or by electronic means (e.g. the Internet). Please review the Annual General Meeting of Shareholders agenda described below and exercise your voting rights by 7 p.m. on Thursday, March 24, 2022, in accordance with the “Instructions for Exercising Voting Rights” set forth on page 4.

Notice

1. **Date & Time:** 11:00 a.m., Friday, March 25, 2022 (Doors open at 10:30 a.m.)
2. **Location:** Meeting Room for Annual General Meeting of Shareholders of NEXON Co., Ltd.
At Ark Hills South Tower on 5th Floor
1-4-5 Roppongi, Minato-ku, Tokyo
3. **Agenda:**
Matters to be reported:
 - 1) Business Report and Consolidated Financial Statements for the 20th fiscal year (from January 1, 2021 to December 31, 2021), and audit results on the Consolidated Financial Statements by the Independent Auditors and the Audit and Supervisory Committee.
 - 2) Non-consolidated Financial Statements for the 20th fiscal year (from January 1, 2021 to December 31, 2021).**Proposals to be voted on:**
 - Proposal No. 1:** Amendment to the Articles of Incorporation
 - Proposal No. 2:** Election of four (4) directors (excluding those who are Audit and Supervisory Committee members)
 - Proposal No. 3:** Election of three (3) Audit and Supervisory Committee members
 - Proposal No. 4:** Issuance of subscription rights to shares as stock options to the Company’s employees, etc.

If attending the meeting in person, please submit the enclosed Voting Rights Exercise Form at the reception desk.

Please note that no gift bags will be handed out to attendees of the annual general meeting of shareholders.

Shareholders may exercise voting rights by proxy by assigning his or her voting rights to another shareholder with voting rights designated to act as his or her proxy, provided that the document certifying his or her power of attorney is submitted to the Company.

The status of subscription rights to shares, systems and organization to ensure the execution of duties by directors is in compliance with laws and regulations and the articles of incorporation, other systems and organization to ensure proper business operation of the company and the summary of the operating status of such systems, Consolidated statement of changes in equity, Notes to consolidated financial statements, Non-consolidated statement of changes in net assets, and Notes to non-consolidated financial statements that should be included in the Business Report are not included in the Notice of the Annual General Meeting of Shareholders as the Company discloses them on its website (<https://ir.nexon.co.jp/stock/meeting.html>) in accordance with relevant laws and regulations and provisions of Article 16 of the Company's Articles of Incorporation.

Business Report, consolidated financial statements and non-consolidated financial statements included in the Reference Materials of the Notice of the Annual General Meeting of Shareholders are part of the documents audited by independent auditors in preparing their audit report and by the Audit and Supervisory Committee in preparing their audit report.

Should there be any amendments to the Reference Materials for the General Meeting of Shareholders, Business Report, Financial Statements and Consolidated Financial Statements, the Company will notify its shareholders via the Company's website (<https://ir.nexon.co.jp/stock/meeting.html>).

Please refer to the next page for measures to prevent the COVID-19 infection.

Measures to Prevent the COVID-19 Infection

For the General Meeting of Shareholders to be held, we will be taking the following measures to prevent the spread of COVID-19.

We kindly ask for the understanding and cooperation of our shareholders regarding these efforts.

[Measures to be taken by the Company]

- The Company's directors and staff will be wearing face masks.
- Hand sanitizers will be prepared near the entrance to the venue .
- At the venue of the general meeting of shareholders, fewer seats will be placed with a safe space in between to prevent the spread of COVID-19, and accordingly, there may not be enough seats for all shareholders who come to the venue.

[Request to our shareholders]

- To shareholders who intend to attend the general meeting of shareholders: Please monitor your health condition up to the day of the meeting and make sure not to exert yourself.
- To shareholders who are elderly, have an underlying medical problems, or are pregnant: Please consider refraining from attending the general meeting of shareholders.
- There are alternative methods for exercising your voting rights at the general meeting of shareholders, such as in writing or by electronic means (e.g. the Internet). Please also consider using those methods. (Please refer to the next page for details.)

[Request to our shareholders who intend to attend the meeting]

- To shareholders who are coming to the venue: Please check your health condition and cooperate with our efforts to prevent infections.
- Please ensure to use hand sanitizers before entering the venue as they will be prepared near the entrance to the venue.
- Please ensure to wear a face mask at all times inside the venue to prevent infections.
- Shareholders will be asked to measure body temperature near the entrance, and those who have a fever or seem unwell may be asked to leave.

Please check the Company's website as we will update the above measures should the situation change.

Instructions for Exercising Voting Rights

If attending the meeting in person



Please submit the enclosed Voting Rights Exercise Form at the reception desk.

Date & Time	Friday, March 25, 2022 11:00 a.m. (Doors open at 10:30 a.m.) Ark Hills South Tower on 5th Floor
Location	Meeting Room for Annual General Meeting of Shareholders of NEXON Co., Ltd.

- ※ Please bring the “Notice of the Annual General Meeting of Shareholders”
- ※ Shareholders may exercise voting rights by proxy by assigning his or her voting rights to another shareholder with voting rights designated to act as his or her proxy, provided that the document certifying his or her power of attorney is submitted to the Company.

If not attending the meeting in person

- Exercise of voting rights in writing (by mail)



Please indicate your vote for each proposal on the enclosed Voting Rights Exercise Form and return it to us.

- Any voting right exercised without indicating approval or disapproval for a particular proposal will be counted as a vote for approval of the proposal.
- To indicate different vote for certain candidate(s) in Proposals No. 2 and 3
⇒ Please check the column of “Approval” or “Disapproval” and indicate the relevant candidate number.

Deadline: Must be received by 7 p.m. Thursday, March 24, 2022

- Exercise of voting rights by electronic means such as the Internet



Please read the “Guide to Exercising Voting Rights by Electronic Means” on the next page and enter your vote for each proposal.

Deadline: Must be processed by 7 p.m. Thursday, March 24, 2022

Guide to Exercising Voting Rights by Electronic Means

If you wish to exercise your voting rights by electronic means, please note the following matters.

1. PC or mobile phone users

Shareholders using PC or mobile phones may use the voting rights exercise website designated by the Company to exercise voting rights via the Internet.

Voting rights exercise website: <https://www.web54.net>

2. Smartphone users

Shareholders using smartphones may exercise voting rights via the voting rights exercise website for smartphone without entering “Voting Rights Exercise Code” and “Password” by scanning the “Login QR Code for Voting Rights Exercise Website for Smartphone” displayed on the enclosed Voting Rights Exercise Form.

To change your vote after exercising your voting rights, you must scan the QR code again and enter “Voting Rights Exercise Code” and “Password” indicated on the Voting Rights Exercise Form.

3. Electronic voting rights exercise platform (to institutional investors)

Institutional investors who participate in the electronic voting rights exercise platform operated by ICJ, Inc., a joint venture established by Tokyo Stock Exchange, Inc. etc., may also use the platform to exercise voting rights at our shareholders’ meeting by electronic means.

4. Handling of exercise of voting rights

- (1) When exercising voting rights by electronic means, use the “Voting Rights Exercise Code” and “Password” indicated on the enclosed Voting Rights Exercise Form, and follow the on-screen guidance to enter your vote.
- (2) As the voting rights exercise period ends at 7 p.m. on Thursday, March 24, 2022, please exercise your voting rights ahead of time.
- (3) If voting rights are exercised both in writing and by electronic means, the vote by electronic means will supersede. In addition, if voting rights are exercised by electronic means in multiple occasions, the last vote will supersede.
- (4) Any fees for internet provider or carrier incurred in accessing the voting rights exercise website and electronic voting rights exercise platform (e.g. connection fees) will be borne by shareholders.

5. Handling of password and voting rights exercise code

- (1) Password is important information required to identify shareholders who cast their votes. Please handle it with care as is the case with your personal seal and passcode.
- (2) Password will be disabled when input incorrectly a certain number of times. If you wish to request reissuance of your password, please follow the on-screen guidance.
- (3) The voting rights exercise code indicated on the Voting Rights Exercise Form can be used only for this general meeting of shareholders.

6. System requirements

When exercising voting rights via the Internet, refer to the system requirements provided in the “Exercise of Voting Rights via the Internet” on the voting rights exercise website.

7. Contact for inquiries about computer, mobile phone, or smartphone operations, etc.

- (1) If you have inquiries about computer, mobile phone, or smartphone operations regarding the exercise of voting rights through the voting rights exercise website, please contact the following:
Dedicated dial-in number for Stock Transfer Agency Web Support of Sumitomo Mitsui Trust Bank, Limited
Tel: 0120-652-031 (Operating hours: 9:00 to 21:00)
- (2) For other inquiries, please contact the following
 - i. Shareholders who have accounts with securities companies
Shareholders who have accounts with securities companies are requested to contact your securities company.
 - ii. Shareholder who do not have accounts with securities companies (Shareholders with special accounts)
Stock Transfer Agency Department of Sumitomo Mitsui Trust Bank, Limited
Tel: 0120-782-031 (Operating hours: 9:00 to 17:00, excluding Saturdays, Sundays and holidays)

Reference Materials for Annual General Meeting of Shareholders

Proposal 1: Amendment to the Articles of Incorporation

1. Reason for proposal

(1) Addition of business purposes

To prepare for future business development and business diversification of the Company, new business purposes will be added to Article 2 (Purpose) of the current Articles of Incorporation.

(2) Introduction of measures for providing reference materials, etc. for a general meeting of shareholders in digital format

The amended provisions stipulated in the proviso to Article 1 of the supplementary provisions of the Act Partially Amending the Companies Act (Law No. 70 of 2019) will come into effect on September 1, 2022. Accordingly, in preparation for the introduction of a system for providing reference materials for general meetings of shareholders in electronic format, the Articles of Incorporation of the Company will be amended as follows:

(a) The proposed amendment to Paragraph 1 of Article 16 stipulates that the Company shall take measures for providing information contained in the reference materials, etc. for general meetings of shareholders in electronic format.

(b) The proposed amendment to Paragraph 2 of Article 16 stipulates that the Company may limit the scope of matters to be included in the documents to be issued to shareholders who have requested the issuance of such documents in writing.

(c) The provisions with respect to disclosure via the Internet and deemed provision of reference materials, etc. for a general meeting of shareholders (Article 16 of the current Articles of Incorporation) will no longer be required and will be deleted.

(d) In line with the above additions and deletions, supplementary provisions concerning the effective date and related matters will be provided.

2. Details of amendment

The details of the amendment are as follows:

(Underlined parts indicate amendments)

Current Articles of Incorporation	Proposed amendment
(Purpose) Article 2 The purpose of the Company shall be to engage in the following businesses:	(Purpose) Article 2 (No change)
(1) through (17) (Omitted)	(1) through (17) (No change)
(Newly established)	(18) <u>Planning and management of entertainment facilities</u>
(Newly established)	(19) <u>Planning and operation of events</u>
(Newly established)	(20) <u>Restaurant business</u>
(18) (Omitted)	(21) (No change)

Current Articles of Incorporation	Proposed amendment
<p>(Disclosure via the Internet and deemed provision of reference materials, etc. for a general meeting of shareholders)</p> <p>Article 16 <u>In connection with convocation of a general meeting of shareholders, the Company shall be deemed to have provided the shareholders with any information that should be described or presented on the reference materials for the general meeting of shareholders, the business report, the financial statements and the consolidated financial statements, by disclosing such information via the Internet pursuant to the applicable Order of the Ministry of Justice.</u></p>	<p>(Deleted)</p>
<p>(Newly established)</p>	<p>(Measures for providing reference materials, etc. for a general meeting of shareholders in electronic format)</p> <p>Article 16 <u>In connection with convocation of a general meeting of shareholders, the Company shall take measures for providing information contained in the reference materials, etc. for a general meeting of shareholders in electronic format.</u></p> <p>2 <u>The Company may omit all or part of the information provided in electronic format as stipulated by the applicable Order of the Ministry of Justice from the documents to be issued to shareholders who have requested the issuance of such documents in writing by the record date for voting rights.</u></p>
<p>(Newly established)</p>	<p><u>Supplementary provisions</u> (Transitional measures concerning provision of reference materials, etc. for a general meeting of shareholders in electronic format)</p> <p>Article 2 <u>The deletion of provisions in Article 16 of the Articles of Incorporation before amendment and the addition of provisions in Article 16 of the Articles of Incorporation after amendment shall become effective on the date of enactment set forth in the proviso to Article 1 of the supplementary provisions of the Act Partially Amending the Companies Act (Law No. 70 of 2019) (“Date of Enactment”).</u></p> <p>2 <u>Notwithstanding the provision of the preceding paragraph, provisions in Article 16 of the Articles of Incorporation before amendment shall remain in effect with respect to any general meeting of shareholders to be held within six (6) months after the Date of Enactment.</u></p> <p>3 <u>This article shall be deleted after the date on which six (6) months have elapsed from the Date of Enactment or the date on which three (3) months have elapsed from the date of the general meeting of shareholders described in the preceding paragraph, whichever comes later.</u></p>

Proposal 2: Election of four (4) directors (excluding those who are Audit and Supervisory Committee members)

The term of office for all four (4) current directors (excluding those who are Audit and Supervisory Committee members) will expire at the conclusion of this Annual General Meeting of Shareholders. Accordingly, the Company seeks an approval for the election of four (4) directors (excluding those who are Audit and Supervisory Committee members).

There were no objections to this proposal when it was considered at the Audit and Supervisory Committee.

