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To whom it may concern:

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**(Progress of Disclosed Matter) Announcement Regarding the Decision Not to Commence  
the Tender Offer for Shares by Bourns Japan Holdings LLC**

According to the Bourns Japan Holdings LLC's (the "Tender Offeror") press release entitled "Announcement Regarding the Decision Not to Commence the Tender Offer for Shares in Tokyo Cosmos Electric Co., Ltd. (Code No. 6772)" released on August 13, 2025, as the Tender Offeror has concluded as of the same day not to proceed with the Tender Offer (as defined below), the Company hereby announces this accordingly.

Furthermore, the Company announces that the Company received the written notice regarding indemnity claims etc. based on the Company's breach of the Tender Offer Agreement (as defined below) from the Tender Offeror.

The details, including the prior developments regarding the Tender Offer, are as follows.

**1. The Prior Developments Regarding the Tender Offer**

**(1) Announcement Regarding the Scheduled Commencement of the Tender Offer and the Original Opinion**

The Company announced in its "Announcement Regarding Expression of Opinion in Favor of the Scheduled Commencement of the Tender Offer for the Company's Shares by Bourns Japan Holdings LLC and Recommendation for the Tender Offer." released on June 10, 2025 (including "(Revision) Notice Regarding Partial Amendments to the Press Release Titled "Announcement Regarding Expression of Opinion in Favor of the Scheduled Commencement of the Tender Offer for the Company's Shares by Bourns Japan Holdings LLC and Recommendation for the Tender Offer" published as of June 13, 2025, collectively, the "Press Release dated June 10, 2025") that the Tender Offeror intends to commence the tender offer (the "Tender Offer") for the common shares of the Company in accordance with the Financial Instruments and Exchange Act (the law No.25 of 1948, as amended; the "Act") after the Company's 68th annual general meeting of shareholders scheduled to be held on June 24, 2025 and on June 30, 2025, if the Conditions Precedent of the Tender Offer (the same meaning as the "Conditions Precedent" defined in the Press Release dated June 10, 2025) are satisfied or waived by the Tender Offeror. Furthermore, the Company resolved that, as its opinion as of

June 10, 2025, if the Tender Offer is commenced, the Company will express an opinion in favor of the Tender Offer and recommend that its shareholders tender their shares in the Tender Offer, as part of a series of transactions aimed at making the Company a wholly owned subsidiary of the Tender Offeror (the “Transaction”) (the “Original Opinion”).

(2) Developments Leading to the Revised Opinion Regarding the Tender Offer dated July 18, 2025

According to the Tender Offeror’s press release entitled “Announcement of Progress Towards Implementation of Tender Offer by Bourns Japan Holdings LLC for Shares in Tokyo Cosmos Electric Co., Ltd. (Code No. 6772)” dated June 27, 2025 (the “Press Release by the Tender Offeror dated June 27, 2025”) (which, according to the Tender Offeror, was publicly disclosed on the same day through the Kabuto Club although the Company has not been able to confirm this disclosure), thereafter, in the course of discussions with the Company to commence the Tender Offer, Tender Offeror noticed that the Company has received information relating to the “undisclosed material facts concerning the Company as defined under Article 166, Paragraph 2 of the Act (excluding those disclosed in accordance with Paragraph 4 of the same Article), and any facts regarding the implementation of a tender offer or the cancellation of a tender offer as defined under the main text of Article 167, Paragraph 2 of the Act (excluding the Tender Offer and those disclosed in accordance with Paragraph 4 of the same Article)” (the “Material Facts”) from the third party, and based on the Tender Offer Agreement, the term that has the same meaning as the term defined in the Press Release dated June 10, 2025, the Tender Offeror received the fact that the Company received such information (the “Material Facts in this Matter”). According to the Tender Offeror, as announced in the Press Release dated June 10, 2025 that no existence of undisclosed Material Facts was stipulated as one of the Conditions Precedents, considering that the reactions, etc. planned by the relevant parties including the Company in connection with the Material Facts was unclear as of June 27, 2025, the Tender Offeror could not confirm the satisfaction of the Conditions Precedent as of June 27, 2025. According to the Tender Offeror, the Tender Offeror continued to discuss and negotiate with the Company and Special Committee in order to commence the Tender Offer, including how to handle the Material Facts in this Matter, but such discussions and negotiations were still ongoing as of June 27, 2025. According to the Tender Offeror, in light of the progress of such discussions and negotiations, as of June 27, 2025, the Tender Offeror intended to commence the Tender Offer by early to mid-July 2025, subject to the fulfillment of all of the Conditions Precedent or waiver of the Conditions Precedent by the Tender Offeror.

