

Report for the Results of Issuance (merger)

Webzen Inc.

Chief Executive Officer : Chang Keun Kim, Byoung Gwan Kim

Chief Financial Officer : Hwi Joon Shin

14th Floor, Daerung Post Tower 2nd
182-13 Guro-Dong Goru-Gu
Seoul, Korea 152-790
(Address of principal executive offices)

I . Merger Timeline

Item		Webzen Inc.	NHN Games Co., Ltd.
Resolution of Board of Directors Approving the Merger		15 April 2010	15 April 2010
Date of the Merger Agreement		15 April 2010	15 April 2010
Determination of Shareholders for General Shareholders Meeting on Merger		6 May 2010	6 May 2010
General Shareholders Meeting for Approval of Merger		4 June 2010	28 May 2010
Term for Exercising Appraisal Rights of Objecting Shareholders	Commencement	5 June 2010	29 May 2010
	Termination	25 June 2010	17 June 2010
Date of Merger		7 July 2010	7 July 2010
General Assembly for Merger Completion Report		8 July 2010	8 July 2010
Announcement of Merger Completion Report		9 July 2010	9 July 2010
[Other Schedule]			
Announcement of Closure of Shareholder List		20 April 2010	20 April 2010
Period of Closure of Shareholder List	Commencement	7 May 2010	7 May 2010
	Termination	11 May 2010	11 May 2010
Period of Prior Notice of Shareholders Objecting to the Merger	Commencement	19 May 2010	13 May 2010
	Termination	3 June 2010	3 June 2010
Announcement of Submission of Objections by Creditors		5 June 2010	5 June 2010
Period of Submission of Objections by Creditors	Commencement	6 June 2010	6 June 2010
	Termination	6 July 2010	6 July 2010
Period of Submission of Old Shares	Commencement	-	6 June 2010
	Termination	-	6 July 2010
Expected Date of Merger Registration		12 July 2010	
Expected Date of Issuance		5 August 2010	
Expected Date of Listing New Shares		6 August 2010	

Note 1) The general assembly for merger completion report shall be replaced by the newspaper notice per resolution of the board of directors.

II. Shares of Major Shareholders

1. Share Holdings of the Largest Shareholders and Related Parties Before and After the Merger

Shareholder	Type	Before Merger		After Merger		Note
		No. of Shares	Share	No. of Shares	Share	
NHN Games Co., Ltd.	Common	3,469,784	26.74%	-	-	Convert to treasury shares after merger
NHN Corp.	Common	-	-	9,435,763	28.50%	
Chang Keun Kim	Common	10,000	0.08%	10,000	0.03%	CEO of Webzen Inc.
Byoung Gwan Kim	Common	-	-	9,401,873	28.40%	CEO of NHN Games Co., Ltd.
Total	Common	3,479,784	26.82%	18,847,636	56.93%	
Total No. of Issued Shares	Common	12,974,000	100.00%	33,103,627	100.00%	

2. Plan for Transfer of Shares of Largest Shareholder Etc., After Merger

Not Applicable

3. Restriction of Sale of Shares of Largest Shareholder Etc., and Authority

This is a merger by the KOSDAQ-listed corporation Webzen of the unlisted company NHN Games and is deemed an "indirect listing" in accordance with Article 19 Paragraph 1 of the KOSDAQ Market Listing Rules stipulating the change of largest shareholder. Therefore, in accordance with Article 22 Paragraph 1 of the KOSDAQ Market Listing Rules the largest shareholder of the dissolving corporation (NHN Games), NHN Corp. and related parties must put Webzen shares acquired from the merger in protective entrustment of the Korea Securities Depository for 2 years from the day of merger ("Sale Restriction Period"). However, after the first year of the Sale Restriction Period, up to 5% of the shares so acquired during the merger may be sold each month.

[Protective Entrustment of the Largest Shareholder of Dissolving Corporation]

Name of Shareholder	Relationship	Shares in Protective Entrustment	Term of Entrustment	Note
NHN Corp.	Largest Shareholder	9,435,763	2 years	Mandatory protective entrustment
Byoung Gwan Kim	Related Party	9,401,873	2 years	Mandatory protective entrustment
Total		18,837,636		

III. Item Regarding the Appraisal Rights of Objecting Shareholders

1. Expected Price of Appraisal Rights

(1) Expected purchase price of share for Webzen in response to the exercise of appraisal rights

Company for Agreement	KRW 12,144 per Share
Basis for Calculation	Value calculated in accordance with Article 176-7 of the Enforcement Decree of the Financial Investment Services and Capital Markets Act
Procedure if agreement is not made	When the company in question or the shareholder exercising appraisal rights disagree on the proposed price of the company, request can be made to a court to determine the price in accordance with Article 165-5 Paragraph 3 of the Financial Investment Services and Capital Markets Act