Candidates for directors (excluding those who are Audit and Supervisory Committee members) are as follows:

Candidate #	Name (Date of birth)	Career summary, positions and areas of responsibility (Significant concurrent positions outside the Company)	Number of the Company's shares owned
1	Owen Mahoney (December 28, 1966) Reappointment	Nov. 2000 Chief vice-president of Electronic Arts Inc. Sept. 2009 Representative Director of Outspark Inc. Aug. 2010 Chief Financial Officer of NEXON Co., Ltd. Sept. 2010 Director of NEXON Co., Ltd. Nov. 2010 Chief Administrative Officer of NEXON Co., Ltd. Mar. 2012 Director of NEXON Korea Corporation July 2012 Director of inBlue.com Aug. 2012 Director of NEXON America, Inc. Jan. 2013 Director of gloops, Inc. Mar. 2014 President and Chief Executive Officer of NEXON Co., Ltd. (to present) June 2015 Director of transcocosmos inc. (Significant concurrent positions) Not applicable	952,000 shares

Candidate #	Name (Date of birth)	Career summary, positions and areas of responsibility (Significant concurrent positions outside the Company)	Number of the Company's shares owned
2	Shiro Uemura (December 31, 1970) Reappointment	<p>Dec. 2000 Joined Deloitte Touche Tohmatsu (current Deloitte Touche Tohmatsu LLC)</p> <p>Sept. 2003 Joined Pacific Golf Management K.K.</p> <p>Dec. 2004 Joined Pacific Golf Group International Holdings K.K (current PGM Holdings K.K.)</p> <p>July 2011 Joined NEXON Co., Ltd.</p> <p>Mar. 2014 Chief Financial and Chief Administrative Officer of NEXON Co., Ltd.</p> <p>Mar. 2014 Director of gloops, Inc.</p> <p>Mar. 2014 Director of inBlue.com</p> <p>Mar. 2015 Representative Director of NEXON Co., Ltd. (to present)</p> <p>Apr. 2016 Director of NEXON America, Inc. (to present)</p> <p>Apr. 2016 Director of NEXON M Inc.</p> <p>Apr. 2016 Director of Lexian Software Development (Shanghai) Co., Ltd. (to present)</p> <p>Sept. 2016 Director of NEXON Europe GmbH</p> <p>Jan. 2020 Representative Director of gloops, Inc.</p> <p>Oct. 2021 Chief Financial and Chief Administrative Officer of NEXON Co., Ltd. (to present)</p> <p>Oct. 2021 Director of Nexon Studios, Inc. (to present)</p> <p>(Significant concurrent positions) Director of NEXON America, Inc. Director of Lexian Software Development (Shanghai) Co., Ltd. Director of Nexon Studios, Inc.</p>	155,900 shares

Candidate #	Name (Date of birth)	Career summary, positions and areas of responsibility (Significant concurrent positions outside the Company)	Number of the Company's shares owned
3	Patrick Söderlund (September 27, 1973) Reappointment	<p>Jan. 2000 Chief Executive Officer of Digital Illusions Creative Entertainment</p> <p>Oct. 2006 Vice President & General Manager of Electronic Arts, Inc.</p> <p>Sept. 2013 Executive Vice President of Electronic Arts, Inc., EA Worldwide Studios</p> <p>Apr. 2018 Chief Design Officer of Electronic Arts, Inc.</p> <p>Nov. 2018 Director of Sicalis AB (to present)</p> <p>Nov. 2018 Chief Executive Officer of Embark Studios AB (to present)</p> <p>Jan. 2019 Director of Fractal Gaming Group AB (to present)</p> <p>Mar. 2019 External Director of NEXON Co., Ltd.</p> <p>July 2019 Director of NEXON Co., Ltd. (to present)</p> <p>Nov. 2019 Director of Ortalis Group AB (to present)</p> <p>June 2020 Director of Hexagon Aktiebolag (to present)</p> <p>Aug. 2020 Director of Surmount Together AB (to present)</p> <p>Aug. 2021 Director of Ortalis Holding AB (to present)</p> <p>Nov. 2021 Director of CoFounded Kapital AB (to present)</p> <p>(Significant concurrent positions)</p> <p>Director of Sicalis AB</p> <p>Chief Executive Officer of Embark Studios AB</p> <p>Director of Fractal Gaming Group AB</p> <p>Director of Ortalis Group AB</p> <p>Director of Hexagon Aktiebolag</p> <p>Director of Surmount Together AB</p> <p>Director of Ortalis Holding AB</p> <p>Director of CoFounded Kapital AB</p>	5,472,694 shares

Candidate #	Name (Date of birth)	Career summary, positions and areas of responsibility (Significant concurrent positions outside the Company)	Number of the Company's shares owned
4	<p>Kevin Mayer (April 25, 1962)</p> <p>Reappointment</p> <p>External Director</p> <p>Independent Officer</p>	<p>Apr. 1993 Joined The Walt Disney Company</p> <p>Feb. 2000 Chief Executive Officer of Playboy. com</p> <p>Sep. 2000 Chairman and Chief Executive Officer of Clear Channel Interactive</p> <p>Feb. 2002 Joined L.E.K Consulting</p> <p>June 2005 Executive Vice President of The Walt Disney Company</p> <p>Oct. 2005 Chief Strategy Officer of The Walt Disney Company</p> <p>Mar. 2018 Chairman of Direct-to-Consumer & International of The Walt Disney Company</p> <p>May 2020 Chief Executive Officer of TikTok Ltd. Chief Operating Officer of ByteDance Ltd.</p> <p>Oct. 2020 Venture Partner/Partner of Smash Ventures (to present)</p> <p>Dec. 2020 Executive Director of New Mountain Capital/Tinuity</p> <p>Mar. 2021 Chairman of DAZN Group Limited (to present)</p> <p>Mar. 2021 Co-CEO, Co-Chairman of Board of Directors of Forest Road Acquisition Corp. II (to present)</p> <p>Mar. 2021 External Director of Nexon Co., Ltd. (to present)</p> <p>Apr. 2021 Director of Tinuiti, Inc. (to present)</p> <p>June 2021 Director of Beachbody, LLC. (to present)</p> <p>Aug. 2021 Co-CEO, Director of Candle Media (former Aventine, LLC) (to present)</p> <p>(Significant concurrent positions)</p> <p>Venture Partner/Partner of Smash Ventures</p> <p>Chairman of DAZN Group Limited</p> <p>Co-CEO, Co-Chairman of Board of Directors of Forest Road Acquisition Corp. II</p> <p>Director of Tinuiti, Inc.</p> <p>Director of Beachbody, LLC.</p> <p>Co-CEO, Director of Candle Media (former Aventine, LLC)</p>	— shares

(Reference)

Of the candidates for directors, Mr. Owen Mahoney, Mr. Shiro Uemura, Mr. Patrick Söderlund and Mr. Kevin Mayer own subscription rights to shares disclosed on pages 1 through 2 of the “Internet Disclosure of Information Regarding the Notice of the 20th Annual General Meeting of Shareholders.”

- (Notes)
1. There are no special conflicts of interest between each candidate and the Company.
 2. Mr. Kevin Mayer is a candidate for External Director. The Company has appointed Mr. Mayer as independent director pursuant to the regulations of Tokyo Stock Exchange and reported such appointment to the Exchange. If his appointment is approved, he will continue to be an independent director.
 3.
 - (1) The Company nominates Mr. Owen Mahoney as a candidate for Director as we expect that he would contribute to Nexon Group’s further expansion of business in Japan and overseas by utilizing his abundant knowledge and insight into corporate management, finance, accounting and strategy cultivated from his long years of experience in the game industry.
 - (2) The Company nominates Mr. Shiro Uemura as a candidate for Director as we expect that he would endeavor to enhance the management system in Japan and overseas from the viewpoint of Chief Financial Officer based on his excellent knowledge, especially in finance, cultivated from his long years of experience.
 - (3) The Company nominates Mr. Patrick Söderlund as a candidate for Director as we expect that he would contribute to Nexon Group’s further expansion of business in Japan and overseas by utilizing his knowledge and experience related to strategic activities in the game industry.
 - (4) The Company nominates Mr. Kevin Mayer as a candidate for External Director as we expect that he would contribute to Nexon Group’s further expansion of business in Japan and overseas and also that he would supervise the Company’s management by utilizing his abundant experience and insights he acquired through his successful career as a leader in the strategic and management planning field in the entertainment industry.
 4. Mr. Kevin Mayer is currently External Director of the Company, whose tenure as external director will have been one year at the conclusion of this annual general meeting of shareholders
 5. In accordance with the provisions of Article 427, Paragraph 1 of the Companies Act and Article 28 of the Articles of Incorporation of the Company, Mr. Kevin Mayer and the Company have entered into an agreement limiting the liabilities for damages provided for in Article 423, Paragraph 1 of the Companies Act to ¥2.4 million or the minimum liability amount as provided in Article 425, Paragraph 1 of the Companies Act, whichever is higher. The agreement will be renewed if his reappointment is approved.
 6. Mr. Owen Mahoney, Mr. Shiro Uemura, Mr. Patrick Söderlund and Mr. Kevin Mayer and the Company have entered into indemnification agreements to reimburse for expenses provided by Article 430-2, Paragraph 1, Clause 1 of the Companies Act and indemnify for losses provided by Clause 2 of the Paragraph to the extent permitted by relevant laws and regulations. The agreements will be renewed if reappointment of Mr. Owen Mahoney, Mr. Shiro Uemura, Mr. Patrick Söderlund and Mr. Kevin Mayer is approved.
 7. The Company has purchased a directors and officers liability insurance covering all directors to allow the Company to indemnify them for possible losses arising from monetary damages and legal costs in connection with claims against the insured. If Mr. Owen Mahoney, Mr. Shiro Uemura, Mr. Patrick Söderlund and Mr. Kevin Mayer take office as Directors, they will be insured under the insurance. The Company will renew the insurance during the term of office of the director candidates subject to this proposal.

Proposal 3: Election of three (3) directors who are Audit and Supervisory Committee members

The term of office for all three (3) current directors who are Audit and Supervisory Committee members will expire at the conclusion of this Annual General Meeting of Shareholders. Accordingly, the Company seeks an approval for the election of three (3) directors who are Audit and Supervisory Committee members. The Audit and Supervisory Committee has already given consent to the Proposal.

Candidates for directors who are Audit and Supervisory Committee members are as follows:

Candidate #	Name (Date of birth)	Career summary, positions and areas of responsibility (Significant concurrent positions outside the Company)	Number of the Company's shares owned
1	Alexander Iosilevich (January 12, 1975) Newly appointed External director	<p>June 1998 Joined Donaldson, Lufkin & Jenrette</p> <p>Nov. 2000 Joined CREDIT SUISSE First Boston</p> <p>Oct. 2001 Joined Liberty Media Corporation</p> <p>Apr. 2004 Joined Bank of America Securities LLC</p> <p>June 2007 Head of US Media Investment Banking/Managing Director of Lehman Brothers Holdings Inc.</p> <p>Sep. 2008 Head of US Media Investment Banking/Managing Director of Barclays Capital (current Barclays Corporate and Investment Bank)</p> <p>Oct. 2014 Head of Media Investment Banking Americas/Managing Director of Deutsche Bank AG</p> <p>June 2019 Head of Media Investment Banking Americas/Managing Director of UBS Securities LLC</p> <p>July 2021 Global President and Chief Investment Officer of NXC Corporation (to present)</p> <p>July 2021 Partner of Alignment Growth Management, LLC (to present)</p> <p>(Significant concurrent positions) Global President and Chief Investment Officer of NXC Corporation Partner of Alignment Growth Management, LLC</p>	— shares

Candidate #	Name (Date of birth)	Career summary, positions and areas of responsibility (Significant concurrent positions outside the Company)	Number of the Company's shares owned
2	<p>Satoshi Honda (September 29, 1947)</p> <p>Reappointment External director Independent officer</p>	<p>July 1971 Joined Victor Company of Japan, Limited June 1992 Director of Victor Entertainment Inc. Dec. 1992 Representative Director of Electronic Arts Victor Co., Ltd. (current Electronic Arts Co., Ltd.) Nov. 1995 Auditor of Computer Entertainment Software Association (current Computer Entertainment Supplier's Association) Aug. 1998 Representative Director of Eidos Interactive KK Dec. 2009 Director of Spline Network Inc. Nov. 2010 Director of Software Imaging Technology Limited Mar. 2012 External Director of NEXON Co., Ltd. Mar. 2018 External Director (audit and supervisory committee member) of NEXON Co., Ltd. (to present)</p> <p>(Significant concurrent positions) Not applicable</p>	— shares

Candidate #	Name (Date of birth)	Career summary, positions and areas of responsibility (Significant concurrent positions outside the Company)	Number of the Company's shares owned
3	Shiro Kuniya (February 22, 1957) Reappointment External director Independent officer	<p>Apr. 1982 Registered as a lawyer Joined Oh-Ebashi Law Offices</p> <p>July 1987 Registered as a lawyer in the State of New York</p> <p>June 1997 Statutory Auditor of Sunstar Inc.</p> <p>June 1999 Auditor of Kitano Hospital, The Tazuke Kofukai Medical Research Institute (to present)</p> <p>Apr. 2002 Managing partner of Oh-Ebashi LPC & Partners (to present)</p> <p>June 2006 Statutory Auditor of Nidec Corporation</p> <p>June 2009 Board member of the Japan Commercial Arbitration Association (to present)</p> <p>Apr. 2011 Board member of Japan Century Symphony Orchestra (to present)</p> <p>Apr. 2011 President of Inter-Pacific Bar Association (IPBA)</p> <p>Mar. 2012 External Director of NEXON Co., Ltd.</p> <p>June 2012 Director of Ebara Corporation</p> <p>June 2013 Statutory Auditor of Takeda Pharmaceutical Company Limited</p> <p>June 2013 Director of Sony Financial Holdings Inc.</p> <p>June 2016 Director (member of audit and supervisory committee) of Takeda Pharmaceutical Company Ltd.</p> <p>Mar. 2018 External Director (audit and supervisory committee member) of NEXON Co., Ltd. (to present)</p> <p>June 2019 External Director of Takeda Pharmaceutical Company Ltd. (to present)</p> <p>Apr. 2020 Auditor of CiRA Foundation (to present)</p> <p>June 2021 External Director of TOA Corporation (to present)</p> <p>(Significant concurrent positions) Managing partner of Oh-Ebashi LPC & Partners Auditor of Kitano Hospital, The Tazuke Kofukai Medical Research Institute Board member of the Japan Commercial Arbitration Association Board member of Japan Century Symphony Orchestra External Director of Takeda Pharmaceutical Company Ltd. Auditor of CiRA Foundation External Director of TOA Corporation</p>	28,000 shares

(Reference)

Of the candidates for directors who are Audit and Supervisory Committee member, Mr. Satoshi Honda and Mr. Shiro Kuniya own subscription rights to shares disclosed on page 2 of the “Internet Disclosure of Information Regarding the Notice of the 20th Annual General Meeting of Shareholders.”

- (Notes)
1. There are no special conflicts of interest between each candidate and the Company
 2. Mr. Alexander Iosilevich, Mr. Satoshi Honda and Mr. Shiro Kuniya are candidates for External Director. The Company has nominated Mr. Satoshi Honda and Mr. Shiro Kuniya as independent directors pursuant to the regulations of Tokyo Stock Exchange and reported such appointment to the Exchange. If the report is accepted, they will continue to be independent directors.
 3. (1) The Company nominated Mr. Alexander Iosilevich as a candidate for External Director and Audit and Supervisory Committee member as we expect that he would provide valuable advice and guidance on our management activities as an Audit and Supervisory Committee member based on his experience in various global investment banking operations in New York, the United States and as well as strong analytical skills and experience in managing operating companies.
(2) The Company nominated Mr. Satoshi Honda as a candidate for External Director and Audit and Supervisory Committee member as we expect that he would supervise and audit the Company’s management as an Audit and Supervisory Committee member with his insights and abundant experience as a corporate manager in the game industry.
(3) The Company nominated Mr. Shiro Kuniya as a candidate for External Director and Audit and Supervisory Committee member as we expect that he would contribute especially to enhancement of corporate governance and compliance as an Audit and Supervisory Committee member with his insights as a lawyer. Although he had never been involved in corporate management except as an external officer, due to the reason noted above, the Company believes that he is capable of executing his duty as an Audit and Supervisory Committee member.
 4. Mr. Satoshi Honda and Mr. Shiro Kuniya are currently External Directors of the Company and their tenure as external directors will have been ten years at the conclusion of this annual general meeting of shareholders.
 5. Mr. Satoshi Honda and Mr. Shiro Kuniya are currently External Directors and Audit and Supervisory Committee members of the Company and their tenure as external directors of the Audit and Supervisory Committee members will have been four years at the conclusion of this annual general meeting of shareholders.
 6. If Mr. Alexander Iosilevich takes office as External Director of Audit and Supervisory Committee member, the Company will enter into an agreement to limit liabilities for damages provided for in Article 423, Paragraph 1 of the Companies Act to ¥2.4 million or the minimum liability amount as provided in Article 425, Paragraph 1 of the Companies Act, whichever is higher, based on the provisions of Article 427, Paragraph 1 of the Companies Act and Article 28 of the Articles of Incorporation of the Company.
 7. Mr. Satoshi Honda and Mr. Shiro Kuniya and the Company have entered into an agreement to limit liabilities for damages provided for in Article 423, Paragraph 1 of the Companies Act to ¥2.4 million or the minimum liability amount as provided in Article 425, Paragraph 1 of the Companies Act, whichever is higher, based on the provisions of Article 427, Paragraph 1 of the Companies Act and Article 28 of the Articles of Incorporation of the Company. The agreements will be renewed if their reappointment is approved.
 8. If Mr. Alexander Iosilevich takes office as Director and Audit and Supervisory Committee member, the Company will enter into an indemnification agreement to indemnify expenses provided by Article 430-2, Paragraph 1, Clause 1 of the Companies Act and losses provided by Clause 2 of the Paragraph to the extent provided by relevant laws and regulations.
 9. Mr. Satoshi Honda and Mr. Shiro Kuniya and the Company have entered into indemnification agreements to indemnify expenses provided by Article 430-2, Paragraph 1, Clause 1 of the Companies Act and losses provided by Clause 2 of the Paragraph to the extent provided by relevant laws and regulations. The agreements will be renewed if their reappointment is approved.
 10. The Company has purchased a directors and officers liability insurance covering all directors who are Audit and Supervisory Committee members to indemnify for possible losses arising from monetary damages and legal costs incurred in connection with claims against the insured. If Mr. Alexander Iosilevich, Mr. Satoshi Honda and Mr. Shiro Kuniya take office as Directors and Audit and Supervisory Committee members, they will be insured under the insurance policy. The Company will renew the insurance policy during the term of office of the candidates for directors and Audit and Supervisory Committee members subject to this proposal.

