

## Letter to the Board of Directors and the Management of MegaStudy Education

### *Exemplary 'Value-Up' Case*

April 16, 2024

To: The Board of Directors and Management of MegaStudy Education

Dalton Investments (“Dalton” or “we”), a US-based, long-term value-oriented investment management firm, has been investing in MegaStudy Education (“MegaStudy Edu” or the “Company”) since 2020 through funds and client accounts that it manages.

We highly commend the management of MegaStudy Edu for its announcement of a 3-year shareholder capital return policy to return 60% of its net income through share buyback and cancellations, as well as dividends. We have recommended similar ideas to the management, fully aware that management always has been open-minded to suggestions made by its shareholders. We are now truly delighted to see management making such a full commitment. Management has been already demonstrating its strategic and operational excellence, and we believe that this announcement further demonstrates its true intention to improve value for all shareholders.

We believe that share buyback and cancellations are more effective than dividends when the share price is low compared to its intrinsic value. Under such circumstances, share buyback and cancellation could be value accretive to continuing shareholders due to the potential discount and other factors.

We strongly believe that MegaStudy Edu is an exemplary case for the Korean government’s recent Corporate ‘Value-Up’ initiative. The Company has genuinely listened to and interacted with numerous investors and shareholders, small or large. It is certainly focused on shareholder value, making active efforts to improve it by addressing the right issues. We applaud the Company’s straight-forward cancellations after share buybacks, an extremely positive practice in stark contrast with certain other Korean companies. We hope that MegaStudy Edu continues its efforts to improve shareholder value and that other Korean companies take note and follow suit. As an investment firm with a strong emphasis on governance and sustainability, we will continue to engage with MegaStudy Edu to improve its shareholder value.

Please continue to be the leading case of Korea’s Corporate ‘Value-Up’ initiative. Thank you.

Very truly yours,



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James Lim  
Partner, Senior Research Analyst  
Dalton Investments