As announced in the “(Progress of Disclosed Matter) Announcement of Progress Towards Implementation of Tender Offer for the Company’s Shares by Bourns Japan Holdings LLC” released on June 30, 2025 (the “Press Release dated June 30, 2025”), the Company has recognized that the Conditions Precedent regarding the Material Facts can be satisfied (or waived by the Tender Offeror’s disclosure of the Material Facts in the public notice of the commencement of the Tender Offer or the tender offer statement). As of today, the Company believes that, until June 26, 2025, the Tender Offeror shared the same understanding with the Company and was proceeding with the preparation of the tender offer statement, including descriptions of Material Facts, in consultation with the Kanto Local Finance Bureau, having

shared a draft in advance. Accordingly, the Company was also preparing a press release containing the same opinion as expressed in the Original Opinion in consultation with the Tokyo Stock Exchange, having shared a draft in advance. The Company has continued to discuss and negotiate with the Tender Offeror regarding this matter. However, the Tender Offeror changed its judgment on a matter that, from the Company's perspective, was sudden and unexpected. On June 26, 2025, the Tender Offeror notified the Company of a postponement of the Tender Offer by sharing a draft of the Press Release by the Tender Offeror dated June 27, 2025. Furthermore, the Tender Offeror announced the postponement on June 27, 2025. Thus, the Company believes that the Tender Offeror has determined that the Conditions Precedent were not satisfied without any reasonable basis. According to the Tender Offeror, the Tender Offeror intends to change the planned commencement date of the Tender Offer and to commence the Tender Offer by early to mid-July 2025. Therefore, as it became likely that the Tender Offer would not commence on June 30, 2025, as originally planned, the Company issued the Press Release dated June 30, 2025, to announce this development.

### (3) The Revised Opinion on the Tender Offer dated July 18, 2025

The Company announced in its “(Amendment) Notice Regarding the change of Opinion on the Scheduled Commencement of the Tender Offer for the Company’s Shares by Bourns Japan Holdings LLC” released on July 18, 2025 (the “Press Release of Revised Opinion”) that, the Company resolved the Original Opinion regarding the Transaction, as its opinion as of June 10, 2025. However, representatives of the major shareholders of the Company, Global ESG Strategy, Global ESG Strategy 2 and Seisei Co., Ltd. ( collectively referred to as the “Major Shareholders.”), has stated that the Major Shareholders has no intention to tender in the Tender Offer regarding all of the shares of the Company held by the Major Shareholders, and that Major Shareholders will not tender in the Tender Offer regarding all of the shares of the Company even if the terms of the Tender Offer are amended (including an increase in the tender offer price); thus, the Tender Offer is no longer expected to be successfully completed. Therefore, the Company hereby announce that, at the board of directors meeting held on July 18, 2025, the Company has resolved to revise the Original Opinion regarding the Tender Offer. This decision was made with the utmost respect for the response dated July 17 provided by the Special Committee (the same meaning as defined in the Company's press release dated June 10, 2025; the same applies hereinafter) (the “Revised Response”) established by the Company. For details of the Special Committee’s Response, please refer to, “2. Details of the Special Committee’s Revised Response,”. Specifically, the Company has resolved that, given the reasonable expectation that the Tender Offer will not be successfully completed, and in the absence of the conditions precedent to form a definitive opinion on the Tender Offer, to withdraw statement of opinion supporting the Tender Offer and recommending that the Company's shareholders tender in the Tender Offer, and to refrain from expressing any opinion thereon (the “Revised Opinion”).

