

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): **October 4, 2021**

Transphorm, Inc.

(Exact name of registrant as specified in its charter)

Delaware
(State or Other Jurisdiction of Incorporation)

000-55832
(Commission File Number)

82-1858829
(I.R.S. Employer Identification No.)

75 Castilian Drive
Goleta, CA 93117
(Address of principal executive offices, including zip code)

(805) 456-1300
(Registrant's telephone number, including area code)

Not Applicable
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act: **None**

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR §230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR §240.12b-2).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 1.01 Entry into a Material Definitive Agreement.

On October 4, 2021 (the “**Effective Date**”), Transphorm, Inc. (the “**Company**”) entered into a Note Amendment and Conversion Agreement (the “**Agreement**”) with Transphorm Technology, Inc. (the “**Subsidiary**”) and Yaskawa Electric Corporation (the “**Holder**”). Pursuant to the Agreement, the parties agreed to amend that certain Subordinated Convertible Promissory Note, dated October 4, 2017 (as amended by that certain Waiver, Consent and Amendment Agreement dated March 16, 2018 and that certain Consent, Guaranty and Amendment Agreement dated February 10, 2020, the “**Note**”), issued to the Holder, to (i) reduce the Conversion Price (as defined in the Note) from \$5.12 per share to \$5.00 per share and (ii) remove the limitation on the maximum number of shares of the Company’s common stock, par value \$0.0001 per share (the “**Common Stock**”) that may be issued upon conversion of the Note. Pursuant to the Agreement, the Holder simultaneously elected to convert the outstanding principal amount (plus accrued but unpaid interest) under the Note, which as of the Effective Date totaled \$15.6 million, into an aggregate of 3,120,000 shares of Common Stock. Upon conversion of the Note, the Company and the Subsidiary were forever released from all of their obligations and liabilities under the Note.

On October 4, 2021, the Company also issued to the Holder a warrant to purchase up to 650,000 shares of Common Stock at an exercise price of \$6.00 per share (the “**Warrant**”). The Warrant has a term of three years (subject to earlier termination as set forth therein), provides for a cashless exercise feature and is immediately exercisable.

The foregoing summary of the terms of the Agreement and the Warrant is subject to, and qualified in its entirety by, the terms and conditions of such agreements, filed as Exhibit 10.1 and Exhibit 10.2 hereto, respectively, and incorporated by reference herein.

Item 3.02 Unregistered Sales of Equity Securities

The information contained in Item 1.01 is hereby incorporated by reference. The securities of the Company described therein have not been registered under the Securities Act of 1933, as amended (the “**Securities Act**”). The shares of Common Stock and the Warrant were issued to one non-U.S. person (as that term is defined in Regulation S of the Securities Act) in an offshore transaction relying on Regulation S and/or Section 4(a)(2) of the Securities Act.

Item 9.01 Financial Statements and Exhibits

(d) Exhibits

Exhibit Number	Description
10.1	Note Amendment and Conversion Agreement, dated October 4, 2021, by and among Transphorm, Inc., Transphorm Technology, Inc. and Yaskawa Electric Corporation
10.2	Warrant to Purchase Shares of Common Stock of Transphorm, Inc., dated October 4, 2021, issued to Yaskawa Electric Corporation
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

Signature

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Transphorm, Inc.

Dated: October 7, 2021

By: /s/ Cameron McAulay
Cameron McAulay
Chief Financial Officer

TRANSPHORM, INC.

NOTE AMENDMENT AND CONVERSION AGREEMENT

This NOTE AMENDMENT AND CONVERSION AGREEMENT (the “**Agreement**”) is made effective as of October 4, 2021 (the “**Effective Date**”), by and between Transphorm, Inc., a Delaware corporation (the “**Company**” or the “**Parent**”), Transphorm Technology, Inc., a Delaware corporation (the “**Subsidiary**”) and Yaskawa Electric Corporation (the “**Holder**”). Unless otherwise defined herein, capitalized terms shall have the meanings set forth in that certain Subordinated Convertible Promissory Note dated October 4, 2017 (as amended by that certain Waiver, Consent and Amendment Agreement dated March 16, 2018 and that certain Consent, Guaranty and Amendment Agreement dated February 10, 2020, the “**Note**”), in the principal amount of \$15,000,000, issued to the Holder.

WHEREAS, the Company, the Subsidiary and the Holder desire to amend the Note as set forth herein to reduce the Conversion Price of the Note and remove the limitation on the maximum number of shares of Conversion Stock that may be issued upon conversion of the Note.

WHEREAS, pursuant to Section 4 of the Note and the terms and conditions of this Agreement, the Holder desires to voluntarily convert the outstanding principal amount and all accrued and unpaid interest on the Note into fully paid and non-assessable shares of Company Common Stock.

NOW, THEREFORE, in exchange for the mutual promises contained herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereby agree as follows:

ARTICLE I.

Amendment and Conversion of the Note

Section 1.01 Amendment of the Note. Section 4(a) of the Note is hereby amended in its entirety to read as follows:

“(a) Investor has the right, at Investor’s option, at any time prior to payment in full of the principal amount of this Note to convert all or a portion of the outstanding principal amount of this Note and all accrued and unpaid interest on this Note into that number of fully paid and non-assessable shares of Conversion Stock equal to (x) the amount of outstanding principal and accrued and unpaid interest being converted, divided by (y) the Conversion Price.

(i) “**Conversion Stock**” shall mean the common stock of the Parent, par value \$0.0001 per share (the “**Company Common Stock**”).

(ii) “**Conversion Price**” shall mean \$5.00.”

