

December 17, 2021

To all parties concerned

Company Name: SNK Corporation

Representative: Kenji Matsubara,

Representative Director & CEO

**Tender Offer Statement for the Korean Depository Receipts of SNK Corporation
by Electronic Gaming Development Company**

Electronic Gaming Development Company hereby announces that as of today, it decided to commence the tender offer for the Korean Depository Receipts of SNK Corporation as attached hereto.

End

This material is published by SNK Corporation (the target company in the tender offer) at the request of Electronic Gaming Development Company (the tender offeror).

(Attachment)

Tender Offer Statement dated December 17, 2021

Tender Offer Statement

To FSC December 17, 2021

Tender Offeror Name : Electronic Gaming Development Company
Address : 7605 Oud Square Diplomatic Quarter – Abdullah Al Sehamy Street,
Riyadh, Kingdom of Saudi Arabia
Contact No. : +966 11 44 44 490, 1006

Agent Name : Samsung Securities Co., Ltd.
Address : 11, Seocho-daero 74-gil, Seocho-gu, Seoul
Contact No. : 02-2020-8000

Access to Tender Offer Statement and Prospectus of Tender Offer

- A. Tender Offer Statement
- FSC(FSS) Electronic Disclosure System: dart.fss.or.kr
 - KRX Electronic Disclosure System: kind.krx.co.kr
- B. Prospectus for the Tender Offer
- FSC(FSS) Electronic Disclosure System: dart.fss.or.kr
 - KRX Electronic Disclosure System: kind.krx.co.kr
 - Tender Offer Agent: Head Office, branch offices and other sales offices of Samsung Securities Co., Ltd

<Summary >

| | | |
|---|---|---|
| Tender Offeror | <ul style="list-style-type: none"> • Name: Electronic Gaming Development Company (hereinafter "Tender Offeror") ■ Company <input type="checkbox"/> Individual <input type="checkbox"/> Non-company business entity/group <input type="checkbox"/> Foreigner | |
| | <ul style="list-style-type: none"> • Relationship with the company subject to tender offer <input type="checkbox"/> Company subject to tender offer ■ Major shareholder or executive of the company subject to tender offer <input type="checkbox"/> Affiliate company of the company subject to tender offer <input type="checkbox"/> Others | |
| Name of Company Subject to Tender Offer | SNK Corporation | |
| Purpose of Tender Offer | <input type="checkbox"/> Stability of control <input type="checkbox"/> M&A <input type="checkbox"/> Fulfillment of holding company requirements ■ De-listing <input type="checkbox"/> Others - Description: Implementation of a tender offer as anticipated under the previous public disclosure (disclosure on the “execution of a share purchase agreement resulting in change to the largest shareholder” dated November 26, 2020) and the proceeding of the delisting the company by way of the tender offer. | |
| Stocks, etc. Subject to Tender Offer | Type of shares | Korean Depository Receipts (KDR) |
| | Number of KDRs (percentage ratio) intended for purchase | Max 14,048,218 KDR (66.70% of Total Outstanding securities) 3,727,939 KDR (17.70% of Total Outstanding securities) |
| | Purchase Price | KRW 37,197 per KDR |
| Tender Offer Terms and Conditions | In the event the total number of tendered KDRs is less than the number of KDRs anticipated for purchase (3,727,939 KDRs), the Tender Offeror will not purchase any of the tendered KDRs. If the total number of tendered KDRs is equal to or exceeds the number of KDRs anticipated to purchase, the Tender Offeror will purchase all of the tendered KDRs; provided, however, that, the Tender Offeror has entered into tender offer agreements with the previous largest shareholder, ZUIKAKU CO., LIMITED and Perfect World Co., Ltd., the second largest shareholder, dated as of December 16, 2021, respectively pursuant to which each of ZUIKAKU CO., LIMITED and Perfect World Co., Ltd. are expected to tender 918,902 KDRs (4.36%) and 2,892,219 KDRs (13.73%), respectively. Furthermore, simultaneously with the tender offer on KDRs in Korea, a tender offer with respect | |

| | | | |
|---------------------------|---|--|----------------|
| | | to those shareholders holding original shares (meaning holders of those KDRs that have been converted to original shares) will be undertaken in Japan. As such, the number of KDRs intended for purchase may change depending on the results of the tender offer in Japan. | |
| Tender Offer Period | | December 17, 2021 – February 10, 2022 (56 days) (Payment/Refund Date: February 15, 2022) | |
| Ownership of Shares, etc. | As of Registration Statement Filing Date | No. of Shares (KDRs) | 7,013,579 KDR |
| | | Ownership Percentage | 33.30% |
| | Post Tender Offer (Planned) | No. of Shares | 21,061,797 KDR |
| | | Ownership Percentage | 100.00% |
| Agent | | Samsung Securities Co., Ltd. | |

I. Matters on the Tender Offeror and Its Related Party

1. Matters on the Tender Offeror and Its Related Party

A. Company Overview

(1) Overview

| | |
|---------------------|---|
| Company | Electronic Gaming Development Company (“EGDC”) |
| Head Office Address | 7605 Oud Square Diplomatic Quarter – Abdullah Al Sehamy Street, Riyadh, Kingdom of Saudi Arabia |
| General Manager | Abdullah Abdulrahman AlAyadhi |
| Founding Date | October 14, 2020 |
| Website | N/A |

(2) Description of key business and contemplated business for the future

EGDC is a limited liability company established as a special purpose vehicle (“SPV”) for the purpose of undertaking the following activities:

1. Managing its subsidiaries or participating in the management of other companies in which it holds ownership in and providing support as required;
2. Investing in stocks and other securities;
3. Owning real estate and other assets necessary to carry out its activities;
4. Providing loans, guarantees and financing to its subsidiaries;
5. Owning intellectual property rights such as patents, trademarks, industrial rights, franchises and other moral rights, and exploiting and leasing them to its subsidiaries or others; and
6. Any other legitimate projects consistent with the nature of this company.

B. Company History

(1) Key Developments since Company Establishment

| Date | Description |
|-------------------|--|
| October 14, 2020 | Establishment of Electronic Gaming Development Company |
| November 26, 2020 | Execution of share purchase agreements (“SPA”) on the sale and purchase of shares with the largest shareholder of SNK (ZUIKAKU CO., LIMITED) and second largest shareholder (Perfect World Co., Ltd.) (resulting in the acquisition of approximately 33.3% shareholding interest in SNK) |
| March 24, 2021 | Completion of procedures relating to acquisition of shares of SNK |

(2) Changes to the company name

N/A.

(3) Changes to major shareholders

N/A.

(4) Material changes relating to management

N/A.

(5) Dissolution, receivership of other similar processes

N/A.

(6) Merger, divesture, share swap, share transfers and transfer of material business

N/A.

(7) Changes in the business area or key business of the company

N/A.

(8) Other material changes relating to the operation and management of company

N/A.

C. Share Capital and Total Number of Issued Shares

(1) Share Capital

As of December 16, 2021

(Unit: Stocks, SAR)

| Date | Type of Issue | Description of Issued Shares | | | | Notes |
|------|---------------|------------------------------|------------------|---------------------|---------------------------------|-------|
| | | Type | Number of shares | Par Value per share | Issue(Decrease) Price per share | |
| 2020 | Establishment | Ordinary Shares | 10,000 | 10 | 100,000 | - |

(2) Total Number of Issued Shares

As of December 16, 2021

(Unit: Stocks, SAR)

| | Type | | | Notes |
|--|----------|-----------|--------|-------|
| | Ordinary | Preferred | Total | |
| I. Authorized Shares | 10,000 | - | 10,000 | |
| II. Total number of issued shares | 10,000 | - | 10,000 | |
| III. Decreased Shares | | | | |
| 1. Capital reduction | | | | |
| 2. Retirement | | | | |
| 3. Redemption of redeemable shares | | | | |
| 4. Others | | | | |
| IV. Total number of issued shares (II-III) | 10,000 | - | 10,000 | |
| V. Treasury Shares | | | | |
| VI. Outstanding shares (IV-V) | 10,000 | - | 10,000 | |

D. Profiles of Executives

| Name | Date of Birth | Position | Key Profile | No. of Shares Owned | No. of years in the company | Term Expiration Date |
|-------------------|----------------|-----------------|--|---------------------|-----------------------------|----------------------|
| Abdullah AlAyadhi | November, 1977 | General Manager | <p>Education: Master Degree in International Business Law (LLM)</p> <p>Work Experience: More than 20 years of legal and administrative experience in top-ranked institutions such as:</p> <ul style="list-style-type: none"> Prince Mohammed Bin Salman Foundation (MiSK Foundation); | - | 12 months | |

| Name | Date of Birth | Position | Key Profile | No. of Shares Owned | No. of years in the company | Term Expiration Date |
|------|---------------|----------|---|---------------------|-----------------------------|----------------------|
| | | | <ul style="list-style-type: none"> King Abdullah foundation (KAF); ALFaisaliah Group (AFG) National Unified; Procurement Company for Medical Supplies (NUPCO); Arabian Company for Water and Power Development (ACWA Holding); and National Guard Health Affairs | | | |

E. Largest Shareholder and Its Specially-Related Party

As of December 16, 2021

(Unit: Share, %)

| Name | Relationship | Type of Shares | No. of Stock Owned and Ownership(%) | | | | Note. |
|-----------------|--------------|------------------|-------------------------------------|--------------|--------------------------|--------------|-------|
| | | | At the beginning of the period | | At the end of the period | | |
| | | | No. of Stock | Ownership(%) | No. of Stock | Ownership(%) | |
| MiSK Foundation | Oneself | Ordinary Stock | 10,000 | 100.0 | 10,000 | 100.0 | - |
| Total | | Ordinary Shares | 10,000 | 100.0 | 10,000 | 100.0 | - |
| | | Preferred Shares | - | - | - | - | - |

MiSK Foundation (The Mohammed Bin Salman Bin Abdulaziz Al Saud Foundation) is a non-profit foundation established by Mohammed Bin Salman Abdulaziz Al Saud and is engaged in various businesses for the development of, mainly, the following areas: education, media, culture and technology.

F. Tender Offeror and Its Specially-Related Party

(As of December 16, 2021)

(Unit: Share, KRW mm, %)

| Type | Name | Relationship with the Tender Offeror | Position | Capital | Largest Shareholder | Major Businesses |
|--------------|-----------------|--------------------------------------|----------|---------|---------------------------------------|--------------------|
| Institutions | MiSK Foundation | Largest Shareholder | - | 30 | Mohammed Bin Salman Abdulaziz Al Saud | Charity Foundation |

G. Financial Statements of the Recent 3 Business Years

Given that the Tender Offeror is an SPV established in October 2020 with its first fiscal year closing on 31 December 2021, there are currently no financial statements available as of today.

H. Matters on the Business Group

The Tender Offeror is a foreign company and does not constitute or is affiliated with any of the business groups as set forth in the Monopoly Regulation and Fair Trade Act, there are no specific regulations as applicable to the Tender Offeror under the same Act. For further information on the Tender Offeror, please refer to I.1. F and I.1.G.