Reference

Expertise and experience of candidates for directors (excluding those who are Audit and Supervisory Committee members) and directors who are Audit and Supervisory Committee members (skill matrix)

If Proposals 2 and 3 are approved, the Company's Board of Directors will be comprised of members who have skills shown below.

Name	Corporate management	Finance/ Accounting	Legal/ Compliance	Game development	Brand marketing	New business development	Global business
Owen Mahoney	●	●				●	●
Shiro Uemura	●	●				●	●
Patrick Söderlund	●			●	●	●	●
Kevin Mayer	●				●	●	●
Alexander Iosilevich (Audit and Supervisory Committee member)		●				●	●
Satoshi Honda (Audit and Supervisory Committee member)	●				●	●	●
Shiro Kuniya (Audit and Supervisory Committee member)			●				●

*The above table shows the fields they are most familiar with based on their experience and does not necessarily show all of their areas of expertise.

Diversity of members of the Board of Directors

The Company believes it is important to secure diversity of members of the Board of Directors to achieve the Company's sustainable growth and increase corporate value.

The real diversity, however, to achieve such goal is not based on traits such as sex, race and nationality (i.e., demographic diversity) but on various skills, techniques, experience, value and opinion of each personnel (i.e., task-related diversity). By securing high task-related diversity in the members of the Board of Directors, we believe we can avoid homogeneity in the members and so produce vigorous discussions and increase the potential to come up with new ideas, which is how board diversity should contribute to the company's sustainable growth and corporate value improvement. This concept applies not only to board members but also other employees.

Although there is no female candidate in the proposals for election of directors for this annual general meeting of shareholders (Proposals 2 and 3), we will secure and spread the task-related diversity without setting specific numerical targets such as ratio of certain sex or nationality. In terms of demographic diversity, all director candidates are male, but non-Japanese candidates make up the majority, with three Japanese, three Americans and one Swedish. Please note that, during the process of selecting the candidates, we asked one excellent foreign female corporate manager, who we were confident would have contributed to the Company's management, to join us as a director, but she declined our offer due to busy schedule, etc.

Please refer to "Chapter 20 Cognitive Bias Theory" of *Management Theories of the Global Standard* by Akie Iriyama for classification of demographic diversity and task-related diversity.

Proposal 4: Issuance of subscription rights to shares as stock options to the Company's employees, etc.

Pursuant to Articles 236, 238 and 239 of the Companies Act, the Company seeks approval for delegating to the Board of Directors of the Company the authority to determine subscription requirements for the subscription rights to shares to be issued as stock options to the Company's employees and directors and employees of its subsidiaries.

1. The reason why the Company needs to offer the subscription rights to shares under preferential terms
Since the value of these subscription rights to shares are linked to the stock price of the Company, granting these subscription rights to shares can align the mid- and long-term performances of the Company with the benefit of Nexon Group's directors and employees. As a result, the Company's employees, as well as directors and employees of the Company's subsidiaries, will share with shareholders not only the benefits from a rise in the stock price but also the risks of a fall in the stock price, thereby giving incentive to contribute to the improvement of performance and corporate value and to further promote management awareness with an emphasis on shareholders, in addition to securing talented personnel from a global perspective.

In recent years, we have been facing fierce competition for talented personnel in all areas around the world. To acquire talented personnel, it is essential to enhance competitiveness in terms of compensation, in addition to making the company and its business more appealing. In that regard, the industry standard has been to offer monetary compensation as well as share-based compensation such as stock options. The total number of subscription rights to shares (excluding treasury subscription rights) issued as of December 31, 2021 accounts for approximately 3.7% of the total number of shares issued and outstanding, and this proposal seeks approval for the issuance of additional subscription rights to shares accounting for approximately 3.1% as stock options over the next 12 months. As the Company has continued to grow in the fiercely competitive game industry, we believe a dilution of 6.8% combined with the existing subscription rights to shares will remain within a reasonable range.

As the Stock Option Agreements for these subscription rights to shares provide for the terms and conditions for exercise of the rights according to each position, the grant will function as incentives for improving the mid- and long-term performance and rise in stock price.

2. Persons eligible for the grant of subscription rights
Employees of the Company and directors and employees of the Company's subsidiaries.
3. Terms and conditions of subscription rights to shares

- (1) Class and number of underlying shares of subscription rights to shares

Not exceeding 28,000,000 shares of the Company's common stock.

In the event that the Company splits its common stock (including gratis allocation) or consolidates its common stock, the number of underlying shares will be adjusted according to the formula outlined below. However, such adjustment will be made only to the shares subject to subscription rights to shares unexercised at the time of such adjustment.

Number of shares after adjustment = Number of shares before adjustment x Split/consolidation ratio

In case of merger, company split, share exchange, share transfer, share issuance or other events that compel the number of shares to be adjusted, the number of shares will be adjusted to the extent reasonable taking into consideration the terms and conditions of merger, company split, share exchange, share transfer, or share issuance, etc.

- (2) Number of subscription rights to shares to be issued

Not exceeding 28,000,000 units.

The number of underlying shares per unit of subscription rights to shares ("Number of Granted Shares") will be one share. In the event the number of shares is adjusted as provided in (1) above, the Number of Granted Shares will also be adjusted.

- (3) Cash payment for subscription rights to shares

No cash payment is required in exchange for subscription rights to shares.

- (4) Value of the assets to be contributed upon exercise of each subscription right to shares

The value of the assets to be contributed upon exercise of subscription rights to shares will be the amount obtained by multiplying the amount to be paid in for each share to be issued upon exercise of such subscription rights to shares ("Exercise Price") by the Number of Granted Shares for such subscription rights to shares.

The Exercise Price will be the closing price of the common stock of the Company in the regular trading thereof on Tokyo Stock Exchange on the date of allotment of subscription rights to shares ("Allotment Date").

In the event that the Company splits its common stock (including gratis allocation) or consolidates its common stock after the Allotment Date, the Exercise Price will be adjusted according to the following formula. Any fraction of less than one yen will be rounded up.

$$\text{Exercise Price after adjustment} = \text{Exercise Price before adjustment} \times \frac{1}{\text{Split / consolidation ratio}}$$

In case of merger, company split, share exchange, share transfer, share issuance, or other events that compel the Exercise Price to be adjusted, the Exercise Price will be adjusted to the extent reasonable taking into consideration the terms and conditions of merger, company split, share exchange, share transfer, or share issuance, etc.

- (5) Exercise period of subscription rights to shares
The exercise period will be within ten years from the Allotment Date. In the event that the last date of the exercise period is a non-business day of the Company, it will be the business day immediately preceding such date.
- (6) Conditions for exercise of subscription rights to shares
The person must be a director or an employee of the Company or its subsidiaries at the time of the exercise to be eligible, except when a director or an employee of the Company or its subsidiaries loses its position as a director or an employee due to retirement or resignation, dismissal or discharge (excluding punitive dismissal or any other event similar thereto), or death or disability, or when there is any other due reason specifically provided by the Board of Directors.
- (7) Treatment of a fraction less than one share resulting from the exercise of subscription rights to shares
Any fraction less than one share included in the number of shares to be issued to the holders of the subscription rights to shares who have exercised the rights will be rounded down.
- (8) Treatment of subscription rights to shares at the Company's restructuring and other activities
When approval is granted for proposals i), ii), iii), iv), or v) below at an annual general meeting of shareholders (or by a resolution of the Board of Directors of the Company if a resolution of the annual general meeting of shareholders is not required), the Company may acquire subscription rights to shares without charge on the date specifically stipulated by the Board of Directors:
 - i) Proposal for the approval of a merger agreement in which the Company will become the extinct company;
 - ii) Proposal for the approval of a split agreement or a split plan in which the Company will become a split company;
 - iii) Proposal for the approval of a share exchange agreement or a share transfer plan in which the Company will become a wholly owned subsidiary;
 - iv) Proposal for the approval of an amendment to the Articles of Incorporation to add provisions concerning all shares issued by the Company requiring the Company's approval for the acquisition of such shares through transfer; or
 - v) Proposal for the approval of an amendment to the Articles of Incorporation to add provisions concerning underlying shares of subscription rights to shares (i) requiring the Company's approval for the acquisition of such shares through transfer, or (ii) allowing the Company to acquire all shares of the relevant class based on a resolution of the annual general meeting of shareholders.
- (9) Restriction on transfer of subscription rights to shares
Any acquisition of subscription rights to shares through transfer will require an approval of the Board of Directors of the Company.
- (10) Matters concerning the amount of capital stock and capital reserve to be increased by the issuance of shares upon exercise of subscription rights to shares
 - i) The amount of capital stock to be increased by the issuance of shares upon exercise of subscription rights to shares will be one-half of the maximum limit on the increase in capital stock as calculated pursuant to Article 17, Paragraph 1 of the Regulation on Corporate Accounting. Any fraction of less than one yen will be rounded up.
 - ii) The amount of capital reserve to be increased by the issuance of shares upon exercise of subscription rights to shares will be the maximum limit on the increase in capital stock provided in i) above less the amount of increased capital stock stipulated in i) above.
- (11) Other subscription requirements for the subscription rights to shares will be determined by a resolution of the Board of Directors meeting to be held separately.

(Reference Materials)

Business Report

(From January 1, 2021 to December 31, 2021)

1. Current Status of Nexon Group

(1) Business summary for the current consolidated fiscal year

(i) Outline and results of business operations

As for the global economy during the fiscal year ended December 31, 2021, although economic recovery was seen in some countries including the U.S. and China, the end of the COVID-19 pandemic is still out of sight and its economic impact continued to be unclear as new strains of covid variant flared up, spreading even in Western countries with higher vaccination rates. In Japan, economic recovery remained unpredictable mainly as human activities were restricted, and business self-restrained their operations, due to repeated declarations of the state of emergency and key measures to prevent the spread of the COVID-19 infection.

Under these circumstances, although the situation slightly varies depending on the region, Nexon Group has continued to operate its PC online and mobile businesses, without its overall business being largely affected, endeavoring to provide users with an enjoyable game experience by developing high-quality games, acquiring more contents, servicing new titles, and updating existing titles. Specifically, we have established the following as the Company's Focus Strategy: (i) focusing on massive multiplayer online games, (ii) enabling our service to be played across multiple platforms including PC, console and mobile, (iii) leveraging the Company's IPs, and (iv) investing in new IPs that we think are really special. We have also worked on initiatives for the growth of our global business.

As a result, for the consolidated fiscal year ended December 31, 2021, Nexon Group recorded revenue of ¥274,462 million (down 6.3% year-over-year), operating income of ¥91,541 million (down 17.9% year-over-year), income before income taxes of ¥135,472 million (up 25.2% year-over-year) and net income attributable to owners of the parent company of ¥114,888 million (up 104.4% year-over-year).

Performance results by reportable segment are as follows:

- (a) Japan
Revenue for the consolidated fiscal year ended December 31, 2021 amounted to ¥5,042 million (up 16.8% year-over-year), and segment loss amounted to ¥11,939 million (segment loss of ¥4,338 million for the fiscal year ended December 31, 2020).
- (b) Korea
Revenue for the consolidated fiscal year ended December 31, 2021 amounted to ¥250,127 million (down 6.2% year-over-year), and segment profit amounted to ¥109,191 million (down 13.9% year-over-year). Revenue in Korea includes royalty income of NEOPLE INC. (a subsidiary of NEXON Korea Corporation, our subsidiary) attributable to license agreements in China.
- (c) China
Revenue for the consolidated fiscal year ended December 31, 2021 amounted to ¥3,150 million (up 3.0% year-over-year), and segment profit amounted to ¥1,680 million (down 11.2% year-over-year).
- (d) North America
Revenue for the consolidated fiscal year ended December 31, 2021 amounted to ¥14,904 million (down 11.9% year-over-year), and segment loss amounted to ¥175 million (segment loss of ¥1,263 million for the fiscal year ended December 31, 2020).
- (e) Other
Revenue for the consolidated fiscal year ended December 31, 2021 amounted to ¥1,239 million (down 37.0% year-over-year), and segment loss amounted to ¥4,902 million (segment loss of ¥2,821 million for the fiscal year ended December 31, 2020).

Revenue by region (revenue classified into country or region category based on the customers' location) was ¥154,683 million (down 6.2% year-over-year) in Korea, ¥73,595 million (down 9.4% year-over-year) in China, ¥10,469 million (up 0.5% year-over-year) in Japan, ¥18,668 million (down 6.0% year-over-year) in North America and Europe, and ¥17,047 million (up 3.2% year-over-year) in Other.

Current consolidated fiscal year		
Region	Amount (¥ million)	Ratio (%)
Korea	154,683	56.4
China	73,595	26.8
Japan	10,469	3.8
North America and Europe	18,668	6.8
Other	17,047	6.2
Total	274,462	100.0

- (ii) Capital expenditure
Total capital expenditure of Nexon Group during the current consolidated fiscal year amounted to ¥5,185 million.
The major components include long-term prepaid expenses related to game license fee of ¥194 million, PC online game and mobile game operation equipment (e.g. server equipment) of ¥1,274 million, software for internal use (game related) of ¥503 million, and right-of-use assets of ¥3,140 million recorded as a result of the application of IFRS 16.
- (iii) Financing
Not applicable.
- (iv) Business transfers, absorption-type splits, or incorporation-type splits
Not applicable.
- (v) Businesses transferred from other companies
There are no material matters that should be disclosed.
- (vi) Rights and obligations related to other companies assumed as a result of absorption-type mergers or splits
Not applicable.
- (vii) Acquisition or disposition of shares, other equity interests or subscription rights to shares of other companies
The Company acquired a 38.1% interest in Brothers International, LLC and made the company its affiliate accounted for using the equity method during the fiscal year ended December 31, 2021.

