

Recognition of Extraordinary Income Associated with the Relocation of a Chinese Subsidiary

KOA CORPORATION (the Company) expects to recognize extraordinary income in its consolidated financial results for the six months ending September 30, 2026 (from April 1, 2026 to September 30, 2026), as described below.

1. Details of extraordinary income

On April 25, 2023, the Company resolved to relocate the factory of its consolidated subsidiary, KOA ELECTRONICS (TAICANG) CO., LTD., located in Taicang, Jiangsu Province, China, in response to a relocation request from the local government. The Company subsequently entered into an agreement to receive relocation compensation, including an amount equivalent to the consideration for the transfer of fixed assets, such as buildings, as well as relocation expenses and other related costs.

During the second quarter of the fiscal year ending March 31, 2027, the relocation procedures were completed, including the transfer of fixed assets such as the buildings of the former factory and the return of the land-use rights.

2. Amount of extraordinary income to be recognized

For the six months ending September 30, 2026, the Company expects to recognize ¥3,098 million in relocation compensation as extraordinary income. The amount was calculated by deducting the book value of the relevant fixed assets and expenses associated with the relocation from the amount equivalent to the consideration for the transfer of the fixed assets.

This amount has already been incorporated into the consolidated financial forecasts presented in the "Revision of Interim and Full-Year Financial Forecasts for the Fiscal Year Ending March 31, 2027 and Dividend Forecast," announced on July 23, 2026.

3. New factory following the relocation

The new factory constructed at the relocation site was completed in July 2024 and began shipments in October 2025.

Note:

This document is a translation of the original Japanese document. In the case of any discrepancy between this translated document and the original Japanese document, the latter shall prevail.

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