2. Tender Offer Broker or Advisor

A. Name of the broker or advisor for the tender offer and description of the relationship with the tender offeror

N/A

B. Description of service provided for intermediating or recommending tender offer

N/A

C. Important interests the broker or advisor have in relation to the success of the tender offer

N/A

3. Shareholding of the Tender Offeror and Details on Transactions involving the Shares

A. Tender Offeror's (including specially-related parties thereof) ownership of shares of SNK

(As of the filing date)

(Unit: KDR, %)

| Name | Relationship | Ownership of Shares | | | | Total | Percentage of Ownership |
|---------------------------------------|----------------|-------------------------|--|-----------------------------|--------|-----------|-------------------------|
| | | Share certificate (KDR) | Securities from the preemptive right to new stocks | Convertible Bond Securities | Others | | |
| Electronic Gaming Development Company | Tender Offeror | 7,013,579 | - | - | - | 7,013,579 | 33.3 |
| Total | | 7,013,579 | - | - | - | 7,013,579 | 33.3 |

B. Transaction involving SNK shares by the Tender Offeror during the past one (1) year period

(As of the filing date)

(Unit: KDR, KRW, %)

| Name | Relationship | Type of Shares | Date of Change | Current status of change | | | Method of acquisition/disposal | Unit price of acquisition/disposal |
|---------------------------------------|--------------|----------------------------------|----------------|--------------------------|----------------------|--------------|--------------------------------|------------------------------------|
| | | | | Before change | Increase or decrease | After change | | |
| Electronic Gaming Development Company | Offeror | Korean Depository Receipts (KDR) | March 24, 2021 | - | 7,013,579 | 7,013,579 | Share Purchase Agreement | 34,183 (Note 1) |

(Note 1) The price was calculated by converting the acquisition price per KDR to US dollars at the basic exchange rate (USD 1: KRW 1,107.20) published by Seoul Money Brokerage Services on November 26, 2020, the date on which SPA was entered into.

C. Key highlights of any agreements entered into by the Tender Offer with respect to its holding of shares

According to the Tender Offer Agreement entered into by and among the Tender Offeror, the previous largest shareholder (ZUIKAKU CO., LIMITED) and second largest shareholder (Perfect World Co., Ltd.) dated as of December 16, 2021, each of ZUIKAKU CO., LIMITED and Perfect World Co., Ltd. are expected to enter into the tender offer by tendering up to 918,902 KDRs (4.36%) and 2,892,219 (13.73%) KDRs respectively.

II. Matters on Tender Offer Target Company

1. Overview of Tender Offer Target Company

A. Company Overview

1) Overview of Subsidiaries

(Unit: KRW thousands)

| Name of Company | Establishment Date | Address | Key Business | Total Assets at the End of Recent Business Year | Basis of Control | Whether the company constitutes a material controlled company |
|------------------------------------|--------------------|--|--------------------------------------|---|--|---|
| SNK Asia Co., Ltd. | 2002.04.20 | Unit 139A, InnoCentre, 72 Tat Chee Avenue, Kowloon Tong, Hong Kong | Offering of license | 1,585,186 | Ownership of majority of voting rights | X |
| SNK PLAYMORE USA CORPORATION | 2003.04.16 | 2215 W 190TH ST, TORRANCE, CA, 90504 | Game Publishing | 956,979 | Ownership of majority of voting rights | X |
| SNK Entertainment Co., Ltd. | 2009.09.10 | 1-16-17, Esaka-cho, Suita-city, Osaka, 564-0063 | Manufacture of game related products | 2,727,055 | Ownership of majority of voting rights | X |
| Therafesta Co., Ltd. | 2012.12.25 | 1-16-17, Esaka-cho, Suita-city, Osaka, 564-0063 | Production of Games | 428,451 | Ownership of majority of voting rights | X |
| LEDO SNK Co.,Ltd. | 2015.10.22 | FLAT/RM A3 9/F SILVERCORP INT'L TOWER, 707-713, NATHAN RD, MONGKOK KLN, HONG KONG | Offering of license | 26,862 | Ownership of majority of voting rights | X |
| SNK Beijing Corporation | 2015.12.21 | Room 5914, 5F, Lingchang Building, 51, Zhichun Road, Haidan District, Beijing, China | Offering of license | 30,866,098 | Ownership of majority of voting rights | O |
| SNK INTERACTIVE Co.,Ltd. | 2017.08.25 | 13F, 223, Teheran-ro, Gangnam-gu, Seoul, Republic of Korea (Keungil Tower Building, Yeoksam-dong) | Offering of license | 9,727,556 | Ownership of majority of voting rights | X |
| ZP SNK TMT Fund I L.P. | 2020.07.31 | TMF (Cayman) Ltd., 2nd Floor, The Grand Pavilion Commercial Centre, 802 West Bay Road, P.O. Box 10338, Grand Cayman KY1-1003, Cayman Islands | Private equity fund | 0 | Ownership of majority of voting rights | X |
| Tibet Seika Culture Media Co.,Ltd. | 2016.03.03 | Room 577, Industrial Complex Management Commission, Duilongdeqing County, Lhasa, Tibet, China | Offering of license | 2,905,233 | Ownership of majority of voting rights | X |
| Tibet Seiyo Culture Media Co.,Ltd. | 2016.07.29 | Room 602, 6F, Unit 2, Building 1, South Zhenzhu Road, Lhasa, Tibet, China | Offering of license | 744,683 | Ownership of majority of voting rights | X |
| Ili Seiyo Culture Media Co.,Ltd. | 2017.07.03 | Room 619, Building B, Unit 1, Yining Complex, Khorgas economic development | Offering of license | 393,998 | Ownership of majority of voting rights | X |

| Name of Company | Establishment Date | Address | Key Business | Total Assets at the End of Recent Business Year | Basis of Control | Whether the company constitutes a material controlled company |
|--|--------------------|--|---------------------|---|--|---|
| | | zone, Ili Prefecture, Xinjiang, China | | | | |
| Tianjin Seiyo Culture Media Co., Ltd | 2019.01.10 | 2-905, Unit D, Transportation Technology and Culture Industrial Complex, Huayuan Industry Clusters, Gaoxin District, Binhai New Area, Tianjin, China | Offering of license | 42,133,924 | Ownership of majority of voting rights | O |
| Shin Nihon Kikaku Beijing Co., Ltd. | 2019.12.17 | 3008-1009, Complex B, Building 1, 2, Yongchengbei Road, Haidian District, Beijing, China | Private equity fund | 362,585 | Ownership of majority of voting rights | X |
| Jiaxing Zhong Ping Guo Jing Equity Investment Fund Limited Partnership | 2017.06.01 | Room 122-63, Building 2, Jijin Town, 1856, Nanjiang Road, Nanhu District, Jiaxing, Zhejiang Province, China | Offering of license | 3,961,042 | Ownership of majority of voting rights | X |
| Zhejiang Seiyo Culture Media Co., Ltd. | 2020.08.24 | 2104, 21F, Building A, Huifu Plaza, Caoe Road, Shangyu District, Shaoxing, Zhejiang, Province, China | Offering of license | 0 | Ownership of majority of voting rights | X |

Note 1) A company is deemed to be a material controlled company if the company satisfies any of the below criteria:

- Total amount of assets at the end of preceding business year is more than 10% of parent company's total assets as set forth in its non-consolidated financial statement (i.e., total amount of assets exceeds JPY 2,553 mn)
- Separate total amount of assets of the subsidiary is more than KRW 75bn at the end of recent business year

The above have been calculated by applying basic rate of exchange as of the end of the fiscal year published by Seoul Money Brokerage Services. The exchange rate applied with respect to Yen is as below:

1) 20th Fiscal Year (FY2020) End of period exchange rate: KRW 1,048.48

Note 2) Subsidiary Ili Seika Culture Media Co., Ltd. has liquidated its corporation in current period.

1-1. Changes in Consolidated Subsidiaries

| | Subsidiary | Cause |
|------------------------------|--|---|
| Newly consolidated companies | Tianjin Seiyo Culture Media Co., Ltd | Newly consolidated during the 18 th term |
| | Shin Nihon Kikaku Beijing Co., Ltd. | Newly consolidated during the 19 th term |
| | Jiaxing Zhong Ping Guo Jing Equity Investment Fund Limited Partnership | Newly consolidated during the 19 th term |
| | ZP SNK TMT Fund I L.P. | Newly consolidated during the 19 th term |
| | Zhejiang Seiyo Culture Media Co., Ltd. | Newly consolidated during the 20 ^h term |
| | ZP SNK TMT Fund I L.P. | Newly consolidated during the 20 ^h term |
| Non-consolidated entities | Ili Seika Culture Media Co., Ltd. | Liquidated during the 20 th term |

2) Legal • commercial name of the company

Name of the company is written as '주식회사 SNK', and 'SNK CORPORATION' in English.

3) Founding date

The company was established on August 1, 2001 for purposes of operating IP licensing business and business relating to the sale and development of mobile, console, and PC games.

4) Address, contact and website of the Company

(1) Address: 1-16-17, Esakacho, Suitasi, Osaka, Japan

(2) Contact: +81-06-6339-6362

(3) Website: <https://www.snk-corp.co.jp/kr/>

5) Whether the company is Small and Medium-sized Enterprise (SME) or not

As of the date the report is written, the company does not fall under the criteria of Small and Medium-sized Enterprises (SMEs), according to Article 2 of the Framework Act on Small and Medium Enterprise and Article 3 of Enforcement Decree of the Framework Act on Small and Medium Enterprises.

6) Matters on the disclosure agent

As of the filing date, SNK Interactive, the company's subsidiary established in Korea undertakes to make public disclosures.

| Overview of SNK Interactive Co., Ltd. | |
|---------------------------------------|---|
| Name | SNK Interactive Co., Ltd. |
| Address | 13F, 223, Teheran-ro, Gangnam-gu, Seoul, Republic of Korea (Keungil Tower Building, Yeoksam-dong) |
| Contact | 02-6925-4145 |

7) Description of key business and contemplated business for the future

The company is currently operating business in development and sales of mobile, console, PC game and IP license area. It has its headquarter in Osaka, Japan and has overseas subsidiaries such as 'SNK INTERACTIVE Co.,Ltd.', 'SNK ASIA Co., Ltd', 'SNK PLAYMORE USA CORPORATION' in global regions. The company is operating successful IP licensing business, and is selling products to consumers via official SNK online shop and Amazon market place through 'SNK Entertainment Co., Ltd.'. Henceforth, the company plans to reinforce its competitiveness and proceed business expansion by continuously investing in gaming companies with good prospects, securing new IP, and expanding area of service coverage.

Key business areas specified by articles of association are as listed below:

- (1) Development, manufacture, sales, lease, and exportation & importation of entertainment devices;
- (2) Development, manufacture, sales, lease, and exportation & importation of electronic entertainment devices;
- (3) Development, manufacture, sales, lease, and exportation & importation of electronic game devices and software;
- (4) Planning, development, production, distribution, sales, operating and management of online games;
- (5) Planning, development, production, distribution, sales, operating and management of game software;
- (6) Planning, development, production, distribution, sales, operating and management of mobile contents;
- (7) Planning, development, production, distribution, sales, operating and management of digital contents;
- (8) Planning, development, production, distribution, sales, operating and management of games, videos, music, and etc.;
- (9) Planning, development, manufacture, sales, lease, and exportation & importation of game consoles, toys, stationeries, general goods, and electrical and electronic equipment and apparatus;
- (10) Acquisition, sales, and permission of intellectual property rights such as copyright, patent, trademark right, and design right;
- (11) Managing management consulting business, education business, broadcasting business, telecommunications business, workers dispatch business, advertising business, insurance business, restaurant business, and other service areas;
- (12) Sales and lease of antiques;
- (13) Operating, administrating, and managing internet shop;
- (14) Manufacture, sales, exportation & importation, lease of commodities or provision of service related to foregoing objectives;
- (15) Holding and trading stocks and other investment business; and

(16) Any business related to foregoing objectives.

8) Matters on affiliates

The company does not fall under the category of group of large-scale enterprises according to the Monopoly Regulation and Fairtrade Act. As of the date the report is written, there are currently 15 affiliates that are non-public companies.