(2) Assets and Profit/Loss

Accounts	17 th Fiscal Year (Ended December 31, 2018)	18 th Fiscal Year (Ended December 31, 2019)	19 th Fiscal Year (Ended December 31, 2020)	20 th Fiscal Year (Ended December 31, 2021)
Revenue (Millions of yen)	253,721	248,542	293,024	274,462
Operating income (Millions of yen)	98,360	94,525	111,450	91,541
Income before income taxes (Millions of yen)	117,444	121,968	108,171	135,472
Net income attributable to owners of the parent (Millions of yen)	107,672	115,664	56,220	114,888
Basic earnings per share (Yen)	121.03	129.34	63.57	128.91
Total assets (Millions of yen)	649,998	719,088	862,161	986,632
Total equity (Millions of yen)	565,477	631,131	720,445	845,893
Equity attributable to owners of the parent per share (Yen)	620.91	702.59	800.35	939.19

- (Notes)1. The Company prepares the consolidated financial statements in accordance with the designated international accounting standards (IFRS).
2. Basic earnings per share is calculated as net income attributable to owners of the parent divided by the weighted average number of common stock issued and outstanding during the current fiscal year. The weighted average number of common stock does not include common stock held by Nexon Group as treasury stock.
 3. Equity attributable to owners of the parent per share is calculated as equity attributable to owners of the parent, divided by the total number of common stock issued and outstanding at year-end. The total number of common stock issued and outstanding does not include common stock held by Nexon Group as treasury stock.
 4. The Company has executed a two-for-one stock split of its common stock as of April 1, 2018. The amount of basic earnings per share and equity attributable to owners of the parent per share have been calculated assuming that such stock split had been executed on January 1, 2018.

(3) Current status of the major parent company and subsidiaries

(a) Parent company

NXC Corporation owns 253,262 thousand shares, or voting rights ratio of 28.4%, of the Company as of December 31, 2021, and accordingly, the said company, even with its indirect shareholding, is no longer the parent company of the Company under the Companies Act and the Financial Instruments and Exchange Act.

As of December 31, 2021, NXC Corporation is the largest and major shareholder of the Company, and engages in investment businesses and other businesses that are not related to online game business which is the Company's primary business. With regard to a company name trademark "NEXON" in Japan owned by NXC Corporation, the Company has entered into a trademark licensing agreement with NXC Corporation and agreed to pay license fee to NXC, which is set as the amount calculated as a certain percentage of the Company's revenue. NXC Corporation has agreed that the Company has a right to extend the trademark licensing agreement regarding the company name trademark "NEXON." Certain subsidiaries of the Company, including NEXON Korea Corporation and NEXON America, Inc., have also entered into similar agreements with NXC Corporation.

Except for the licensing agreement described above, there are no other recurring transactions related to significant financial and business policy between Nexon Group and NXC Corporation.

(b) Major subsidiaries

Company name	Capital	Voting rights owned by the Company	Main business
NEXON Korea Corporation	KRW 32,000 million	100%	PC online and mobile game development, and PC online and mobile game distribution and publication licensing service mainly in Korea
Lexian Software Development (Shanghai) Co., Ltd.	US\$4,100 thousand	100%	Provision of necessary infrastructure to distributors and consulting services for game distribution in China
NEXON America, Inc.	US\$210	100%	PC online game distribution mainly in the North America region
NEOPLE INC.	KRW 181 million	100% (100%)	PC online game and mobile game development and distribution
NEXON GT Co., Ltd.	KRW 17,687 million	65.1% (65.1%)	PC online game development
Pixelberry Studios	US\$ 0.1	100% (100%)	Mobile game development and distribution mainly in the North America region
NAT GAMES Co., Ltd.	KRW 14,426 million	56.8% (56.8%)	PC online game and mobile game development
Embark Studios AB	SEK 65 thousand	100.0% (33.3%)	Game development

(Note) Figures in parenthesis in "Voting rights owned by the Company" represent the percentage indirectly owned by the Company.

(c) Status of specified wholly-owned subsidiaries during the current consolidated fiscal year Not applicable.

(4) Issues to Be Addressed

Nexon Group recognizes the following matters as issues to be addressed in order to achieve our future growth:

- (a) Reinvest stable cash flows generated from our major titles to grow Nexon Group's global business
Nexon Group has hundreds of millions of fans around the world and owns intellectual property associated with multiple game titles ("game IPs) that are as big as, or even bigger than, international blockbuster movies and game series. So far, we have created, sustained and grown some of the biggest game IPs and franchises in the global videogames business, including *MapleStory* (18 years), *KartRider* (17 years) and *Dungeon&Fighter* (16 years), all of which have grown significantly over the years. These game titles have grown and generated stable revenues over a long period of time through attractive and consistent content updates aiming to entertain users and our best-in-class live game operations. We will expand our global business by investing the stable cash flows in live operation to further grow our major titles, creation of new technologies, new game development, acquisition of game studios, recruitment of top talent. Specifically, our growth strategy comprises four pillars as described below:

(i) Focus on virtual worlds

As a pioneer in the industry, Nexon Group has been one of the world's best companies to create and operate large-scale virtual worlds offering deeply immersive game experience over the last two decades. Players around the world are now showing a growing preference for games in this field, but this is one of the least competitive fields as there are few companies that can create and grow exciting games in this field. As such, we are placing our focus on this field as one of our biggest opportunities.

(ii) Offer service on multiple platforms including PC, console and mobile devices

Mobile devices now have nearly the same functions as PCs. And while the market size of PCs used for gameplay was hundreds of millions, billions of people are carrying mobile devices with high-end features today. Furthermore, thanks to the companies in the platform business making huge investments in the game business, highly sophisticated gaming platforms are about to be introduced to the enormous market which has grown incomparably bigger from the time when PC was the main device for gameplay. The potential market for Nexon Group has become significantly bigger, allowing us to reach incomparably larger group of users and offer virtual worlds in which we have a strong advantage. We will offer service in multiple platforms and take advantage of these opportunities more aggressively than ever before.

(iii) Leverage our own IPs

Nexon Group has hundreds of millions of fans around the world and owns multiple game IPs that are as big as, or even bigger than, international blockbuster movies and game series. As our game IPs are familiar to hundreds of millions of users who have spent so many exciting hours playing the games, new or extended version of games using such IPs will already have millions of fans at their launch who are eager to experience that world again. We will create virtual worlds that will generate stable revenues over a long period of time by leveraging our strong IPs.

(iv) Invest in especially valuable new IPs

Nexon Group is currently at the growth stage. In order to accelerate the growth of our global business, we will proactively invest in new IPs that we believe that it has a special value. One of the examples of such investment is the acquisition of Embark Studios AB.

- (b) Strengthening information security

Nexon Group provides PC online game and mobile game service which handles game data and users' personal information through the information system, and accordingly, it is required to maintain the highest level of information systems infrastructure to prevent illegal access or use by external parties, and to enhance information security structure including appropriate internal information management organization.

In response, Nexon Group has acquired ISMS certification in all relevant countries to secure the same security level within Nexon Group. Also, we conduct 24/7 log monitoring for each game-related server as well as query monitoring and periodic diagnosis for critical database to maintain high-level security system. In addition, we convene internal information management committee meetings four times a year to monitor the maintenance of information security on a regular basis and to report to management.

Amid the spread of the COVID-19 infections, accelerated cloud shift of various tools and systems has further increased the importance of information security as well as the needs to enhance it. Nexon Group is committed to making continued efforts to strengthen the overall information security system in order to provide our users with reliable and secure services while focusing on the enhancement of the information security system in the business and cloud environment.

(5) Principal Business (as of December 31, 2021)

PC online game business and mobile game business

(6) Major Offices (as of December 31, 2021)

Company name	Office	Location
The Company	Head office	Minato-ku, Tokyo
NEXON Korea Corporation	Head office	Seongnam, Gyeonggi, Korea
Lexian Software Development (Shanghai) Co., Ltd.	Head office	Shanghai, People's Republic of China
NEXON America, Inc.	Head office	California, U.S.A.
NEOPLE INC.	Head office	Jeju Special Administrative Region, Korea
NEXON GT Co., Ltd.	Head office	Seongnam, Gyeonggi, Korea
Pixelberry Studios	Head office	California, U.S.A.
NAT GAMES Co., Ltd.	Head office	Seoul, Korea
Embark Studios AB	Head office	Stockholm, Sweden

(7) Employees (as of December 31, 2021)**(a) Employees of Nexon Group**

Number of employees	Changes from the previous consolidated fiscal year-end
6,683 (138)	Increase by 395 (61)

(Note) Number of employees above represent full-time employees, and figures in parenthesis represent average number of temporary workers (e.g. contract employees) during the year.

(b) Employees of the Company

Number of employees	Changes from the previous year-end	Average age	Average service years
270 (2)	Increase by 2 (decrease by 1)	37.7 years old	6.6 years

(Note) Number of employees above represent full-time employees, and figures in parenthesis represent average number of temporary workers (e.g. contract employees) during the year.

(8) Major Lenders (as of December 31, 2021)

Not applicable.

(9) Other material facts concerning the current status of Nexon Group

Not applicable.

2. Current Status of the Company

(1) Shares (as of December 31, 2021)

(a) Total number of authorized shares: 1,400,000,000 shares

(b) Number of shares issued: 898,746,469 shares (including 7,042,667 shares of treasury stock)

(c) Number of shareholders: 5,092

(d) Major shareholders (Top 10)

Name of shareholders	Number of shares owned (Thousand shares)	Ratio (%)
NXC Corporation	253,262	28.4
NXMH BV	167,186	18.7
The Master Trust Bank of Japan, Ltd. (trust account)	94,363	10.6
JP MORGAN CHASE BANK 380815	43,410	4.9
HSBC-FUND SERVICES CLIENTS A/C 006	38,433	4.3
Custody Bank of Japan, Ltd. (trust account)	32,220	3.6
KOREA SECURITIES DEPOSITORY- SAMSUNG	11,475	1.3
Min Seo	9,715	1.1
STATE STREET BANK WEST CLIENT - TREATY 505234	8,108	0.9
SSBTC CLIENT OMNIBUS ACCOUNT	7,980	0.9

(Note) Ratio is calculated using the number of shares issued excluding treasury stock (7,042,667 shares).

(2) Corporate officers**(a) Directors (as of December 31, 2021)**

Post	Name	Responsibility and Material Posts Concurrently Held
President and CEO	Owen Mahoney	—
Representative Director	Shiro Uemura	Chief Financial and Chief Administrative Officer Director of NEXON America, Inc. Director of Lexian Software Development (Shanghai) Co., Ltd. Director of Nexon Studios, Inc.
Director	Patrick Söderlund	Director of Sicalis AB Chief Executive Officer of Embark Studios AB Director of Fractal Gaming Group AB Director of Ortalis Group AB Director of Hexagon Aktiefbolag Director of Surmount Together AB Director of Ortalis Holding AB Director CoFounded Kapital AB
Director	Kevin Mayer	Venture Partner/Partner of Smash Ventures Chairman of DAZN Group Limited Co-CEO, Co-Chairman of Board of Directors of Forest Road Acquisition Corp. II Director of Tinuiti, Inc. Director of Beachbody, LLC. Co-CEO, Director of Candle Media (former Aventine, LLC)
Director (Audit & Supervisory Committee member)	Hongwoo Lee	Director of NEXON Korea Corporation
Director (Audit & Supervisory Committee member)	Satoshi Honda	—
Director (Audit & Supervisory Committee member)	Shiro Kuniya	Managing partner of Oh-Ebashi LPC & Partners Auditor of Kitano Hospital, The Tazuke Kofukai Medical Research Institute Board member of the Japan Commercial Arbitration Association Board member of Japan Century Symphony Orchestra External Director of Takeda Pharmaceutical Company Ltd. Auditor of CiRA Foundation External Director of TOA Corporation

(Notes) 1. Mr. Kevin Mayer, Director, and Mr. Satoshi Honda and Mr. Shiro Kuniya, Directors (Audit & Supervisory Committee members), are external directors.

2. The Company has appointed Mr. Kevin Mayer, Director, and Mr. Satoshi Honda and Mr. Shiro Kuniya, Directors (Audit & Supervisory Committee members), as independent officer pursuant to the regulations of Tokyo Stock Exchange and reported such appointment to the Exchange.

3. The Company has not appointed full-time Audit & Supervisory Committee members as the Company ensures the audit effectiveness by enhancing effectiveness of design and operation of the internal control system in coordination with the Internal Audit Office, the Legal Department and the Accounting/Finance Department and performing organizational audit through the internal control system.

(b) Summary of the limited liability agreement

Pursuant to provisions of Article 427, Paragraph 1 of the Companies Act and Article 28 of the Company's Articles of Incorporation, the Company and each of the directors (excluding those who are executive directors) have entered into an agreement to limit the liability for damages provided for in Article 423, Paragraph 1 of the Companies Act.

The limit of liability for damages under the agreement described above is ¥2.4 million or the minimum liability amount provided for in Article 425, Paragraph 1 of the Companies Act, whichever is higher.

(c) Summary of indemnification agreement

Mr. Owen Mahoney, Mr. Shiro Uemura, Mr. Patrick Söderlund, Mr. Kevin Mayer, Mr. Hongwoo Lee, Mr. Satoshi Honda and Mr. Shiro Kuniya and the Company have entered into indemnification agreements to indemnify for expenses provided by Article 430-2, Paragraph 1, Clause 1 of the Companies Act and losses provided by Clause 2 of the Paragraph to the extent provided by relevant laws and regulations.

(d) Summary of directors and officers liability insurance

The Company has taken out a directors and officers liability insurance covering all officers, executive officers and employees in management position to indemnify for possible losses arising from monetary damages and legal costs incurred in connection with claims against the insured. The Company pays all insurance premiums. However, there are some exclusions not covered by the insurance such as losses arising from illegal actions taken for personal profit or provision of favors, criminal actions, and actions taken with knowledge of the illegality.

(e) Compensation, etc. for directors

(i) Determination policy for the details of each director's compensation, etc.

The Company has developed "Directors' Compensation Policy" based on the resolution of the Board of Directors on February 23, 2018 (partially amended on March 22, 2018 and March 25, 2021).

The basic policy of directors' compensation in the "Directors' Compensation Policy" is to:

- (a) contribute to the sustainable growth of Nexon Group and mid- and long-term improvement of corporate value;
- (b) be competitive on the global HR market enough to acquire incredibly talented personnel for the management team from a global perspective and to maintain such a relationship;
- (c) link directors' compensation with the company's business performance and corporate value to align their interests with those of shareholders and increase the management's focus on shareholders; and
- (d) have a highly transparent and objective process for determining compensation.

In addition, as part of the "Directors' Compensation Policy," the Company has established the Compensation Committee as an advisory body to the Board of Directors.

(Roles and activities of the Compensation Committee and the authority to decide on the amount of officers' compensation)

The Committee consists mainly of independent external directors and is chaired by an independent external director. For the operation of the Compensation Committee, external compensation consultants may be engaged to introduce outside and objective perspective and professional insights, with other data including management compensation survey used as reference.

To ensure a reasonable level and composition of directors' compensation as well as transparency of its determination process, the specific compensation amounts to be paid and the performance achievement level will be first approved by the Compensation Committee and then finalized and determined by a resolution of the Board of Directors.

The Board of Directors has authority to decide on the policy for the determination of the amount or its calculation method of compensation, etc. of the Company's directors (excluding those who are Audit and Supervisory Committee members). The scope of its authority and discretion is limited to the total amount approved at the annual general meeting of shareholders, and decisions are made in consideration of relevant duties and the Company's situation, etc.

The total amount and breakdown of compensation for President and Chief Executive Officer and other directors will be first discussed between President and Chief Executive Officer and the Compensation Committee and between President and Chief Executive Officer and each director, respectively, then deliberated and approved by the Compensation Committee and determined by a resolution of the Board of Directors. The specific amount and timing of a payment of directors who are Audit and Supervisory Committee members will be determined based on the discussion by directors who are Audit and Supervisory Committee members.

(Rationale for Compensation Level)

In our aim to become the No.1 global company in the entertainment industry including the game industry, Nexon Group is engaged in intense competitions with leading companies in good standing from all over the world, including the competition for acquiring talented management personnel. The level of our directors' compensation is set by referencing directors' compensation levels at such global companies mainly in Japan and the U.S. In doing so, we will also utilize various data (e.g. the absolute amount and forms of compensation) provided by external compensation consultants and management compensation survey and ensure that the total amount of compensation as well as the amount of each component (base compensation, performance-based annual bonus and equity-based stock options) do not fall below median compensation amount in the management compensation survey data of Japanese companies, in principle.

