Securities code: 3659
September 10, 2019

To Shareholders

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

Notice of an Extraordinary General Meeting of Shareholders

Dear Shareholders:
You are cordially invited to attend the Extraordinary General Meeting of Shareholders. The meeting details and agenda are as outlined below.

If you are unable to attend the meeting, you may exercise your voting rights in writing or via the Internet. Please review the Extraordinary General Meeting of Shareholders agenda described below and exercise your voting rights by 7 p.m. on Tuesday, September 24, 2019, in accordance with the "Instructions for Exercising Voting Rights" set forth on page 3.

Notice

1. **Date &Time**: 11:00 a.m., Wednesday, September 25, 2019 (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**:
   Proposals to be voted on:
   Proposal No. 1: Issuance of new shares by third party allotment (1)
   Proposal No. 2: Issuance of stock acquisition rights by third party allotment (1)
   Proposal No. 3: Issuance of stock acquisition rights by third party allotment (2)
   Proposal No. 4: Issuance of stock acquisition rights by third party allotment (3)
   Proposal No. 5: Issuance of stock acquisition rights by third party allotment (4)
   Proposal No. 6: Issuance of stock acquisition rights by third party allotment (5)
   Proposal No. 7: Issuance of stock acquisition rights by third party allotment (6)
   Proposal No. 8: Issuance of stock acquisition rights by third party allotment (7)
   Proposal No. 9: Issuance of stock acquisition rights by third party allotment (8)
   Proposal No. 10: Issuance of new shares by third party allotment (2)
   Proposal No. 11: Election of one (1) director (except those who are Audit and Supervisory Committee members)

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

Please note in advance that there will be no gifts prepared for the shareholders that attend the 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.

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

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	Wednesday, September 25, 2019 11:00 a.m. (Doors open at 10:30 a.m.)
Location	Ark Hills South Tower on 5th Floor Meeting Room for Extraordinary 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.

Deadline: By 7 p.m. Tuesday, September 24, 2019

● Exercise of voting rights via the Internet



Please read the "Guide to Exercising Voting Rights via the Internet" on the next page and enter your vote for each proposal.

Deadline: By 7 p.m. Tuesday, September 24, 2019

Guide to Exercising Voting Rights via the Internet

If you wish to exercise your voting rights via the Internet, please note the following matters.

1. Voting rights exercise website
Exercising voting rights via the Internet is only available through the use of the voting rights exercise website designated by the Company: https://www.web54.net.

2. Handling of exercise of voting rights
(1) When exercising voting rights via the Internet, 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 Tuesday, September 24, 2019**, please exercise your voting rights ahead of time.
(3) If voting rights are exercised both in writing and via the Internet, the vote via the Internet will supersede. In addition, if voting rights are exercised via the Internet in multiple occasions, the last vote will supersede.
(4) Any fees for internet provider or carrier incurred in accessing the voting rights exercise website (e.g. connection fees) will be borne by shareholders.

3. 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.

4. 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.

5. Contact for inquiries about computer/smartphone operations, etc.
(1) If you have inquiries about computer/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 who have 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 Extraordinary General Meeting of Shareholders

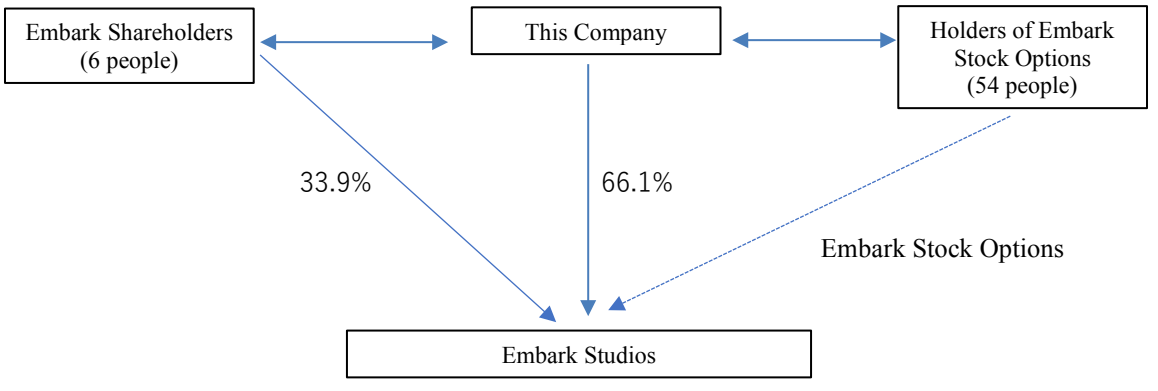
<With respect to Agenda Items Proposal No. 1 to Proposal No. 10 >

Since Agenda Items Proposal No. 1 to Proposal No. 10 are those items in connection with a series of relevant transactions, we hereby explain about the summary of those proposals.

At its board meeting held on August 5, 2019 (Monday), the Company resolved that it enter into a series of transactions seeking the acquisition of additional shares of Embark Studios AB ("Embark Studios"), the Company Group's consolidated subsidiary. Said transactions consist of (i) the issuance of 1,399,896 new shares of common stock in the Company ("New Shares (1)") in exchange for the acquisition of 45,003,500 shares of Embark Studios to the six shareholders of Embark Studios (excluding the Company and its subsidiaries; hereinafter, "Embark Shareholders"), (ii) for the purpose of acquiring all of the remaining Embark Studios' 176,469,789 shares held by the Embark Shareholders, the issuance of eight (8) types of stock acquisition rights ("Share Options") for the issuance of the Company's common shares upon the in-kind contribution of such Embark Shares or the monetary claim for the purchase price thereof, and (iii) the issuance to the fifty-four employees of Embark Studios currently holding its tax-qualified employee stock options (which shall mean the rights to acquire common shares of Embark Studios; the "Embark Stock Options") of the Company's 511,852 common shares ("New Shares (2)") to be performed after the acquisition by such employees of Embark Studios' 16,456,207 common shares by exercising their respective Embark Stock Options in the future.

1. New Shares (1)
   - Share Exchange Agreement
2. Share Options
   - Share Option Agreements (Put Share Option) and Put Share Options
   - Call Right Agreement
   - Share Option Agreements (Call Share Option) and Call Share Options

3. New Shares (2)
   - Forward Agreement (Bearer securities)



1. Purposes of Acquisition of Shares

Embark Studios is a game developer studio based in Stockholm which was established by Patrick Söderlund, the industry leader, who has developed the famous games such as “Battlefield”, for the purpose of creating, by means of visual expression, unprecedented interactive (bidirectional) entertainment and a simulated on-line virtual world with a sense of speed enabled by a major progress of technology, such as the development of Internet communication technology and speed-up of semiconductor processing.

In November 2018, the Company Group made a strategic investment in Embark Studios in order to enhance the Company Group's game lineups in the European and U.S. on-line gaming markets, and made the same into its equity method affiliated company. As the sale and profit of the Company have been gained by depending overwhelmingly on China and South Korea, the Company aims at developing the presence of itself and its game delivery business in Europe and the United States by strategic investment in Embark Studios.

Thereafter, since the beginning of this year, several other companies announced the commencement of game streaming services one after another. For example, Google and Microsoft announced their game streaming services named “Stadia” and “xCloud”, respectively. Under such situation where a variety of game services are being developed, the importance of the game titles of good and high quality has been increasing more and more. As a result, the Company became to consider that the importance of game titles developed by Embark Studios for the Company’s game delivery service strategy has increased more than ever, and decided to additionally acquire issued shares of Embark Studios for the purpose of further solidifying the relationship with Embark Studios. The Company believes that its business in Europe and the United States, which has been pointed out by analysts, etc. as a critical issue, would be expanded through the strong cooperation with Embark Studios, and it would contribute to the improvement of our corporate value and eventually contribute to the improvement of our shareholder value.

Then as a first step, at its board meeting as of July 1, 2019 (Monday), the Company resolved that it additionally acquire approximately 32.8% of the issued and outstanding shares of Embark Studios on the same date and make the same into the Company Group's consolidated subsidiary. The purpose is to maximize the synergy achieved in the processing steps at both ends of Embark Studios’ development studio and the Company Group’s existing development studio, and accelerate the sharing know how among the studios. Due to this additional acquisition, the Company Group's holding of voting rights in Embark Studios is approximately 66.1% (431,935,801 shares) as of the date of filing of this Securities Registration Statement.

Following the above transactions, at its board meeting held on August 5, 2019 (Monday), the Company resolved that it issue shares of common stock in the Company and the Share Options to the Embark Shareholders in order to further acquire Embark Studios' shares, aiming at acquiring 100% of Embark Studios’ issued shares (653,409,090 shares). Concurrently, it also resolved that the New Shares (2) (which will be issued in consideration of the Property Contributed in Kind) shall be issued to Embark Studios' employees holding the Embark Stock Options, who may be shareholders of Embark Studios in the future, after the acquisition by such employees of Embark Studios’ common shares by exercising their respective Embark Stock Options in the future.