(Date of basis: July 31, 2021)

| Name of Company | Description | Place of location | Percentage of Ownership (%) | Corporation Registration Number |
|--|--------------------------|-------------------|-----------------------------|---------------------------------|
| SNK Asia Co., Ltd. | Subsidiary | Hong Kong | 100% | 32454257-000 |
| SNK PLAYMORE USA CORPORATION | | United States | 100% | BL-LIC-027642 |
| SNK Entertainment Co., Ltd. | | Japan | 100% | 1209-01-017609 |
| Therafesta Co., Ltd. | | Japan | 100% | 1209-01-032140 |
| LEDO SNK Co., Ltd. | | Hong Kong | 100% | 65371072-000 |
| SNK Beijing Corporation | | China | 100% | 91110108MA002L0487 |
| SNK interactive Co., Ltd. | | Korea | 100% | 110111-6498079 |
| ZP SNK TMT Fund I L.P. | | Cayman Islands | 50% | ET-107877 |
| Tibet Seika Culture Media Co.,Ltd. | Subsidiary of Subsidiary | China | 80% | 91540125MA6T15RD1P |
| Tibet Seiyō Culture Media Co.,Ltd. | | China | 100% | 91540125MA6T1F5R31 |
| Ili Seiyō Culture Media Co.,Ltd. | | China | 100% | 91654002MA77HNJA4Y |
| Tianjin Seiyō Culture Media Co.,Ltd. | | China | 100% | 91120116MA06HQXY4H |
| Shin Nihon Kikaku Beijing Co., Ltd | | China | 100% | 91110108MA01PCG5XF |
| Jiaxing Zhong Ping Guo Jing Equity Investment Fund Limited Partnership | | China | 99.9% | 91330402MA29FW4F6K |
| Zhejiang Seiyō Culture Media Co., Ltd. | | China | 100% | 91330604MA2JQ1DH4K |

Note) Subsidiary Ili Seika Culture Media Co.,Ltd. has liquidated its corporation in current business year.

9) Matters on credit rating

As of the date the report is written, the company has no matters concerning credit rating.

10) Matters on stock-listing (or registration · designation) and special listing of the company

| Whether the company is stock-listed corporation (or registration · designation) or not | Date of stock-listing (or registration · designation) | Whether the company is special listed or not | Laws and Regulations relevant to special listing |
|--|---|--|--|
| Stock-listed corporation | May 7, 2019 | - | - |

B. Company History

1) Location of headquarter and its change

The location of headquarter of the company is 1-16-17, Esaka-cho, Suita-city, Osaka, Japan. The company headquarter's location has not changed throughout the period of disclosure.

2) Important changes in management

| Date | Description |
|-----------------------|---|
| 2018.4.19 | Appointment of Sehwan Jeon as a director Appointment of Jibong Joo as an outside director Appointment of Jeong Yoo as an outside director Appointment of Gaeon Jeon as an outside director Appointment of Sumio Yomoda as an auditor Appointment of Mineo Kuronaka as an auditor Appointment of Masanori Kusumoto as an auditor |
| 2019.10.30 | Appointment of Hong So as a director Appointment of Biryong Huh as an outside director Appointment of Liyuan Huh as a director Appointment of Jibong Joo as an outside director |
| 2020.10.29 | Retirement of Koichi Toyama Retirement of Feng Shi Retirement of Shinichiro Wakayama |
| 2021/04/06 Note 1) | Appointment of Badr bin Hamoud AlBadr as an executive director Appointment of Jeff Peters as an executive director Appointment of Philip Earl as an executive director Appointment of Gaeon Jeon as an outside director Appointment of Cheol Huh as an outside director to fill a vacancy |

Note 1) In accordance with Article 22 of the Articles of Incorporation of the Company, Cheol Huh, the outside director that was appointed to fill a vacancy, will remain in office until the expiration of term of other re-appointed directors.

3) Changes in the largest shareholder

| Date | Changes in the largest shareholder | | Note |
|-------------|------------------------------------|---------------------------------------|------|
| | Before Change | After Change | |
| March, 2021 | ZUIKAKU CO., LIMITED | Electronic Gaming Development Company | - |

4) Changes to the company name

| Date | Major contents of change |
|----------------|--|
| December, 2016 | Company name changed from 'SNK Playmore Co., Ltd.' to 'SNK Corporation.' |

5) Other material changes relating to the operation and management of company

As of the date the report is written, there is no other occurrence of important matter regarding business activity.

C. Capital Stock and Total Number of Issued Shares

1) Capital Stock

Currently as of July 31th, 2021, capital stock of the company is JPY 10,013,135,576.

Current status of capital increase(reduction) is as follows.

A) Capital increase (reduction) status

(Date of basis: July 31, 2021)

(Unit: KRW, DR)

| Date | Type of issue (reduction) | Matters on Issued(Reduced) Shares | | | | |
|------------|--|-----------------------------------|------------------|---------------------|---|---------|
| | | Type of shares | Number of shares | Par Value per share | Increase(Decrease) in capital per share | Note |
| 2019.04.29 | Paid-in capital increase (Public offering) | Ordinary shares | 4,261,800 | - | 40,400 | KDR IPO |

Note 1) Filed according to DR (Depository Receipts) standards, as the company listed KDR (Korean Depository Receipts) two fiscal years ago.

B) Current state of Outstanding Convertible Bond (CB) issuance

- N/A

C) Current state of Outstanding Bond with Warrants (BW) issuance

- N/A

D) Current state of Outstanding Convertible Contingent Capital Bond issuance

- N/A

2) Total Number of Issued Shares

A) Current state of total shares

(Date of basis: July 31, 2021)

(Unit: KRW, DR)

| | Type of shares | | | Note |
|------------------------------------|-----------------|------------------|------------|------------------------------|
| | Ordinary shares | Preferred shares | Total | |
| I. Authorized Shares | 67,200,000 | - | 67,200,000 | Depository Receipts (Note 1) |
| II. To the number of issued shares | 21,061,800 | - | 21,061,800 | - |
| III. Decreased Shares | - | - | - | - |
| 1. Capital reduction | - | - | - | - |
| 2. Retirement | - | - | - | - |
| 3. Redemption of redeemable shares | - | - | - | - |
| 4. Others | - | - | - | - |
| IV. Issued Shares (II-III) | 21,061,800 | - | 21,061,800 | - |
| V. Treasury Shares | 3 | - | 3 | (Note 2) |
| VI. Outstanding Shares (IV-V) | 21,061,797 | - | 21,061,797 | - |

Note 1) Filed according to DR (Depository Receipts) standards, as the company listed KDR (Korean Depository Receipts) two fiscal years ago.

Note 2) On August 5, 2020, the company issued 528,200 treasury shares in compliance with the exercise of stock option

B) Current state of acquisition and disposition of treasury shares

(Date of basis: July 31, 2021)

(Unit: KRW, Stocks)

| Method of Acquisition | | Type of shares | Beginning Quantity | Changes in Quantity | | | Ending Quantity | Note | |
|--|--------------------------------|---------------------------------|--------------------|---------------------|-----------------|----------------|-----------------|------|----------|
| | | | | Acquisition (+) | Disposition (-) | Retirement (-) | | | |
| Acquisition within profit available for dividend | Direct acquisition | Direct acquisition on exchange | Ordinary shares | 528,203 | - | 528,200 | - | 3 | (Note 2) |
| | | | Preferred shares | - | - | - | - | - | - |
| | | Direct acquisition off-exchange | Ordinary shares | - | - | - | - | - | - |
| | | | Preferred shares | - | - | - | - | - | - |
| | | Tender offer | Ordinary shares | - | - | - | - | - | - |
| | | | Preferred shares | - | - | - | - | - | - |
| | Subtotal (a) | Ordinary shares | 528,203 | - | 528,200 | - | 3 | - | |
| | | Preferred shares | - | - | - | - | - | - | |
| | Acquisition by trust agreement | Shares held by fiduciary | Ordinary shares | - | - | - | - | - | - |
| | | | Preferred shares | - | - | - | - | - | - |
| | | Shares held in spot | Ordinary shares | - | - | - | - | - | - |
| | | | Preferred shares | - | - | - | - | - | - |
| Subtotal (b) | | Ordinary shares | - | - | - | - | - | - | |
| | | Preferred shares | - | - | - | - | - | - | |
| Other acquisition (c) | | Ordinary shares | - | - | - | - | - | - | |
| | | Preferred shares | - | - | - | - | - | - | |
| Total (a+b+c) | | Ordinary shares | 528,203 | - | 528,200 | - | 3 | - | |
| | | Preferred shares | - | - | - | - | - | - | |

Note 1) Filed according to DR (Depository Receipts) standards, as the company listed KDR (Korean Depository Receipts) two fiscal years ago.

Note 2) On August 5, 2020, the company issued 528,200 treasury shares in compliance with the exercise of stock option.

C) Different Classes of Shares

N/A.

3) Profiles of Executives

(Date of basis: July 31, 2021)

(Unit: Stocks)

| Name | Gender | Date of Birth | Position | Registered Executive | Form of Employment | Role | Key Profile | No. of Shares Owned | | Relationship with major shareholder | Terms of office | Expiry Date of Term |
|------------------------|--------|---------------|-------------------------|----------------------|--------------------|-----------------------|--|---------------------------|------------------------------|---|------------------|---------------------|
| | | | | | | | | Shares with voting rights | Shares with no voting rights | | | |
| Zhihui Ge | M | 1985.02 | Chief Executive Officer | Registered Executive | Part-time | General Management | Perfect World Co.,Ltd_General Manager of Studio Luodaohudong(Tianjian) Techonology Co., Ltd._CEO Ledo Interactive(US) Co., Ltd._President SNK PLAYMORE USA CORPORATION_Current Chairman SNK Corporation_Current CEO | - | - | - | 5 years 8 months | 2021.10.28 |
| Shwan Jeon | M | 1980.12 | Executive Director | Registered Executive | Part-time | General Management | KAKAO_VP of China Office Four Thirty Three Inc._CEO of China Office SNK Interactive_Current President SNK Corporation_Current Co-CEO | 65,000 | - | - | 3 years | 2021.10.28 |
| Gaechun Jeung | M | 1975.03 | Executive Director | Registered Executive | Part-time | Management Consulting | Guangzhou Haiyansi_Vice President 37 Games_Cofounder SNK Corporation_Current Executive Director | - | - | - | 5 years 8 months | 2021.10.28 |
| Hong So | M | 1966.04 | Executive Director | Registered Executive | Part-time | Management Consulting | Perfect World Game, LLC._Director Perfect World Game Corp._Director and CEO Asia-Pacific Economic Cooperation (APEC) Chinese Chamber of Commerce_Director Chinese Board of Commerce_Vice Chairman SNK Corporation_Current Executive Director | - | - | - | 1 year 6 months | 2021.10.28 |
| Badr bin Hamoud AlBadr | M | 1966.06 | Executive Director | Registered Executive | Part-time | General Management | Dur Hospitality_CEO (Current) Misk Foundation_CEO SNK Corporation_Current Executive Director | - | - | CEO of the parent company (Misk Foundation) of the largest shareholder (EGDC) | 0 month | 2021.10.28 |

| Name | Gender | Date of Birth | Position | Registered Executive | Form of Employment | Role | Key Profile | No. of Shares Owned | | Relationship with major shareholder | Terms of office | Expiry Date of Term |
|--------------|--------|---------------|--------------------|----------------------|--------------------|-----------------------|--|---------------------------|------------------------------|-------------------------------------|-----------------|---------------------|
| | | | | | | | | Shares with voting rights | Shares with no voting rights | | | |
| Jeff Peters | M | 1966.05 | Executive Director | Registered Executive | Part-time | Management Consulting | Electronic Arts_Studio Director and Executive Producer iEntertainment Inc. (Former : TapStar Games, Inc.)_COO (Current) The Bluff Street, LLC_CEO (Current) Utah Digital Entertainment Network Co_Founder (Current) Spark XR, Inc._COO and Founder SNK Corporation_Current Executive Director | - | - | - | 0 month | 2021.10.28 |
| Philip Earl | M | 1965.02 | Executive Director | Registered Executive | Part-time | Management Consulting | Activision Blizzard_Executive Vice President European Video Game Industry Organization ISFE Chairman SNK Corporation_Current Executive Director | - | - | - | 0 month | 2021.10.28 |
| Jeong Yoo | M | 1983.10 | Outside director | Registered Executive | Part-time | Management Consulting | Tianji Internet Technology Co., Ltd._Executive Director Digidadao Co., Ltd._COO SNK Corporation_Current External Director | - | - | - | 3 years | 2021.10.28 |
| Biryong Huh | M | 1984.04 | Outside Director | Registered Executive | Part-time | Management Consulting | Shanghai Transportation Network Technology Co., Ltd. Shanghai Xiendaoquan Investment Funds_Partner and Investment Manager Hangzhou Langshan Investment Fund_Management Partner SNK Corporation_Current Outside Director | - | - | - | 1 year 6 months | 2021.10.28 |
| Cheol Huh | M | 1984.09 | Outside Director | Registered Executive | Part-time | Management Consulting | (Current) Tianjian Yiyuan Law Firm_Partner SNK Corporation_Current Outside Director | - | - | - | 0 month | 2021.10.28 |
| SumionYomoda | M | 1951.12 | Auditor | Registered Executive | Full-time | Auditing | Mitsubishi Logisnext_Executive Director Koku Nichiyu_CEO China Nichiyu_CEO SNK Corporation_Current Auditor | - | - | - | 3 years | 2021.10.28 |