(Composition of Compensation)

A. Executive Directors (directors who are not Audit and Supervisory Committee members or external directors, “Executive Directors”)

Compensation for Executive Directors consists of base compensation, performance-based annual bonus and equity-based stock options. Specifically, (i) “base compensation” which is a fixed amount; (ii) “performance-based annual bonus” which is linked to the Company’s performance for each fiscal year; (iii) “equity-based stock options (term-linked) which become exercisable at the conclusion of each of the first, second and third annual general meeting of shareholders held after the grant (subscription rights to shares to be issued as directors’ compensation, etc. that do not require cash payment upon exercise and are not linked to the Company’s performance, having a similar economic effect to Restricted Stock (RS) or Restricted Stock Unit (RSU)); and (iv) “equity-based stock options (performance-linked) which are linked to the Company’s mid- to long-term performance (subscription rights to shares to be issued as directors’ compensation, etc. that do not require cash payment upon exercise and are linked to the Company’s performance, having a similar economic effect to Performance Share (PS)).

In order for directors’ compensation to function as a sound incentive for sustainable growth, the proportion of each component of the compensation will be determined so that the following conditions are met at 100% achievement of key performance indicator (“KPI”) targets.

- (a) Base amount of the portion whose amount or value is linked to performance or stock price ((ii) + (iii) + (iv)) is greater than the fixed portion (i). [(i) < ((ii) + (iii) + (iv))]
- (b) Base amount of equity-based stock options ((iii) + (iv)) is greater than base amount of performance-based annual bonus (ii). [(ii) < ((iii) + (iv))]
- (c) Base amount of equity-based stock options (performance-linked) (iv) is greater than base amount of equity-based stock options (term-linked) (iii). [(iii) < (iv)]

In addition, the compensation of President and Chief Executive Officer must meet the following condition: “Base compensation” ≤ “Performance-based annual bonus (base amount)” ≤ “Equity-based stock options (base amount)” [(i) ≤ (ii) ≤ ((iii) + (iv))]

(i) Base compensation	(ii) Performance-based annual bonus	(iii) Equity-based stock options (term-linked)	(iv) Equity-based stock options (performance-linked)
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Cash compensation	Stock-based compensation (Equity-based substitute stock options)
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Fixed compensation	Compensation linked to performance / stock price
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Each component of compensation will be paid as follows:

- (i) Base compensation: One twelfth of the predetermined annual base compensation amount will be paid monthly.
- (ii) Performance-based annual bonus: To be paid after the achievement level of KPI targets for each fiscal year is determined.
- (iii) Equity-based stock options (term-linked): Units attributable to three fiscal years will be granted in a lump sum every three years promptly after the annual general meeting of shareholders to be held in the grant year.
- (iv) Equity-based stock options (performance-linked): A three-year performance evaluation period will be set and units attributable to such three fiscal years will be granted promptly after the first annual general meeting of shareholders to be held during the performance evaluation period.

- B. Directors who are not Executive Directors (including external directors but excluding those who are Audit and Supervisory Committee members, “Non-Executive Directors”)

Compensation for Non-Executive Directors, in principle, consists of (i) “base compensation” which is a fixed amount and (iii) “equity-based stock options (term-linked) which become exercisable at the conclusion of each of the first, second and third annual general meeting of shareholders to be held after the grant (subscription rights to shares to be issued as directors’ compensation, etc. that do not require cash payment upon exercise and are not linked to the Company’s performance, having a similar economic effect to Restricted Stock (RS) or Restricted Stock Unit (RSU)). This reflects our aim to provide appropriate incentive to Non-Executive Directors to improve the company’s mid- to long-term corporate value while considering the fact that it is pointed out that there may be potential adverse effects of paying them performance-linked compensation on their supervisory function as Non-Executive Directors, especially external directors, are expected to supervise business execution by Executive Directors.

However, the composition of each Non-Executive Director’s compensation will be determined as follows so that stock-based compensation, which is incentive pay, will not be excessive in comparison with cash compensation: base amount of “equity-based stock options (term-linked)” will not exceed “base compensation” [(i) \geq (iii)]

(i) Base compensation	(iii) Equity-based stock options (term-linked)
Cash compensation	Stock-based compensation (Equity-based substitute stock options)
Fixed compensation	Compensation linked to stock price

Each component of compensation will be paid as follows:

- (i) Base compensation: One twelfth of the predetermined annual base compensation amount will be paid monthly.
- (iii) Equity-based stock options (term-linked): Units attributable to three fiscal years will be granted in a lump sum every three years promptly after the annual general meeting of shareholders to be held in the grant year.

- C. Directors who are Audit and Supervisory Committee members (including external directors, “Directors who are Audit and Supervisory Committee members”)

Compensation for Directors who are Audit and Supervisory Committee members, in principle, consists of (i) “base compensation” which is a fixed amount and (iii) “equity-based stock options (term-linked) which become exercisable at the conclusion of the first annual general meeting of shareholders to be held after the grant (subscription rights to shares to be issued as directors’ compensation, etc. that do not require cash payment upon exercise and are not linked to the Company’s performance, having a similar economic effect to Restricted Stock (RS) or Restricted Stock Unit (RSU)). This reflects our aim to provide appropriate incentive to Directors who are Audit and Supervisory Committee members to improve the Company’s mid- to long-term corporate value while considering the fact that it is pointed out that there may be potential adverse effects of paying them performance-linked compensation on their supervisory function as Directors who are Audit and Supervisory Committee members are expected to supervise business execution by Executive Directors.

However, the composition of compensation for each Director who are Audit and Supervisory Committee member will be determined as follows so that stock-based compensation, which is incentive pay, will not be excessive in comparison with cash compensation: base amount of “equity-based stock options (term-linked)” will not exceed “base compensation” [(i) \geq (iii)]

(i) Base compensation	(iii) Equity-based stock options (term-linked)
Cash compensation	Stock-based compensation (Equity-based substitute stock options)
Fixed compensation	Compensation linked to stock price

Each component of compensation will be paid as follows:

- (i) Base compensation: One twelfth of the predetermined annual base compensation amount will be paid monthly.
- (iii) Equity-based stock options (term-linked): To be granted every year promptly after the annual general meeting of shareholders

(Details of Each Component of Compensation)

A. Fixed compensation

The fixed portion of directors' compensation will be as follows:

(i) Base compensation

The annual amount for each director will be determined based on their title, role and responsibility.

B. Compensation linked to performance/stock price

The portion of directors' compensation linked to the Company's performance or stock price will be as follows:

(ii) Performance-based annual bonus

The base amount for each Executive Director will be determined in consideration of base compensation determined in (i) above and the proportion set forth in "Composition of Compensation" above. The amount of performance-based annual bonus will be determined based on the base amount and the level of achievement of performance targets to be explained below.

The level of achievement of performance targets will be assessed by giving a 50% weight each to consolidated revenue and consolidated operating income, which are deemed to be objective and transparent indices. This portion of compensation fluctuates within the range of 0% to 150% of the base amount based on the achievement level of the internal target set at the beginning of the fiscal year (e.g. 100% at 100% achievement of KPI targets). Consolidated revenue and consolidated operating income used in determining the amount of performance-based annual bonus exclude temporary effects arising from M&As and impairment loss on goodwill recorded during the fiscal year.

The targets and actual results of the KPIs for performance-based bonus for the fiscal year ended December 31, 2021 are as follows:

KPI	Assessment ratio	Range of fluctuation of evaluation coefficients	Target (Millions of yen)	Actual results (Millions of yen)	Evaluation coefficient
Consolidated revenue	50%	0% - 150%	307,671	274,462	89.2%
Consolidated operating income	50%	0% - 150%	100,457	93,594	93.2%

(Note) "Base amount" to be paid when the target is achieved is determined based on factors including job responsibility (in consideration of the trend in the group of companies set as the compensation benchmark).

(iii) Equity-based stock options (term-linked)

(Subscription rights to shares allotted on March 27, 2018)

Equity-based stock options (term-linked) are similar to Restricted Stock (RS) and Restricted Stock Unit (RSU). Executive Directors will be granted subscription rights to shares attributable to three fiscal years in a lump sum promptly after the annual general meeting of shareholders to be held in the grant year. These stock options are not granted to Directors who are Audit and Supervisory Committee members.

The number of subscription rights to shares granted as equity-based stock options (term-linked) is calculated by first determining the base amount of equity-based stock options (term-linked) for each director, in consideration of the base compensation determined in (i) above, and by dividing such base amount by the closing price of the Company's common stock in regular transactions on Tokyo Stock Exchange on the date of the resolution of the grant and then by 1,000 (rounded up to the nearest whole number).

Details of the subscription rights to shares to be granted as equity-based stock options (term-linked) are as follows:

i. Class and number of underlying shares of subscription rights to shares

1,000 shares of the Company's common stock per unit of subscription rights to shares (2,000 shares after the adjustment related to the stock split executed on April 1, 2018).

In the event that the Company splits its common stock (including gratis allocation) or consolidates its common stock, the number of underlying shares shall be adjusted according to the formula outlined below. However, such adjustment shall be made only to those subject to subscription rights to shares unexercised at the time of such adjustment, and any fraction less than one share resulting from such adjustment shall be rounded down.

$$\text{Number of shares after adjustment} = \text{Number of shares before adjustment} \times \text{Ratio of split or consolidation}$$

In case of merger, company split, share exchange, share transfer or other events that compel the number of shares to be adjusted, the number of shares shall be adjusted to the extent reasonable taking into consideration the terms and conditions of merger, company split, share exchange or share transfer, etc.

- ii. Cash payment for subscription rights to shares
¥0
- iii. Value of assets to be contributed upon exercise of subscription rights to shares
¥1 per unit of subscription rights to shares
- iv. Exercise period of subscription rights to shares
From the date of allotment until the day on which ten years have elapsed.
- v. Conditions for exercise of subscription rights to shares
Holders of subscription rights to shares must be a director of the Company at the time of the exercise to be eligible, and those who are no longer a director may exercise the subscription rights to shares only if they lose their position as a director due to retirement, resignation or dismissal (excluding punitive dismissal or any other event similar thereto), or death or disability, or when there is any other due reason specifically provided by the Board of Directors.
One third of these subscription rights to shares vest and become exercisable upon conclusion of each of the first, second and third annual general meeting of shareholders to be held after the grant, provided that the holder is a director at that time.
- vi. Exercise deadline of subscription rights to shares
The subscription rights to shares may be exercised after the subscription rights to shares vest upon conclusion of the relevant annual general meeting of shareholders until March 15 in the following year.

(Subscription rights to shares allotted on March 25, 2021)

Equity-based stock options (term-linked) are similar to Restricted Stock (RS) and Restricted Stock Unit (RSU). Executive Directors and Non-Executive Directors will be granted subscription rights to shares attributable to three fiscal years in a lump sum promptly after the annual general meeting of shareholders to be held in the grant year. Directors who are Audit and Supervisory Committee members will be granted subscription rights to shares attributable to one fiscal year every year promptly after the annual general meeting of shareholders. This portion of compensation is not linked to the Company's performance but linked only to directors' term of office and the Company's stock price.

The number of equity-based stock options (term-linked) to be granted will be calculated by first determining the base amount of equity-based stock options (term-linked) for each director, in consideration of the base compensation determined in (i) above and the proportion set forth in "Composition of Compensation" above, and by dividing such base amount by the closing price of the Company's common stock in regular transactions on Tokyo Stock Exchange on the day immediately preceding the date of the resolution of the grant (or the most recent trade date if such date is not a trade date) (rounded down to the nearest whole number).

Details of the subscription rights to shares to be granted as equity-based stock options (term-linked) are as follows:

- i. Class and number of underlying shares of subscription rights to shares
1 share of the Company's common stock per unit of subscription rights to shares.
In the event that the Company splits its common stock (including gratis allocation) or consolidates its common stock, the number of underlying shares shall be adjusted according to the formula outlined below. However, such adjustment shall be made only to those subject to subscription rights to shares unexercised at the time of such adjustment.

$$\text{Number of shares after adjustment} = \frac{\text{Number of shares before adjustment}}{\text{Ratio of split or consolidation}}$$
- ii. Cash payment for subscription rights to shares
¥0
- iii. Value of assets to be contributed upon exercise of subscription rights to shares
¥0
- iv. Exercise period of subscription rights to shares
From the date of allotment until the day on which ten years have elapsed.
- v. Conditions for exercise of subscription rights to shares
As the subscription rights to shares are granted as directors' compensation, etc. pursuant to Article 361, Paragraph 1, Item 4 of the Companies Act, only directors (including former directors) subject to this policy may exercise them.

Holders of the subscription rights to shares must be a director of the Company at the time of the exercise to be eligible, and those who are no longer a director may exercise the subscription rights to shares only if they lose their position as a director due to retirement, resignation or dismissal (excluding punitive dismissal or any other event similar thereto), or death or disability, or when there is any other due reason specifically provided by the Board of Directors.

With respect to the subscription rights to shares granted to Directors (excluding those who are Audit and Supervisory Committee members), one third of these subscription rights to shares vest and become exercisable upon conclusion of each of the first, second and third annual general meeting of shareholders to be held after the grant, provided that the holder is a director at that time. With respect to those granted to Directors who are Audit and Supervisory Committee members, all units vest and become exercisable upon conclusion of the annual general meeting of shareholders to be held in the following year after the grant, provided that the holder is a director at that time.

- vi. Exercise deadline of subscription rights to shares
The subscription rights to shares may be exercised after the subscription rights to shares vest upon conclusion of the relevant annual general meeting of shareholders until March 15 in the following year.

(iv) Equity-based stock options (performance-linked)
(Subscription rights to shares allotted on March 27, 2018)

This type of stock options, similar to performance shares (PS), vests and becomes exercisable after a certain performance evaluation period after the grant based on relative comparison of stock price movement with the industry peers and the achievement level of the consolidated performance targets stated in the internal management plan covering multiple years, with the aim of contributing to Nexon Group's sustainable growth and enhancement of mid- to long-term corporate value.

Subscription rights to shares as equity-based stock options (performance-linked) will be granted only to Executive Directors in the number of units attributable to three fiscal years in a lump sum promptly after the annual general meeting of shareholders.

The number of subscription rights to shares granted as equity-based stock options (performance-linked) is calculated by first determining the base amount of equity-based stock options (performance-linked) (assuming approximately 200% achievement of KPI targets) for each Executive Director, in consideration of the base compensation determined in (i) above, and by dividing such base amount by the closing price of the Company's common stock in regular transactions on Tokyo Stock Exchange on the date of the resolution of the grant and then by 1,000 (rounded up to the nearest whole number).

Details of the subscription rights to shares to be granted as equity-based stock options (performance-linked) are as follows:

- i. Class and number of underlying shares of subscription rights to shares
1,000 shares of the Company's common stock per unit of subscription rights to shares (2,000 shares after the adjustment related to the stock split executed on April 1, 2018).

In the event that the Company splits its common stock (including gratis allocation) or consolidates its common stock, the number of underlying shares shall be adjusted according to the formula outlined below. However, such adjustment shall be made only to those subject to subscription rights to shares unexercised at the time of such adjustment, and any fraction less than one share resulting from such adjustment shall be rounded down.

$$\text{Number of shares after adjustment} = \frac{\text{Number of shares before adjustment}}{\text{Ratio of split or consolidation}}$$

In case of merger, company split, share exchange, share transfer or other events that compel the number of shares to be adjusted, the number of shares shall be adjusted to the extent reasonable taking into consideration the terms and conditions of merger, company split, share exchange or share transfer, etc.