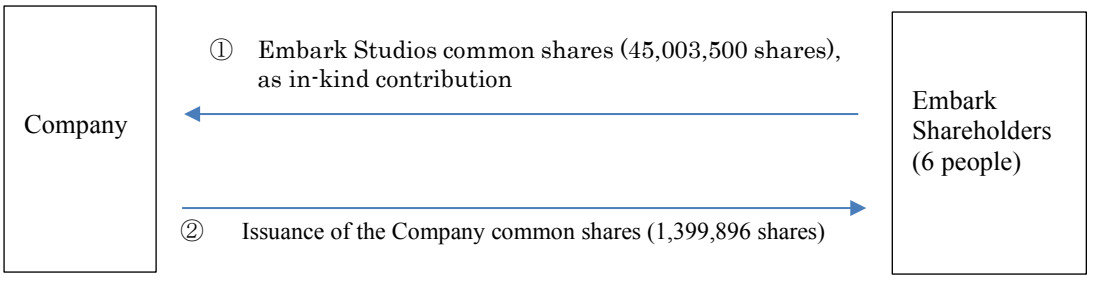
All these additional acquisitions of Embark Studios' common shares are undertaken using the Company's common shares (including those which will be issued by the Company upon exercise of stock acquisition rights) as the consideration, and the actual transaction is the exchange of the Company's common shares and those of Embark Studios at an agreed rate. During the course of discussions and negotiations with Embark Studios in connection with the acquisition of additional shares, the Company considers that it is important to harmonize interests of the Embark Shareholders who are the founders, etc. of Embark Studios and of the holders of the Embark Stock Option who are the employees of the same and interests of the Company (and therefore its shareholders) by issuing the Company's common

shares in exchange for the additional acquisitions of Embark Studios' common shares, and to directly connect the further development of Embark Studios' business with the Company Group's growth. Based on the above idea, after comparative review of the extent of dilution if the Company's common shares are used as the consideration, the financial effect and the impact on the continuation of employment in the case of cash consideration, as well as advantages and disadvantages of each technique able to be used for the acquisition of shares and the method for establishment of the schemes therefor, the Company adopted the foregoing method. While using a triangular merger (under which the Company's shares shall be issued to a subsidiary to be locally incorporated, and then such subsidiary shall be merged with the relevant other overseas company by using such Company's shares as consideration, and as a result, such merged company shall become a 100% subsidiary of the Company), etc. could be possible as measures to acquire any other overseas company in exchange for shares, under the current case, after considering various factors, including (i) the technique allowed under Swedish laws governing the incorporation of Embark Studios; (ii) the fact that it is possible to control risks to be assumed by the Company and to achieve the continuous involvement of Embark Shareholders in the management of Embark Studio and the improvement of incentives for performance improvement by means of a scheme under which the Company would acquire Embark Studios' shares in stages according to the achievement level of performance goal by using the Company's common shares as considerations, not by acquiring all of Embark Studios held by Embark Shareholders at once at the first stage; and (iii) the fact that the continuous improvement of Embark Studios' business performance would serve as incentive for Embark Shareholders by means of setting the share exchange rate between Embark Studios' common shares and the Company's common shares to be different in the share offering and upon the year by year exercise of the Share Options (i.e., establishing the scheme so that the number of the Company's common shares to be issued per one (1) share of Embark Studios' common stock would increase year by year), in anticipation that the corporate value of Embark Studio would be enhanced in the future, the Company determined that is would be the best to use the method, as the technique for additional acquisition of Embark Studios' common shares, that Embark Shareholders would tender Embark Studios' common shares held by such shareholders (or the monetary claim for the purchase price thereof) to the Company in stages as the Property Contributed in Kind by subscription of the shares to be offered and upon exercise of the stock acquisition rights and in turn the Company issue the Company's common shares to Embark Shareholders.

2. Issuance of the New Shares (1)

First of all, the consideration for the acquisition of shares of Embark Studios (45,003,500 shares) is 1,399,896 shares of the Company's common shares.

For deciding the number of the Company's common shares to be issued, the Company obtained the enterprise valuation report by an appraisal institution, which does not have any significant interest in the Company, dated June 27, 2019 (the "Enterprise Valuation Report"). Taking into consideration various valuation results such as by the discounted cash flow method (DCF method), adopted in the Enterprise Valuation Report, based on Embark Studios' business plan, as well as by the comparable peer company multiple method presented as reference indexes, and after comparing with the market value of the Company's common shares at such time as is determined by the Company, the actual Exchange Ratio of the Company's common share to one (1) Embark Studios' common share was finally decided to be 0.03110644. Then the number of the Company's common shares to be acquired by each of the Embark Shareholders (which shall be rounded down to the nearest whole share) has been determined by multiplying (a) the number of Embark Studios' common shares to be contributed as the Property Contributed in Kind by each of Embark Shareholders; by (b) such Exchange Ratio, and the total number thereof shall be determined to be the above-mentioned number of the Company's common shares to be issued.



3. Issuance of the Share Options

The remaining Embark Studios shares (176,469,789 shares) held by Embark Shareholders will be acquired by making Embark Shareholders to contribute the said shares as in-kind contribution upon exercise of the Share Options.

(1) Reasons for Issuance of Share Options

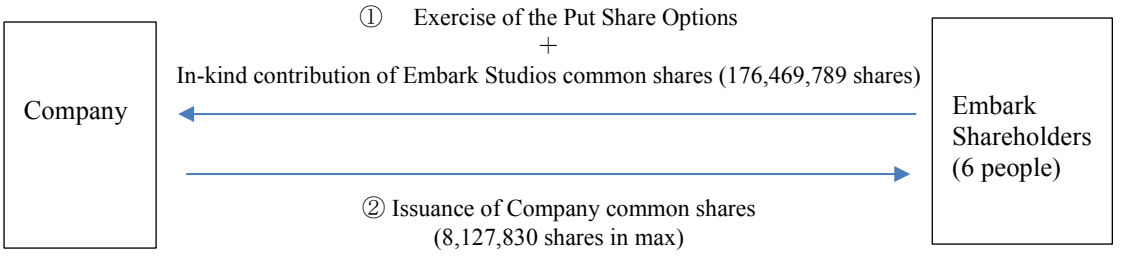
As stated above, the Company is to acquire the entire issued and outstanding shares of Embark Studio , which are held by Embark Shareholders, over a period of five years from now, in consideration of the Company common shares. As a means for achieving such transactions, the Company has decided to use the mechanism of the put option and the call option, as shown below. The Share Options correspond to each of such mechanism.

The Share Options consist of the Put Share Options and the Call Share Options, and if all of them are exercised (except for the potions that may not be exercised cumulatively), the Company will acquire all shares of Embark Studios issued and outstanding as of the date of this notice.

(2) Put Share Options

After the approval for each of the agendas from No. 1 to No. 10 is obtained at this Extraordinary General Meeting of Shareholders, as of September 30, 2019 (Monday), the Company intends to enter into the Year 2 Put Share Option Agreement, Year 3 Put Share Option Agreement, Year 4 Put Share Option Agreement and Year 5 Put Share Option Agreement (hereinafter individually or collectively, the "Put Share Option Agreement") with each of the Embark Shareholders regarding the Put Share Options allocated to the Embark Shareholders.

The Put Share Option Agreement is to set forth that, depending on the achievement level of Embark Studios' performance as agreed upon in advance, the Embark Shareholders are entitled to demand the additional exchange of their shares and the Company's common shares in sequence. Thus, by adopting the scheme not only giving the Embark Shareholders who are Embark Studios' officers incentives for achieving their performance target on the premise of the requirements for continuous employment but also deciding the number of Embark Studios' common shares that the Company is obliged to acquire depending on the future achievement level of performance of Embark Studios, it is considered to be advantageous in seeking to reduce the risks, such as the decline of corporate value due to early retirement or non-achievement of business performance, compared to the lump-sum acquisition of the entire shares of Embark Studios from the beginning.



Summary of Performance Levels

The achievement level of performance will be judged by each evaluation period listed on the left column of the table below. Under the Put Share Option Agreement, it is to be agreed that depending on the achievement level of performance during each period, the Put Share Option shown on the right column becomes exercisable and that the exercise period of the Put Share Options shall be the 30-day period commencing on the date that is 31 days following the final agreement of the achievement level of the applicable Performance Levels as to each year.