| Name | Gender | Date of Birth | Position | Registered Executive | Form of Employment | Role | Key Profile | No. of Shares Owned | | Relationship with major shareholder | Terms of office | Expiry Date of Term |
|---------------------|--------|---------------|----------|----------------------|--------------------|----------|---|---------------------------|------------------------------|-------------------------------------|-------------------|---------------------|
| | | | | | | | | Shares with voting rights | Shares with no voting rights | | | |
| Mineo Kuronaka | M | 1951.05 | Auditor | Registered Executive | Part-time | Auditing | Asics Wear_Development Department Manager Former SNK_Sales Management Department Manager SEGA_Business Management Department Manager SNK Corporation_Current Auditor | - | - | - | 3 years | 2021.10.28 |
| Shigekazu Matsumoto | M | 1958.07 | Auditor | Registered Executive | Part-time | Auditing | Eizo_Member of the execution committee Lacox_CEO SNK Corporation_Current Auditor | - | - | - | 2 years 10 months | 2021.10.28 |

Note 1) The expiration of term of office of the above directors and outside directors is stipulated as October 28, 2021 but the actual term of office ends on the date of the general meeting of shareholders held with respect to the year-end settlement within the one year period from appointment.

Note 2) The expiration of term of office of the above auditor is stipulated as October 28, 2021 but the actual term of office ends on the date of the general meeting of shareholders held with respect to the final year-end settlement within four years from appointment.

Note 3) Status of interlocking directors

Note 4) On October 29, 2020, director Koichi Toyama, Shinichiro Wakayama, Feng Shi retired as term of office were completed.

Note 5) On April 6, 2021, Badr bin Hamoud AlBadr, Jeff Peters, Philip Earl was newly elected as inside director on extraordinary meeting of shareholders. Also, outside director Cheol Huh was newly elected to fill the vacancy due to resignation of external director Gaean Jeon.

Note 6) At the regular shareholders' meeting held on October 28, 2021, Zhihui Ge, Badr Hamoud Albadr, Jeffrey Brooke Peters, Philip Alan Earl, Hong So, Gaechun Jeung were re-elected as the In-house Directors, Heo Bi-ryong, Heo Cheol-eun as the outside directors, and Kuronaka Mineo and Matsumoto Shigekazu as the Auditors. In addition, Kenji Matsubara, outside director Atsushi Morita, and Yoshihisa Nakanishi were newly appointed as the Auditors.

Note 7) At the board meeting held on October 28, 2021, Zhihui Ge was re-elected as the CEO, and Kenji Matsubara was newly appointed as the CEO.

4) Matters on the Largest Shareholder and its Related Party

A) Current state of ownership of the largest shareholder and its related party

(Date of basis: July 31, 2021)

(Unit: Stocks, %)

| Name | Relationship | Type of Shares | Number of Shares and Percentage of Ownership | | | | Note |
|---------------------------------------|---------------------|-----------------|--|----------------------|---------------------------|----------------------|-------|
| | | | At the Beginning of Fiscal Year | | At the End of Fiscal Year | | |
| | | | Number of Shares | Percentage Ownership | Number of Shares | Percentage Ownership | |
| Electronic Gaming Development Company | Largest Shareholder | Ordinary Shares | 0 | 0 | 7,013,579 | 33.3 | Note) |
| Total | | Ordinary Shares | 0 | 0 | 7,013,579 | 33.3 | - |
| | | - | - | - | - | - | - |

Note) Upon completion of the share transfer on March 24, 2021, the largest shareholder has changed from ZUIKAKU Co., LTD. to Electronic Gaming Development Company.

B) Major history and overview of the largest shareholder

(1) Basic information of the largest shareholder (corporation or institution)

| Name | Number of Investors (people) | Chief Executive Officer (Chief Partner) | | Business Operator (Business Operating Partner) | | Largest Shareholder (Largest Investor) | |
|---------------------------------------|------------------------------|---|-----------------------------|--|-----------------------------|---|-----------------------------|
| | | Name | Percentage of Ownership (%) | Name | Percentage of Ownership (%) | Name | Percentage of Ownership (%) |
| Electronic Gaming Development Company | 1 | Abdullah Abdulrahman Alayadhi | - | - | - | MiSK Foundation(Mohammed Bin Salman Bin Abdulaziz Al Saud Foundation) | 100 |
| | | - | - | - | - | - | - |

(2) Financial status of largest shareholder's (corporation or institution) recent fiscal year

(Unit: KRW mn)

| Description | |
|-------------------------------------|---------------------------------------|
| Name of corporation or organization | Electronic Gaming Development Company |
| Total Assets | 30 |
| Total Liabilities | - |
| Total Shareholder's Equity | 30 |
| Revenue | - |
| Operating Income | - |
| Net Income | - |

Note 1) Financial status of largest shareholder's recent business years above was written as of the end of December, 2020, and was calculated by applying Seoul Money Brokerage Services' SAR basic rate of exchange (SAR1: KRW 300.78).

Major history of the largest shareholder of the MiSK Foundation is as follows.

| Name | Major history |
|--|--|
| MiSK Foundation (Mohammed Bin Salman Bin Abdulaziz Al Saud Foundation) | <ul style="list-style-type: none"> - Mohammed Bin Salman Bin Abdulaziz Al Saud established non-profit foundation Misk Foundation - Founded subsidiary company Manga Productions - Founded subsidiary company Misk Schools - Founded subsidiary company Riyadh Schools - Founded subsidiary company Misk Art Institute |

(3) Transaction which can cause change in the largest shareholder, if any

As of the filing date, there is no particular transaction which can cause change in the largest shareholder.

(4) Significant matter that may influence company's business stability such as business operation

As of the filing date, there is no significant matter that may influence company's business stability.

C) Changes in largest shareholder

(Date of basis: July 31, 2021)

(Unit: Stocks, %)

| Date | Name of the largest shareholder | Number of shares owned | Percentage of ownership | Reason of change | Note |
|----------------|---------------------------------------|------------------------|-------------------------|------------------|-------|
| March 24, 2021 | Electronic Gaming Development Company | 7,013,579 | 33.3 | SPA | Note) |

Note) Upon completion of the share transfer on March 24, 2021, the largest shareholder has changed from ZUIKAKU Co., LTD. to Electronic Gaming Development Company.

5) Summary of financial information of the recent 3 business years

Since SNK Corporation's financial statements are prepared in JPY, exchange rate at the end of reported period and average exchange rate of the reporting period was applied respectively to balance sheet items and income statement items to prepare financial statements in KRW.

| | The 20 th (FY2020) 2020.08 ~ 2021.07 | The 19 th Term (FY2019) 2019.08 ~ 2020.07 | The 18 th Term (FY2018) 2018.08 ~ 2019.07 |
|--|---|--|--|
| Exchange rate at the Beginning of the Year | 1,123.97 | 1,086.45 | 1,000.22 |
| Exchange Rate at the End of the Year | 1,048.48 | 1,137.32 | 1,088.45 |
| Average Exchange Rate | 1,059.09 | 1,109.29 | 1,029.41 |
| Maximum Exchange Rate | 1,137.32 | 1,172.73 | 1,100.36 |
| Minimum Exchange Rate | 1,008.02 | 1,048.42 | 974.43 |

Note 1) Above is the exchange rate of converting JPY100 into KRW.

(Source: Seoul Money Brokerage Services' public announcement)

Issues to consider when using information provided in KRW

Financial information in KRW as provided herein is based on reference of financial information provided in foreign currency and as such, depending the applied exchange rate standard, may lead to different outcomes. Please take note of the aforementioned when making use of the information.

A) Summary of Consolidated Financial Information

(Unit: JPY 1,000)

| Line Items | The 20 th (FY2020) | The 19 th Term (FY2019) | The 18 th Term (FY2018) |
|----------------------------|----------------------------------|---------------------------------------|---------------------------------------|
| | (July, 2021) | (July, 2020) | (July, 2019) |
| Accounting Standards | IFRS | IFRS | IFRS |
| Auditor | PwC Samil | PwC Samil | PwC Samil |
| (Audit Opinoin) | (Unqualified) | (Unqualified) | (Unqualified) |
| [Current Assets] | 23,192,964 | 27,627,287 | 28,066,859 |
| · Cash and Cash Equivalent | 17,729,502 | 18,785,218 | 24,130,707 |
| · Accounts Receivables | 1,286,193 | 1,799,542 | 2,733,170 |
| · Inventories | 51,481 | 70,259 | 59,562 |

| Line Items | The 20 th (FY2020) | The 19 th Term (FY2019) | The 18 th Term (FY2018) |
|---|----------------------------------|---------------------------------------|---------------------------------------|
| | (July, 2021) | (July, 2020) | (July, 2019) |
| · Others | 4,125,788 | 6,972,268 | 1,143,420 |
| [Non-current Assets Held for Sale] | - | - | - |
| [Non-current Assets] | 2,333,213 | 3,659,419 | 1,435,762 |
| · Tangible Assets | 548,324 | 556,659 | 111,592 |
| · Intangible Assets | 433,092 | 1,793,544 | 49,162 |
| · Other Non-current Assets | 26,064 | 8,842 | 82,599 |
| · Others | 1,325,733 | 1,300,374 | 1,192,409 |
| Total Assets | 25,526,176 | 31,286,706 | 29,502,621 |
| [Current Liabilities] | 2,360,357 | 1,614,036 | 1,308,097 |
| [Non-current Liabilities] | 239,717 | 428,940 | 290,864 |
| Total Liabilities | 2,600,074 | 2,042,976 | 1,598,961 |
| [Capital Stock] | 10,013,136 | 10,013,136 | 10,013,136 |
| [Paid-in Capital in Excess of Par Value] | 9,913,136 | 9,913,136 | 9,913,136 |
| [Other Shareholder's Equity] | (487,744) | (186,868) | (186,868) |
| [Treasury Stock] | (5) | (906,082) | - |
| [Accumulated Other Comprehensive Income] | 313,452 | (230,230) | (35,478) |
| [Retained Earnings] | 3,121,220 | 10,148,506 | 8,183,810 |
| [Stock Options] | - | 453,897 | - |
| [Non-controlling Interest] | 52,909 | 38,235 | 15,924 |
| Total Shareholder's Equity | 22,926,102 | 29,243,730 | 27,903,660 |
| Valuation Method of Subsidiary·Affiliate·Joint Venture Securities | Cost Method | Cost Method | Cost Method |
| Accounting Period | 2020.08.01 ~2021.07.31 | 2019.08.01 ~2020.07.31 | 2018.08.01 ~2019.07.31 |
| Number of Subsidiaries Consolidated | 15 | 15 | 12 |
| Revenue | 6,612,289 | 7,754,794 | 9,919,282 |
| Operating Income | (714,446) | 2,095,865 | 4,512,343 |
| Gain (Loss) from Continuing Operations | (966,276) | 2,042,668 | 3,029,077 |
| Gain (Loss) from Discontinued Operations | - | - | - |
| Net Income | (1,048,088) | 2,042,668 | 3,029,077 |
| Total Comprehensive Income Attributable to Controlling Interests | (1,075,697) | 1,964,697 | 2,962,580 |
| Total Comprehensive Income Attributable to Non-controlling Interests | 27,609 | 77,971 | 66,497 |
| Basic EPS or Diluted EPS (JPY) | (5,109) | 9,515 | 16,521 |

Note 1) Above was prepared according to the International Financial Reporting Standards (IFRS).

