



**19th Annual General Meeting of Shareholders
Time & Date: 11:00 a.m., Thursday, March 25, 2021**

M.C.:

Thank you for your patience. It is now 11 o'clock, the time to begin the meeting. I will now turn it over to President Owen.

Mr. Mahoney:

Hello shareholders.

I am Owen Mahoney, Representative Director, President and CEO of Nexon.

Thank you all very much for taking the time out of your busy schedules to attend this general meeting of shareholders.

Let us now commence the 19th Annual General Meeting of Shareholders of NEXON Co., Ltd.

As stipulated in Article 15 of our Articles of Incorporation, I will be serving as the Chair for this general meeting of shareholders.

As for any questions or comments you may have, we would like you to give approval for us to respond to such questions or comments after our presentation of matters to be reported and proposals to be voted on.

Please clap your hands if you approve.

<Applause>

Thank you.

We received the approval of majority of our shareholders, so we will be accepting your comments after the presentation of the proposals to be voted on.

As for the proceedings of this meeting, we ask for the understanding and cooperation from all of you in attendance, while we will strive to make the meeting not too long by way of smooth and efficient operation of deliberations, in view of the avoidance of infection of COVID-19.

We are sorry to say that two of our Directors, Hongwoo Lee and Patrick Söderlund, are absent from this annual general meeting of shareholders today, because of travel restrictions between their country of residence and Japan due to COVID-19.

First of all, we will report on the number of our shareholders in attendance at this general meeting of shareholders, as well as the number of their voting rights.

Mr. Abe:

Let me report.

The number of our shareholders with voting rights at this general meeting of shareholders is 3,009.

The number of their voting rights is 8,869,419.

The number of our shareholders who are now in attendance, including those who are exercising their voting rights in writing or via the internet is 1,137.

The number of their voting rights is 7,837,800.

Therefore, I hereby report that we have in attendance the number of our shareholders with voting rights necessary for the effective resolution of all proposals to be presented to this general meeting of shareholders.

Mr. Mahoney:

Now, let us report on the matters to be reported.

First, Audit and Supervisory Committee member will give an audit report including the results of audit of the consolidated financial statements by accounting auditors and the Audit and Supervisory Committee.

Audit and Supervisory Committee member, please come forward.

Mr. Honda:

I am Shiro Honda, Statutory Auditor.

First of all, with regards to the accounting auditors' audit results of our consolidated financial statements for the 19th business year, as described under "Independent Auditor's Report" on pages 57 to 59 of the Notice of the Meeting that you have at hand, we have received a report from PricewaterhouseCoopers Aarata LLC to the effect that they have found our consolidated financial statements to present fairly, in all material respects, the status of property and income of the corporate group consisting of Nexon and its consolidated subsidiaries for the current year, in accordance with the generally accepted corporate accounting standards.

Next, with regards to the execution of directors' duties for the 19th business year, the Board of Statutory Auditors has prepared an audit report.

While the audit methods and the results are described under "Audit Report" on pages 63 to 64 of the Notice of the Meeting that you have at hand, I will report to you on such results.

First, with regards to the business report, etc., we found that the business report and its supplementary schedules accurately present the company's situation according to laws, regulations and the Articles of Incorporation.

We found no material fact of any fraudulent act nor any violation of the Articles of Incorporation in connection with the execution of duties by directors. Moreover, we found no matter requiring any comment in particular with regards to the system of internal controls.

Next, with regards to accounting, we found that the methods and results of audit by

PricewaterhouseCoopers Aarata LLC, with regards to our consolidated financial statements, as well as Nexon's standalone financial statements and their supplementary schedules, are appropriate.

Furthermore, today, we distributed a document regarding a correction in the audit report on our standalone financial statements by PwC Aarata. This is not due to the omission of any audit procedure or any item legally required to be included in the audit report, but an omission of an item that they, as an auditor, should have mentioned in the audit report. Therefore, we would like to add that there is no problem with the audit report and other procedures.

We found no other matter requiring any comment in particular.

Furthermore, each of the statutory auditors has investigated the contents of the agenda and documents submitted to this General Meeting. As a result, we found that all are in accordance with laws, regulations and the Articles of Incorporation, and found no matter requiring any comment.

With this, I would like to end this audit report.

Mr. Mahoney:

The results of audit by the accounting auditors and audit of the consolidated financial statements by accounting auditors and the Audit and Supervisory Committee are as reported.