Period commencing December 1, 2020 and ending September 30, 2021 ("Year 2")	Year 2 Put Share Option
Period commencing October 1, 2021 and ending June 30, 2022 ("Year 3")	Year 3 Put Share Option
Period commencing July 1, 2022 and ending June 30, 2023 ("Year 4")	Year 4 Put Share Option
Period commencing July 1, 2023 and ending June 30, 2024 ("Year 5")	Year 5 Put Share Option

The criteria for the achievement level of performance for each period is based on the target profit for respective periods (each, "Year 2 Target Profit", "Year 3 Target Profit", "Year 4 Target Profit" and "Year 5 Target Profit", and collectively, "Target Profit") which will be provided in the Amended and Restated Shareholders' Agreement to be entered into by and between the Company, Embark Studios and Embark Shareholders as follows:

i. In accordance with the detailed definition given in the Amended and Restated Shareholders' Agreement, Embark Studios' Profit, defined as the excess (if any) of revenue over expenses, in each period is to be considered in determining the achievement level. If the following conditions are not met, it is not possible to exercise any of the Put Share Options corresponding to the applicable Year.

Year 2	The Year 2 Total Profit is greater than or equal to 70% of the Year 2 Target Profit
Year 3	The Year 3 Total Profit is greater than or equal to 70% of the Year 3 Target Profit, and the Year 3 In-Year Profit is greater than or equal to 50% of the Year 3 Target Profit
Year 4	The Year 4 Total Profit is greater than or equal to 70% of the Year 4 Target Profit, and the Year 4 In-Year Profit is greater than or equal to 30% of the Year 4 Target Profit
Year 5	The Year 5 Total Profit is greater than or equal to 70% of the Year 5 Target Profit, and the Year 5 In-Year Profit is greater than or equal to 30% of the Year 5 Target Profit

Each of the Profit referred to above shall be calculated as follows:

Year 2 Total Profit	The excess (if any) of (a) revenue for a certain specific project over (b) expenses for a certain specific project in Year 2

Year 3 In-Year Profit	The excess (if any) of (a) revenue for Embark Studio as a whole over (b) expenses for Embark Studio as a whole in Year 3
Year 3 Rollover Profit	70% of the excess (if any) of (a) revenue for Embark Studio as a whole over (b) expenses for Embark Studio as a whole in Year 2
Year 3 Total Profit	The sum of Year 3 In-Year Profit and Year 3 Rollover Profit
Year 4 In-Year Profit	The excess (if any) of (a) revenue for Embark Studio as a whole over (b) expenses for Embark Studio as a whole in Year 5
Year 4 Rollover Profit	70% of the excess (if any) of (a) Year 3 Total Profit over (b) Year 3 Target Profit
Year 4 Total Profit	The sum of Year 4 In-Year Profit and Year 4 Rollover Profit
Year 5 In-Year Profit	The excess (if any) of (a) revenue for Embark Studio as a whole over (b) expenses for Embark Studio as a whole in Year 5
Year 5 Rollover Profit	70% of the excess (if any) of (a) Year 4 Total Profit over (b) Year 4 Target Profit
Year 5 Total Profit	The sum of Year 5 In-Year Profit and Year 5 Rollover Profit

Further, the Target Profit is scheduled to be fixed as follows:

Year 2 Target Profit	U.S.$5,000,000
Year 3 Target Profit	U.S.$15,000,000
Year 4 Target Profit	U.S.$230,000,000
Year 5 Target Profit	U.S.$450,000,000

ii. When the condition of i. above is satisfied, the number of Put Share Options of the relevant Year ranging from 50% (at minimum) to 100% (at maximum), in proportion to the extent to which each Total Profit as to each Year exceeds 70% of each Target Profit, will be vested and exercisable.

Summary of Employment Criteria

As employment criteria to exercise the Put Share Options, it will be provided that none of the Put Share Options corresponding to a period may be exercised if the Embark Shareholder is neither an officer nor an employee any longer by the final day of such period (except certain cases including where such retirement is attributable to Embark Studios) or in other certain circumstances.

(3) Call Share Options

The Put Share Options above link the number of shares to be acquired by the Company and the achievement level of performance of Embark Studios. Independently from these, the Company contemplates to ensure that, regardless of the achievement level of performance during each period above, if deemed appropriate by the Company, it can quickly and flexibly acquire additional common shares of Embark Studios. For this purpose, as of August 5, 2019, the Company has entered into the Year 2 Call Right Agreement, Year 3 Call Right Agreement, Year 4 Call Right Agreement and Year 5 Call Right Agreement (hereinafter individually or collectively, the "Call Right Agreement") with the Embark Shareholders to the effect that the Company may demand sale by the Embark Shareholders of the additional common shares of Embark Studios over the next about five (5) years (the "Call Option(s)"). The Call Right Agreement is to set forth that upon the Company's exercise of the Call Options, as of the day which is five (5) business days after the date of exercise (the "Call Option Completion Date"), each Embark Shareholder shall be obliged to transfer to the Company

the number of Embark Studios' common shares subject to the Call Options, and at the same time shall acquire a monetary claim against the Company pertaining the purchase price below (the "Call Option Monetary Claim").

Amount (in yen) of Claim for Purchase Price upon Exercise of Call Option = A x B x C

A: Closing price of the Company's common shares as of the Call Option Completion Date

B: Actual exchange rate between the Company's common shares and Embark Studios' common shares (please see the chart below)

C: The number of Embark Studios' common shares subject to the exercise of the Call Option

	Actual exchange rate between the Company's common shares and Embark Studios' common shares (per share of Embark Studios' common shares)
Year 2 Call Right Agreement	$\frac{26,722,973 \times 107.32}{1,552.5404} \div 59,384,380$ Approximately equals to 0.03110644
Year 3 Call Right Agreement	$\frac{26,722,973 \times 107.32}{1,552.5404} \div 50,420,701$ Approximately equals to 0.03663647
Year 4 Call Right Agreement	$\frac{26,722,973 \times 107.32}{1,552.5404} \div 36,112,123$ Approximately equals to 0.05115281
Year 5 Call Right Agreement	$\frac{26,722,973 \times 107.32}{1,552.5404} \div 30,552,585$ Approximately equals to 0.06046089

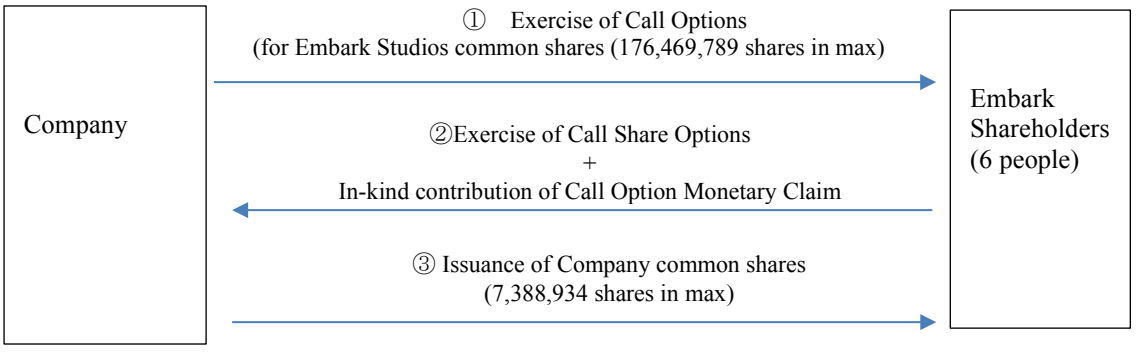
(Note) 1. The Call Right Agreement relates to the Company's purchase of ordinary shares of Embark Studios in exchange for cash considerations denominated in Japanese yen as stated above, and does not oblige each Embark Shareholder to acquire the Company's common shares or the Share Options. Each Embark Shareholder's obligation to subscribe for the Share Options arises upon entering into the Call Share Option Agreements (as defined below).

2. The approximate numbers above are rounded off to eight decimal places.

It will be provided that the exercise period of the Call Options shall commence on the date of execution of the Call Right Agreement and end on the 30th day after the date on which the Embark Studios' financial statements as to the applicable Year are provided in a form acceptable to the Company and Embark Shareholders, and that during such period, the Company may exercise all or a part of each of the Call Options all at once or in installments. Unlike the Put Share Options, there are no Performance Levels or employment criteria applicable to the Call Share Options and Call Options. Therefore, by utilizing such options, the Company may acquire additional common shares of Embark Studios more flexibly at the Company's discretion, regardless whether Performance Levels or employment criteria is met, considering various factors such as future profit and capitalization strategy of Embark Studios as well as impact of dilution on the Company's shareholders.

