



March 25,2021

Name of Company: NEXON Co., Ltd.
Representative: Owen Mahoney, Representative Director,
Chief Executive Officer and President
(Stock Code: 3659, TSE First Section)
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Notice of Grant of Stock Options (19th Round) (Stock Acquisition Rights)

NEXON Co., Ltd. (the “Company”), announced that, pursuant to the provisions of Articles 236, 238 and 240 of the Companies Act, the following matters were decided by resolution of the Company’s Board of Directors regarding the granting of stock options, or stock acquisition rights, which were approved by resolution of the Company’s 19th Annual General Meeting of Shareholders convened on March 25, 2021, to the members of the Company’s Board of Directors.

1. Persons to whom subscription rights to shares will be granted

	Number of Individuals	Number of Options
Directors (excluding Audit and Supervisory Committee members) (of which, external directors)	3 (1)	1,671,142 (10,344)
Directors (Audit and Supervisory Committee members) (of which, external directors)	2 (2)	1,724 (1,724)
TOTAL	5 (3)	1,672,866 (12,068)

2. Terms and conditions for issuance of stock acquisition rights (“Options”)

(1) Class and number of shares to be issued upon exercise of Options
1,672,866 shares of common stock of the Company (“**Shares**”)

In the event that the Company splits its common stock (including allotment of its common stock without compensation) or consolidates its common stock, the number of shares to be issued upon exercise of the Options shall be adjusted according to the formula outlined below. Provided, however, that such adjustment shall be made only to those Options remaining unexercised at the time of such adjustment.

Number of Shares to be issued after adjustment = Number of Shares to be issued before adjustment ×
Ratio of split or consolidation

If the Company merges with another company, carries out corporate demerger (*kaisha bunkatsu*), share-for-share exchange (*kabushiki koukan*), share transfer (*kabushiki iten*) or share delivery (*kabushiki koufu*), or any other event occurs, and such event compellingly requires an adjustment of the number of Shares subject to Options, the number of Shares to be issued pursuant to such Options shall be adjusted to the extent reasonable considering the terms and conditions of such merger, corporate demerger, share-for-share exchange, share transfer or share delivery.

(2) Number of Options to be granted

1,672,866 units

The number of Shares to be issued upon exercise of each one (1) Option (“**Number of Granted Shares**”) shall be 1 Share. In the case the number of Shares to be issued is adjusted as provided in (1) above, the Number of Granted Shares shall also be adjusted.

(3) Cash payment in exchange for Options

No cash payment is required in consideration of each Option.

(4) Value of the assets to be contributed upon exercise of each Option

The Options are issued as compensation to directors, and no payment of money or provision of property other than money is required upon the exercise of each Option.

(5) Exercise period of Options

The exercise period shall commence on the Grant Date of the Options and terminate after ten years from the Grant Date. In the event that the last date of the exercise period is a non-business day of the Company, it shall be the business day immediately preceding such date.

(6) Conditions for exercise of Options

Any person other than the directors or former directors of the Company with regard to whom the items under the provisions of Article 361, Paragraph 1, Item 4 of the Companies Act are provided in the Articles of Incorporation or determined by a resolution of the General Meeting of Shareholders may not exercise the Options. Specifically, the holder of the Options must be a director of the Company at the time of exercise of the Options; provided that the former directors may exercise the Options only if there is a due reason specifically provided by the board of directors, including resignation or retirement, dismissal or discharge (excluding termination for cause or any other event similar thereto), or death or disability.

(7) Treatment of fraction less than one Share resulting from exercise of Options

If there is any fraction less than one Share in the number of Shares to be issued to any holder of Options who exercised such Options, such fraction shall be rounded down to the nearest whole number.

(8) Treatment of Options at the Company’s restructuring and other activities

When approval is granted for proposals i), ii), iii), iv) or v) below by a resolution of a shareholders’ meeting of the Company (or if a resolution of a shareholders’ meeting is not required, then when approval is granted by a resolution of the board of directors of the Company), the Company may acquire the Options without any payment 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 a dissolving company;

ii) Proposal for the approval of a corporate demerger (*kaisha bunkatsu*) agreement or a corporate demerger (*kaisha bunkatsu*) plan in which the Company will become the demerging company;

iii) Proposal for the approval of a share-for-share exchange (*kabushiki kōkan*) agreement or a share transfer (*kabushiki iten*) plan in which the Company will become a wholly owned subsidiary of

another company;

iv) Proposal for the approval of an amendment to the Articles of Incorporation by which any acquisition of all types of the shares issued by the Company by assignment shall require the Company's approval; or

v) Proposal for the approval of an amendment to the Articles of Incorporation by which (i) any acquisition by assignment of any shares to be issued upon exercise of the Options shall require the Company's approval, or (ii) the Company is entitled to acquire all shares of the relevant class of shares to be issued upon exercise of the Options upon resolution of the shareholders' meeting.

(9) Restriction on the acquisition of Options by transfer

Any acquisition of the Options by transfer shall require an approval of the board of directors of the Company by its resolution.

(10) Matters concerning the amount of paid-in capital and capital reserve to be increased by the issuance of shares upon exercise of Options

i) The amount of paid-in capital to be increased by the issuance of Shares upon exercise of the Options shall be one-half of the amount of the maximum limit on the increase in paid-in capital as calculated pursuant to Article 17, Paragraph 1, of the Company Accounting Ordinance. Any fraction of less than one yen obtained as a result of such calculation (if any) shall be rounded up.

ii) The amount of capital reserve to be increased by the issuance of Shares upon exercise of the Options shall be the amount of the maximum limit on the increase in paid-in capital provided in i) above, reduced by the amount of increased paid-in capital stipulated in i) above.

(11) Grant Date

April 12, 2021