Next, we will report on our 19th fiscal year business report, consolidated financial statements and Nexon's standalone financial statements, as well as issues to be addressed by Nexon Group, and then present the proposals to be voted on.

While the details are as described in pages 7 to 56 of the Notice of the Meeting that you have at hand, we have prepared slides that summarize the content, so please look at the screen in front of you.

(Start of slide presentation)

First, we would like to report to you on our business results for the 19th fiscal year.

First, our Consolidated Statement of Financial Position, Consolidated Statement of Income, Non-consolidated Balance Sheet and Non-consolidated Statement of Income are as described in pages 53 through 56 of the Notice of the Meeting that you have at hand.

Next, we would like to report on the year-end dividends for the year ended December 31, 2020. Please look at page 52 of the Notice of the Meeting.

With regards to the year-end dividends of surplus with a record date of December 31, 2020, the Board of Directors resolved at the meeting held on February 17, 2021 to pay dividends of 2.5 yen per share.

The effective date of dividends is March 26, 2021.

Next, I'll report on the "issues to be addressed."

Please look at page 43 of the Notice of the Meeting.



Nexon Group continues to recognize the following two matters as issues to be addressed in order to achieve our future growth.

First issue to be addressed is “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 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 IP and franchises in the global videogames business, including *MapleStory* (17 years), *KartRider* (16 years) and *Dungeon&Fighter* (15 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.

First, focus on Virtual Worlds in which we are good at.

As a pioneer in the industry, Nexon Group has been one of the world’s best companies to create and operate 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.

As such, we are placing our focus on this field as one of our biggest opportunities.

Second, offer our Virtual Worlds on multiple platforms including PC, console and mobile devices.

Mobile devices now have nearly the same functions as PCs.

Today, while the market size of PCs used for gameplay are hundreds of millions, billions of people are carrying mobile devices with high-end quality.

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.

Third, create Virtual Worlds that will generate stable revenues over a long period of time by leveraging our strong IP.

As I said earlier, Nexon Group has hundreds of millions of fans around the world and owns multiple game IP that are as big as, or even bigger than, international blockbuster movies and game series.

As our game IP 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 IP 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 IP.

Last, invest in especially valuable new IP.

Nexon Group is currently at the growth stage.

In order to accelerate the growth of our global business, we will proactively invest in new IP that we believe that it has a special value.

One of the examples of such investment is the acquisition of Embark Studios AB.

We believe that our growth strategy, which comprises these four pillars, increases our games' potential to succeed and brings about strong management and creation of shareholder value.

Second issue to be addressed is "Strengthening information security."

Nexon Group provides game service which handles game data and users' personal information through the information system.

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 again to secure the same security level within Nexon Group.

Also, we conduct monitoring for each game-related server and periodic diagnosis to maintain high-level security system.

In addition, we periodically convene internal information management committee meetings and have set up an appropriate management structure to conduct such maintenance, monitoring and review of the security system.

Furthermore, this year, amid the spread of the COVID-19 infections, there has been accelerated cloud shift of various tools and systems, and we have focused on the enhancement of the information security system in the business and cloud environment.

As you can see, 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.

Other matters to be in the Business Report are as reported in the Notice of the Meeting. That brings us to the end of my report on the matters to be reported.

Moving on to the presentation of proposals to be voted on.

First, I would like to present Proposal 1: Election of four (4) directors (excluding those who are Audit and Supervisory Committee members)
Please look at pages 7 through 12 of the Notice of the Meeting.

The term of office for all three (3) 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) including an addition of one (1) external director with an aim to secure management transparency and expand our business in the future.

The four (4) candidates for directors (excluding those who are Audit and Supervisory Committee members) are:

Owen Mahoney,
Shiro Uemura,
Patrick Söderlund and
Kevin Mayer.

For career summary and other information on each candidate, please look at pages 7 through 12 of the Notice of the Meeting.

Furthermore, on the condition that they are elected at this Annual General Meeting of Shareholders, and upon resolution by the Board of Directors after the end of this Annual General Meeting of Shareholders, Owen Mahoney is expected to be reappointed as Representative Director, President and CEO, and Shiro Uemura is expected to be reappointed as Representative Director and Chief Financial Officer.