Furthermore, the Company resolved the scheme of the Call Options, as well as the issuance of the Call Share Options. Based on such resolutions, after each of the agendas from No. 1 to No. 10 is approved at the Extraordinary Shareholders Meeting, the Company is scheduled to enter into the Year 2 Call Share Option Agreement, Year 3 Call Share Option Agreement, Year 4 Call Share Option Agreement and Year 5 Call Share Option Agreement (hereinafter individually or collectively, the "Call Share Option Agreement") with the Embark Shareholders, and to allot the Call Share Options to the Embark Shareholders.

As stated above, the Company will have a scheme that the Call Option Monetary Claim against the Company will be contributed in kind at the time of exercise of the Call Share Options. Under such scheme, if and when the Company exercises the Call Options and Embark Shareholders exercises the Call Share Options (it is scheduled to be provided in the Call Right Agreement that Embark Shareholders will be obliged to exercise the Call Share Options if the Call Options are exercised by the Company), the Company may exchange the Call Option Monetary Claims with the Company's common shares through the contribution in kind of the Call Option Monetary Claim Embark Shareholders upon exercise of the Share Options, in lieu of the repayment of the Call Option Monetary Claims in cash. Thus, resultingly, it becomes possible for the Company to additionally acquire Embark Studios common shares in consideration of the Company's common shares. The issuance of the Call Share Options will be performed aiming at carrying out such transactions.



(4) Interrelation between Put Share Option and Call Share Option

In case where the Performance Levels and employment criteria are met and Put Share Options are vested, the relationship between the Put Share Options and the Call Share Options is alternative. That is to say, the exercise period for the Call Options (and for the Call Share Options attached thereto) will commence earlier than the exercise period for the Put Options, and if the Call Share Options are exercised in any Year, among the Put Share Options allowed to be exercised according to the achievement level of performance during the Year, it is provided that the number of the Put Share Options equivalent to the number of the exercised Call Share Options may not be exercised.

In addition, the economic benefit enjoyed by the Embark Shareholders upon the exercise of their Call Share Options (the exchange ratio of the Company's common shares to one (1) Embark Studios' common share) is set as approximately 10% less than the economic benefit enjoyed by the Embark Shareholders upon the exercise of their Put Share Options. That is, the number of the Company's common shares issued upon the exercise of one Call Share Options is less than the number of the Company's common shares issued upon the exercise of one Put Share Option. Accordingly, the number of the Company's common shares issued upon the exercise of the Share Options becomes the maximum when

the entire number of the Put Share Options is exercised, which amounts to 8,127,830 shares. Specifically, the number of shares shown in the table below will be issued upon the exercise of each Option:

	Maximum number of the Company's common shares to be issued by the Company upon the exercise of the Option (shares)	Maximum number of Embark Studios' common shares to be issued to the Company by the Embark Shareholders upon the exercise of the Option (shares)	Exchange rate between the Company's common shares and Embark Studios' common shares (per share of Embark Studios' common shares)
Year 2 Put Share Option	2,031,955	59,384,380	$\frac{29,395,270 \times 107.32}{1,552.5404} \div 59,384,380$ Approximately equals to 0. 03421708
Year 3 Put Share Option	2,031,958	50,420,701	$\frac{29,395,270 \times 107.32}{1,552.5404} \div 50,420,701$ Approximately equals to 0. 04030012
Year 4 Put Share Option	2,031,958	36,112,123	$\frac{29,395,270 \times 107.32}{1,552.5404} \div 36,112,123$ Approximately equals to 0. 05626809
Year 5 Put Share Option	2,031,959	30,552,585	$\frac{29,395,270 \times 107.32}{1,552.5404} \div 30,552,585$ Approximately equals to 0. 06650698
Sum	8,127,830	176,469,789	—
Year 2 Call Share Option	1,847,233	59,384,380	$\frac{26,722,973 \times 107.32}{1,552.5404} \div 59,384,380$ Approximately equals to 0. 03110644
Year 3 Call Share Option	1,847,233	50,420,701	$\frac{26,722,973 \times 107.32}{1,552.5404} \div 50,420,701$ Approximately equals to 0. 03663647
Year 4 Call Share Option	1,847,233	36,112,123	$\frac{26,722,973 \times 107.32}{1,552.5404} \div 36,112,123$ Approximately equals to 0. 05115281
Year 5 Call Share Option	1,847,235	30,552,585	$\frac{26,722,973 \times 107.32}{1,552.5404} \div 30,552,585$ Approximately equals to 0. 06046089
Sum	7,388,934	176,469,789	—

(Note) It is understood that if there is any fractional shares less than one (1) share in the number of shares of the Company to be issued to each holder of stock acquisition right, such number shall be rounded down, pursuant to the Terms and Conditions, and the above-mentioned "Maximum number of the Company's common shares to be issued by the Company upon the exercise of the Option (shares)" is the total number of the maximum number of the Company's common shares possibly to be issued to be each holder of stock acquisition right upon its exercise of stock acquisition rights. Further, the approximate numbers above are rounded off to eight decimal places.

Please note that as to each of the Put Share Options and the Call Share Options, the "number of issued stock acquisition rights" as to each agenda item is identical to the number of Embark Studios' common shares to be tendered by the Embark Shareholders to the Company upon the year by year exercise of the Share Options; and that in the same way as the thinking on the Shares mentioned in "2. Issuance of the New Shares (1)" above, the "Total Number of Granted

Shares" was calculated by dividing (A) (a) the amount determined by the Company to be the value of Embark Studios' common shares to be acquired by the Company upon exercise of the whole of the Share Options of the relevant year (which shall be U.S.$29,395,270 in the case of the Put Share Options and U.S.$26,722,973 in the case of the Call Share Options, taking into account the difference in the economic profit to be obtained by the exercise of the call and put share options) multiplied by (b) the ratio determined to be the applicable exchange rate in this case through consultations with the scheduled allottees (U.S.$1 = 107.32 yen); by (B) the volume weighted average stock price of the Company in Tokyo Stock Exchange for 10 full trading days immediately preceding the end of June 2019 (1,552.5404 per share; rounded off to forth decimal places). Although the total number of the Company's common shares to be granted as to each Share Option shall be the same with respect to all Years of the Put Share Options and of the Call Share Options, respectively, the number of the Company's common shares to be granted as to each stock acquisition right (i.e., per share of common stock of Embark Studios) will be increased year after year. The reason why the actual exchange rate becomes greater for the later Years for both of the Put Share Options and the Call Share Options (the number of the Company's common shares per share of Embark Studios' common shares increases) is because it is assumed that Embark Studios' enterprise value improves and the value of Embark Studios' shares increases at the same time when these Share Options are exercised, also taking into consideration the performance triggers imposed on the Put Share Options.

The Exercise Price is the nominal amount as to both of the Put Share Options and the Call Share Options. The reason why the Exercise Price as to the Put Share Options is set at two yen (¥2) for each Option yen, while the same as to the Call Share Options is set at one yen (¥1) for each Option is largely because of a technical reason to make clear distinctions between such two types of Share Options. In this respect, the reason why the higher Exercise Price is set for the Put Share Options in making such technical distinctions is because it is expected that the Embark Studios' common shares to be tendered as contribution in kind in the case of the Put Share Options might be relatively higher than the case of the Call Share Options, as the achievement of the Performance Levels, etc. is required for the exercise of the Put Share Options.

As stated above, the number of the Company's common shares to be issued upon the exercise of the Call Option is less than those upon the exercise of the Put Share Options by the Embark Shareholders, and accordingly the degree of dilution of the Company's common shares can be lowered. Accordingly, the Company intends to consider whether or not to exercise the Call Options, taking into consideration the business performance and the capital policy of Embark Studios, as well as the degree of dilution of the Company's common shares and other circumstances in the future (as stated above, if the Company exercises the Call Options of any Year and Embark Shareholders exercise the corresponding Call Share Options, each Embark Shareholder may not exercise any Put Share Option in a cumulative manner of such Year).

