



**20th Annual General Meeting of Shareholders
Time & Date: 11:00 a.m., Friday, March 25, 2022**

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.

Today, we will proceed by taking precautions against COVID-19, with your cooperation, but please understand that the speaker will take off his mask at the chairperson's seat as there is an acrylic board in place.

I would like to say a few words before we start. As I communicated in our release at the beginning of this month, our founder and friend, Jay Kim, passed away in February. It came as a sudden and horrible shock to everyone in the Nexon family.

The world recognizes Jay as a visionary and pioneer in global entertainment. But those of us lucky enough to know him as a friend and mentor will remember him as a man who inspired others to make the world a better place.

Jay challenged us to innovate, to ignore the skeptics, and to trust each other. We recognize his incredibly unique spirit and remember him as a warm, wonderful friend.

Even without him, we will keep Jay's teachings in mind and dedicate ourselves to Nexon's business going forward. Now I pray that his soul rest in peace.

Let us now commence the 20th 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 three of our Directors, Patrick Söderlund, Hongwoo Lee, and Kevin Mayer, 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. Hasegawa:

Let me report.

The number of our shareholders with voting rights at this general meeting of shareholders is 3,806. The number of their voting rights is 8,916,829.

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 1420.

The number of their voting rights is 7,416,622.

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 20th business year, as described under "Independent Auditor's Report" on pages 62 to 63 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 20th 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 66 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.

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 20th 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 61 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 20th 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 58 through 61 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, 2021. Please look at page 57 of the Notice of the Meeting.

With regards to the year-end dividends of surplus with a record date of December 31, 2021, the Board of Directors resolved at the meeting held on February 17, 2022, to pay dividends of 5 yen per share. The effective date of dividends is March 28, 2022. The annual dividend for the year ended December 31, 2021 is 7.5 yen per share.

Next, I'll report on the "issues to be addressed."
Please look at page 27 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* (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.

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.

Let me show you a gameplay video for *ARC Raiders*, which is the first virtual world by Embark Studios AB.

This is not pre-rendered CGI, but a video showing real gameplay, with cinematic graphics and sound created using machine learning, AI and procedural physics.

Now, please enjoy the video.

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: Amendment to the Articles of Incorporation

Please look at pages 7 through 8 of the Notice of the Meeting.

There are two reasons for the amendment to the Articles of Incorporation.

First is the addition of business purposes. The Company seeks an approval for the amendment of the Articles of Incorporation to prepare for future business development and business diversification of the Company.

Second is the 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 will come into effect on September 1, 2022. Accordingly, the Company seeks an approval for the

amendment of the Articles of Incorporation in preparation for the introduction of a system for providing reference materials for general meetings of shareholders in electronic format.

For details on the amendment of the Articles of Incorporation, please look at pages 7 through 8 of the Notice of the Meeting.

Next, I would like to present 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).

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 9 through 13 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.

Next, I would like to present 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 three (3) candidates for directors who are Audit and Supervisory Committee members are: New candidate, Alexander Iosilevich, who is replacing Hongwoo Lee, Satoshi Honda and Shiro Kuniya.

For career summary and other information on each candidate, please look at pages 14 through 17 of the Notice of the Meeting.

Moving forward, I would like to present Proposal 4: Issuance of subscription rights to shares as stock options to the Company's employees, etc.

For details on the proposal, please look at pages 19 through 21 of the Notice of the Meeting.

The exercise price of these stock options 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 issued to the Company's employees and directors and employees of its subsidiaries.

Let me explain the reason why the Company needs to offer the subscription rights to shares under preferential terms in this proposal. Largely, it is to secure talented personnel.

It is to give Nexon Group's directors and employees 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.

These are the major reasons.

In addition, 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.

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?

The shareholder over there, please go ahead.

Shareholder:

Q. I am No.3, Miura.

Regarding the business results, please give us the reason why your revenue and operating income have decreased while net income has increased.

Mr. Mahoney:

We understand that this question is about our comment on Nexon's P/L.

We will have our representative director, Uemura, answer this question.

Mr. Uemura:

I am Uemura, a representative director of Nexon. I have been designated by the chair to answer this question.

I understand that this question is about our FY2021 business results. It has been ten years since our listing, and during those ten years our revenue has continued to grow, excluding the impact of FX rates. However, last year, it slightly decreased.

A major reason for this is that we only had a few titles in our pipeline last year. Another reason is the slight slowdown of our major titles, *Dungeon&Fighter* in China and *MapleStory*. These factors comprehensively caused a slight decrease in revenue. It is the same with operating income, which decreased due to revenue decrease, as well as rising HR costs as explained in our business report. However, this decrease can also be taken as an investment in personnel, which is a very important asset for our company going forward. We think that this is something we need to do a good job taking care of. Also, supplementing or securing talented personnel

will be very important in our future operations and development, so we see it as an investment in advance.

Therefore, revenue and operating income have decreased in this situation.

As for the rise in net income, it is due to incorporation of tax for accounting purposes. Therefore, the rise is caused by factors that are not much related to business operations. However, as I mentioned earlier, we have grown for a decade and while we were at a standstill last year, we have a rich pipeline and have made investments in advance, so we expect Nexon to continue to grow going forward.

That ends my response.

Mr. Mahoney:

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: "Amendment to the Articles of Incorporation"

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

< Applause >

Mr. Mahoney:

Thank you very much.

We have received more than two-thirds 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: "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. 3: "Election of three (3) Audit and Supervisory Committee members"

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

< Applause >

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.

Mr. Mahoney:

Next, we would like to take a vote on Proposal No. 4: "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 more than two-thirds 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 20th 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.

First of all, I am Owen Mahoney.

< Applause >

This is our Director, Shiro Uemura.

< Applause >

Our Director, Patrick Söderlund.

< Applause >

Our Director, Kevin Mayer.

< Applause >

This is our Director who is Audit and Supervisory Committee member, Alexander Iosilevich.

We are sorry to say that Director, Alexander Iosilevich 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.

< 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