



**21st Annual General Meeting of Shareholders
Time & Date: 11:00 a.m., Friday, March 24, 2023**

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.

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 21st 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.

Three of our Directors, Patrick Söderlund, Kevin Mayer, and Alexander Iosilevich, are absent from this annual general meeting of shareholders today.

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 2,727. The number of their voting rights is 8,615,844.

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 1,118.

The number of their voting rights is 6,120,713.

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 21st business year, as described under "Independent Auditor's Report" on pages 112 to 114 of the Notice of the Meeting posted on our website, 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 21st 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 page 118 of the Notice of the Meeting posted on our website, 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 21st 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 8 to 111 of the Notice of the Meeting posted on our website, 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 21st 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, and 95 through 99 of the Notice of the Meeting posted on our website.

Next, we would like to report on the year-end dividends for the year ended December 31, 2022. Please look at page 57 of the Notice of the Meeting posted on our website.

With regards to the year-end dividends of surplus with a record date of December 31, 2022, the Board of Directors resolved at the meeting held on February 16, 2023, to pay dividends of 5 yen per share.

The effective date of dividends is March 28, 2023.



The annual dividend for the year ended December 31, 2022 is 10 yen per share.

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

Please look at page through 25 to 26 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* (19 years), *KartRider* (18 years) and *Dungeon&Fighter* (17 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 *THE FINALS*, which will be the first title to launch from Embark Studios AB.

THE FINALS is a first-person shooter featuring unprecedented dynamism and strategic play. Players can experience high-speed shooting action in battlefields with ever-changing environment where they can freely destroy anything and everything.

Now, please enjoy the video.

(P.11⇒*play the trailer)

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 (5) 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 (5) directors (excluding those who are Audit and Supervisory Committee members).

The four (5) candidates for directors (excluding those who are Audit and Supervisory Committee members) are:

Owen Mahoney,
Shiro Uemura,
Patrick Söderlund,
Junghun Lee,

and Mitchell Lasky

Kevin Mayer will retire due to expiration of his term of office.

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, before we go on to the presentation of Proposal 2, I would like to give you an explanation on our remuneration system for directors (excluding those who are Audit and Supervisory Committee members).

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.

Cash compensation consists of "base compensation" which is a fixed amount, and "performance-based annual bonus" which is linked to the Company's performance for each fiscal year.

Stock-based compensation consists of two types of "equity-based stock options," one that is term-based and not linked to the Company's performance, and another that is performance-based.

Of the directors (excluding those who are Audit and Supervisory Committee members), the compensation of external directors consists of "base compensation" which is a fixed amount, and "equity-based stock options" that is term-based and not linked to the Company's performance.

For the share-based compensation of these directors (excluding those who are Audit and Supervisory Committee members), the subscription rights to shares as "equity-based stock options" attributable to three fiscal years starting from 2023 will be granted in a lump sum, which will become exercisable upon serving a term up to a future annual general meeting of shareholders or upon achievement of certain performance targets.

For subscription rights to shares as "equity-based stock options" linked to the Company's performance, the number of units granted for the three fiscal years is based on the assumption that the highest level of performance will be achieved. Therefore, at first glance, the directors' remuneration, etc. may seem excessive, but the actual number that would 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.

Proposal 2, which is proposed at this annual general meeting of shareholders, seeks approval for the determination of the share-based portion of the remuneration, etc. of directors (excluding those who are Audit and Supervisory Committee members).

Moving forward, I would like to present Proposal 2: Determination of the remuneration, etc. of directors (excluding those who are Audit and Supervisory Committee members).

The details of the proposal are described in pages 15 through 19 of the Notice of the Meeting posted on our website.