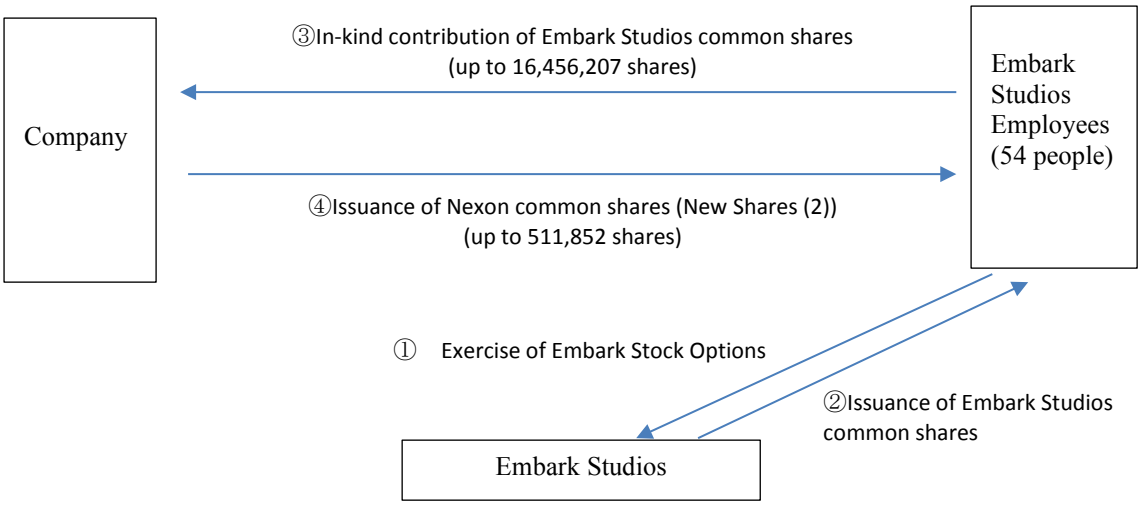
4. Issuance of the New Shares (2)

As of the date of this notice, Embark Studios has 54 employees to whom the Embark Stock Options were granted (such employees, collectively, "Stock Option Holders"), and their Embark Stock Options will become exercisable under certain conditions from March through June 2022 in sequence. If the Stock Options are exercised by the Stock Option Holders after they become exercisable, the employees are to acquire a certain number of Embark Studios' common shares (up to 16,456,207 shares) in lieu of payment of the exercise price. Therefore, the Company intends to acquire Embark Studios' common shares in exchange for the Company's common shares (up to 511,852 shares) when the Stock Option Holders acquire Embark Studios' common shares upon the exercise of their Embark Stock Options, and the Agenda Item No. 10 corresponds to this deal.

As a scheme for the above, as stated above, it was resolved that the new shares be issued to the effect that the Stock Option Holders contribute Embark Studios' common shares as property contributed in kind to the Company at the time they have acquired Embark Studios' common shares, and subscribe for the Employee Shares in exchange. Also, the

Company and the scheduled allottees plan to enter into the Forward Agreement (Bearer securities), whereby the Stock Option Holders shall exercise the Embark Stock Options once vested and exchange the common shares of Embark Studios granted upon exercise of the Embark Stock Options with the common share of the Company in a practical sense. If the Stock Options are forfeited because of retirement, etc. before they become exercisable, the Stock Option Holders cannot acquire the Company's shares. Accordingly, while maintaining the original function of stock options as an incentive for employees and retention of those employees, any future impact on the policies that the Company would hold 100% of Embark Studio's issued shares (i.e., the decrease of the Company's shareholding ratio due to the exercise of the Stock Options) can be eliminated. Therefore, the Company considers that the issuance of the New Shares (2) is the most suitable way to achieve its goal.

Please note that the issuance of the New Shares (2) will be performed with the contribution in kind of Embark Studios common shares, and any Stock Option Holder will not have any right in respect of the New Shares (2), unless and until such Stock Option Holder actually exercises the Embark Stock Options and becomes to hold Embark Studios common shares. At present, none of the Stock Option Holders are definitively entitled to acquire the New Shares (2), and therefore, if any Stock Option Holder does not exercise its Embark Stock Options during the payment period for the New Shares (2) and fails to acquire Embark Studios common shares, such as in cases where the Stock Option Holder retires from Embark Studios before the Embark Stock Options are vested, no allotment will be made to such Stock Option Holder.



5. Matters relating to terms of issuance

(1) Reasons of issuing new shares and stock acquisition rights under particularly favorable payment amount (Companies Act, Article 199, Paragraph 3) and particularly favorable conditions (Companies Act, Article 238, Paragraph 3, Item 1)

The issue price of the New Shares (1) and New Shares (2) is set to be JPY 1 per share. As the price falls under a price particularly favorable to the scheduled allottee set forth in Article 199(3) of the Companies Act, approval of shareholders is requested at this Extraordinary General Shareholders' Meeting in connection with issuance terms for the New Shares (1) and New Shares (2). Furthermore, the Share Options will not require any cash payment in consideration of each Option and the exercise price is set at a nominal low price, and thus the terms possibly fall under terms particularly favorable to the scheduled allottee set forth in Article 239(2)(i) of the Companies Act. Therefore, approval of

shareholders is requested at this Extraordinary General Shareholders' Meeting, in connection with the issuance terms of the Share Options, in the same manner.

The reasons to perform issuance on favorable terms in the present case are as follows.

As stated above, issuance of the New Shares (1) and New Shares (2) will virtually be a transaction by which the common shares of Embark Studios are intended to be exchanged for the common shares of the Company at a certain ratio, and it was decided to execute the transaction through issuance of new shares by in-kind contribution. In determining the foregoing exchange ratio, the Company made a deliberate examination by obtaining the Corporate Value Valuation Document and the like as well as analyzing the validity of the business prospects provided by Embark Studios. However, with regard to companies such as Embark Studios which is an unlisted company whose business history is short and at a stage of developing software for future delivery, it may be difficult to appraise corporate value in a manner that is objective compared to listed companies or companies whose business results including operating revenue in past years are confirmed. Accordingly, depending on the valuation of the value of the common shares of Embark Studios and the decision on the exchange ratio which includes the premiums for the acquisition, if the amount to be paid set forth in Article 199(1)(ii) of the Companies Act is decided based on the market value of the common shares of the Company, the value of the common shares of Embark Studios provided as in-kind contribution property may, as a consequence, be considered to have been less than the amount paid. In order to avoid such situation, with regard to the issuance of the New Shares (1) and New Shares (2), the amount to be paid per share will be 1 yen. As this price falls under an amount particularly favorable to the party to receive allotment, the Company is requesting for approval at this Extraordinary General Meeting of Shareholders. Based on such amount to be paid, the price of the common shares of Embark Studios, the subject of in-kind contribution corresponding to one (1) share of the Company, will be 1 yen, which is the same amount as the amount to be paid, as a matter of a subscription term set forth in Article 199(1)(iii) of the Companies Act. However, this handling as a subscription term is a technical treatment to ensure the effectiveness of the procedures for issuance under the Companies Act and to avoid a situation where the value of the common shares of Embark Studios falls short of the amount paid, and thus the aforementioned price does not determine the objective value of the common shares of Embark Studios provided for each share of the common shares of the Company.

With regard to the issuance of the Share Options, for the same reason as the foregoing, the nominal amounts of the exercise price as a consideration for the issuance of shares (value set forth in Article 236, Paragraph 1, Item 2 of the Companies Act) and the appraised value of the Property Contributed in Kind to be provided (which is the Embark Studios' common shares as to the Put Share Options and the monetary claim for the purchase price that the scheduled allottees will have against the Company as a result of an exercise by the Company of its right to purchase Embark Studio's common shares from the scheduled allottees pursuant to the Call Right Agreement entered into by and between the Company and the scheduled allottees of the Call Share Options) as to the Call Share Options) (value set forth in Article 236, Paragraph 1, Item 3 of the same Act) are expected to be set forth in the Terms and Conditions of the Share Options. In addition to the matters explained above, as with the foregoing, since it will possibly take place in the future within about two (2) to five (5) years from the date of this notice, the purpose of this arrangement is to avoid a situation, among others, where the objective value of the common shares of Embark Studios at the time of share issuance upon exercise of options in the future falls short of the exercise price of options (value set forth in Article 236, Paragraph 1, Item 2 of the same Act) or the appraised value of the Property Contributed in Kind (value set forth in Article 236, Paragraph 1, Item 3 of the same Act) depending on the price trend of the common shares of the Company, the future performance of the common shares of Embark Studios and other factors . As the terms that the Share Options will not require any cash payment in consideration of each Option may fall under terms particularly favorable to the party to receive allotment, approval is expected to be obtained at the Extraordinary General Shareholders' Meeting. As with the foregoing, the value of each of the common shares of Embark Studios to be contributed and the above-mentioned monetary claim for the purchase price is the nominal amount, each of which is set forth as the terms and conditions of

the Share Options, and the objective value of Embark Studios' common shares provided in exchange for the Company's common shares and the above-mentioned monetary claim have not been determined by such value.

The issuance of the New Shares (1) and the Share Options to the Embark Shareholders and the issuance of the New Shares (2) to the Stock Option Holders, which is performed in parallel therewith, are a series of transactions intended to acquire additional shares of Embark Studios, and the execution of the transactions is conditioned on approval of all the proposals regarding the issuance of the New Shares (1) and the Share Options to the Embark Shareholders and the New Shares (2) to the Stock Option Holders at the Extraordinary General Shareholders' Meeting. Therefore, if approval is not obtained for any of the proposals at this Extraordinary General Shareholders' Meeting, none of such transactions may be executed.

