

February 14, 2006

Ladies and Gentlemen,

Company Name: KOA Corporation

Name of Representative: President Koichi Mukaiyama

(Code Number 6999 TSE 1st Section)

Contact: Director and Top Management of Management Administration IV

Kayoko Fukano

(Telephone Number: 81-265-70-7171)

Notice of the Take-over Bid made by the subsidiary company

The board of directors of KOA DENKO (S) PTE. LTD, our consolidated subsidiary, has approved a take-over bid (thereafter TOB) on KOA DENKO (MALAYSIA) BERHAD, our equity-method subsidiary. KOA DENKO (MALAYSIA) BERHAD is listed in the Second Board of Malaysian Securities Exchange (Bursa Malaysia Securities Berhad), and 38.1% of its equity is held by KOA CORPORATION.

1. Outline of KOA DENKO (S) PTE. LTD.

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|-------------------|---|
| 1) Name | KOA DENKO (S) PTE. LTD. |
| 2) Location | Singapore |
| 3) Representative | Hideaki Matsushita (Title: Managing Director) |

2. Purpose of the TOB

In the ASEAN region, KOA DENKO (S) PTE. LTD., the party making the take-over offer, engages in the sales/distribution of electronic components, and KOA DENKO (MALAYSIA) BERHAD, the party of take-over target, engages in the production and sales/distribution of electronic components, which are mainly flat chip resistors. The objective of this take-over bid is to enhance the coordination of these two companies, thus enabling swift responses to changes in their business environment for the expansion of their business activities in the ASEAN and South Asia regions with much greater management efficiency and effectiveness.

3. Outline of the Target Company

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|--------------------------|--|
| 1) Name | KOA DENKO (MALAYSIA) BERHAD |
| 2) Date of Establishment | November 13, 1973 |
| 3) Location | Lots 7, 8 & 9 Batu Berendam (Free Trade Zone) Melaka
Malaysia |
| 4) Representative | Junji Tsuji (Title: Chairman) |
| 5) Paid-in Capital | RM45,000,000 |
| 6) Principal Activities | Manufacturing and marketing of resistors |

4. Type of Stock to be purchased

Common stock

5. Duration of the TOB

From March 6, 2006 to April 6, 2006

6. TOB price

RM2.00 per share

7. Number of Shares to be purchased

30,974,000 shares

(1) Unexercised employee stock option shares of 3,518,000 in number (as of January 31, 2006) are included.

(2) This offer is conditional upon KOA CORPORATION and KOA DENKO (S) PTE. LTD. acquiring over 75% of the issued shares of KOA DENKO (MALAYSIA) BERHAD.

8. Number of shares held by KOA DENKO (S) PTE. LTD. and KOA CORPORATION before and after the TOB

	Before the TOB		After the TOB	
	Number of shares	Shareholding %	Number of shares	Shareholding %
KOA DENKO (S) PTE. LTD.	400,000	0.89%	31,374,000	64.66%
KOA CORPORATION	17,144,000	38.10%	17,144,000	35.34%
Total	17,544,000	38.99%	* 48,518,000	100.00%

* The total number of shares of KOA DENKO (MALAYSIA) BERHAD is the aggregate of 45,000,000 shares already issued and 3,518,000 shares of unexercised employee stock option shares.

9. Fund required for the TOB

RM61,948,000 (Approximately 2.0 billion yen)

10. Agreement between KOA DENKO (MALAYSIA) BERHAD and KOA CORPORATION

The board of directors of KOA DENKO (MALAYSIA) BERHAD has passed a resolution in the extraordinary board meeting to support the TOB.

11. Effect on KOA CORPORATION's consolidated operational results

After the completion of the TOB, KOA DENKO (MALAYSIA) BERHAD will become a consolidated subsidiary of KOA CORPORATION from the fiscal year ending on March 31, 2007. The impact due to this TOB on the consolidated financial results of KOA CORPORATION for the fiscal year ending on March 31, 2006 is immaterial.