Now, before we move on to the presentation of Proposal 2 through Proposal 4, I would like to

give you an explanation on the directors' remuneration system in relation to these Proposals.

As Nexon Group aims to be the "No.1 global company" in Virtual Worlds in the game and entertainment industry, we are facing a fierce competition with global leading companies, including the competition to acquire talented management personnel.

Therefore, at Nexon, the Directors' Compensation Policy was formulated in 2018 with regards to the directors' remuneration system and with the following four points as the basic policy:

- (1) Contributes to the sustainable growth of Nexon Group and mid- and long-term enhancement of corporate value
- (2) Be competitive on the global HR market to acquire talented personnel
- (3) Link directors' remuneration with the company's business performance and corporate value
- (4) Have a highly transparent and objective process for determining remuneration.

If Proposal 2 through Proposal 4 are approved at this Annual General Meeting of Shareholders, we Plan to revise our Directors' Compensation Policy as in pages 15 through 21 of the Notice of the Meeting.

This revision will increase the proportion of the performance-linked portion of executive directors' remuneration as well as introduce non-performance-linked share-based compensation for external directors and directors who are Audit and Supervisory Committee members by referring to the "Practical Guidelines for Corporate Governance Systems" by the Ministry of Economy, Trade and Industry (as revised on September 28, 2018) so that it will become an appropriate incentive for management for the improvement of our mid- and long-term corporate value and sustainable growth of our business.

This aims to further align the benefit of our directors with that of our shareholders, as well as fortify our "earning power," which has been one of the issues of Japanese companies.

Of the directors (excluding those who are Audit and Supervisory Committee members), the remuneration of executive directors (including the representative directors) consists of cash compensation and stock-based compensation.

This cash compensation portion consists of a fixed amount of "base compensation" and "performance-linked annual bonus" calculated based on the company's business performance for each year.

The stock-based compensation portion consists of two types of "equity-based stock options", one that is linked to directors' office term rather than business performance, and one that is linked to the company's business performance.

Of the directors (excluding those who are Audit and Supervisory Committee members), the remuneration of external directors consists of a fixed amount of "base compensation" and "equity-based stock options" linked to directors' office term but not the company's business

performance.

For the share-based compensation of directors (excluding those who are Audit and Supervisory Committee members), subscription rights to shares as “equity-based stock options” attributable to three fiscal years will be granted in a lump sum which will become exercisable upon serving a term up to a future annual general meeting of shareholders and achievement of a certain level of performance targets.

The subscription rights to shares as performance-linked “equity-based stock options” may seem excessive at first glance because the number granted is attributable to three fiscal years and based on the assumption that the maximum level of performance targets will be achieved, but the actual number to become exercisable will be limited to the portion that is evaluated, fixed and determined based on the level of the achievement of the performance targets after the performance evaluation period.

Furthermore, the remuneration of directors who are Audit and Supervisory Committee members consists of a fixed amount of “base compensation” and “equity-based stock options” linked to directors’ office term but not the company’s business performance.

Unlike that of other directors, the stock-based compensation of directors who are Audit and Supervisory Committee members is granted as subscription rights to shares after the annual general meeting of shareholders every year.

Of the proposals discussed at this general meeting of shareholders, Proposal 2 seeks an approval for the revision of the remuneration amount and determination of the new remuneration, etc. for the cash compensation of directors (excluding those who are Audit and Supervisory Committee members), while Proposal 3 seeks the same approval for the share-based compensation of directors (excluding those who are Audit and Supervisory Committee members).

Proposal 4 requests the determination of the new remuneration, etc. of the share-based compensation of directors who are Audit and Supervisory Committee members.

Furthermore, Proposal 5 is made for the purpose of granting regular stock options to Nexon Group’s directors and employees who are not the Company’s directors.

Now, I would like to present Proposal 2:

“Revision of the remuneration amount of directors (excluding those who are Audit and Supervisory Committee members)”

Please look at page 22 of the Notice of the Meeting for the details on this proposal.

Following the Company’s transition to a company with Audit and Supervisory Committee, it was approved to set the amount of “base compensation” and “performance-linked annual bonus” for the Company’s directors (excluding those who are Audit and Supervisory Committee members) to be at or below an annual amount of ¥500 million and ¥1,000 million, respectively, at the 16th Annual General Meeting of Shareholders held on March 27, 2018.