※ Formula for Calculating Expected Share Purchase Price (As of April 14th, 2010)

Item	Price	Period related to the Calculation
① Weighted average stock price of traded volume within past two months	12,224	16 FEB 2010 ~ 14 APR 2010
② Weighted average stock price of traded volume within past one month	12,068	15 MAR 2010 ~ 14 APR 2010
③ Weighted average stock price of traded volume within past one week	12,140	08 APR 2010 ~ 14 APR 2010
Calculated purchase price $\{((①+②+③)/3)\}$	12,144	-

The share values and traded volumes for the two months prior to April 14th, 2010 used to calculate the aforementioned price are as follows.

Date	Closing Price	Traded Volume	Traded Volume times Closing Price
16 FEB 2010	12,550	154,571	1,939,866,050
17 FEB 2010	12,700	110,231	1,399,933,700
18 FEB 2010	12,750	67,831	864,845,250
19 FEB 2010	12,600	221,725	2,793,735,000
22 FEB 2010	12,600	131,854	1,661,360,400
23 FEB 2010	12,800	159,268	2,038,630,400
24 FEB 2010	12,650	73,337	927,713,050
25 FEB 2010	12,600	95,065	1,197,819,000
26 FEB 2010	12,800	106,250	1,360,000,000
02 MAR 2010	12,600	65,835	829,521,000
03 MAR 2010	12,400	74,067	918,430,800
04 MAR 2010	12,350	125,449	1,549,295,150
05 MAR 2010	12,000	134,856	1,618,272,000
08 MAR 2010	11,850	150,788	1,786,837,800
09 MAR 2010	11,800	104,461	1,232,639,800
10 MAR 2010	12,200	118,711	1,448,274,200
11 MAR 2010	12,100	65,493	792,465,300
12 MAR 2010	12,150	58,042	705,210,300
15 MAR 2010	12,150	60,983	740,943,450
16 MAR 2010	11,900	77,284	919,679,600

17 MAR 2010	11,900	137,104	1,631,537,600
18 MAR 2010	11,750	60,607	712,132,250
19 MAR 2010	11,750	155,894	1,831,754,500
22 MAR 2010	11,450	100,669	1,152,660,050
23 MAR 2010	11,700	81,950	958,815,000
24 MAR 2010	11,550	35,591	411,076,050
25 MAR 2010	11,450	63,073	722,185,850
26 MAR 2010	11,600	45,778	531,024,800
29 MAR 2010	12,000	122,115	1,465,380,000
30 MAR 2010	12,300	244,736	3,010,252,800
31 MAR 2010	12,550	211,329	2,652,178,950
01 APR 2010	12,500	85,945	1,074,312,500
02 APR 2010	12,500	91,711	1,146,387,500
05 APR 2010	12,050	69,492	837,378,600
06 APR 2010	11,900	59,211	704,610,900
07 APR 2010	12,100	130,855	1,583,345,500
08 APR 2010	12,100	115,379	1,396,085,900
09 APR 2010	12,350	180,251	2,226,099,850
12 APR 2010	12,350	166,751	2,059,374,850
13 APR 2010	12,200	53,629	654,273,800
14 APR 2010	11,800	210,387	2,482,566,600
Weighted average stock price of traded volume within past two months (A)		4,578,558	55,968,906,100
Weighted average stock price of traded volume within past one month (B)		2,560,724	30,904,056,900
Weighted average stock price of traded volume within past one week (C)		726,397	8,818,401,000
Average(D)={(A+B+C)/3}			12,144

(2) Expected Purchase Price for NHN Games in response to the exercise of the appraisal rights

In accordance with Article 374-2 Paragraph 3 of the Commercial Code, the stock purchase price is determined through an agreement between the shareholders requesting purchase and the company. However, if an agreement is not reached within two months of NHN Games having received the request for shares purchase, the company in question or the shareholder requesting the purchase can request that a court determine the purchase price in accordance with Article 374-2 Paragraph 4 of the Commercial Code. As such, NHN Games plans to confer with the shareholders, who gave notification of their objection to the merger in written form prior to the day before the date of the special general shareholders meeting, on the purchase price.