(2) Thinking on the rationality of the number of shares to be issued and the scale of share dilution

The number of shares for the offering of the New Shares (1) is 1,399,896 shares (13,998 voting rights), and the maximum number of shares to be issued through exercise of the Share Options is 8,127,830 shares (81,278 voting rights). Further, the number of shares for the offering of the New Shares (2) is 511,852 shares (5,118 voting rights). The 10,039,578 shares (100,395 voting rights) totaling those shares (voting rights) constitute a ratio of 1.12% (rounded off to the second decimal place) of the total number of issued shares (896,382,664 shares) of the Company as of June 30, 2019 (1.12% (rounded off to the second decimal place) of the total number of voting rights (8,963,664) as of June 30, 2019), resulting in dilution of shares to a certain extent.

However, as the shares issued through the offering of the New Shares (1) and New Shares (2) and exercise of the Share Options are consideration for acquisition of the shares of Embark Studios held by the party to receive allotment, and acquisition of shares of Embark Studios is deemed to contribute to improving the corporate value and also to improving the shareholder value of the Company, the number of shares to be issued through the offering of the New Shares (1) and New Shares (2) and exercise of the Share Options and the scale of share dilution are deemed to be at reasonable levels.

Further, while the total number of issued shares of the Company as of June 30, 2019 is 896,382,664 shares, given that 290 treasury shares are held, the number of shares less than one unit is 15,974 shares, and a unit system of 100 shares per one unit has been adopted for common shares, the number of voting rights of all shareholders of the Company as of June 30, 2019 is, as described above, 8,963,664 voting rights.

Proposal No. 1: Issuance of new shares by third party allotment (1)

To issue the new shares in accordance with the terms shown below with the paid-in amount which is particularly favorable for the allottees.

(1)	Class and Number of Shares	1,399,896 shares of common stock
(2)	Paid-in Amount	JPY 1,399,896 in total; JPY 1 per share
(3)	Description and Value of Contributed Property	45,003,500 shares of common stock in Embark Studios AB JPY 1,399,898.67254 in total; JPY 0.03110644 per share
(4)	Period of Contribution	From Wednesday, September 25, 2019 to Monday, September 30, 2019
(5)	Amounts of Capital and Capital Reserves to be Increased	The amount of stated capital to be increased shall be half of the maximum amount of increase in stated capital, as calculated in accordance with the provisions of Article 14, paragraph 1 of the Rules of Corporate Accounting, with any fraction less than one yen resulting from the calculation being rounded up to the nearest one yen. The amount of capital reserves to be increased shall be the amount obtained by subtracting the said amount of stated capital to be increased from the maximum amount of increase of stated capital.
(6)	Method of Offering or Allotment	By third party allotment.
(7)	Others	The issuance of shares is contingent upon coming into effect of the securities registration statement in accordance with the Financial Instruments and Exchange Act.

Proposal No. 2: Issuance of stock acquisition rights by third party allotment (1)

Pursuant to the Terms and Conditions shown below, which is particularly favorable for the allottees, to issue the Year 2 Put Share Options in the form of stock acquisition rights *(shinkabu yoyaku ken)*.

Terms and Conditions *(Hakkō Yōkō)* of the Year 2 Put Share Options ("Options")

(1) Class and number of shares to be issued upon exercise of Options

The total number of shares to be issued upon exercise of the Options (the "**Total Number of Granted Shares**") is the number of shares of common stock of the Company ("**Shares**") obtained by the following formula.

$$\text{Total Number of Granted Shares} = \frac{29{,}395{,}270 \times 107.32}{1{,}552.5404}$$

In the event that the Company splits its common stock (including allotment of its common stock without compensation) or consolidates its common stock, the Total Number of Granted Shares 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 kokan*) or share transfer (*kabushiki iten*), 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 or share transfer.

(2) Number of Options to be granted

59,384,380 Options

The number of Shares to be issued upon exercise of each one (1) Option ("**Number of Granted Shares Per Option**") shall be the number obtained by the following formula. In the case the Total Number of Granted Shares is adjusted as provided in (1) above, the Number of Granted Shares Per Option shall also be adjusted.

$$\text{Number of Granted Shares Per Option} = \frac{29{,}395{,}270 \times 107.32}{1{,}552.5404} \div 59{,}384{,}380$$

(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 value of the assets to be contributed upon exercise of each Option shall be two Yen (¥2) for each Option.

(5) Description and Value of Property Which Will Be Subject of Contribution

The subject of the contribution to be made upon an exercise of each Option shall be one (1) Ordinary Share of Embark Studios AB and the value of such property is two Yen (¥2).

(6) Exercise period of Options

Exercise period of Options is from October 1, 2019 to June 30, 2025. 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.

(7) Conditions for exercise of Options

Each Option shall be exercised in its whole and cannot be partially exercised by dividing its rights.

(8) 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.

(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) Allotment Date

September 30, 2019

Proposal No. 3: Issuance of stock acquisition rights by third party allotment (2)

Pursuant to the Terms and Conditions shown below, which is particularly favorable for the allottees, to issue the Year 3 Put Share Options in the form of stock acquisition rights (*shinkabu yoyaku ken*).

Terms and Conditions *(Hakkō Yōkō)* of the Year 3 Put Share Options ("Options")

(1) Class and number of shares to be issued upon exercise of Options

The total number of shares to be issued upon exercise of the Options (the "**Total Number of Granted Shares**") is the number of shares of common stock of the Company ("**Shares**") obtained by the following formula.

$$\text{Total Number of Granted Shares} = \frac{29{,}395{,}270 \times 107.32}{1{,}552.5404}$$

In the event that the Company splits its common stock (including allotment of its common stock without compensation) or consolidates its common stock, the Total Number of Granted Shares 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 kokan*) or share transfer (*kabushiki iten*), 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 or share transfer.

(2) Number of Options to be granted

50,420,701 Options

The number of Shares to be issued upon exercise of each one (1) Option ("**Number of Granted Shares Per Option**") shall be the number obtained by the following formula. In the case the Total Number of Granted Shares is adjusted as provided in (1) above, the Number of Granted Shares Per Option shall also be adjusted.

$$\text{Number of Granted Shares Per Option} = \frac{29{,}395{,}270 \times 107.32}{1{,}552.5404} \div 50{,}420{,}701$$

(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 value of the assets to be contributed upon exercise of each Option shall be two Yen (¥2) for each Option.

(5) Description and Value of Property Which Will Be Subject of Contribution

The subject of the contribution to be made upon an exercise of each Option shall be one (1) Ordinary Share of Embark Studios AB and the value of such property is two Yen (¥2).

(6) Exercise period of Options

Exercise period of Options is from October 1, 2019 to June 30, 2025. 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.

(7) Conditions for exercise of Options

Each Option shall be exercised in its whole and cannot be partially exercised by dividing its rights.

(8) 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.

(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) Allotment Date

September 30, 2019

Proposal No. 4: Issuance of stock acquisition rights by third party allotment (3)

Pursuant to the Terms and Conditions shown below, which is particularly favorable for the allottees, to issue the Year 4 Put Share Options in the form of stock acquisition rights *(shinkabu yoyaku ken)*.

Terms and Conditions *(Hakkō Yōkō)* of the Year 4 Put Share Options ("Options")

(1) Class and number of shares to be issued upon exercise of Options

The total number of shares to be issued upon exercise of the Options (the "**Total Number of Granted Shares**") is the number of shares of common stock of the Company ("**Shares**") obtained by the following formula.

$$\text{Total Number of Granted Shares} = \frac{29{,}395{,}270 \times 107.32}{1{,}552.5404}$$

In the event that the Company splits its common stock (including allotment of its common stock without compensation) or consolidates its common stock, the Total Number of Granted Shares 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 kokan*) or share transfer (*kabushiki iten*), 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 or share transfer.

(2) Number of Options to be granted

36,112,123 Options

The number of Shares to be issued upon exercise of each one (1) Option ("**Number of Granted Shares Per Option**") shall be the number obtained by the following formula. In the case the Total Number of Granted Shares is adjusted as provided in (1) above, the Number of Granted Shares Per Option shall also be adjusted.

$$\text{Number of Granted Shares Per Option} = \frac{29{,}395{,}270 \times 107.32}{1{,}552.5404} \div 36{,}112{,}123$$

(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 value of the assets to be contributed upon exercise of each Option shall be two Yen (¥2) for each Option.

(5) Description and Value of Property Which Will Be Subject of Contribution

The subject of the contribution to be made upon an exercise of each Option shall be one (1) Ordinary Share of Embark Studios AB and the value of such property is two Yen (¥2).