Given the increase in the number of directors (excluding those who are Audit and Supervisory Committee members), the Company seeks an approval for setting the amount of base compensation, with regards to the aforementioned cash compensation of directors (excluding those who are Audit and Supervisory Committee members), to be at or below an annual amount of ¥600 million (including those for external director at or below an annual amount of ¥100 million)

Also, the amount of performance-linked annual bonus to be paid to directors (excluding those who are Audit and Supervisory Committee members and external directors) in addition to the base compensation to be at or below an annual amount of ¥1,000 million.

As for the amount of remuneration in this proposal, “base compensation” for directors (excluding those who are Audit and Supervisory Committee members) will be determined based on the role and position of each director, and “performance-linked annual bonus” for directors (excluding those who are Audit and Supervisory Committee members and external directors) will vary based on the achievement level of the internal annual target for consolidated revenue and consolidated operating income.

The amount of all these compensation components will be set to win the competition over management-level personnel in the global environment, and the “performance-linked annual bonus” aims to further raise awareness for achieving the Company’s annual performance target.

For reasons described above, we believe that the contents of the remuneration system proposed in this proposal are reasonable.

Next, I would like to present Proposal 3:

“Determination of the remuneration, etc. of directors (excluding those who are Audit and Supervisory Committee members)”

Please look at pages 23 through 28 of the Notice of the Meeting for the details on this proposal.

With regards to share-based compensation of directors (excluding those who are Audit and Supervisory Committee members) which I explained earlier, subscription rights to shares as “equity-based stock options” attributable to three fiscal years will be granted in a lump sum, and I seek an approval for setting the number of non-performance-based subscription rights to shares to be issued within one year from today at a maximum of 280,000 units, at or below a total amount of ¥800 million (including a maximum of 40,000 units for external directors at or below ¥100 million), and the number of performance-based subscription rights to shares to be issued within one year from today at a maximum of 2,200,000 units, at or below a total amount of ¥6,500 million.

In either case, the number of underlying shares per unit of subscription rights to shares will be one share of the Company’s common stock.

With regards to the grant of non-performance-based subscription rights to shares which is not

linked to business performance to directors (excluding those who are Audit and Supervisory Committee members and external directors) in this proposal, out of the directors (excluding those who are Audit and Supervisory Committee members and external directors), those at for executive directors (including the representative directors) aim to improve directors' engagement to the Company by offering a certain portion of the remuneration without regard to performance, while those that for external directors aim to further raise awareness about sharing interest with shareholders and further improving the Company's corporate value.

Furthermore, out of among the directors (excluding those who are Audit and Supervisory Committee members and external directors), only the directors other than who are not external directors are subject to the granting of performance-based subscription rights to shares linked to business performance, which aims to further raise awareness for improving the Company's mid- and long-term performance and increasing the corporate value.

For reasons described above, we believe that the contents of the remuneration system proposed in this proposal are reasonable.

Next, I would like to present Proposal 4:

"Determination of the remuneration, etc. of directors who are Audit and Supervisory Committee members",

Please look at pages 29 through 32 of the Notice of the Meeting for the details on this proposal.

With regards to "equity-based stock options" of directors who are Audit and Supervisory Committee members, which I explained earlier, I seek an approval for setting the non-performance-based subscription rights to shares which are not linked to business performance for directors who are Audit and Supervisory Committee members to be at or below an annual amount of ¥100 million (including those for external directors at or below an annual amount of ¥50 million).

Furthermore,

As for the maximum number of non-performance-based subscription rights to shares to be issued within one year from the date of annual general meeting of shareholders for each year, those which are not linked to business performance will be 40,000 (including 20,000 for external directors).

The number of underlying shares per unit of subscription rights to shares will be one share of the Company's common stock.

The non-performance-based subscription rights to shares which are not linked to business performance in this proposal aim to further raise awareness about sharing interest between directors who are Audit and Supervisory Committee members and shareholders and improving the Company's corporate value.

For reasons described above, we believe that the contents of the remuneration system proposed in this proposal are reasonable.

Next, I would like to present Proposal 5:

“Issuance of subscription rights to shares as stock options to the Company’s employees, etc.”

Please look at pages 33 through 35 of the Notice of the Meeting for the details on this proposal.

These stock options are those for which 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, which are issued to the employees of the Company and directors and employees of the Company’s subsidiaries.