(Converted into KRW)

(Unit: KRW 1,000)

| Line Items | The 20 th (FY2020) | The 19 th Term (FY2019) | The 18 th Term (FY2018) |
|---|----------------------------------|---------------------------------------|---------------------------------------|
| | (July, 2021) | (July, 2020) | (July, 2019) |
| Accounting Standards | IFRS | IFRS | IFRS |
| Auditor | PwC Samil | PwC Samil | PwC Samil |
| (Audit Opinion) | (Unqualified) | (Unqualified) | (Unqualified) |
| [Current Assets] | 243,173,589 | 314,210,662 | 305,493,727 |
| · Cash and Cash Equivalents | 185,890,283 | 213,648,041 | 262,650,680 |
| · Accounts Receivables | 13,485,476 | 20,466,551 | 29,749,189 |
| · Inventories | 539,768 | 799,070 | 648,303 |
| · Others | 43,258,062 | 79,297,000 | 12,445,555 |
| [Non-current Assets Held for Sale] | - | - | - |
| [Non-current Assets] | 24,463,272 | 41,619,304 | 15,627,551 |
| · Tangible Assets | 5,749,067 | 6,330,994 | 1,214,623 |
| · Intangible Assets | 4,540,883 | 20,398,335 | 535,104 |
| · Other Non-current Assets | 273,276 | 100,562 | 899,049 |
| · Others | 13,900,045 | 14,789,413 | 12,978,775 |
| Total Assets | 267,636,850 | 355,829,966 | 321,121,278 |
| [Current Liabilities] | 24,747,871 | 18,356,755 | 14,237,982 |
| [Non-current Liabilities] | 2,513,385 | 4,878,420 | 3,165,909 |
| Total Liabilities | 27,261,256 | 23,235,175 | 17,403,891 |
| [Capital Stock] | 104,985,728 | 113,881,398 | 108,987,979 |
| [Paid-in Capital in Excess of Par Value] | 103,937,248 | 112,744,078 | 107,899,529 |
| [Other Shareholder's Equity] | (5,113,898) | (2,125,287) | (2,033,965) |
| [Treasury Stock] | (52) | (10,305,052) | - |
| [Accumulated Other Comprehensive Income] | 3,286,482 | (2,618,452) | (386,160) |
| [Retained Earnings] | 32,725,367 | 115,420,989 | 89,076,680 |
| [Stock Options] | - | 5,162,262 | - |
| [Non-controlling Interest] | 554,740 | 434,855 | 173,324 |
| Total Shareholder's Equity | 240,375,594 | 332,594,791 | 303,717,387 |
| Valuation Method of Subsidiary·Affiliate·Joint Venture Securities | Cost Method | Cost Method | Cost Method |
| Accounting Period | 2020.08.01 ~2021.07.31 | 2019.08.01 ~2020.07.31 | 2018.08.01 ~2019.07.31 |
| Number of Subsidiaries Consolidated | 15 | 15 | 12 |
| Revenue | 70,030,092 | 86,023,395 | 102,110,081 |
| Operating Income | (7,566,626) | 23,249,287 | 46,450,510 |

| Line Items | The 20 th (FY2020) | The 19 th Term (FY2019) | The 18 th Term (FY2018) |
|--|----------------------------------|---------------------------------------|---------------------------------------|
| | (July, 2021) | (July, 2020) | (July, 2019) |
| Gain (Loss) from Continuing Operations | (10,233,732) | 22,659,176 | 31,181,622 |
| Gain (Loss) from Discontinued Operations | - | - | - |
| Net Income | (11,100,195) | 22,659,176 | 31,181,622 |
| Total Comprehensive Income Attributable to Controlling Interests | (11,392,599) | 21,794,249 | 30,497,095 |
| Total Comprehensive Income Attributable to Non-controlling Interests | 292,404 | 864,927 | 684,527 |
| Basic EPS or Diluted EPS (KRW) | (52,954) | 105,549 | 170,069 |

Note 1) Above was prepared according to the International Financial Reporting Standards (IFRS).

Note 2) Income statement and balance sheet above was calculated collectively by applying Seoul Money Brokerage Services' average exchange rate and exchange rate of corresponding fiscal year. JPY to KRW exchange rate is as follows:

1. Income Statement

- 1) FY20 (this fiscal year) Average exchange rate : 1,059.09
- 2) FY19 (prior fiscal year) Average exchange rate : 1,109.29
- 3) FY18 (prior to prior fiscal year) Average exchange rate : 1,029.41

2. Balance Sheet

- 1) FY20 (this fiscal year) Exchange rate at the end of the fiscal year : 1,048.48
- 2) FY19 (prior fiscal year) Exchange rate at the end of the fiscal year : 1,137.32
- 3) FY18 (prior to prior fiscal year) Exchange rate at the end of the fiscal year : 1,088.45

B) Summary of Separate Financial Information

(Unit: JPY 1,000)

| Line Items | The 20 th (FY2020) | The 19 th Term (FY2019) | The 18 th Term (FY2018) |
|---|----------------------------------|---------------------------------------|---------------------------------------|
| | (July, 2021) | (July, 2020) | (July, 2019) |
| Accounting Standards | IFRS | IFRS | IFRS |
| Auditor | PwC Samil | PwC Samil | PwC Samil |
| (Audit Opinion) | (Unqualified) | (Unqualified) | (Unqualified) |
| [Current Assets] | 18,790,880 | 24,324,166 | 26,375,725 |
| · Cash and Cash Equivalents | 15,458,590 | 17,377,212 | 23,122,902 |
| · Accounts Receivables | 1,244,134 | 1,794,732 | 2,732,846 |
| · Inventories | 8,834 | 7,960 | 6,982 |
| · Others | 2,079,322 | 5,144,262 | 512,995 |
| [Non-current Assets Held for Sale] | - | - | - |
| [Non-current Assets] | 4,762,541 | 4,947,550 | 1,568,678 |
| · Investments | 3,512,408 | 4,249,998 | 488,470 |
| · Tangible Assets | 193,059 | 146,769 | 51,843 |
| · Intangible Assets | 28,031 | 40,428 | 47,662 |
| · Others | 1,029,043 | 510,355 | 980,703 |
| Total Assets | 23,553,422 | 29,271,716 | 27,944,403 |
| [Current Liabilities] | 1,001,686 | 914,877 | 934,950 |
| [Non-current Liabilities] | 124,876 | 61,979 | 34,547 |
| Total Liabilities | 1,126,562 | 976,856 | 969,497 |
| [Capital Stock] | 10,013,136 | 10,013,136 | 10,013,136 |
| [Paid-in Capital in Excess of Par Value] | 9,913,136 | 9,913,136 | 9,913,136 |
| [Other Shareholder's Equity] | (487,744) | (186,868) | (186,868) |
| [Treasury Stock] | (5) | (906,082) | - |
| [Retained Earnings] | 2,988,167 | 9,036,792 | 7,278,393 |
| [Accumulated Other Comprehensive Income] | 170 | (29,151) | (42,891) |
| [Stock Options] | - | 453,897 | - |
| Total Shareholder's Equity | 22,426,859 | 28,294,860 | 26,974,906 |
| Valuation Method of Subsidiary·Affiliate·Joint Venture Securities | Cost Method | Cost Method | Cost Method |
| Accounting Period | 2020.08.01 ~2021.07.31 | 2019.08.01 ~2020.07.31 | 2018.08.01 ~2019.07.31 |
| Revenue | 4,055,074 | 5,432,268 | 8,804,201 |
| Operating Income | 664,793 | 1,547,672 | 1,925,397 |
| Gain (Loss) from Continuing Operations | (46,830) | 1,758,399 | 2,686,753 |
| Gain (Loss) from Discontinued Operations | - | - | - |

| | | | |
|--------------------------------|----------|-----------|-----------|
| Net Income | (97,036) | 1,758,399 | 2,686,752 |
| Basic EPS or Diluted EPS (JPY) | (461) | 8,516 | 14,983 |

Note 1) Above was prepared according to the International Financial Reporting Standards (IFRS).

(Converted into KRW)

(Unit: KRW mm)

| Line Items | The 20 th (FY2020) | The 19 th Term (FY2019) | The 18 th Term (FY2018) |
|---|----------------------------------|---------------------------------------|---------------------------------------|
| | (July, 2021) | (July, 2020) | (July, 2019) |
| Accounting Standards | IFRS | IFRS | IFRS |
| Auditor | PwC Samil | PwC Samil | PwC Samil |
| (Audit Opinion) | (Unqualified) | (Unqualified) | (Unqualified) |
| [Current Assets] | 197,018,619 | 276,643,605 | 287,086,579 |
| · Cash and Cash Equivalents | 162,080,224 | 197,634,508 | 251,681,227 |
| · Accounts Receivables | 13,044,496 | 20,411,846 | 29,745,662 |
| · Inventories | 92,623 | 90,531 | 75,996 |
| · Others | 21,801,275 | 58,506,720 | 5,583,694 |
| [Non-current Assets Held for Sale] | - | - | - |
| [Non-current Assets] | 49,934,290 | 56,269,476 | 17,074,275 |
| · Investments | 36,826,895 | 48,336,077 | 5,316,752 |
| · Tangible Assets | 2,024,185 | 1,669,233 | 564,285 |
| · Intangible Assets | 293,899 | 459,796 | 518,777 |
| · Others | 10,789,310 | 5,804,370 | 10,674,461 |
| Total Assets | 246,952,919 | 332,913,081 | 304,160,854 |
| [Current Liabilities] | 10,502,477 | 10,405,079 | 10,176,463 |
| [Non-current Liabilities] | 1,309,300 | 704,900 | 376,027 |
| Total Liabilities | 11,811,777 | 11,109,979 | 10,552,490 |
| [Capital Stock] | 104,985,728 | 113,881,398 | 108,987,979 |
| [Paid-in Capital in Excess of Par Value] | 103,937,248 | 112,744,078 | 107,899,529 |
| [Other Shareholder's Equity] | (5,113,898) | (2,125,287) | (2,033,965) |
| [Treasury Stock] | (52) | (10,305,052) | - |
| [Retained Earnings] | 31,330,333 | 102,777,243 | 79,221,669 |
| [Accumulated Other Comprehensive Income] | 1,782 | (331,540) | (466,848) |
| [Stock Options] | - | 5,162,262 | - |
| Total Shareholder's Equity | 235,141,131 | 321,803,102 | 293,608,364 |
| Valuation Method of Subsidiary-Affiliate-Joint Venture Securities | Cost Method | Cost Method | Cost Method |
| Accounting Period | 2020.08.01 ~2021.07.31 | 2019.08.01 ~2020.07.31 | 2018.08.01 ~2019.07.31 |
| Revenue | 42,946,883 | 60,259,776 | 90,631,326 |
| Operating Income | 7,040,756 | 17,168,219 | 19,820,229 |

| | | | |
|--|-------------|------------|------------|
| Gain (Loss) from Continuing Operations | (495,972) | 19,505,799 | 27,657,704 |
| Gain (Loss) from Discontinued Operations | - | - | - |
| Net Income | (1,027,699) | 19,505,799 | 27,657,694 |
| Basic EPS or Diluted EPS (JPY) | (4,882) | 94,467 | 154,237 |

Note 1) Above was prepared according to the International Financial Reporting Standards (IFRS).