2. Result of Exercising Appraisal Rights

(1) Webzen

(unit: Share)

Claimant		Term for Exercising Appraisal Rights of Objecting Shareholders	No. of shares subject to appraisal rights	Note
Personal investors	193 person	5 June 2010 ~ 25 June 2010	363,665	-
Institutional investors	Inslucky Co.,, Inc.		300	-
	Kookmin Bank(Sky IB)		175,922	-
	Kookmin Bank (Yuri Asset)		220	-
	CREDIT SUISSE		87	-

	FINANCIAL			
	Total	-	540,194	-

(2) NHN Games

(unit: Share)

Claimant		Term for Exercising Appraisal Rights of Objecting Shareholders	No. of shares subject to appraisal rights	Note
Personal investors	-	5 June 2010 ~ 25 June 2010	-	-
Institutional investors	-		-	-
Total		-	-	-

3. Expected Date of buying stocks

(1) Webzen : 23 July, 2010

(2) NHN Games : Not Applicable

4. Method of Acquiring Appraisal Funds:

(1) Webzen : Use existing funds or procure funds

(2) NHN Games : Not Applicable

5. Method of Selling of Shares Acquired through the Appraisal Process

The shares acquired through the appraisal process are expected to be sold within 3 years of purchasing such shares, in accordance with Article 165-5 Paragraph 4 of the Financial Investment Services and Capital Markets Act and Article 176-7 Paragraph 3 of its Enforcement Decree.

IV. Items for protection of Creditors

Wezen Inc. and NHN Games Co., Ltd. Implemented the announcement of submission of objections by creditors in the Korea Economic Daily on 5 June, 2010 and each notification for creditors. No one submit objection during period of submission of objections by creditors(6 June 2010 ~ 6 July 2010)

V. Items for relevant lawsuit

Not Applicable

VI. Items for allotment of new shares

1. Allotment of new shares

(1) Type of new shares : Registered common shares of Wezen Inc.

(2) The basic date of allotment of new shares and the condition of allotment
1.57262712 shares of surviving corporation(Webzen Inc.) issued per 1 share of dissolving corporation(NHN Games Co., Ltd) Issued to shareholders Listed as of the date of Merger(7 July 2010)

(3) The disposal method of odd-lot stocks
Odd lot stocks will be paid to shareholders with cash calculated as the closing price date of Listing New Shares.

(4) Items for Listing New Shares
New Shares issued following this merger will be issued on 6 August 2010 and expected date of listing New Shares is 6 August 2010. The aforementioned schedule contains expected dates as of the submission date of the Report on Important Items and is subject to change due to the amendment of related laws, consultation and authorization processes of the relevant agencies or other relevant circumstances.

2. Grant and other Issuance and Payment

Following the acquisition of NHN Games, webzen will not pay extra grant for merger besides issuance of new shares following this merger

3. Merger Ratio

	Surviving Corporation (Webzen Inc.)	Dissolving Corporation (NHN Games Co., Ltd.)
Value per share	11,800 KRW	18,557 KRW
Merger Ratio	1: 1.57262712	

※ 1.57262712 shares of surviving corporation issued per 1 share of dissolving corporation.

VII. Select Post-Merger Financial Information

[Pro Forma Balance Sheet]

Account Item	Before Merger (As of December 31 st , 2009)		After Merger
	Webzen Inc.	NHN Games Co., Ltd.	
[Liquid Assets]	88,921	5,444	94,365
Quick Assets	88,921	5,444	94,365
Inventory	-	-	
Non Liquid Assets	43,327	56,787	100,114
Investment Assets	459	54,142	54,601
Tangible Assets	3,879	329	4,208
Intangible Assets	5,344	782	6,126
Other Non Liquid Assets	33,646	1,534	35,180
Total Assets	132,248	62,231	194,479
[Liquid Debt]	7,159	20,649	27,808
[Non Liquid Debt]	4,852	18,957	23,809
Total Debt	12,012	39,606	51,618
[Capital]	6,487	6,400	12,887
[Capital Surplus]	135,892	7,027	142,919
[Capital Adjustment]	(18,717)	724	-17,993
[Other Integrated Total Income and Loss]	(1,442)	372	-1,070
[Profit Surplus]	(1,983)	8,103	6,120
Total Capital	120,237	22,625	142,862

[Pro Forma Income Statement]

Account Item	Before Merger (As of December 31 st , 2009)		After Merger
	Webzen Inc.	NHN Games Co., Ltd.	
Sales	27,802	25,299	53,101
Business Profits	-1,546	12,473	10,927
Non-operating Revenue	6,418	5,420	11,838
Non-operating Costs	3,499	10,718	14,217
Net Profits Before Corporate Tax	1,373	7,175	8,548
Corporate Tax Costs	1,055	204	1,259
Net Profit for Term	318	6,971	7,289

※ The estimated balance sheet and income statement above are simple addition of the numbers on the audit reports as of December 31st, 2009, and can be different from financial statements drafted in accordance with corporate Generally Accepted Accounting Principles