(6) Exercise period of Options

Exercise period of Options is from October 1, 2019 to June 30, 2025. 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.

(7) Conditions for exercise of Options

Each Option shall be exercised in its whole and cannot be partially exercised by dividing its rights.

(8) 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.

(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) Allotment Date

September 30, 2019

Proposal No. 5: Issuance of stock acquisition rights by third party allotment (4)

Pursuant to the Terms and Conditions shown below, which is particularly favorable for the allottees, to issue the Year 5 Put Share Options in the form of stock acquisition rights *(shinkabu yoyaku ken)*.

Terms and Conditions *(Hakkō Yōkō)* of the Year 5 Put Share Options ("Options")

(1) Class and number of shares to be issued upon exercise of Options

The total number of shares to be issued upon exercise of the Options (the "**Total Number of Granted Shares**") is the number of shares of common stock of the Company ("**Shares**") obtained by the following formula.

$$\text{Total Number of Granted Shares} = \frac{29{,}395{,}270 \times 107.32}{1{,}552.5404}$$

In the event that the Company splits its common stock (including allotment of its common stock without compensation) or consolidates its common stock, the Total Number of Granted Shares 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 kokan*) or share transfer (*kabushiki iten*), 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 or share transfer.

(2) Number of Options to be granted

30,552,585 Options

The number of Shares to be issued upon exercise of each one (1) Option ("**Number of Granted Shares Per Option**") shall be the number obtained by the following formula. In the case the Total Number of Granted Shares is adjusted as provided in (1) above, the Number of Granted Shares Per Option shall also be adjusted.

$$\text{Number of Granted Shares Per Option} = \frac{29{,}395{,}270 \times 107.32}{1{,}552.5404} \div 30{,}552{,}585$$

(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 value of the assets to be contributed upon exercise of each Option shall be two Yen (¥2) for each Option.

(5) Description and Value of Property Which Will Be Subject of Contribution

The subject of the contribution to be made upon an exercise of each Option shall be one (1) Ordinary Share of Embark Studios AB and the value of such property is two Yen (¥2).

(6) Exercise period of Options

Exercise period of Options is from October 1, 2019 to June 30, 2025. 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.

(7) Conditions for exercise of Options

Each Option shall be exercised in its whole and cannot be partially exercised by dividing its rights.

(8) 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.

(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) Allotment Date

September 30, 2019

Proposal No. 6: Issuance of stock acquisition rights by third party allotment (5)

Pursuant to the Terms and Conditions shown below, which is particularly favorable for the allottees, to issue the Year 2 Call Share Options in the form of stock acquisition rights *(shinkabu yoyaku ken)*.

Terms and Conditions *(Hakkō Yōkō)* of the Year 2 Call Share Options ("Options")

(1) Class and number of shares to be issued upon exercise of Options

The total number of shares to be issued upon exercise of the Options (the "**Total Number of Granted Shares**") is the number of shares of common stock of the Company ("**Shares**") obtained by the following formula.

$$\text{Total Number of Granted Shares} = \frac{26{,}722{,}973 \times 107.32}{1{,}552.5404}$$

In the event that the Company splits its common stock (including allotment of its common stock without compensation) or consolidates its common stock, the Total Number of Granted Shares 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 kokan*) or share transfer (*kabushiki iten*), 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 or share transfer.

(2) Number of Options to be granted

59,384,380 Options

The number of Shares to be issued upon exercise of each one (1) Option ("**Number of Granted Shares Per Option**") shall be the number obtained by the following formula. In the case the Total Number of Granted Shares is adjusted as provided in (1) above, the Number of Granted Shares Per Option shall also be adjusted.

$$\text{Number of Granted Shares Per Option} = \frac{26{,}722{,}973 \times 107.32}{1{,}552.5404} \div 59{,}384{,}380$$

(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 value of the assets to be contributed upon exercise of each Option shall be one Yen (¥1) for each Option.

(5) Description and Value of Property Which Will Be Subject of Contribution

The subject of the contribution to be made upon an exercise of each Option shall be the monetary claim for the purchase price corresponding to one (1) Ordinary Share of Embark Studios AB ("**Embark Shares**") (which is a portion of the monetary claim for the purchase price that a person to whom the Option(s) shall be allotted (an "**Allottee**") will have against the Company as a result of an exercise by the Company of its right to purchase Embark Shares (the "**Year 2 Shares**") pursuant to the Year 2 Call Right Agreement entered into by and between the Company and such Allottee as of August 5, 2019), the amount of which is equal to the amount obtained by (i) the closing price of the Company's stock in the Tokyo Stock Exchange on the date that is 5 business days following the date on which the Company exercises the right described above, multiplied by (ii) the Total Number of Granted Options; and the value of such property is one Yen (¥1). The total amount of the purchase price claim to be contributed by the holder of the Options to the Company upon the exercise of all vested Options shall be rounded up to the nearest whole number.

(6) Exercise period of Options

Exercise period of Options is from October 1, 2019 to June 30, 2025. 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.

(7) Conditions for exercise of Options

Each Option shall be exercised in its whole and cannot be partially exercised by dividing its rights.

(8) 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 the Options, such fraction shall be rounded down to the nearest whole Share.

(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) Allotment Date

September 30, 2019

Proposal No. 7: Issuance of stock acquisition rights by third party allotment (6)

Pursuant to the Terms and Conditions shown below, which is particularly favorable for the allottees, to issue the Year 3 Call Share Options in the form of stock acquisition rights *(shinkabu yoyaku ken)*.

Terms and Conditions *(Hakkō Yōkō)* of the Year 3 Call Share Options ("Options")

(1) Class and number of shares to be issued upon exercise of Options

The total number of shares to be issued upon exercise of the Options (the "**Total Number of Granted Shares**") is the number of shares of common stock of the Company ("**Shares**") obtained by the following formula.

$$\text{Total Number of Granted Shares} = \frac{26{,}722{,}973 \times 107.32}{1{,}552.5404}$$

In the event that the Company splits its common stock (including allotment of its common stock without compensation) or consolidates its common stock, the Total Number of Granted Shares 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 kokan*) or share transfer (*kabushiki iten*), 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 or share transfer.

(2) Number of Options to be granted

50,420,701 Options

The number of Shares to be issued upon exercise of each one (1) Option ("**Number of Granted Shares Per Option**") shall be the number obtained by the following formula. In the case the Total Number of Granted Shares is adjusted as provided in (1) above, the Number of Granted Shares Per Option shall also be adjusted.

$$\text{Number of Granted Shares Per Option} = \frac{26{,}722{,}973 \times 107.32}{1{,}552.5404} \div 50{,}420{,}701$$

(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 value of the assets to be contributed upon exercise of each Option shall be one Yen (¥1) for each Option.

(5) Description and Value of Property Which Will Be Subject of Contribution

The subject of the contribution to be made upon an exercise of each Option shall be the monetary claim for the purchase price corresponding to one (1) Ordinary Share of Embark Studios AB ("**Embark Shares**") (which is a portion of the monetary claim for the purchase price that a person to whom the Option(s) shall be allotted (an "**Allottee**") will have against the Company as a result of an exercise by the Company of its right to purchase Embark Shares (the "**Year 3 Shares**") pursuant to the Year 3 Call Right Agreement entered into by and between the Company and such Allottee as of August 5, 2019), the amount of which is equal to the amount obtained by (i) the closing price of the Company's stock in the Tokyo Stock Exchange on the date that is 5 business days following the date on which the Company exercises the right described above, multiplied by (ii) the Total Number of Granted Options; and the value of such property is one Yen (¥1). The total amount of the purchase price claim to be contributed by the holder of the Options to the Company upon the exercise of all vested Options shall be rounded up to the nearest whole number.

(6) Exercise period of Options

Exercise period of Options is from October 1, 2019 to June 30, 2025. 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.

(7) Conditions for exercise of Options

Each Option shall be exercised in its whole and cannot be partially exercised by dividing its rights.

(8) 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 the Options, such fraction shall be rounded down to the nearest whole Share.

(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) Allotment Date

September 30, 2019

Proposal No. 8: Issuance of stock acquisition rights by third party allotment (7)

Pursuant to the Terms and Conditions shown below, which is particularly favorable for the allottees, to issue the Year 4 Call Share Options in the form of stock acquisition rights *(shinkabu yoyaku ken)*.

Terms and Conditions *(Hakkō Yōkō)* of the Year 4 Call Share Options ("Options")

(1) Class and number of shares to be issued upon exercise of Options

The total number of shares to be issued upon exercise of the Options (the "**Total Number of Granted Shares**") is the number of shares of common stock of the Company ("**Shares**") obtained by the following formula.

$$\text{Total Number of Granted Shares} = \frac{26{,}722{,}973 \times 107.32}{1{,}552.5404}$$

In the event that the Company splits its common stock (including allotment of its common stock without compensation) or consolidates its common stock, the Total Number of Granted Shares 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 kokan*) or share transfer (*kabushiki iten*), 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 or share transfer.