Note 2) Income statement and balance sheet above was calculated collectively by applying Seoul Money Brokerage Services' average exchange rate and exchange rate of corresponding fiscal year. JPY to KRW exchange rate is as follows:

1. Income Statement

- 1) FY20 (this fiscal year) Average exchange rate : 1,059.09
- 2) FY19 (prior fiscal year) Average exchange rate : 1,109.29
- 3) FY18 (prior to prior fiscal year) Average exchange rate : 1,029.41

2. Balance Sheet

- 1) FY20 (this fiscal year) Exchange rate at the end of the fiscal year : 1,048.48
- 2) FY19 (prior fiscal year) Exchange rate at the end of the fiscal year : 1,137.32
- 3) FY18 (prior to prior fiscal year) Exchange rate at the end of the fiscal year : 1,088.45

6) Matters on the Business Group the Tender Offeror is related to

The company does not fall under the category of Business Group according to the Monopoly Regulation and Fairtrade Act. As of the date the report is written, there are currently 15 non-publicly listed affiliates.

(Date of basis: July 31, 2021)

| Name of Company | Description | Place of location | Percentage of Ownership (%) | Corporation Registration Number |
|--|--------------------------|-------------------|-----------------------------|---------------------------------|
| SNK Asia Co., Ltd. | Subsidiary | Hong Kong | 100% | 32454257-000 |
| SNK PLAYMORE USA CORPORATION | | United States | 100% | BL-LIC-027642 |
| SNK Entertainment Co., Ltd. | | Japan | 100% | 1209-01-017609 |
| Therafesta Co., Ltd. | | Japan | 100% | 1209-01-032140 |
| LEDO SNK Co., Ltd. | | Hong Kong | 100% | 65371072-000 |
| SNK Beijing Corporation | | China | 100% | 91110108MA002L0487 |
| SNK interactive Co., Ltd. | | Korea | 100% | 110111-6498079 |
| ZP SNK TMT Fund I L.P. | | Cayman Islands | 50% | ET-107877 |
| Tibet Seika Culture Media Co.,Ltd. | Subsidiary of Subsidiary | China | 80% | 91540125MA6T15RD1P |
| Tibet Seiyō Culture Media Co.,Ltd. | | China | 100% | 91540125MA6T1F5R31 |
| Ili Seiyō Culture Media Co.,Ltd. | | China | 100% | 91654002MA77HNJA4Y |
| Tianjin Seiyō Culture Media Co.,Ltd. | | China | 100% | 91120116MA06HQXY4H |
| Shin Nihon Kikaku Beijing Co., Ltd | | China | 100% | 91110108MA01PCG5XF |
| Jiaxing Zhong Ping Guo Jing Equity Investment Fund Limited Partnership | | China | 99.9% | 91330402MA29FW4F6K |
| Zhejiang Seiyō Culture Media Co., Ltd. | | China | 100% | 91330604MA2JQ1DH4K |

Notes) Subsidiary Ili Seika Culture Media Co.,Ltd. has liquidated its corporation in current business year.

2. Overview of SNK Share Trading

(Unit : KRW, Stocks)

| Type | Description | November, 2021 | October, 2021 | September, 2021 | August, 2021 | July, 2021 | June, 2021 | |
|------|----------------|-------------------|---------------|-----------------|--------------|------------|------------|-----------|
| KDR | Stock Price | Maximum | 23,300 | 19,550 | 20,000 | 21,000 | 22,350 | 22,650 |
| | | Minimum | 18,350 | 17,850 | 18,450 | 17,600 | 20,750 | 20,900 |
| | | Average | 21,263 | 18,562 | 19,285 | 19,460 | 21,495 | 21,695 |
| | Trading Volume | Monthly Aggregate | 11,514,054 | 1,088,567 | 1,252,958 | 1,026,917 | 1,544,391 | 1,423,793 |
| | | Daily Average | 523,366 | 57,293 | 65,945 | 48,901 | 70,200 | 64,718 |

Note 1) Average price was calculated by dividing monthly aggregate sum of trading by monthly aggregate trading volume, provided by Korea Exchange.

Note 2) Above transaction status of the tender offer stock is data on the transactions undertaken during the period starting from first day and ending on the last day corresponding month.

Note 3) Transactions of the shares during the six months period (June 17, 2021 ~ December 16, 2021) prior to the date of passage of resolution approving the tender offer are as below.

| Description | | Based on 6 months prior to Resolution Date of Tender Offer |
|----------------|---------------|--|
| Stock Price | Maximum | 23,300 |
| | Minimum | 17,600 |
| | Average | 21,210 |
| Trading Volume | Daily Average | 151,756 |

3. Transaction between Tender Offeror and Target company

N/A

III. Purpose of Tender Offer and Future Plans

1. Purpose of Tender Offer

On November 26, 2020, the Tender Offeror signed a SPA (Share Purchase Agreement) to acquire the shares equivalent to 6,065,789 KDRs (28.8% of total shares outstanding) from ZUIKAKU CO., LIMITED, the former largest shareholder of the target. At the same time, the Tender Offeror signed a SPA with Perfect World Co., Ltd., the second largest shareholder to acquire shares equivalent to 947,781 KDRs (4.5%) on the same day as the above SPA.

Meanwhile, the Tender Offeror announced that the Tender Offeror would make a tender offer subject to the condition that all condition precedent agreed with ZUIKAKU CO., LIMITED and Perfect World Co., Ltd., would be satisfied upon closing of the transaction and that the Tender Offeror would acquire shares equivalent to 3,727,939 KDRs (17.7%) of the target company by way of the tender offer.

This tender offer is pursuant with the offeror's above announcement, to acquire shares equivalent at least to 3,727,939 KDRs (17.7%) and up to 100%. This tender offer will also allow more flexibility and efficiency in decision-making for company's operation and improve company's competitiveness as the largest shareholder will have a majority shares of the Target Company. In addition, the Tender Offeror intends to make the target company its wholly owned subsidiary by acquiring all of the target company's remaining KDRs. The offeror also intends to voluntarily delist the target company KDRs, pursuant to the related laws and regulations.

2. Future Plans

A. Plans on the target company

If the Tender Offeror reaches, through the tender offer or other measures, a target stake which is enough to voluntarily delist from KOSDAQ market, the Tender Offeror will implement measures for the delisting, pursuant to the related laws and regulations.

The offeror has no specific future plans for bringing changes to the company's governance, financial structure and business plan. After this tender offer, the offeror expects to make the target company its wholly owned subsidiary and plans to focus on strengthening the company's competitiveness and enhancing corporate value based on stable company operations.

B. Plans on the tendered shares

N/A

3. Effects of Tender Offer on the Target Company, Shares, etc.

According to KOSDAQ listing regulations, shares will be categorized as “issues for administration” in the case where the number of minority shareholders is less than 200 and where the number of stocks held by the minority shareholders is less than 20% of total number of floating shares.

However, as the Tender Offeror plans to voluntarily delist the target company, and the target company is expected to proceed with voluntary delisting process, pursuant to related regulations.

IV. Terms of Tender Offer

1. Class and Number of Shares Subject to the Tender Offer

A. Class and Number of Shares Subject to the Tender Offer

| | |
|----------------------|-------------------------------------|
| Company | SNK CORPORATION |
| Class of Shares | Korean Depository Receipts (KDR) |
| Target No. of Shares | 3,727,939 KDR (Max. 14,048,218 KDR) |

Note 1) If the total number of the tendered KDRs in the Korea-Japan tender offer is less than the minimum number of KDRs to be purchased (3,727,939 KDRs), the Tender Offeror will not purchase all of the tendered KDRs. If the total number of the tendered KDRs is equal to or more than the minimum number of shares to be purchased, the Tender Offeror shall purchase all of the Tendered Shares.

Note 2) Furthermore, simultaneously with the tender offer on KDRs in Korea, a tender offer with respect to those shareholders holding original shares (meaning holders of those KDRs that have been converted to original shares) will be undertaken in Japan. As such, the number of KDRs intended for purchase may change depending on the results of the tender offer in Japan.

B. Changes to the no. of shares held by the Tender Offeror (incl. Specially Related Party), etc. when all shares sought through the tender offer have been acquired

| Name | Shareholding as of the Filing Date | | Estimated No. of Shares for Tender Offer | | Shareholding Post Tender Offer | |
|---------------------------------------|------------------------------------|------------------|--|------------------|--------------------------------|------------------|
| | No. of Shares (KDR) | Shareholding (%) | No. of Shares (KDR) | Shareholding (%) | No. of Shares (KDR) | Shareholding (%) |
| Electronic Gaming Development Company | 7,013,579 | 33.3 | 14,048,218 | 66.7 | 21,061,797 | 100.00 |
| Total | 7,013,579 | 33.3 | 14,048,218 | 66.7 | 21,061,797 | 100.00 |

Note) Upon execution of a share purchase agreement resulting in the change to the largest shareholder on November 26, 2020, the Tender Offeror became the largest shareholder on March 24, 2021. Upon execution of the share purchase agreement, it has been publicly disclosed that the Tender Offeror would acquire total of 3,727,939 KDR (17.7%) of the target company by way of a tender offer provided that the conditions precedent as separately agreed with the sellers are satisfied. Furthermore, in accordance with the tender offer agreements executed with each of the previous largest shareholder ZUIKAKU CO., LIMITED and the second largest shareholder Perfect World Co., Ltd. dated as of December 16, 2021, it is anticipated that the two shareholders will each apply to tender 918,902 KDRs (4.36%) and 2,892,219 KDRs (13.73%) remaining after the share transfer, respectively.

2. Terms and Conditions of Tender Offer

A. No. of Shares, price and payment method for tender offer

| | | | |
|---------------------------|--------------------|------------------------------|----------------|
| Class of Shares | Purchase Price | Total No. of Shares Tendered | Payment Method |
| Depository Receipts (KDR) | KRW 37,197 per KDR | Max. 14,048,218 KDR | Cash |

Note) Simultaneously with the tender offer on KDRs in Korea, a tender offer with respect to those shareholders holding original shares (meaning holders of those KDRs that have been converted to original shares) will be undertaken in Japan. As such, the number of KDRs intended for purchase may change depending on the results of the tender offer in Japan.

B. Basis of estimation of tender offer price or exchange ratio

The Tender Offer Price per KDR (hereinafter "Tender Offer Price") of target of this tender offer is KRW 37,197.

The price has set, considering per KDR price paid in accordance with the SPAs with previous largest shareholder, ZUIKAKU CO., LIMITED and the second largest shareholder, Perfect World Co., Ltd., financial information and business strategies announced by Target Company, trends in market price of

KDR of Target Company after listing on the KRX KOSDAQ market, premium applied to determination of tender offer price in this tender offer and tender offer of the same kind, prospects for this tender offer, etc.

Tender Offer Price has been estimated by adding a specific premium to the market price of KDR as of December 15, 2021, one business day before the board resolution of the Target Company.

The Tender Offer Price is based on the following:

- ① Price in which an a 78.4% premium is applied to the closing price at December 15, 2021 (KRW 20,850)
- ② Price in which an a 76.1% premium is applied to the volume weighted average closing price during a one (1) month December 15, 2021 (KRW 21,126)
- ③ Price in which an a 74.1% premium is applied to the volume weighted average closing price during a three (3) months preceding December 15, 2021 (KRW 21,370)
- ④ Price in which an a 75.4% premium is applied to the volume weighted average closing price during a six (6) months preceding December 15, 2021 (KRW 21,210)
- ⑤ Price in which an a 50.5% premium is applied to the volume weighted average closing price during one (1) year preceding December 15, 2021 (KRW 24,715)

C. Purchase method for shares tendered

The Tender Offeror plans to open an account with Tender Offer Agent (Samsung Securities) under its name and purchase the tendered shares on February 15, 2022.

D. Tender Offer Period

| | | |
|---------------|-------------------|---------|
| Starting date | December 17, 2021 | 56 days |
| Expiry Date | February 10, 2022 | |

Tender offer period as regulated under applicable Korean laws is between 20 and 60 days. Meanwhile, the applicable laws in Japan require the tender offer period to be more than 20 business days, and in light of the aforementioned, the Tender Offeror has set a 56 day period for this tender offer from December 17, 2021 to February 10, 2022.