### (4) Subsequent Developments Following the Revised Opinion

According to the Tender Offeror’s press release entitled “Announcement of Progress Towards Implementation of

Tender Offer for Shares in Tokyo Cosmos Electric Co., Ltd. (Code No. 6772)” released on July 19, 2025 (the “Press Release by the Tender Offeror dated July 19, 2025”), it is set as the Conditions Precedent accordingly that (x) a resolution to express its opinion in support of the Tender Offer and to recommend that the shareholders of the Company tender their shares in the Tender Offer (the “Support and Recommendation Resolution”) has been adopted by the Company’s board of directors and has not been withdrawn or amended, and (y) the Special Committee has issued a recommendation that the board of directors of the Company should adopt the Support and Recommendation Resolution, and such recommendation has not been withdrawn or amended. However, as a result of the Revised Response and the Revised Opinion, such Conditions Precedent are not satisfied as of July 19, 2025.

Furthermore, the Tender Offeror is currently considering not proceeding with the commencement of the Tender Offer; however, pursuant to the Tender Offer Agreement, the failure to commence the Tender Offer by December 31, 2025, constitutes one of the termination events. Unless the Tender Offer Agreement is terminated earlier for other reasons, the Tender Offeror is obligated, under the Tender Offer Agreement and until such date, to commence the Tender Offer, provided that all of the Conditions Precedent have been satisfied or waived by the Tender Offeror. Therefore, as termination of the Tender Offer Agreement is necessary in order not to commence the Tender Offer, the Tender Offeror is considering the appropriateness of such termination.

After that, as stated in the “(Progress of Disclosed Matter) Announcement of Progress Towards Implementation of Tender Offer for the Company’s Shares by Bourns Japan Holdings LLC” released on July 22, 2025 (the “Press Release dated July 22, 2025”), the Company announced that, in light of the fact that the Tender Offeror was considering not proceeding with the commencement of the Tender Offer and was reviewing the appropriateness of its termination, as stated in the Tender Offeror’s press release dated July 19, 2025, it would promptly disclose any decision or progress regarding the termination as soon as such information became available.

In addition, as announced in the Press Release dated July 22, 2025, according to the Press Release by the Tender Offeror dated July 19, 2025, the Tender Offeror has considered that the Company is obligated not to amend the Support and Recommendation Resolution or adopt any resolution that conflicts with it (the “Support and Recommendation Obligation”). Therefore, the Tender Offeror considers that the Revised Opinion constitutes a breach of this obligation. However, the Company announced that the Company considers that the Tender Offeror’s claim to be unfounded. Under the Tender Offer Agreement, the Company is obligated not to amend the Support and Recommendation Obligation, provided that the Special Committee provides a response recommending the Tender Offer. The Special Committee has determined that it would be appropriate for the Company’s board of directors to refrain from expressing a statement of support for the Tender Offer or recommending that shareholders tender their shares as stated in the Revised Response. After that, the Company resolved Revised Opinion with the utmost respect for the Revised Response. Therefore, the Company considers that the Company has not breached the Support and Recommendation Obligation. As stated in “3. Receipt of a Written Notice Regarding Indemnity Claims and Other Matters from the Tender Offeror” below, the Company’s board of directors maintains its current position as of today.

## 2. Announcement of the Press Release Regarding the Decision Not to Commence the Tender Offer by the Tender Offeror

After that, according to the Tender Offeror's press release entitled "Announcement Regarding the Decision Not to Commence the Tender Offer for Shares in Tokyo Cosmos Electric Co., Ltd. (Code No. 6772)" released on August 13, 2025 (the "Press Release by the Tender Offeror dated August 13, 2025"), the Tender Offeror has considered its course of action in light of the fact that the Conditions Precedent has not been satisfied and has concluded, as of August 13, 2025, not to proceed with the Tender Offer.

Therefore, the Company understands that the Tender Offer will not be commenced.