Furthermore, the reason why the Company needs to offer the subscription rights to shares under preferential terms in this proposal is to give incentive to directors and employees of Nexon Group 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.

That brings us to the end of my presentation on the proposals to be voted on.
(End of slide presentation)

Mr. Mahoney:

Now, we will take questions on the matters to be reported and proposals to be voted on from you shareholders who are in attendance today.

We ask that shareholders who have questions raise your hands and, as the Chair of this meeting, I will indicate the questioner whose turn it is to speak.

Our people will guide the shareholder whose turn it is to speak with the microphone, so please come up to the microphone and say your entrance ticket number and name, and give us your question in a concise manner.

Furthermore, to end the discussions as briefly as possible during this time of COVID-19 pandemic, we would like to limit the number of questions to 2 questions per person.

This general meeting of shareholders will be conducted in Japanese.

If any shareholder wishes to speak in a foreign language, please speak through your accompanying interpreter.

With regards to any English comments made by our board members, we will be responsible for translating them into Japanese.

Now, does anyone have any questions or comments?

Does anyone have any questions or comments?

Now, as there seems to be no more questions, we would like to end all discussions and go on to vote on the proposals presented.

We would like to take a vote on Proposal No. 1: "Election of four (4) directors (excluding those who are Audit and Supervisory Committee members)."

Those of you who are in agreement with this Proposal, please clap your hands.

< Applause >

Mr. Mahoney:

Thank you very much.

We have received a majority of the votes as affirmative votes, including the voting rights exercised in writing or via the internet, so this Proposal has been approved and passed as proposed.

Next, we would like to take a vote on Proposal No. 2: "Revision of the remuneration amount of directors (excluding those who are Audit and Supervisory Committee members)."

Those of you who are in agreement with this Proposal, please clap your hands.

< Applause >

Mr. Mahoney:

Thank you very much.

We have received a majority of the votes as affirmative votes, including the voting rights exercised in writing or via the internet, so this Proposal has been approved and passed as proposed.

Next, we would like to take a vote on Proposal No. 3: "Determination of the remuneration, etc. of directors (excluding those who are Audit and Supervisory Committee members) (Grant of subscription rights to shares as 2021 equity-based stock options)."

Those of you who are in agreement with this Proposal, please clap your hands.

< Applause >

Mr. Mahoney:

Next, we would like to take a vote on Proposal No. 4: "Determination of the remuneration, etc. of directors who are Audit and Supervisory Committee members (Grant of subscription rights to shares as equity-based stock options)."

Those of you who are in agreement with this Proposal, please clap your hands.

< Applause >

Mr. Mahoney:

Thank you very much.

We have received a majority of the votes as affirmative votes, including the voting rights exercised in writing or via the internet, so this Proposal has been approved and passed as

proposed.

Next, we would like to take a vote on Proposal No. 5: "Issuance of subscription rights to shares as stock options to the Company's employees, etc."

Those of you who are in agreement with this Proposal, please clap your hands.

< Applause >

Mr. Mahoney:

Thank you very much.

We have received two thirds (2/3) or more of the votes as affirmative votes, including the voting rights exercised in writing or via the internet, so this Proposal has been approved and passed as proposed.

This brings us to the end of the matters that are cause for this general meeting of shareholders. We will now conclude the 19th Annual General Meeting of Shareholders of NEXON Co., Ltd.

< Applause >

Mr. Mahoney:

We would now like to introduce to you our board members, including the Directors who have been appointed by you today.

Mr. Mahoney:

First of all, I am Owen Mahoney.

< Applause >

This is our Director, Shiro Uemura.

< Applause >

Our Director, Patrick Söderlund.

< Applause >

Our Director, Kevin Mayer.

We are sorry to say that Director, Kevin Mayer is also absent from this annual general meeting of shareholders today because of travel restrictions between his country of residence and Japan due to COVID-19.

Our Director who is Audit and Supervisory Committee member, Hongwoo Lee.

< Applause >

This is our Director who is Audit and Supervisory Committee member, Satoshi Honda.

< Applause >

This is our Director who is Audit and Supervisory Committee member, Shiro Kuniya.

< Applause >

We would like to thank all of you shareholders for your earnest discussion of the presented matters.

As we conclude this meeting, we wish for the health of all of our shareholders and ask for your further advice and guidance going forward.

Thank you very much for coming today.

< Applause >

END