- ii. Cash payment for subscription rights to shares
¥0
- iii. Value of assets to be contributed upon exercise of subscription rights to shares
¥1 per unit of subscription rights to shares
- iv. Exercise period of subscription rights to shares
From the date of allotment until the day on which ten years have elapsed.
- v. Conditions for exercise of subscription rights to shares

Holders of subscription rights to shares must be a director of the Company at the time of the exercise to be eligible, and those who are no longer a director may exercise the subscription rights to shares only if they lose their position as a director due to retirement, resignation or dismissal (excluding punitive dismissal or any other event similar thereto), or death or disability, or when there is any other due reason specifically provided by the Board of Directors.

For equity-based stock options (performance-linked), subscription rights to shares will be granted in advance promptly after the first annual general meeting of shareholders to be held during the performance evaluation period assuming approximately 200% achievement of KPI targets. The portion of compensation in the form of equity-based stock options (performance-linked) will fluctuate within the range of 0% to 200% based on the achievement level (100% at 100% achievement of KPI targets). However, the actual number of units to vest and become exercisable will be limited to the portion that is evaluated, fixed and determined based on the level of the achievement of KPI targets.

Specifically, as objective and transparent indices, (1) stock-price-based index (e.g. relative total shareholder returns (TSR) (Note 1)) and (2) financial index (e.g. consolidated operating income (Note 2)) will be selected, with the weight of 60% and 40% to be assigned in evaluation, respectively.

(Note 1) Comparable companies selected for the purpose of Relative TSR include Electronic Arts, Activision/Blizzard, Take-Two Interactive, Nintendo Co., Ltd., and BANDAI NAMCO Holdings. Assessment will be made by comparing the Company's TSR and the average TSR value of comparable companies and the Company (represented in percentages based on dividends and stock price movements) of the period from the date of a given annual general meeting of shareholders to the date of an annual general meeting of shareholders three years later.

We use Relative TSR as a KPI because we believe it is important to consider not only the Company's sustainable growth but also market and competition environment in the performance evaluation.

(Note 2) Consolidated operating income will be evaluated based on its achievement level of the third fiscal year stated in the internal management plan (two years after the year during which equity-based stock options (performance-linked) are granted).

<Remarks>

Depending on the achievement level of KPI targets, reversal or additional provision of expense for performance-linked compensation, an increase or decrease in consolidated operating income, respectively, will be recorded in the final year of the performance evaluation period. However, such amount of reversal or additional provision will not be included in calculating the achievement level of KPI targets.

The number of subscription rights to shares subject to the performance-linked compensation to vest during the three fiscal years from FY2018 to FY2020 will be calculated as follows:

Base number of units x Vesting ratio = Number of units to vest (any fraction in the product less than one unit will be rounded down)

Vesting ratio

The sum of a and b below.

- a. Performance-linked coefficient for consolidated operating income for FY2020 (Note 1) x 40%
- b. Performance-linked coefficient for Relative TSR (Note 2) x 60%

(Notes) 1. Financial-base performance-linked coefficient is set as 40% of performance-linked coefficient for consolidated operating income.

Performance-linked coefficient for consolidated operating income

Target achievement level: (Consolidated operating income – Operating income target (“I”)) / Operating income target x 100 (%)

Target achievement level of 50% or higher: Performance-linked coefficient = 100 (%)

Target achievement level of between (50)% and 50%: Performance-linked coefficient = (Target achievement level + 50)(%)

Target achievement level of lower than (50)%: Performance-linked coefficient = 0 (%)

I. Operating income target

Operating income target used to calculate performance-linked coefficient is consolidated operating income for FY2020. (The target is undisclosed as mid- to long-term business performance forecast has not been disclosed at present.)

2. The deviation rate between the Company's TSR (“II”) and the average TSR (“II”) of comparative companies (“III”) and the Company during the evaluation period for Relative TSR

Deviation rate of 50% or higher: Performance-linked coefficient = 100 (%)
 Deviation rate of between (50)% and 50%: Performance-linked coefficient = (The Company's TSR – Average TSR of comparative companies) + 50 (%)
 Deviation rate of lower than (50)%: Performance-linked coefficient = 0 (%)

II. TSR (Total Shareholder Return) = ((Stock price at the end of evaluation period – Stock price at the beginning of evaluation period) + Dividend per share during the evaluation period) / Stock price at the beginning of evaluation period

III. Comparative companies include Electronic Arts, Activision/Blizzard, Take-Two Interactive, Nintendo Co., Ltd. and BANDAI NAMCO Holdings Inc.

The evaluation period for Relative TSR is from the date of the 16th Annual General Meeting of Shareholders (March 27, 2018) to the date of the 19th Annual General Meeting of Shareholders (March 25, 2021).

For subscription rights to shares as equity-based stock options (performance-linked) to vest, holders must continue to be Executive Director until the conclusion of the annual general meeting of shareholders to be held three years after the allotment (March 25, 2021), in addition to the performance conditions being achieved. If a director resigns from the position of director before the subscription rights to shares as equity-based stock options (performance-linked) vest, his/her right to unvested portion will be forfeited.

vi. Exercise deadline of subscription rights to shares

The subscription rights to shares may be exercised after the subscription rights to shares vest based on v. above until March 15 in the following year.

(Subscription rights to shares allotted on March 25, 2021)

This type of stock options, similar to performance shares (PS), vests and becomes exercisable after a certain performance evaluation period after the grant based on relative comparison of stock price movement with the industry peers and the achievement level of the consolidated performance targets stated in the internal management plan covering multiple years, with the aim of contributing to Nexon Group's sustainable growth and enhancement of mid- to long-term corporate value.

The number of subscription rights to shares granted as equity-based stock options (performance-linked) is calculated by first determining the base amount of equity-based stock options (performance-linked) (assuming approximately 200% achievement of KPI targets) for each Executive Director, in consideration of the base compensation determined in (i) above and the proportion set forth in "Composition of Compensation," and by dividing such base amount by the closing price of the Company's common stock in regular transactions on Tokyo Stock Exchange on the day immediately preceding the date of the resolution of the grant (or the most recent trade date if such date is not a trade date) (rounded down to the nearest whole number).

Details of the subscription rights to shares to be granted as equity-based stock options (performance-linked) are as follows:

i. Class and number of underlying shares of subscription rights to shares

1 share of the Company's common stock per unit of subscription rights to shares.

In the event that the Company splits its common stock (including gratis allocation) or consolidates its common stock, the number of underlying shares shall be adjusted according to the formula outlined below. However, such adjustment shall be made only to those subject to subscription rights to shares unexercised at the time of such adjustment.

$$\text{Number of shares after adjustment} = \text{Number of shares before adjustment} \times \text{Ratio of split or consolidation}$$

In case of merger, company split, share exchange, share transfer, share issuance or other events that compel the number of shares to be adjusted, the number of shares shall be adjusted to the extent reasonable taking into consideration the terms and conditions of merger, company split, share exchange, share transfer or share issuance, etc.

ii. Cash payment for subscription rights to shares

¥0

iii. Value of assets to be contributed upon exercise of subscription rights to shares

¥0

iv. Exercise period of subscription rights to shares

From the date of allotment until the day on which ten years have elapsed.

v. Conditions for exercise of subscription rights to shares

As the subscription rights to shares are granted as directors' compensation, etc. pursuant to Article 361, Paragraph 1, Item 4 of the Companies Act, only directors (including former directors) subject to this policy may exercise them.

Holders of subscription rights to shares must be a director of the Company at the time of the exercise to be eligible, and those who are no longer a director may exercise the subscription rights to shares only if they lose their position as a director due to retirement, resignation or dismissal (excluding punitive dismissal or any other event similar thereto), or death or disability, or when there is any other due reason specifically provided by the Board of Directors.

For equity-based stock options (performance-linked), subscription rights to shares will be granted in advance promptly after the first annual general meeting of shareholders to be held during the performance evaluation period assuming approximately 200% achievement of KPI targets. The portion of compensation in the form of equity-based stock options (performance-linked) will fluctuate within the range of 0% to 200% based on the achievement level (100% at 100% achievement of KPI targets). However, the actual number of units to vest and become exercisable will be limited to the portion that is evaluated, fixed and determined based on the level of the achievement of KPI targets.

Specifically, as objective and transparent indices, (1) stock-price-based index (e.g. relative total shareholder returns (TSR) (Note 1)) and (2) financial index (e.g. consolidated operating income, and revenue, operating income, EBITDA, etc. of certain reportable segments (those selected as an appropriate KPI for each Executive Director based on their job position and associated business (Note 2), and the same applies hereinafter)) will be selected, and the weight of 60% and 40% will be assigned for evaluation, respectively. The KPIs and weight will be revised as necessary in response to changes in each director's role and responsibility and the Company's business environment and review of management plan.

(Note 1) Comparable companies selected for the purpose of Relative TSR include Electronic Arts, Activision/Blizzard, Take-Two Interactive, Nintendo Co., Ltd., and BANDAI NAMCO Holdings. Assessment will be made by comparing the Company's TSR and the average TSR value of comparable companies (represented in percentages based on dividends and stock price movements) of the period from the date of a given annual general meeting of shareholders to the date of an annual general meeting of shareholders three years later.

We use Relative TSR as a KPI because we believe it is important to consider not only the Company's sustainable growth but also market and competition environment in the performance evaluation.

(Note 2) Consolidated operating income, and revenue, operating income, EBITDA, etc. of certain reportable segments will be evaluated based on the achievement level of these KPIs of the third fiscal year stated in the internal management plan (two years after the year during which equity-based stock options (performance-linked) are granted).

<Remarks>

Depending on the achievement level of KPI targets, reversal or additional provision of expense for performance-linked compensation, an increase or decrease in consolidated operating income, respectively, will be recorded in the final year of the performance evaluation period. However, such amount of reversal or additional provision will not be included in calculating the achievement level of KPI targets.

The number of subscription rights to shares subject to the performance-linked compensation to vest during the three fiscal years from FY2021 to FY2023 will be calculated as follows:

Total number of units to vest = Number of units to vest (1) + Number of units to vest (2)

Base number of units (1) x Vesting ratio (1) = Number of units to vest (1) (any fraction in the product less than one unit will be rounded down)

Vesting ratio (1)

The sum of a and b below.

- a. Performance-linked coefficient for consolidated operating income for FY2023 (Note 1) x 40%
- b. Performance-linked coefficient for Relative TSR (Note 2) x 60%

- (Notes) 1. Financial-base performance-linked coefficient is set as 40% of performance-linked coefficient for consolidated operating income.
 Performance-linked coefficient for consolidated operating income
 Target achievement level: $(\text{Consolidated operating income} - \text{Operating income target ("I")}) / \text{Operating income target} \times 100 (\%)$
 Target achievement level of 50% or higher: Performance-linked coefficient = 100 (%)
 Target achievement level of between (50)% and 50%: Performance-linked coefficient = $(\text{Target achievement level} + 50)(\%)$
 Target achievement level of lower than (50)%: Performance-linked coefficient = 0 (%)
- I. Operating income target
 Operating income target used to calculate performance-linked coefficient is consolidated operating income for FY2023. (The target is undisclosed as mid- to long-term business performance forecast has not been disclosed at present.)
2. The deviation rate between the Company's TSR ("II") and the average TSR ("III") of comparative companies ("III") during the evaluation period for Relative TSR
 Deviation rate of 50% or higher: Performance-linked coefficient = 100 (%)
 Deviation rate of between (50)% and 50%: Performance-linked coefficient = $(\text{The Company's TSR} - \text{Average TSR of comparative companies}) + 50 (\%)$
 Deviation rate of lower than (50)%: Performance-linked coefficient = 0 (%)
- II. $\text{TSR (Total Shareholder Return)} = ((\text{Stock price at the end of evaluation period} - \text{Stock price at the beginning of evaluation period}) + \text{Dividend per share during the evaluation period}) / \text{Stock price at the beginning of evaluation period}$
- III. Comparative companies include Electronic Arts, Activision/Blizzard, Take-Two Interactive, Nintendo Co., Ltd. and BANDAI NAMCO Holdings Inc.
 The evaluation period for Relative TSR is from the date of the 19th Annual General Meeting of Shareholders (March 25, 2021) to the date of the annual general meeting of shareholders to be held in 2024.

Base number of units (2) x Vesting ratio (2) = Number of units to vest (2) (any fraction in the product less than one unit will be rounded down)

Vesting ratio (2)

The sum of a and b below.

- a. Up to 40% depending on the achievement level of performance target on EBITDA in the European and U.S. market for FY2022 (Note)
- b. Up to 60% depending on the achievement level of performance target on EBITDA in the European and U.S. market for FY2023 (Note)

(Note) As the performance-linked evaluation index of certain reportable segments for the period between January 1, 2021 and December 31, 2023, we use EBITDA in the European and U.S. market (Consolidated operating income under IFRS of the Company's consolidated subsidiaries headquartered in Europe and North America with certain adjustments as shown below, the same shall apply hereinafter).

EBITDA in the European and U.S. market is calculated as follows:

"EBITDA in the European and U.S. market = operating income + adjustments (depreciation and amortization + stock-based compensation expense - other income + other expenses)"

Depending on the achievement level of the relevant targets, up to 40% and 60% of subscription rights to shares linked to EBITDA in the European and U.S. market will vest in FY2022 (the second year of the three-year period from January 1, 2021 to December 31, 2023) and in FY2023 (the third year of the three-year period from January 1, 2021 to December 31, 2023), respectively. (The target is undisclosed as business performance forecast has not been disclosed at present.)

For subscription rights to shares as equity-based stock options (performance-linked) to vest, holders must continue to be Executive Director until the conclusion of the annual general meeting of shareholders to be held three years after the allotment (in 2024) (two years after the allotment (in 2023) for the portion described in “Vesting ratio (2) a” above), in addition to the performance conditions being achieved. If a director resigns from the position of director before the subscription rights to shares as equity-based stock options vest, his/her right to unvested portion will be forfeited, but such director may exercise the stock acquisition rights to the extent allowed in consideration of the term of office and the level of achievement of performance targets if he or she retires due to the expiration of his/her term of office or when there is any other reason specifically provided by the Board of Directors

- vi. Exercise deadline of subscription rights to shares
The subscription rights to shares may be exercised after the subscription rights to shares vest based on v. above until March 15 in the following year.

The targets and actual results of the KPIs for equity-based stock options with performance conditions that were allotted based on the resolution at the Board of Directors meeting on March 27, 2018 and vested during the fiscal year ended December 31, 2021 in accordance with the “Directors’ Compensation Policy” based on the resolution at the Board of Directors meeting on February 23, 2018 (partially amended on March 22, 2018) are as follows:

- a. Performance-linked coefficient for consolidated operating income for the fiscal year ended December 31, 2020

Assessment ratio	Range of performance-linked coefficient	Consolidated operating income (target)	Consolidated operating income (actual results)	performance-linked coefficient	Vesting ratio
40%	0% - 100%	¥101,790 million	¥111,450 million	59.5%	23.8%

- b. Performance-linked coefficient for Relative TSR

Assessment ratio	Range of performance-linked coefficient	Average TSR (target)	Average TSR (actual results)	performance-linked coefficient	Vesting ratio
60%	0% - 100%	64.0%	91.5%	77.5%	46.5%

(The reason why the Board of Directors determined that details of compensation of each director (excluding those who are Audit and Supervisory Committee members) for the fiscal year ended December 31, 2021 are consistent with the determination policy)

The Compensation Committee has deliberated on details of compensation of each director (excluding those who are Audit and Supervisory Committee members) for the fiscal year ended December 31, 2021 as follows:

- On December 15, 2020: Regarding officers’ compensation after FY2021
- On January 18, 2021: Regarding officers’ compensation after FY2021
- On January 25, 2021: Regarding officers’ compensation after FY2021
- On February 4, 2021: Regarding officers’ compensation after FY2021
- On March 25, 2021: Regarding Indices to be used in the calculation of performance-linked bonus for FY2021
- On February 9, 2022: Regarding calculation of the amount of performance-linked bonus for FY2021

(In addition to above, the Compensation Committee members have exchanged opinions via e-mail as needed.)

