

DELIVERED ELECTRONICALLY

October 19, 2026

To: The Board of Directors of Orion Corp.

Mr. Seung-jun Lee / Mr. In-chul Hur / Mr. Seung-kwon Roh / Mr. Hyun-kyu Lee / Mr. Chan-yeop Song

Dear Members of the Board,

We are Flashlight Capital Partners (“Flashlight Capital”), a Singapore-based investor focused on long-term investments in listed companies. We own shares of Orion Corp. (“Orion” or the “Company”) through the accounts we manage.

On September 15, 2026, we wrote to the Company requesting a meeting with the Board and access to the shareholder register, so that we could communicate with our fellow shareholders. The Company called to verify our shareholding, and has been silent since. This is deeply disappointing: a company that will not answer a shareholder’s most basic requests is hardly ready to discuss its governance.

We therefore set out our concerns publicly, for the Board and our fellow shareholders.

THE BEST COMPANY

Orion is Korea’s largest confectioner, with a 22% share of the domestic market.¹ Its brands, from Choco Pie to Poca Chip, are loved by generations of Koreans and sold in more than 60 countries. Its financials are just as strong: since 2021, revenue has grown 9% a year and operating profit 11%, with a 17% operating margin, well above its Korean peers.² Two-thirds of revenue comes from abroad, mostly from its own factories in China, Vietnam, Russia and India.³

The timing could hardly be better. Among overseas fans of Korean culture, food is the most popular category (55.1%) and the one they most want to buy (67.4%), yet the least consumed. Samyang Foods shows what happens when K-food becomes a brand: after its Buldak noodles went viral, its market value rose from KRW 1.6 trillion to KRW 9.3 trillion between 2023 and 2025. Samyang is now worth more than twice as much as Orion (KRW 9.3 trillion vs. KRW 4.3 trillion), on about 70% of its revenue.

Few Korean consumer companies are better placed than Orion to become the next global K-food brand.

THE WORST GOVERNANCE

Unfortunately, Orion’s governance could not be further from its trusted brand image. In our view, it is the worst of any major Korean company.

First, cash is hoarded, not returned to the shareholders who own it.

Orion holds KRW 2.1 trillion in net cash and financial assets, nearly half of its market capitalization, up from KRW 0.2 trillion in 2020.⁴ Yet its dividend yield is just 2.8%, and its payout ratio trails global peers. Instead, the cash goes to uses that appear to benefit some shareholders more than others.

¹ Nielsen POS retail sales via aT FIS (biscuits, snacks, chocolate cakes and chocolate). 2025 figures are FCP estimates based on 1H 2025 data, the latest available.

² Orion DART filings (FY2021–FY2025); peers: Lotte Wellfood, Haitai, Crown and Nongshim (with Orion, Korea’s five largest confectioners). FCP analysis.

³ Orion DART filings (FY2025).

⁴ Orion annual reports, FY2020–FY2025; includes the LigaChem stake, net of lease liabilities. FCP analysis.

Second, the cash goes into reckless deals, with no explanation to shareholders, let alone their consent.

In the 2000s, Orion diversified into convenience stores, cinemas, cable TV, restaurants and construction, then exited most of them; Megamark alone absorbed KRW 120 billion and was sold for under KRW 30 billion.⁵

Undeterred, in January 2024 Orion announced a KRW 550 billion investment in LigaChem Biosciences; its shares fell 18% the next day. Asked about synergy, management could not defend the deal and said only that “connections might emerge.”⁶ The deal was reportedly led by the heir, Mr. Seo-won Dam, who later became a LigaChem executive.⁷

Now Orion is reportedly bidding for JoongAng Ilbo, a major daily in a creditor-led workout, with about KRW 610 billion in liabilities and guarantees and a KRW 92 billion net loss in the first half of 2026.⁸ We see no synergy between a confectioner and a newspaper. We must ask: whose idea is this?

Third, the owners take the pay, but not the responsibility.

The 2017 holding-company restructuring, presented as a step toward transparency, lifted the family’s stake in Orion Holdings from 28% to 64% at no cash cost.⁹ Vice Chairman Hwa-kyung Lee, the founder’s daughter, and her husband, Chairman Chul-gon Dam, have held no board seat at Orion or Orion Holdings since 2013, yet draw pay from both, outside the shareholder-approved pay cap. Had it been counted, Orion would have breached the cap every year since 2021, by KRW 14.2 billion in total.¹⁰ The National Pension Service voted against the pay cap at four AGMs, to no avail. Including this pay, the couple earns 1.7 times as much per share as other shareholders (a 4.9% yield vs. 2.8%).¹¹

This is not the first time cash has flowed from the Company to the family. In 2013, Chairman Dam’s conviction for misusing some KRW 30 billion of company funds, including on artworks for his home and household expenses, became final, with a three-year prison sentence, suspended for five years. In 2017, Vice Chairman Lee received a suspended sentence at first instance for embezzling company-owned artworks worth some KRW 400 million. In 2018, police sought her arrest, alleging that some KRW 20 billion of company funds had been used to build a private villa; she maintained it was a training center, and no indictment has been reported.¹² We might admire such persistence in a better cause.

The current pay may be legal, but the pattern is one shareholders should oppose, and one a board exists to prevent.

Fourth, the Board condones all of it by looking the other way.