However, according to the Press Release by the Tender Offeror dated August 13, 2025, as of the same day, the Tender Offer Agreement between the Tender Offeror and the Company has not been terminated. Under the terms of the Tender Offer Agreement, if the Tender Offer is not commenced by December 31, 2025, for reasons not attributable to either the Tender Offeror or the Company, either party may terminate the agreement. Accordingly, the Tender Offer Agreement may remain in effect until such date. The Company will announce its policy regarding this matter as soon as a decision has been made.

## 3. Receipt of a Written Notice Regarding Indemnity Claims and Other Matters from the Tender Offeror

Furthermore, on August 8, 2025, the Company received a written notice from the Tender Offeror stating (i) that the Tender Offeror claims indemnification from the Company based on an alleged breach of the Tender Offer Agreement by the Company, (ii) that the Tender Offeror plans to announce its intention not to proceed with the Tender Offer, and (iii) that the Company is required to comply with the obligations set forth in Article 5, Paragraph 1 of the Tender Offer Agreement until the Tender Offer Agreement is terminated, the obligation to conduct its business within the ordinary course of operations during the period until the completion of the Transaction (the "Letter dated August 8, 2025").

As stated in the Letter dated August 8, 2025, the Tender Offeror is claiming USD 3 million from the Company as compensation for damages incurred in connection with the Tender Offer, including related expenses (which the Tender Offeror asserts are at least equivalent to the amount of the break-up fee), on the grounds that the Revised Opinion constitutes a breach of the Support and Recommendation Obligation under the Tender Offer Agreement (For details regarding the content of Article 5, Paragraph 1 of the Tender Offer Agreement, the Support and Recommendation Obligation, and the break-up fee, please refer to "① Tender Offer Agreement" of "4. Matters concerning Important Agreements Related to the Tender Offer" in the Press Release dated June 10, 2025.).

As stated in the Press Release dated July 22, 2025, under the Tender Offer Agreement, the Company owes a duty of the Support and Recommendation Obligation, provided that the Special Committee provides a response recommending the Tender Offer. The Special Committee has determined that it would be appropriate for the Company's board of directors to refrain from expressing a statement of support for the Tender Offer or recommending that shareholders tender their shares as stated in the Revised Response. After that, the Company resolved Revised Opinion with the utmost respect

for the Revised Response. The Special Committee withdrawn the Response stating that it is considered to be reasonable for the Company's board of directors to express its opinion in favor of the Tender Offer and recommended that the shareholders of the Company tender their shares in the Tender Offer; therefore, the Company considers that it has not breached the Support and Recommendation Obligation. Accordingly, the Company considers the Tender Offeror's claim for damages in the amount of USD 3 million to be unfounded.

According to the Tender Offeror's Press Release dated August 13, 2025, the Tender Offeror has concluded not to proceed with the Tender Offer, as the Revised Opinion resulted in the Conditions Precedent no longer being satisfied. However, if the Tender Offeror were to waive the Conditions Precedent, it would be able to commence the Tender Offer at any time at its own discretion. Moreover, although the Tender Offer is no longer expected to be successfully completed due to the expected lack of tendering by the Major Shareholders, the Tender Offeror has nonetheless expressed its intention to claim indemnification from the Company on the grounds that the failure to satisfy the Conditions Precedent has prevented the commencement of the Tender Offer. The Company recognizes that the Revised Opinion was beneficial to the Tender Offeror, as without it, the Tender Offeror would have been required, under the Tender Offer Agreement, to initiate the Tender Offer despite having no prospect of success. Nevertheless, the Tender Offeror has nonetheless expressed its intention to claim indemnification from the Company on the grounds that the failure to satisfy the Conditions Precedent has prevented the commencement of the Tender Offer. The Company is perplexed and unable to understand whether the Tender Offeror genuinely intends to commence the Tender Offer despite the lack of prospects for its success. If that is indeed the case, the Company questions why the Tender Offeror does not waive the Conditions Precedent and proceed with the commencement. Furthermore, if the Tender Offer is to be commenced, the Company is unable to comprehend its intended purpose.

The Company will respond appropriately to the Letter dated August 8, 2025.

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