The Board of Directors of the Company has reached the conclusion that details of compensation of each director (excluding those who are Audit and Supervisory Committee members) are consistent with the determination policy on the grounds that they have been approved by the Compensation Committee based on the deliberations listed above and by the Board of Directors based on the confirmation of consistency with the determination policy.

(ii) Total amount of directors' compensation

Officer category	Total amount of compensation, etc. (¥ million)	Total amount of compensation, etc. by type (¥ million)				Number of eligible officers (persons)
		Monetary		Non-monetary		
		Fixed	Performance-linked, etc.		Stock price-linked	
		Base compensation	Annual performance-based bonus	Equity-based stock options (performance-linked)	Equity-based stock options (term-linked)	
Directors (excluding those who are Audit and Supervisory Committee members) (of which external directors)	1,423 (18)	137 (9)	159 (-)	950 (-)	177 (9)	4 (1)
Directors (Audit and Supervisory Committee members) (of which external directors)	29 (29)	24 (24)	- (-)	- (-)	5 (5)	2 (2)
Total (of which external officers)	1,452 (47)	161 (33)	159 (-)	950 (-)	182 (14)	6 (3)

(Notes)1. As of December 31, 2021, the Company has four directors (excluding those who are Audit and Supervisory Committee members) (including 1 external director) and three directors who are Audit and Supervisory Committee members (including two external directors). The difference from the number shown above is because one person who assumed the position of director who is Audit and Supervisory Committee member at the 18th Annual General Meeting of Shareholders held on March 25, 2020 is not included in the table above as no compensation is paid.

2. The amount of compensation to directors does not include employee compensation paid to those who serve the Company as directors and employees simultaneously.

3. The maximum amount of compensation to directors (excluding those who are Audit and Supervisory Committee members) was resolved at the 19th Annual General Meeting of Shareholders held on March 25, 2021 to be fixed compensation at or below ¥600 million per year (including those for external directors at or below ¥100 million) and performance-based bonus at or below ¥1,000 million per year (external directors are not eligible). These compensations for directors (excluding those who are Audit and Supervisory Committee members and external directors) do not include the compensation paid to those who serve the Company as director and employee simultaneously for the service rendered as employee. In addition, it was resolved at the 19th Annual General Meeting of Shareholders held on March 25, 2021 that compensation in the form of equity-based stock options (term-linked) (attributable to three fiscal years) will be at or below ¥800 million, with the number of subscription rights to shares to be issued within the next 12 months after the date of the Meeting to be up to 280,000 units (including those for external directors at or below ¥100 million/up to 40,000 units), and compensation in the form of equity-based stock options (performance-linked) (attributable to three fiscal years) will be at or below ¥6,500 million, with the number of subscription rights to shares to be issued within the next 12 months after the date of the Meeting to be up to 2,200,000 units (external directors are not eligible). At the conclusion of the 19th Annual General Meeting of Shareholders, the number of directors (excluding those who are Audit and Supervisory Committee members and external directors) was three and external directors (excluding directors who are Audit and Supervisory Committee members) was one.

4. The maximum amount of compensation to directors (Audit and Supervisory Committee members) was resolved at the 16th Annual General Meeting of Shareholders held on March 27, 2018 to be at or below ¥100 million per year (including those for external directors at or below ¥50 million). In addition, it was resolved at the 19th Annual General Meeting of Shareholders held on March 25, 2021 that compensation in the form of equity-based stock options (term-linked) will be at or below ¥100 million with the number of subscription rights to shares to be issued within the next 12 months after the date of the annual general meeting of shareholders in each year to be up to 40,000 units (including those for external directors at or below ¥50 million/up to 20,000 units). At the conclusion of the 16th and 19th Annual General Meetings of Shareholders, the number of directors who are Audit and Supervisory Committee members was three.
 5. The amount of compensation to directors (excluding those who are Audit and Supervisory Committee members) includes the following:
 - ¥1,127 million worth of compensation in the form of stock options
- (iii) Retirement allowance for officers paid during the current fiscal year
Not applicable.
- (iv) Total amount of officers' compensation paid to external officers by subsidiaries
Not applicable.

(f) Matters concerning external officers

(i) Material concurrent positions of other companies and the relationship between such companies and the Company

Post	Name	Material Posts Concurrently Held
Director	Kevin Mayer	Venture Partner/Partner of Smash Ventures Chairman of DAZN Group Limited Co-CEO, Co-Chairman of Board of Directors of Forest Road Acquisition Corp. II Director of Tinuiti, Inc. Director of BeachBody LLC. Co-CEO, Director of Candle Media (former Aventine, LLC)
Director (Audit and Supervisory Committee member)	Satoshi Honda	—
	Shiro Kuniya	Managing partner of Oh-Ebashi LPC & Partners Auditor of Kitano Hospital, The Tazuke Kofukai Medical Research Institute Board member of the Japan Commercial Arbitration Association Board member of Japan Century Symphony Orchestra External Director of Takeda Pharmaceutical Company Ltd. Auditor of CiRA Foundation External Director of TOA Corporation

(Notes) 1. There exists no special relationship between the above companies and the Company.

2. Mr. Kevin Mayer, Mr. Satoshi Honda and Mr. Shiro Kuniya do not have a spouse, any family member within the third degree or those equivalent thereto who is a business executing person or officer of the Company's parent company, etc., the Company, or any entity that has a special relationship with the Company

(ii) Major activities during the current fiscal year

	Attendance and Participation
Kevin Mayer Director	Mr. Mayer attended 4 out of 10 meetings of the board of directors held after he took office in March 2021. He participates in discussions, as necessary, concerning items on agenda as well as general deliberations with abundant experience and insights as a leader in the strategic and management planning field in the entertainment industry. He also contributes to the Company's business expansion and supervises the Company's management. Although he attended fewer board meetings due to his schedule, he has vigorous discussion with President and Chief Executive Officer almost every week and offers experienced advice on the Company's management.
Satoshi Honda Director (Audit and Supervisory Committee member)	Mr. Honda attended all 10 meetings of the board of directors and all 6 meetings of the Audit and Supervisory Committee that were held during the current fiscal year. He participates in discussions, as necessary, concerning items on agenda as well as general deliberations with insights and extensive experience as manager in the game industry. He also supervises and audits the Company's management.
Shiro Kuniya Director (Audit and Supervisory Committee member)	Mr. Kuniya attended all 10 meetings of the board of directors and all 6 meetings of the Audit and Supervisory Committee that were held during the current fiscal year. He participates in discussions, as necessary, concerning establishment and maintenance of the Company's compliance system and legal aspect of items on agenda mainly from the viewpoint of legal counsel. He also contributes to enhancement of corporate governance and compliance.

(iii) Opinion of the external officers concerning the contents

Not applicable.

(3) Independent Auditors

(a) Name: PricewaterhouseCoopers Aarata LLC

(b) Amount of compensation

	Amount of compensation
Amount of compensation paid to the independent auditors for the current fiscal year	¥ 63 million
Total amount of cash and other financial benefits to be paid by the Company and its subsidiaries to the independent auditors	¥ 215 million

(Notes)

1. The amount of compensation paid to the independent auditors for the current fiscal year represents the sum of the professional audit fees for the services under the Companies Act and those under the Financial Instruments and Exchange Act as the audit service agreement between the Company and the independent auditors does not clearly divide them and it is impracticable to do so.
2. The Audit and Supervisory Committee agreed on the amount of compensation paid to the independent auditors based on the necessary examination of the contents of the independent auditors' audit plan, the performance status of their duties concerning financial audit, and the appropriateness of the calculation basis for estimated compensation.
3. NEXON Korea Corporation and 10 other companies, all of which are consolidated subsidiaries of the Company, receive audit and non-audit services from PricewaterhouseCoopers LLP, member firms of the same global network of the Company's independent auditor, and the total amount of cash and other financial benefits to be paid by the Company and its subsidiaries to the independent auditors include those audit fees, etc.

(c) Non-audit services

The Company's consolidated subsidiaries, NEXON Korea Corporation, NEXON U.S. Holding Inc. and Nexon America Inc., pay professional fees mainly for tax-related services.

(d) Policies to determine dismissal or non-reappointment of the auditor

When the independent auditors receive disciplinary actions or administrative sanctions from the regulatory agencies for violation of laws including the Companies Act and the Certified Public Accountants Act, or when the independent auditors are determined to be unsuitable for performing the audit from the viewpoint of audit quality, quality management, independence and comprehensive capability, the Audit and Supervisory Committee will decide to place the matter to dismiss or not to reappoint the current independent auditor on the agenda of a general meeting of shareholders.

When it is acknowledged that the independent auditors fall under any of the items in Article 340, Paragraph 1 of the Companies Act, and when it is deemed appropriate, the Audit and Supervisory Committee will dismiss the independent auditors with the unanimous consent of all Audit and Supervisory Committee members. In this case, the Audit and Supervisory Committee members appointed by the Audit and Supervisory Committee will report the dismissal of the independent auditor and the reason of dismissal at the first general meeting of shareholders called after the dismissal.

(4) Basic Policy on Control of the Company

Not applicable.

(5) Policy to Determine Distributions of Surplus

The Company provides in its Articles of Incorporation that distributions of surplus will be decided by resolutions of the Board of Directors pursuant to Article 459, Paragraph 1 of the Companies Act.

The Company recognizes that the return of profits to shareholders is an important management issue. Our policy is to return profits to shareholders through dividend payments, share repurchases and other means depending on the results of operations and upon full consideration of factors including the state of shareholder equity, management results, and revenue outlook. We intend to use our internal capital reserves by taking into account the balance between return of profits to shareholders and other considerations such as the expansion of our existing business and development of new businesses to strengthen our management base and enrich our future business domain, and effective investments, primarily M&As and acquisition of game publishing rights, to proactively develop our business for future growth.

With regards to the year-end dividends for the fiscal year ended December 31, 2021, the Board of Directors resolved at the meeting held on February 17, 2022 to pay dividends of 5.0 yen per share, in comprehensive consideration of consolidated performance and financial condition for the fiscal year ended December 31, 2021.

Consolidated Statement of Financial Position

(As of December 31, 2021)

(Millions of Yen)

Account	Amount	Account	Amount
(Assets)		(Liabilities)	
Current assets	593,717	Current liabilities	53,325
Cash and cash equivalents	365,239	Trade and other payables	9,354
Trade and other receivables	17,577	Deferred income	11,030
Other deposits	169,689	Income taxes payable	16,599
Other financial assets	29,140	Lease liabilities	3,045
Other currents assets	12,072	Provisions	5,787
Non-current assets	392,915	Other current liabilities	7,510
Property, plant and equipment	24,448	Non-current liabilities	87,414
Goodwill	38,938	Deferred income	14,354
Intangible assets	17,703	Lease liabilities	12,282
Right-of-use assets	10,985	Other financial liabilities	1,803
Investments accounted for using equity method	58,933	Provisions	323
Other financial assets	202,588	Other non-current liabilities	4,687
Other non-currents assets	1,106	Deferred tax liabilities	53,965
Deferred tax assets	38,214	Total liabilities	140,739
		(Equity)	
		Total equity attributable to owners of the parent	836,668
		Capital stock	34,255
		Capital surplus	14,961
		Treasury stock	(17,863)
		Other equity interest	92,747
		Retained earnings	712,568
		Non-controlling interests	9,225
		Total equity	845,893
Total assets	986,632	Total liabilities and equity	986,632

Consolidated Statement of Income

(From January 1, 2021 to December 31, 2021)

(Millions of Yen)

Account	Amount
Revenue	274,462
Cost of sales	(72,121)
Gross profit	202,341
Selling, general and administrative expenses	(108,490)
Other income	805
Other expenses	(3,115)
Operating income	91,541
Finance income	47,874
Finance costs	(1,355)
Loss on revaluation	(1,589)
Equity in loss of affiliates	(999)
Income before income taxes	135,472
Income taxes expense	(22,406)
Net income	113,066
(Attributable to)	
Owners of the parent	114,888
Non-controlling interests	(1,822)
Net income	113,066

Non-consolidated Balance Sheet

(As of December 31, 2021)

(Millions of Yen)

Account	Amount	Account	Amount
(Assets)		(Liabilities)	
Current assets	144,774	Current liabilities	4,376
Cash and deposits	143,334	Accounts payable-trade	324
Accounts receivable-trade	806	Accounts payable-other	745
Other receivables	456	Accrued expenses	283
Prepaid expenses	80	Corporate taxes payable	2,107
Other	98	Consumption taxes payable	150
Non-current assets	44,903	Deposits received	18
Tangible fixed assets	5	Provision for bonus	177
Buildings	163	Unearned revenue	399
Leasehold improvements	84	Other	173
Tools, furniture and fixtures	86	Non-current liabilities	468
Accumulated impairment loss	(305)	Long-term unearned revenue	125
Accumulated depreciation	(23)	Provision for retirement benefits	176
Investments and other assets	44,898	Asset retirement obligations	167
Investment securities	1,142	Total liabilities	4,844
Stocks of subsidiaries and affiliates	33,451	(Net assets)	
Long-term loans receivable from subsidiaries and affiliates	26,287	Shareholders' equity	174,099
Other	10,509	Capital stock	34,167
Allowance for doubtful accounts	(26,491)	Capital surplus	33,417
		Capital reserve	33,417
		Retained earnings	122,547
		Retained earnings reserve	217
		Other retained earnings	122,330
		Retained earnings brought forward	122,330
		Treasury stock	(16,032)
		Valuation and translation adjustments	(15)
		Valuation difference on available-for-sale securities	(15)
		Subscription rights to shares	10,749
		Total net assets	184,833
Total assets	189,677	Total liabilities and net assets	189,677

Non-consolidated Statement of Income

(From January 1, 2021 to December 31, 2021)

(Millions of Yen)

Account	Amount	
Net sales		
Sales of games	5,025	
Other sales	873	5,898
Cost of sales		3,040
Gross profit		2,858
Selling, general and administrative expenses		11,269
Operating loss		8,411
Non-operating income		
Interest income	238	
Foreign exchange gain	6,565	
Dividend income	87,397	
Other	74	94,274
Non-operating expenses		
Stock issue cost	83	
Treasury stock acquisition cost	2	
Loss on revaluation of crypto-assets	1,589	
Other	26	1,700
Ordinary income		84,163
Extraordinary gain		
Gain from sale of investment securities	977	
Gain from reversal of subscription rights to shares	30	1,007
Extraordinary loss		
Impairment loss	78	78
Profit before income taxes		85,092
Income taxes	6,425	6,425
Net income		78,667

(Translation)
Audit Report on Consolidated Financial Statements

Independent Auditors' Report

February 16, 2022

To the Board of Directors of
NEXON Co., Ltd.