Orion’s Board has five directors: two insiders, two former chief prosecutors and a former regional tax commissioner.

Nestlé, PepsiCo and Mondelēz recruit former CEOs and CFOs¹³; Orion recruits prosecutors. One director, according to media reports, attended a 2017 dinner at which senior prosecutors

⁵ <https://www.topdaily.kr/articles/93822>

⁶ <https://biz.heraldcorp.com/article/3302827>

⁷ <https://biz.newdaily.co.kr/site/data/html/2025/12/26/2025122600098.html>

⁸ As of June 30, 2026: liabilities of KRW 431 billion plus KRW 178 billion in affiliate guarantees; 1H 2026 net loss of KRW 92 billion (JoongAng Ilbo 2026 half-year report). <https://www.hankyung.com/article/2026092219581>

⁹ <https://www.sisafocus.co.kr/news/articleView.html?idxno=170421>

¹⁰ Orion business reports, FY2021–FY2025; FCP analysis.

¹¹ FY2025 dividend (KRW 3,500 per share) plus the couple’s FY2025 pay from Orion (KRW 4.66 billion), divided by their 1.79 million shares held directly at year-end 2025. Yields use the 1-week average share price before the February 11, 2026 board resolution, as disclosed by Orion.

¹² <https://www.kdpress.co.kr/news/articleView.html?idxno=29876>; <https://www.etoday.co.kr/news/view/1555076>; <https://newspim.com/news/view/20181002000497>; <https://www.bizhankook.com/bk/article/17996>.

¹³ Company websites (October 2026).

exchanged envelopes of cash, and was given a warning; Orion appointed him in 2023 despite press scrutiny.¹⁴ Is this a board chosen to oversee management, or to shield the family?

THE SEVERE DISCOUNT

The market has drawn its own conclusions. Since late October 2017, Orion's share price has gone nowhere: KRW 105,500 on October 30, 2017; KRW 108,500 on October 16, 2026. Over the same period, the KOSPI rose 127%.

Orion trades at 3.0x EV/EBITDA, against a median of 11.5x for its peers. On a sum-of-the-parts basis, we estimate its intrinsic value at KRW 10.4 trillion, against a market capitalization of KRW 4.3 trillion: a discount of about 60%.¹⁵

A depressed share price hurts every shareholder, with one possible exception: a family preparing to pass on control, since a lower share price means a lower inheritance tax.

FIVE REQUESTS

We therefore make five requests of the Board.

First, family members should join the Board, or stop drawing pay. Any family member paid by Orion should take a board seat, with the accountability and shareholder approval that come with it. Those unwilling should stop taking cash out of the Company.

Second, tie executive pay to the share price. Vice Chairman Hur owns 0.02% of Orion and CEO Lee owns no shares; other top executives own little or no stock. That tells shareholders what insiders think the shares are worth. Executive pay should be mostly stock-based and linked to performance.

Third, set a plan for excess cash, and raise shareholder returns. The cash belongs to all shareholders, not just the family. Find a good use for it, or return it.

Fourth, stop the newspaper bid, and explain why it was ever made. Shareholders deserve to know who initiated it, and why. To prevent a repeat, the Board should require any major acquisition outside the core business to come with a stated rationale, an independent review and prompt disclosure.

Fifth, consider entering the pet food business. In Korea, pets now outnumber children under five six to one, and the pet food market has grown 10.9% a year since 2020. Confectionery and pet food share core capabilities: manufacturing, brand management, marketing and distribution.

Mars, Nestlé and General Mills have all built major pet businesses alongside their food brands, and Morinaga, one of Japan's leading confectioners, launched snacks for dogs and their owners this year.¹⁶ If Orion wins 20% of the Korean pet food market by 2030, we estimate it would add about KRW 0.8 trillion in revenue, or 11% of the total.

SIGNIFICANT POTENTIAL

With better governance and disciplined capital allocation, we believe Orion's shares could be re-rated to KRW 263,500 at the global peer median multiple, 2.4 times today's price. At Samyang's multiple, they could reach KRW 354,000, 3.3 times.¹⁷

¹⁴ <https://m.seoul.co.kr/news/2017/06/07/20170607500111>;

<http://www.investchosun.com/m/article.html?contid=2023031780198>

¹⁵ Net cash KRW 1.35 trillion; operating business valued at peer-median EV/EBITDA, KRW 8.32 trillion; investment property KRW 0.10 trillion; LigaChem stake KRW 0.64 trillion. Prices as of October 16, 2026.

¹⁶ Petcare is ~60% of Mars' sales (BCG, 2023), 21% of Nestlé's (FY2025) and 14% of General Mills' (FY May 2026).

¹⁷ Peer re-rating based on the global peer median EV/EBITDA (11.5x); Samyang case applies Samyang Foods' EV/EBITDA (16.5x) to Orion's 2025 EBITDA. Prices as of October 16, 2026.

Orion's past is marred by scandal, but its future can be different. With sound governance, it can become the next great K-food stock, perhaps even outshining Samyang. We hope the Board will find the courage to take that path.

Our supporting analysis is in the Appendix.

We look forward to a substantive response from the Board by November 13, 2026.

Sincerely,

Flashlight Capital Partners

Sanghyun Lee

Chief Executive Officer





APPENDIX: SUPPORTING ANALYSIS

Provided separately: "K-Food, Sucked Dry" (presentation)