(2) Number of Options to be granted

36,112,123 Options

The number of Shares to be issued upon exercise of each one (1) Option ("**Number of Granted Shares Per Option**") shall be the number obtained by the following formula. In the case the Total Number of Granted Shares is adjusted as provided in (1) above, the Number of Granted Shares Per Option shall also be adjusted.

$$\text{Number of Granted Shares Per Option} = \frac{26{,}722{,}973 \times 107.32}{1{,}552.5404} \div 36{,}112{,}123$$

(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 value of the assets to be contributed upon exercise of each Option shall be one Yen (¥1) for each Option.

(5) Description and Value of Property Which Will Be Subject of Contribution

The subject of the contribution to be made upon an exercise of each Option shall be the monetary claim for the purchase price corresponding to one (1) Ordinary Share of Embark Studios AB ("**Embark Shares**") (which is a portion of the monetary claim for the purchase price that a person to whom the Option(s) shall be allotted (an "**Allottee**") will have against the Company as a result of an exercise by the Company of its right to purchase Embark Shares (the "**Year 4 Shares**") pursuant to the Year 4 Call Right Agreement entered into by and between the Company and such Allottee as of August 5, 2019), the amount of which is equal to the amount obtained by (i) the closing price of the Company's stock in the Tokyo Stock Exchange on the date that is 5 business days following the date on which the Company exercises the right described above, multiplied by (ii) the Total Number of Granted Options; and the value of such property is one Yen (¥1). The total amount of the purchase price claim to be contributed by the holder of the Options to the Company upon the exercise of all vested Options shall be rounded up to the nearest whole number.

(6) Exercise period of Options

Exercise period of Options is from October 1, 2019 to June 30, 2025. 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.

(7) Conditions for exercise of Options

Each Option shall be exercised in its whole and cannot be partially exercised by dividing its rights.

(8) 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 the Options, such fraction shall be rounded down to the nearest whole Share.

(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) Allotment Date

September 30, 2019

Proposal No. 9: Issuance of stock acquisition rights by third party allotment (8)

Pursuant to the Terms and Conditions shown below, which is particularly favorable for the allottees, to issue the Year 5 Call Share Options in the form of stock acquisition rights *(shinkabu yoyaku ken)*.

Terms and Conditions *(Hakkō Yōkō)* of the Year 5 Call Share Options ("Options")

(1) Class and number of shares to be issued upon exercise of Options

The total number of shares to be issued upon exercise of the Options (the "**Total Number of Granted Shares**") is the number of shares of common stock of the Company ("**Shares**") obtained by the following formula.

$$\text{Total Number of Granted Shares} = \frac{26{,}722{,}973 \times 107.32}{1{,}552.5404}$$

In the event that the Company splits its common stock (including allotment of its common stock without compensation) or consolidates its common stock, the Total Number of Granted Shares 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 kokan*) or share transfer (*kabushiki iten*), 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 or share transfer.

(2) Number of Options to be granted

30,552,585 Options

The number of Shares to be issued upon exercise of each one (1) Option ("**Number of Granted Shares Per Option**") shall be the number obtained by the following formula. In the case the Total Number of Granted Shares is adjusted as provided in (1) above, the Number of Granted Shares Per Option shall also be adjusted.

$$\text{Number of Granted Shares Per Option} = \frac{26{,}722{,}973 \times 107.32}{1{,}552.5404} \div 30{,}552{,}585$$

(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 value of the assets to be contributed upon exercise of each Option shall be one Yen (¥1) for each Option.

(5) Description and Value of Property Which Will Be Subject of Contribution

The subject of the contribution to be made upon an exercise of each Option shall be the monetary claim for the purchase price corresponding to one (1) Ordinary Share of Embark Studios AB ("**Embark Shares**") (which is a portion of the monetary claim for the purchase price that a person to whom the Option(s) shall be allotted (an "**Allottee**") will have against the Company as a result of an exercise by the Company of its right to purchase Embark Shares (the "**Year 5 Shares**") pursuant to the Year 5 Call Right Agreement entered into by and between the Company and such Allottee as of August 5, 2019), the amount of which is equal to the amount obtained by (i) the closing price of the Company's stock in the Tokyo Stock Exchange on the date that is 5 business days following the date on which the Company exercises the right described above, multiplied by (ii) the Total Number of Granted Options; and the value of such property is one Yen (¥1). The total amount of the purchase price claim to be contributed by the holder of the Options to the Company upon the exercise of all vested Options shall be rounded up to the nearest whole number.

(6) Exercise period of Options

Exercise period of Options is from October 1, 2019 to June 30, 2025. 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.

(7) Conditions for exercise of Options

Each Option shall be exercised in its whole and cannot be partially exercised by dividing its rights.

(8) 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 the Options, such fraction shall be rounded down to the nearest whole Share.

(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) Allotment Date

September 30, 2019

Proposal No. 10: Issuance of new shares by third party allotment (2)

To issue the new shares in accordance with the terms shown below with the paid-in amount which is particularly favorable for the allottees.

(1)	Class and Number of Shares	511,852 shares of common stock
(2)	Paid-in Amount	JPY 511,852 in total; JPY 1 per share
(3)	Description and Value of Contributed Property	16,456,207 shares of common stock in Embark Studios AB JPY 511,894.01567308 in total; JPY 0.03110644 per share
(4)	Period of Contribution	From March 1, 2022 to December 20, 2022
(5)	Amounts of Capital and Capital Reserves to be Increased	The amount of stated capital to be increased shall be half of the maximum amount of increase in stated capital, as calculated in accordance with the provisions of Article 14, paragraph 1 of the Rules of Corporate Accounting, with any fraction less than one yen resulting from the calculation being rounded up to the nearest one yen. The amount of capital reserves to be increased shall be the amount obtained by subtracting the said amount of stated capital to be increased from the maximum amount of increase of stated capital.
(6)	Method of Offering or Allotment	By third party allotment.
(7)	Others	The issuance of shares is contingent upon coming into effect of the securities registration statement in accordance with the Financial Instruments and Exchange Act.

Proposal No. 11: Election of one (1) director (except for those who are Audit and Supervisory Committee members)

In order to strengthen the governance and internal control functions, we would like to increase the directors, who are not members of the Audit and Supervisory Committee, by one (1) person, and hereby request for the election. Also, the office term of the new director who is not a member of the Audit and Supervisory Committee will be until the conclusion of an Annual General Meeting of Shareholders to be held for the last business year ended within one (1) year after the election, in accordance with the provisions of the Articles of Incorporation of the Company.

This proposal was reviewed by the Audit and Supervisory Committee, and there was no objection from the members.

The candidate for the director (who is not a member of the Audit and Supervisory Committee) is shown below:

Name (Date of birth)	Brief career history		Nexon shares held
Hongwoo Lee (February 3, 1977)	August 1999	Joined NEXON Corporation (current NXC Corporation)	—
	February 2009	Registered as attorney in Korea	
	February 2009	Joined J&P Lawfirm, Associate Lawyer	
	February 2010	Joined NEXON Korea Corporation, Legal Team Manager	
	April 2011	General Legal Manager of NEXON Korea Corporation (to present)	
	August 2019	Director of NEXON Korea Corporation (present)	
	September 2019	Joined NXC Corporation	
	(Significant concurrent positions) Director of NEXON Korea Corporation		

(Notes) 1. Mr. Hongwoo Lee is the candidate for a new Director, who is not a member of Audit and Supervisory Committee.

2. There are no conflicts of interests between Mr. Hongwoo Lee and the Company.

3. The Company appointed Mr. Hongwoo Lee as a candidate for Director who is not a member of Audit and Supervisory Committee, as we expect that he would contribute to Nexon Group's execution of efficient business operations and further enhancement of corporate governance as well as internal control system and compliance structure, since he had been working for the Company Group for a long period of time and he has ample skills and knowledge as an attorney in Korea.

4. If election of Mr. Hongwoo Lee as a director is approved, the Company will enter into an agreement with him to limit liabilities for damages provided for in Article 423, Paragraph 1 of the Companies Act, pursuant to provisions of Article 427, Paragraph 1 of the Companies Act and Article 28 of the Company's Articles of Incorporation. The maximum amount of liabilities under such agreement is ¥2.4 million, or the minimum liability amount as provided in Article 425, Paragraph 1 of the Companies Act, whichever is higher.

〈Memo〉

Venue Map for 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



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.