PricewaterhouseCoopers Aarata LLC

Tokyo Office

Designated Partner
Engagement Partner

Certified Public Accountant Yoshihiro Shiribiki

Designated Partner
Engagement Partner

Certified Public Accountant Soichiro Hayashi

Audit Opinion

Pursuant to the fourth paragraph of Article 444 of the Companies Act, we have audited the consolidated financial statements, namely, the consolidated statement of financial position as of December 31, 2021 of NEXON Co., Ltd. (the "Company"), and the related consolidated statements of income and changes in equity, and the related notes for the fiscal year from January 1, 2021 to December 31, 2021.

In our opinion, the above consolidated financial statements, prepared in accordance with the provision of Article 120, the second sentence of Paragraph 1 of the Regulation on Corporate Accounting which permits preparation of the consolidated financial statements in accordance with accounting standards that omit certain disclosure items required under the designated international accounting standards, present fairly, in all material respects, the financial position and results of operations of the corporate group, which consists of the Company and its consolidated subsidiaries, for the period covered by the consolidated financial statements.

Basis for the Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibility under the auditing standards is stated in "Auditor's Responsibility for the Audit of the Consolidated Financial Statements." We are independent of the Company and its consolidated subsidiaries in accordance with the provisions related to professional ethics in Japan, and are fulfilling other ethical responsibilities as an auditor. We believe that we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.

Responsibility of Management and the Audit and Supervisory Committee for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the provisions of Article 120, the second sentence of Paragraph 1 of the Regulation on Corporate Accounting which permits preparation of the consolidated financial statements in accordance with accounting standards that omit certain disclosure items required under the designated international accounting standards. It includes design and operation of internal control that management determines is necessary to enable the preparation and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing whether it is appropriate to prepare the consolidated financial statements based on the premise of a going concern, and for disclosing matters relating to going concern when it is required to do so in accordance with the provision of Article 120, the second sentence of Paragraph 1 of the Regulation on Corporate Accounting which permits preparation of the consolidated financial statements in accordance with accounting standards that omit certain disclosure items required under the designated international accounting standards.

The Audit and Supervisory Committee is responsible for monitoring the execution of Directors' duties related to designing and operating the financial reporting process.

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

Our responsibility is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to express an opinion on the consolidated financial statements from an independent standpoint in an audit report, based on our audit. Misstatements can occur as a result of fraud or error, and are deemed material if they can be reasonably expected to, either individually or collectively, influence the decisions of users taken on the basis of the consolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement, whether due to fraud or error, design and perform audit procedures to address the risks of material misstatement, select and apply audit procedures based on our judgment, and obtain sufficient and appropriate audit evidence to provide a basis for our audit opinion.
- Consider internal control relevant to the entity's audit when assessing risks in order to design audit procedures that are appropriate in the circumstances although the purpose of our audit of the consolidated financial statements is not to express an opinion on the effectiveness of the entity's internal control.
- Assess the appropriateness of accounting policies adopted by management and the method of their application, as well as the reasonableness of accounting estimates made by management and the adequacy of related notes.
- Determine whether it is appropriate for management to prepare the consolidated financial statements on the premise of a going concern and, based on the audit evidence obtained, determine whether there is a significant uncertainty in regard to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If there is a significant uncertainty concerning the premise of a going concern, we are required to draw attention to the notes to the consolidated financial statements in our audit report, or if the notes to the consolidated financial statements pertaining to the significant uncertainty are inappropriate, we are required to issue a modified opinion on the consolidated financial statements. While our conclusions are based on the audit evidence obtained up to the date of our audit report, future events or conditions may cause the entity to cease to continue as a going concern.
- Evaluate whether the presentation of and notes to the consolidated financial statements are in accordance with the provision of Article 120, the second sentence of Paragraph 1 of the Regulation on Corporate Accounting which permits preparation of the consolidated financial statements in accordance with accounting standards that omit certain disclosure items required under the designated international accounting standards, the overall presentation, structure, and content of the consolidated financial statements including related notes, and whether the consolidated financial statements fairly present the underlying transactions and accounting events.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the Company and its consolidated subsidiaries in order to express an opinion on the consolidated financial statements. We are responsible for instructing, supervising, and implementing the audit of the consolidated financial statements. We are solely responsible for our audit opinion.

We communicate with the Audit and Supervisory Committee regarding the planned scope and timing of the audit, material audit findings including material weaknesses in internal control identified during the course of our audit, and other matters required under the auditing standards.

We also provide the Audit and Supervisory Committee with a statement that we have complied with professional ethical provision regarding independence in Japan, and communicate with them regarding matters that are reasonably considered to have an impact on our independence and any safeguards in place to reduce or eliminate obstacles, where applicable.

Interest

Our firm and the engagement partners do not have any interest in the Company or its consolidated subsidiaries for which disclosure is required under the provisions of the Certified Public Accountants Act.

The above represents a translation, for convenience only, of the original report issued in the Japanese language.

Independent Auditors' Report

February 16, 2022

To the Board of Directors of
NEXON Co., Ltd.

PricewaterhouseCoopers Aarata LLC

Tokyo Office

Designated Partner
Engagement Partner

Certified Public Accountant

Yoshihiro Shiribiki

Designated Partner
Engagement Partner

Certified Public Accountant

Soichiro Hayashi

Audit Opinion

Pursuant to Article 436, Paragraph 2, Item 1 of the Companies Act, we have audited the non-consolidated financial statements, namely, the non-consolidated balance sheet as of December 31, 2021 of NEXON Co., Ltd. (the "Company"), and the related non-consolidated statements of income and changes in net assets, and the related notes for the 20th fiscal year from January 1, 2021 to December 31, 2021, and the accompanying supplemental schedules (the "Non-consolidated Financial Statements, etc.>").

In our opinion, the Non-consolidated Financial Statements, etc. referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2021 and the results of its operations for the year then ended in conformity with accounting principles generally accepted in Japan.

Basis for the Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibility under the auditing standards is stated in "Auditor's Responsibility for the Audit of the Non-consolidated Financial Statements, etc.>" We are independent of the Company in accordance with the provisions related to professional ethics in Japan, and are fulfilling other ethical responsibilities as an auditor. We believe that we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.

Emphasis of Matter

1. As stated in "Notes to material subsequent events" in the notes to non-consolidated financial statements, the Company approved at the Board of Directors meeting held on January 19, 2022 to transfer all of its shareholdings in Six Waves Inc., our affiliate accounted for using the equity method, and completed the transfer on January 31, 2022.
2. As stated in "Notes to material subsequent events" in the notes to non-consolidated financial statements, the Company approved at the Board of Directors meeting held on February 8, 2022 the payment of dividends from surplus of our consolidated subsidiary NEXON Korea Corporation which was resolved at the company's Board of Directors meeting held on that day.

These matters do not affect our opinion.

Responsibility of Management and the Audit and Supervisory Committee for the Non-consolidated Financial Statements, etc.

Management is responsible for the preparation and fair presentation of the Non-consolidated Financial Statements, etc. in accordance with accounting principles generally accepted in Japan. It includes design and operation of internal control that management determines is necessary to enable the preparation and fair presentation of the Non-consolidated Financial Statements, etc. that are free from material misstatement, whether due to fraud or error.

In preparing the Non-consolidated Financial Statements, etc., management is responsible for assessing whether it is appropriate to prepare the Non-consolidated Financial Statements, etc. based on the premise of a going concern, and for disclosing matters relating to going concern when it is required to do so in accordance with accounting principles generally accepted in Japan.

The Audit and Supervisory Committee is responsible for monitoring the execution of Directors' duties related to designing and operating the financial reporting process.

Auditor's Responsibility for the Audit of the Non-consolidated Financial Statements, etc.

Our responsibility is to obtain reasonable assurance about whether the Non-consolidated Financial Statements, etc. as a whole are free from material misstatement, whether due to fraud or error, and to express an opinion on the Non-consolidated Financial Statements, etc. from an independent standpoint in an audit report, based on our audit. Misstatements can occur as a result of fraud or error, and are deemed material if they can be reasonably expected to, either individually or collectively, influence the decisions of users taken on the basis of the Non-consolidated Financial Statements, etc.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement, whether due to fraud or error, design and perform audit procedures to address the risks of material misstatement, select and apply audit procedures based on our judgment, and obtain sufficient and appropriate audit evidence to provide a basis for our audit opinion.
- Consider internal control relevant to the entity's audit when assessing risks in order to design audit procedures that are appropriate in the circumstances although the purpose of our audit of the Non-consolidated Financial Statements, etc. is not to express an opinion on the effectiveness of the entity's internal control.
- Assess the appropriateness of accounting policies adopted by management and the method of their application, as well as the reasonableness of accounting estimates made by management and the adequacy of related notes.
- Determine whether it is appropriate for management to prepare the Non-consolidated Financial Statements, etc. on the premise of a going concern and, based on the audit evidence obtained, determine whether there is a significant uncertainty in regard to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If there is a significant uncertainty concerning the premise of a going concern, we are required to draw attention to the notes to the Non-consolidated Financial Statements, etc. in our audit report, or if the notes to the Non-consolidated Financial Statements, etc. pertaining to the significant uncertainty are inappropriate, we are required to issue a modified opinion on the Non-consolidated Financial Statements, etc. While our conclusions are based on the audit evidence obtained up to the date of our audit report, future events or conditions may cause the entity to cease to continue as a going concern.
- Evaluate whether the presentation of and notes to the Non-consolidated Financial Statements, etc. are in accordance with the accounting principles generally accepted in Japan, the overall presentation, structure, and content of the Non-consolidated Financial Statements, etc. including related notes, and whether the Non-consolidated Financial Statements, etc. fairly present the underlying transactions and accounting events.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the components included in the Non-consolidated Financial Statements, etc. in order to express an opinion on the Non-consolidated Financial Statements, etc. We are responsible for instructing, supervising, and implementing the audit of the financial information of the components. We are solely responsible for our audit opinion.

We communicate with the Audit and Supervisory Committee regarding the planned scope and timing of the audit, material audit findings including material weaknesses in internal control identified during the course of our audit, and other matters required under the auditing standards.

We also provide the Audit and Supervisory Committee with a statement that we have complied with professional ethical provision regarding independence in Japan, and communicate with them regarding matters that are reasonably considered to have an impact on our independence and any safeguards in place to reduce or eliminate obstacles, where applicable.

Interest

Our firm and the engagement partners do not have any interest in the Company for which disclosure is required under the provisions of the Certified Public Accountants Act.

The above represents a translation, for convenience only, of the original report issued in the Japanese language.

(Translation)

Audit Report of the Audit and Supervisory Committee

Audit Report

We, as the Company's Audit and Supervisory Committee, have performed audit regarding the performance of duties of the Company's Directors during the Company's 20th fiscal year from January 1, 2021 to December 31, 2021. We hereby report its method and results as follows:

1. Auditing Method and Details Thereof

The Audit and Supervisory Committee expressed an opinion on the contents of the resolutions of the Board of Directors regarding the matters stipulated in Article 399-13, Paragraph 1, Item 1 (b) and (c) of the Companies Act and the status of the system (internal control systems) established based on such resolutions, by receiving reports from Directors and employees on its establishment and operating status on a regular basis and requesting explanations when necessary, and also performed audit by the following method.

(1) In accordance with the auditing policy and job assignment established by the Audit and Supervisory Committee and in coordination with the internal control departments of the company, each Audit and Supervisory Committee member attended meetings of the Board of Directors and other important meetings, received from Directors, employees and other related persons reports on the performance of their duties, requested explanations regarding such reports when necessary, inspected the documents related to important decisions, and examined the status of the Company's business and properties at the head office and major business facilities. With regard to the Company's subsidiaries, the Audit and Supervisory Committee endeavored to communicate and exchange information with Directors and Statutory Auditors of subsidiaries, and, when necessary, received reports from subsidiaries on their respective businesses;

(2) The Audit and Supervisory Committee expressed an opinion on the content of resolutions by the Board of Directors regarding the establishment of systems, which is described in the Business Report, to ensure that the Directors' performance of their duties is in compliance with relevant laws and regulations and with the Company's Articles of Incorporation and other systems to ensure that business operation of a corporate group consisting of the Company and its subsidiaries is conducted appropriately as provided in Article 110-4, Paragraphs 1 and 2 of the Enforcement Regulations of the Companies Act, and on the status of the systems established based on such resolutions (internal control systems), by receiving reports from Directors and employees on the establishment and operating status on a regular basis and requesting explanations when necessary; and

(iii) The Audit and Supervisory Committee also monitored and examined whether the Independent Auditors maintained their independence and conducted their audit in an appropriate manner, and received from the Independent Auditors reports on the performance of their duties and requested explanations regarding those reports when necessary. The Audit and Supervisory Committee also received notification from the Independent Auditors that they have established the "System to ensure appropriate execution of its duties" (as stipulated in Article 131 of the Regulation on Corporate Accounting) in compliance with the "Quality Control Standards Relating to Auditing" and other applicable standards, and requested explanations on such notification when necessary.

Based on the foregoing method, the Audit and Supervisory Committee reviewed the Business Report and the accompanying supplemental schedules for the fiscal year from January 1, 2021 to December 31, 2021, the non-consolidated financial statements, namely, the balance sheet as of December 31, 2021, and the related statements of income and changes in net assets and the related notes for the year then ended, and the accompanying supplemental schedules, and the consolidated financial statements, namely, the consolidated statement of financial position as of December 31, 2021, and the related consolidated statements of income and changes in equity and the related notes for the year then ended.

2. Results of Audit

(1) Results of Audit of the Business Report, etc.

- A. In our opinion, the Business Report and the accompanying supplemental schedules present fairly the conditions of the Company in conformity with the applicable laws and regulations of Japan as well as the Articles of Incorporation of the Company.
- B. In our opinion, there are no fraudulent acts or material facts that violated the applicable laws and regulations or the Articles of Incorporation of the Company in the course of the Directors' performance of their duties.
- C. In our opinion, the details of the resolutions of the Board of Directors regarding the internal control systems are appropriate. Furthermore, we believe that no material issues have been raised concerning items described in the Business Report as well as the performance of the Directors' duties regarding the internal control systems.

(2) Results of Audit of the Non-Consolidated Financial Statements and the Accompanying Supplemental Schedules

In our opinion, the method and the results of the audit conducted by PricewaterhouseCoopers Aarata LLC, the Independent Auditors, are appropriate.

(3) Results of Audit of the Consolidated Financial Statements

In our opinion, the method and the results of the audit conducted by PricewaterhouseCoopers Aarata LLC, the Independent Auditors, are appropriate.

February 17, 2022

Audit and Supervisory Committee of NEXON Co., Ltd.

Audit and Supervisory Committee member

Hongwoo Lee

Audit and Supervisory Committee member

Satoshi Honda

Audit and Supervisory Committee member

Shiro Kuniya

(Note) Mr. Satoshi Honda and Mr. Shiro Kuniya, Audit and Supervisory Committee members, are the external directors stipulated in Article 2, Item 15 and Article 331, Paragraph 6 of the Companies Act.

The above represents a translation, for convenience only, of the original report issued in the Japanese language.

Map for Venue of the Annual General Meeting of Shareholders

Location: Ark Hills South Tower 5th Floor
Meeting Room for Annual General Meeting of Shareholders of NEXON Co., Ltd.
1-4-5, Roppongi, Minato-ku, Tokyo
TEL 03-6629-5318

* Please note that the venue has been changed from last year.



Transportation:

Directly connected from Roppongi 1-chome Station of Tokyo Metro Namboku Line

Exit from Central or North ticket gate and proceed to the left and take an escalator to the 2nd floor to the main entrance of the target building (You will find Starbucks there)

*Kindly note that only limited parking space is available and using public transportation is recommended.

*Kindly note that you shall pay the parking fee.