Tender Offeror and Target Company did not enter into any agreement which restricts the target company from contacting a third party that may launch a tender offer counter to the Tender Offeror. Furthermore, by providing such third party with an opportunity to make a counter tender offer during the tender offer period, which is of a comparatively lengthy term, the Tender Offeror seeks to ensure fairness of this tender offer.

E. Date of Payment, Method of Payment and Place

| | | |
|---------------------------|--|---|
| Date of Payment | February 15, 2022 (hereinafter 'Payment Date') | |
| Method of Payment | Immediately after the expiry date of the tender offer period, tender offer notices will be sent to shareholders whose subscriptions are deemed valid ("Subscribing Shareholders") to the address stated in the tender offer subscription form. Payments will be deposited in the accounts opened by the Subscribing Shareholders with the tender offer agent on the Payment Date. On the Payment Date, the KDR's of Target Company will be transferred from the accounts of Subscribing Shareholders to the tender offer account of the Tender Offeror. | |
| Place of Payment | Branch Name | Address |
| | Head office and branch offices of Samsung Securities | Head Office: 11, Seocho-daero 74-gil, Seocho-gu, Seoul Branch Offices: Refer to "Appendix: Samsung Securities Branch List" |
| Return on Tendered Shares | Tendered shares will be immediately revoked in the event of any of the paragraphs below. (1) If the tender offer is revoked by Tender Offeror (after the tender offer announcement in accordance with Article 130, paragraph (1) of FSCMA and Article 150 of its Enforcement Decree); or (2) If measures necessary for revocation are taken after Subscribing Shareholders have tendered. | |

F. Matters related to tax

Payments for shares accepted for purchase will be transferred in the account opened with tender offer agent by the Subscribing Shareholder. However, applicable taxes including securities transaction tax (0.43%) may be withheld or deducted from the purchase price for the shares accepted for purchase, and the remaining amount of the purchase price after such tax withholding or deduction will be deposited in the account.

Subscribing Shareholders should note that transfer income tax may be imposed in accordance with the Income Tax Act as tender offer are considered over-the-counter transactions. Transfer income tax should be filed with and paid to the tax office jurisdiction by he/herself who is subscribing in the tender offer. Please refer to the applicable law for details including taxable income, tax base, tax rate, filing method and payment method.

For non-residents (incl. foreign corporation), the tender offer agent which is the withholding agent, may withhold taxes on capital gains from securities in accordance with applicable laws. However, the withholding tax may be waived if (i) Korean taxes are waived for the respective non-resident based on tax convention, and (ii) the procedure to be eligible for the waiver has been duly carried out by the Subscribing Shareholder.

The responsibility to prove (a) the eligibility for the exemption of withholding tax and reduced tax rate in accordance with a tax treaty and (b) the completion of relevant procedures and authenticity of documents lies with respective non-resident, and the tender offer agent, which is the withholding agent, may chose not to apply the withholding tax waiver and reduced tax rate to the non-resident if the non-resident fails to prove or does not sufficiently prove its eligibility.

G. Relevant information if the Tender Offeror needs to attain a permit, approval, authorization, etc. from the government or court in accordance with applicable laws in order to purchase stocks through a tender offer

N/A

H. Changes to the terms and conditions of Tender Offer

In accordance with applicable laws, the Tender Offeror may amend the terms and conditions of the tender offer prior to the expiry date of the tender offer period by filing a corrective tender offer statement. However, as set forth in Article 136, paragraph (3) of the FSCMA, the Tender Offeror may not modify the terms and conditions related to the following:

- ① Decrease in Purchase Price;
- ② Reduction of Proposed number of stocks;
- ③ Extension of the term of payment of the purchasing price (certain exceptions exist); or
- ④ Reduction of the tender offer period or changes to the type of consideration to be provided to subscribing shareholders (except in the case certain type of considerations that the subscribing shareholders may choose from are added of adding the types of consideration among which subscribing shareholders may choose one) etc.

3. Revocation of Tender Offer (exceptional)

After the tender offer period has begun, the Tender Offeror may revoke the tender offer by the end of the tender offer period when there are exceptional grounds for the revocation in accordance with Article 139, paragraph (1) of FSCMA and Article 150 of its enforcement decree. Even if tender offer is revoked, information on the revocation including reason for revocation will be publicly announced through at least two daily newspapers.

<Exceptional reasons for revocation of a tender offer>

- ① If there is a counter tender offer by a third party;
- ② If the Tender Offeror is dead, dissolved;
- ③ If any bill or check issued Tender Offeror is dishonored, or any current account transaction with a bank is suspended or prohibited; or
- ④ If any cause falling under any of the below occurs to target company:
 - Merger, split-off, split and merger, comprehensive transfer of exchange of stocks;
 - Transfer of takeover of important business or assets of target company (transfer and takeover of business refers to those falling under any of subparagraphs in Article 171 (1) of the Enforcement Decree of the FSCMA);
 - Dissolution or bankruptcy of Target Company;
 - Dishonor of bills or checks issued by Target Company;
 - Suspension or Prohibition of current account transaction with a bank;
 - Delisting of Securities of Target Company; or
 - If Damage equivalent to not less than 10/100 of total assets in the latest business year occur due to natural disasters, calamities, wars, accidents, fire or other disasters.

4. Contract for Purchase Other than Tender Offer (if any)

According to the Tender Offer Agreements signed by Tender Offeror with the previous largest shareholder and second largest shareholder dated as of December 16, 2021, the previous largest shareholder, ZUIKAKU CO., LIMITED and second largest shareholder, Perfect World Co., Ltd. are expected to subscribe this tender offer within 918,902 KDRs (4.36%) and 2,892,219 (13.73%) KDRs of residual stocks. There are no other agreements in connection with purchase of shares.

V. Tender Offer Participation Method and Tender Offer Agent

1. Tender Offer Participation Method

| | | |
|--------------------|---------------------|---|
| Tender Offer Agent | Name of Company | Samsung Securities |
| | Head office Address | 11, Seocho-daero 74-gil, Seocho-gu, Seoul |

Participation Method

1. Parties that intend to participate in this tender offer must receive a prospectus for tender offer in accordance with Article 137 of the FSCMA.

A. An investor who intends to participate in this public offer must receive the prospectus for tender offer prior to subscription and sign a form certifying that he/she has received the prospectus.

B. Any investor who has not received the prospectus for tender offer and/or has not signed the form certifying the receipt of the prospectus is not allowed to participate in this public offer.

C. Prospectus for this tender offer in printed form are available at the head office and branch offices of Samsung Securities which is the tender offer agent of this tender offer.

D. Prospectus for tender offer will not be issued for electronic documents since subscriptions via telephone, fax, online or other means are not accepted in this tender offer.

2. Shareholders of SNK Korea Depository Receipts (KDR) should submit tender offer subscription form through following methods.

A. Shareholders who have the respective KDR in a trust account or securities savings account of the tender offer agent should fill out the tender offer subscription form and submit it to the tender offer agent, and receive a subscription certification form.

B. Shareholders who have the respective KDR in a trust account of brokerage firm other than the tender offer agent should open a transaction account with the tender offer agent under the subscribing shareholder's name and transfer the respective KDR to the account. After filing out the tender offer subscription form and submitting it to the tender offer agent, the shareholder should receive a subscription certification form.

C. Shareholders who have the respective KDR in a tax preferential/tax-empted savings account of a brokerage firm other than the tender offer agent should declare one's intention to the respective brokerage firm to participate in the tender offer. On the expiry date of the tender offer period, the brokerage firm should count the subscription details and submit the subscription forms of shareholders participating in the tender offer and the data on the subscription status to the tender offer agent.

3. Once your SNK KDR have been accepted and transferred to the tender offer agent, withdrawal of the respective DR will not be permitted except in the case stated in V.2. below.

4. To access the documents necessary for opening an account with the tender offer agent, please visit your nearest branch office of Samsung Securities or website (<http://www.samsungpop.com>).

5. Shareholders who reside outside of Korea should instruct the local standing proxy (e.g., trustee bank) to open an account with the tender offer agent and submit a tender offer subscription form on behalf of the shareholder.

6. Shareholders who intend to participate in the tender offer should bring confirmation documents to certify one's real name and subscribe personally (or in the case of shareholders who do not reside in Korea, through their agent) (by visiting a sales office). Subscriptions via telephone, fax, online or other means are not accepted.

* Real Name Confirmation Documents:

A. Individuals: Resident registration card or driver's license

B. Business Entity: Business registration certificate

C. Foreign Investor: Foreign investor registration certificate

7. Shareholders who do not reside in Korea (incl. foreign business entities) may be subject to tax withholdings for capital gains on transfer by the tender offer agent who is the withholding agent in accordance with applicable laws. However, tax withholdings may be waived for shareholder(s) (i) who are exempted from Korean taxes pursuant to tax conventions, and (ii) who have carried out the procedures to be eligible for the exemption.

A. Shareholders not residing in Korea (incl. foreign business entities) who are eligible for the tax withholding waiver for capital gains on transfer should submit the following documents.

① Application form for the tax exemption-waiver for residents outside of Korea pursuant to the Korean tax convention (Enforcement Decree of the Income Tax Act Annex 29-2(2) Form)

② Resident Certificate issued by the authorities of the residing nation of the income earner

③ Other evidential documents to support the acquisition value (if possible)

B. Shareholders not residing in Korea (incl. foreign business entities) who are not eligible for the tax withholding waiver concerning capital gains on transfer should submit only evidential documents to prove the acquisition value (if possible).

| | | |
|--------------------------|---|--|
| | <p>8. Subscriptions will be received until 15:30 of the expiry date of the tender offer period, February 10, 2022.</p> <p>9. Subscribing shareholders should subscribe under their real names in accordance with ‘Act on Real Name Financial Transactions and Confidentiality’, otherwise all of the subscription will not be considered as one.</p> <p>10. After the close of tender offer period and before the settlement date, the tender offer agent should mail tender offeror letter of notice of the tender offer, where the tender offer status, number of KDR expected to be purchased or returned and other details required for settlement are written.</p> | |
| Location of Subscription | Name of Branch | Address |
| | Head Office/Branch Office of Samsung Securities | <p>- Head Office: 11, Seocho-daero 74-gil, Seocho-gu, Seoul</p> <p>- Branch Office: Refer to “Samsung Securities Branch Office List” in the Appendix</p> |

2. Withdrawal of Subscriptions

Shareholders who have participated in the tender offer for SNK KDR may withdraw the entire or part of the subscription at any time before the expiry date of the tender offer period. Shareholders who have withdrawn their subscription are not liable for damages or penalty charges.

Subscribing shareholders who wish to withdraw the subscription should submit the tender offer subscription certification form and tender offer subscription withdrawal form to the head office or branch office of the tender offer agent where the tender offer was subscribed no later than 03:30 pm of February 10, 2021, which is the expiry date of the tender offer period. Once the subscribing shareholder withdraws one’s subscription, the ban on withdrawing SNK stocks deposited in the subscription account for the tender offer is lifted without delay on the day the application for subscription withdrawal is submitted.

3. Tender Offer Agent

A. Name of the Tender Offer Agent

Samsung Securities Co., Ltd.

B. Range of conduction of duty related to the tender offer

- Preparation, filing, and submission of documents related to this tender offer including the tender offer filing statement
- Provision in preparation, distribution and public display of the prospectus for tender offer
- Public announcements related to the tender offer
- Receipt of subscriptions for the tender offer, and receipt and custody of stocks subscribed for the tender offer
- Administration of the tender offer subscription accounts for each shareholder participating
- Returning KDR to shareholders withdrawing from the tender offer
- Returning KDR in the event of retraction of the tender offer
- Procurement of the settlement of the tender offer
 - a. Transferring subscribed KDR to the Tender Offeror’s account
 - b. Depositing payments for shares accepted for purchase into the accounts of subscribed shareholders

- Dispatching letter of notice of the tender offer and other administrative work related to the tender offer
- Other responsibilities in connection with attending to the duties described above
- Duties other than those mentioned above considered necessary for the tender offer as mutually agreed by and between the Tender Offeror and tender offer agent

C. Address of the head office/branch offices and contact no.

Head Office and Branch Offices of Samsung Securities Co., Ltd.