As I explained earlier, this proposal seeks approval for the determination of the share-based compensation of directors (excluding those who are Audit and Supervisory Committee members) as follows. The subscription rights to shares as “equity-based stock options” attributable to three fiscal years starting from 2023 will be granted in a lump sum. Non-performance-based subscription rights to shares to be issued within one year from today will be a maximum of 214,000 units, with a total amount at or below 535 million yen (including up to 14,400 units, with an amount at or below 36 million yen, for external directors). Performance-based subscription rights to shares to be issued to directors (excluding those who are Audit and Supervisory Committee members and external directors) within one year from today will be a maximum of 406,000 units, with a total amount at or below 1,015 million yen.

The number of underlying shares per unit of any of these subscription rights to shares will be one share of Nexon’s common stock.

As for the grant of non-performance-based subscription rights to shares to directors (excluding those who are Audit and Supervisory Committee members) in this proposal, the grant to executive directors including the representative directors aims to improve their engagement to the Company by offering a certain portion of the share-based compensation without regard to performance, and the grant to external directors aims to further raise awareness about sharing interest with shareholders and improving the Company’s corporate value.

Of the directors (excluding those who are Audit and Supervisory Committee members), performance-based subscription rights to shares will be granted only to those who are not external directors. This grant 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.

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.6, Miura.

I have a question about the CEO's background.

Where were you born, where were you raised, and what sort of education did you get?

Also, I would like you to let us know to the extent you can about what led up to your joining Nexon, how long you've been in Japan and what you think about living in Japan.

Thank you.

Mr. Mahoney:

We understand that this question is about the CEO's background. I will answer this question.

First of all, I want to thank you for your continued interest in Nexon.

I was born and raised in San Francisco and I went to high school in U.S. and I went to college of University of California, Barkley. Where I was Asian studies major, focusing on Japanese economics and Japanese language.

I guess for what is worth, that was in 80's. It's long time ago. And I was raised partially in San Francisco and partially in Silicon Valley which is very closed to San Francisco. In those days,

my heroes were the Silicon Valley technology companies, and in those days, everybody had great deal of interest in Japanese technology companies. Such as SONY, Toshiba. Some of my heroes included Morita Akio, the chairman of SONY. And so, from the early 80's I got great interest in Asia and in Japan, in particular.

I then I moved to Japan after graduating from college, and studied for couple of years in Japan and started my carrier at Apple Japan's software subsidiary here in Tokyo.

I moved back to U.S. in 1995 and handled the Asia Pacific region development and regional management for a series of Silicon Valley startups, it was that time around 1996 as I recall. And I met the founder of Nexon, just after Nexon has started and kept in touch with the founding team at that time.

So, for the early part of my carrier I was an operating manager then I joined Electronic Arts, a large American videogame company in the year of 2000. And I was there for nearly a decade. I was responsible for strategy in corporate development of Electronic Arts.

Then after leaving Electronic Arts, I briefly worked for a startup based in San Francisco in the games industry, and I came to Nexon in 2010, July as CFO. And then I became CEO of Nexon in 2014.

Today, I live in Tokyo. But as you can imagine, I spent a lot of time in Korea with my colleagues are there, and in Sweden and in some of the U.S as well.

That is my brief work history, but I'd be more than happy to answer any other question, you might have about me or about my colleagues.

I hope that I answered your question.

Shareholder:

Q. I am No.1, Suzuki.

I am a fan of *Mabinogi*, and I became a shareholder due to my love as a user. If possible, Would you consider distribute Nexon points as a shareholders' benefit going forward?

Thank you.

Mr. Mahoney:

We understand that this question is about the idea of distributing Nexon points as a shareholders' benefit.

I will answer this question.

Mr. Mahoney:

Thank you very much for your question.

That is a very interesting idea, and we really appreciate it and will certainly look into it as an idea going forward.

We appreciate coming here and we will certainly look into the idea.

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: "Election of four (5) 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 more than 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: "Determination of the remuneration, etc. 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.

Mr. Mahoney:

This brings us to the end of the matters that are cause for this general meeting of shareholders. We will now conclude the 21st 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, Junghun Lee.

< Applause >

Our Director, Patrick Söderlund.

< Applause >

Our Director, Mitchell Lasky.

< Applause >

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

< 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