※ Situation of the head office and. ranch offices are written as of the submission date of the tender offer filing statement. For detailed information, please contact Samsung Securities Co., Ltd. (Tel : 02-2020-8000).

- Address of Head Office : 11, Seocho-daero 74-gil, Seocho-gu, Seoul

- Address of Branch Offices : Refer to “Samsung Securities Branch Office List” in the Appendix

<Samsung Securities Branch Office List>

| Branch | Address |
|--------------------------------|---|
| <input type="checkbox"/> 금융센터 | |
| 강남금융센터 | 서울특별시 강남구 남부순환로 2806 군인공제회관 20 층 |
| 강북금융센터 | 서울특별시 중구 을지로 2 가 교원내외빌딩 13 층 |
| 삼성타운금융센터 | 서울특별시 서초구 서초대로 74 길 4 삼성생명서초타워 6 층 |
| <input type="checkbox"/> WM 지점 | |
| 광장동 WM 지점 | 서울특별시 광진구 아차산로 563 대한제지빌딩 4 층 |
| 광주 WM 지점 | 광주광역시 서구 시청로 30 삼성화재빌딩 2 층 |
| 구로디지털 WM 지점 | 서울특별시 구로구 디지털로 306 대흥포스트타워 2 차 2 층 |
| 구미 WM 지점 | 경상북도 구미시 송정대로 120 구미상공회의소 별관 1 층 |
| 대구 WM 지점 | 대구광역시 수성구 달구벌대로 2424 케이씨빌딩 1,2 층 |
| 대구상인 WM 지점 | 대구광역시 달서구 월배로 175 우리빌딩 2 층 |
| 대전 WM 지점 | 대전광역시 서구 대덕대로 243 광신빌딩 4 층 |
| 마포 WM 지점 | 서울특별시 마포구 마포대로 78 경찰공제회자람빌딩 2 층 |
| 목동 WM 지점 | 서울특별시 양천구 오목로 325 대학빌딩 5 층 |
| 반포 WM 지점 | 서울특별시 서초구 잠원로 24 GS 자이플라자 3 층 |
| 부산 WM 지점 | 부산광역시 부산진구 서면로 74 아이온시티빌딩 5 층 |
| 부천 WM 지점 | 경기도 부천시 원미구 신흥로 179 한화생명빌딩 3 층 |
| 분당 WM 지점 | 경기도 성남시 분당구 황새울로 312 번길 26 센트럴타워 3 층 |
| 상계 WM 지점 | 서울특별시 노원구 노해로 464 3 층 삼성증권(상계동, 한화생명빌딩) |
| 송도 WM 지점 | 인천광역시 연수구 센트럴로 194 더샵 센트럴파크 2, A 동 3 층 |
| 송파 WM 지점 | 서울특별시 송파구 송파대로 155 송파농협빌딩 3 층 |
| 수원 WM 지점 | 경기도 수원시 팔달구 권광로 205 삼성화재빌딩 5 층 |
| 순천 WM 지점 | 전라남도 순천시 연향변영길 102 양천회관 2 층 |
| 안산 WM 지점 | 경기도 안산시 단원구 고잔로 88 지스타프라자 4 층 |
| 압구정 WM 지점 | 서울특별시 강남구 논현로 878 중산빌딩 3 층 |
| 여의도 WM 지점 | 서울특별시 영등포구 국제금융로 10, Two IFC 3 층 |
| 영통 WM 지점 | 경기도 수원시 영통구 반달로 7 번길 6 센터프라자 2 층 |

| Branch | Address |
|---------------------------------|---|
| 울산 WM 지정 | 울산광역시 남구 삼산로 281 정앤정클리닉빌딩 2층 |
| 원주 WM 지정 | 강원도 원주시 능라동길 61 정한타워 4층 |
| 이촌 WM 지정 | 서울특별시 용산구 이촌로 64길 14 제일빌딩 3층 |
| 인천 WM 지정 | 인천광역시 남동구 인하로 501 AMC 인천빌딩 3층 |
| 일산 WM 지정 | 경기도 고양시 일산서구 중앙로 1420 진영빌딩 2층 |
| 잠실 WM 지정 | 서울특별시 송파구 송파대로 558 월드타워빌딩 2층 |
| 전주 WM 지정 | 전라북도 전주시 완산구 흥산로 250 우리들빌딩 2층 |
| 제주 WM 지정 | 제주특별자치도 제주시 노형로 407 노형타워 1층 |
| 창원 WM 지정 | 경상남도 창원시 성산구 중앙대로 82 이수빌딩 1층 |
| 천안아산 WM 지정 | 충청남도 아산시 고속철대로 147 우성메디피아빌딩 2층 |
| 청주 WM 지정 | 충청북도 청주시 흥덕구 대농로 47 흥복드림몰 2층 |
| 파르나스 WM 지정 | 서울특별시 강남구 테헤란로 521 파르나스타워 26층 |
| 판교기업금융지점 | 경기도 성남시 분당구 대왕판교로 606번길 58 푸르지오월드마크상가 2층 |
| 평촌 WM 지정 | 경기도 안양시 동안구 동안로 120 2층(호계동,올림픽스포츠펀터) |
| 포항 WM 지정 | 경상북도 포항시 남구 포스코대로 346 KT 빌딩 3층 |
| 합정 WM 지정 | 서울특별시 마포구 월드컵로 3길 14 마포한강 2차푸르지오 딜라이트스퀘어 3층 |
| 해운대센텀 WM 지정 | 부산광역시 해운대구 센텀동로 25(우동, 대우월드마크센텀아파트) 2층 208~209호 |
| <input type="checkbox"/> SNI 지정 | |
| SNI 강남파이낸스센터 | 서울특별시 강남구 테헤란로 152 강남파이낸스센터 25층 |
| SNI 호텔신라 | 서울특별시 중구 동호로 249 호텔신라 6층 |
| <input type="checkbox"/> WM 브랜치 | |
| 강동 WM 브랜치 | 서울특별시 강동구 천호대로 1006 브라운스톤천호 2층 |
| 거제 WM 브랜치 | 경상남도 거제시 고현로 11길 26 하나메디컬빌딩 2층 |
| 관악 WM 브랜치 | 서울특별시 관악구 관악로 168 디오슈퍼리움 2층 |
| 김해 WM 브랜치 | 경상남도 김해시 내외중앙로 55 정우빌딩 3층 |
| 수지 WM 브랜치 | 경기도 용인시 수지구 수지로 119 데이파크 C동 3층 |
| 반포퍼스티지 WM 브랜치 | 서울특별시 서초구 반포대로 287 래미안퍼스티지 중심상가 2층 |
| 익산 WM 브랜치 | 전라북도 익산시 익산대로 16길 39 SK 빌딩 1층 |
| 진주 WM 브랜치 | 경상남도 진주시 진양호로 526 3층(본성동, 명원빌딩) |

VI. Funds Necessary for Tender Offer and Matters on Its Financing

1. Funds necessary for the tender offer

(Unit: KRW)

| | | |
|----------------------------|---------------|-----------------|
| Total Cost of Purchase (A) | Cash | 522,551,564,946 |
| | Securities | - |
| Fees (B) | 2,612,757,825 | |
| Others (C) | 30,000,000 | |
| Total (A+B+C) | Cash | 525,194,322,771 |
| | Securities | - |

Note 1) The total cost of purchase and fees have been estimated based on the assumption that total of 14,048,218 KDR, which is the maximum number of KDR to be acquired with this tender offer, would be acquired.

Note 2) Other costs include costs associated with public announcements, printing-distribution and other related costs, and are subject to change.

2. Matters on Its Financing

A. Cash requirement for the tender offer

(Unit: USD)

| | | | | |
|--|--|---|----------------|---------|
| Breakdown of financing for the cost of purchase | Self-funding (A) | 450,051,639.41 | | |
| | Loan (B) | - | | |
| | Others (C) | - | | |
| | Total (A+B+C) | 450,051,639.41 | | |
| Deposit balance with financial institutions to be used as purchase funds | Deposit Balance, etc. | Name of Financial Institution | Total | Remarks |
| | | KEB Hana Bank | 450,051,639.41 | |
| | | Total | 450,051,639.41 | |
| | Plans for withdrawal of Purchasing Funds | The above fund is deposited separately at the account under the name of Tender Offeror, and withdrawal of the funds will not be feasible until the settlement date. In addition, if the fund becomes insufficient, because of change in currency rate or other reasons, the Tender Offeror will deposit additional funds. | | |

Note1) Fees and other cost were not deposited separately, because it is not required by related laws and regulations.

Note2) Total cost of purchase, KRW 522,551,564,946, is equivalent of USD 443,127,170.75 (applying currency rate announced on December 16, 2021 by SMBS, 1 USD = 1,185.2 KRW). However, considering potential fluctuations in currency rate, the Tender Offeror has deposited USD 450,051,639.41 .

B. Matters on Loans

N/A.

C. Securities necessary for the tender offer

N/A.

VII. Matters on Preliminary Discussion with Tender Offeror

1. Matters of preliminary discussion between executives and largest shareholders of tender offeror and tender offer agent

A. Matters on the tender offer including terms, purpose, method and timing

The Tender Offeror has become the largest shareholder of the Target Company on March 24, 2021 upon execution of a share purchase agreement resulting in change of the largest shareholder on November 26, 2020.

Also, according to each of the Tender Offer Agreement as executed with the previous largest shareholder prior to the execution of the share purchase agreement, ZUIKAKU CO., LIMITED, and the second largest shareholder, Perfect World Co., Ltd. dated as of December 16, 2021, and public disclosure relating thereto the Tender Offeror has agreed to launch this tender offer to acquire at least 3,727,939 KDR (17.70%) of the Target Company subject to the condition that the condition precedent as separately agreed upon with ZUIKAKU CO., LIMITED and Perfect World Co., Ltd. is satisfied. It is anticipated that ZUIKAKU CO., LIMITED and Perfect World Co., Ltd. will subscribe to tender their remaining shares after transfer of shares which are 918,902 KDR (4.36%) and 2,892,219 KDR (13.73%) respectively

The Tender Offeror has notified its specially-related parties that during the tender offer period, the Tender Offeror and its specially-related parties are restricted from acquiring the shares in any other way than the tender offer pursuant to Article 140 of the ‘Capital Market and Financial Investment Services Act’, and that violation of the aforementioned law may subject the Tender Offeror or its specially-related parties to sanctions including criminal sanctions.

Please refer to “III. The Goals of the Tender Offer and Further Plans” of this filing statement for the Tender Offeror’s objectives, background and process, and further plans.

B. Matters on further plans of the tender offeror such as tender offeror’s further merger, de-merger, business transfer, tender offer, and appointment of executive officers

There was no preliminary discussion on the matters on further plans of the Tender Offeror such as tender offeror’s further merger, de-merger, business transfer, and tender offer.

The Tender Offeror intends to make the target company its wholly owned subsidiary. The Tender Offeror also intends to voluntarily delist the target company KDRs, pursuant to the related laws and regulations.

C. Matters concerning management of the company, such as profit offering of the executives of the tender offeror, and buyouts

There was no preliminary discussion on the matters concerning the management of the company, such as profit offering of the executives of the Tender Offeror, and buyouts referring

to this tender offer.

D. Other matters concerning tender offer or further plans of the company

There was no preliminary discussion on other matters concerning the tender offer or with respect to any potential plans regarding the tender offer or the company by and between the Tender Offeror and executives of the Target Company.

2. Possible Conflict of Interest between the largest shareholders and executives of the Tender Offeror and the Tender Offeror Agent

There are no matters relating to any conflict of interest by and between the largest shareholders, executives, or shareholders and the Tender Offeror.