Section 1.02 Conversion of the Note. Subject to the terms and conditions of this Agreement and immediately upon the Effective Date, the Holder hereby elects to convert the outstanding principal amount (plus accrued but unpaid interest) under the Note, which as of the Effective Date equals \$15,600,000 (the “**Aggregate Amount**”), into fully paid and non-assessable shares of Company Common Stock at a conversion price of \$5.00 per share, such that the Note will convert into 3,120,000 shares of Company Common Stock (the “**Note Conversion**”). Notwithstanding the foregoing, no fractional shares shall be issued upon conversion of the Note. The Holder hereby waives any right to receive payment in lieu of any fractional shares. Promptly following the Effective Date, the Company shall instruct its transfer agent to issue a book-entry entitlement for the number of shares of Company Common Stock issued to the Holder pursuant to the Note Conversion. This Agreement constitutes an amendment to the Note and shall supersede all terms of the Note that are inconsistent with the terms of this Agreement.

Section 1.03 Mechanics of Conversion. As of the Effective Date, the Holder agrees that (a) the Note is hereby cancelled in its entirety, (b) all amounts due under the Note will have been paid in full pursuant to the Note Conversion, (c) the Note is surrendered and all rights, title and interest arising under the Note are hereby cancelled,

released, extinguished and of no further force and effect, (d) the right to receive payment in lieu of fractional shares is hereby waived and no such payment is due, (e) the Holder agrees that the shares of Company Common Stock referred to in Section 1.02 constitute all of the shares of the Company's capital stock to which the Holder is entitled as a result of the Note Conversion, including with respect to all accrued interest thereunder through the Effective Date, and the Holder accepts the rights granted in this Agreement in full satisfaction and accord, and in substitution of any rights granted to the Holder in the Note, and (f) the surrender, cancellation, release and extinguishment of the Note is effective whether or not the Note is returned to the Company for cancellation.

Section 1.04 Waiver of Event of Default. Any Event of Default (including any and all rights and remedies that result therefrom) that have occurred or may have occurred pursuant to the Note on or prior to the Effective Date of this Agreement are hereby irrevocably and forever waived.

Section 1.05 Release of Obligations. Upon the Note Conversion, the Company and the Subsidiary shall be forever released from all of their obligations and liabilities under the Note.

Section 1.06 Further Assurances. From and after the date of this Agreement, upon the request of the Company, the Holder shall execute and deliver such instruments, documents, or other writings as may be commercially reasonable or desirable to confirm and carry out and to effectuate fully the intent and purposes of this Agreement.

Section 1.07 Warrants. Notwithstanding anything to the contrary contained herein, the parties hereto acknowledge and confirm that (a) the Company shall, as agreed with the Holder, issue the warrant to the Holder pursuant to the WARRANT TO PURCHASE SHARES OF COMMON STOCK OF TRANSPHORM, INC. (the "Warrant"), as attached hereto, (b) the Holder will elect to exercise the Warrant pursuant thereto in lieu of the conversion hereunder, and (c) this Agreement and the Warrant constitute the agreement among the parties on the conversion to or purchase of Company Common Stock in satisfaction of the Aggregate Amount.

ARTICLE II. Miscellaneous

Section 2.01 Governing Law. This Agreement shall be governed in all respects by the internal laws of the State of Delaware as applied to agreements entered into among Delaware residents to be performed entirely within Delaware, without regard to principles of conflicts of law which would result in the application of the laws of another jurisdiction.

Section 2.02 Successors and Assigns. Except as otherwise provided herein, the provisions hereof shall inure to the benefit of, and be binding upon, the successors, assigns, heirs, executors and administrators of the parties hereto.

Section 2.03 Entire Agreement; Amendment. This Agreement and the other documents delivered pursuant hereto, *inter alia*, the Warrant, constitute the full and entire understanding and agreement among the parties with regard to the subjects hereof and thereof. Neither this Agreement and the Warrant, nor any term hereof and thereof, may be amended, waived, discharged or terminated other than by a written instrument signed by the Company and the Holder.

Section 2.04 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be enforceable against the parties actually executing such counterparts, and all of which together shall constitute one instrument.

Section 2.05 Severability. In the event that any provision of this Agreement becomes or is declared by a court of competent jurisdiction to be illegal, unenforceable or void, this Agreement shall continue in full force and effect without said provision; *provided that* no such severability shall be effective if it materially changes the economic benefit of this Agreement to any party.

Section 2.06 Effect of Agreement. This Agreement constitutes an amendment to the Note and shall supersede all terms of the Note that are inconsistent with the terms of this Agreement.

The foregoing Agreement is hereby executed as of the date first above written.

TRANSPHORM, INC.

By: /s/ Cameron McAulay

Name: Cameron McAulay

Title: Chief Financial Officer

TRANSPHORM TECHNOLOGY, INC.

By: /s/ Cameron McAulay

Name: Cameron McAulay

Title: Chief Financial Officer

YASKAWA ELECTRIC CORPORATION

By: /s/ Yasushi Ichiki

Name: Yasushi Ichiki

Title: Executive Officer,
Deputy General Manager,
Corporate Planning & Finance Division

THIS WARRANT AND THE SECURITIES ISSUABLE UPON THE EXERCISE HEREOF HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR ANY U.S. STATE SECURITIES LAWS. THEY MAY NOT BE SOLD, OFFERED FOR SALE, PLEDGED, HYPOTHECATED OR OTHERWISE TRANSFERRED EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT, OR PURSUANT TO AN AVAILABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN EACH CASE ONLY IN ACCORDANCE WITH APPLICABLE STATE LAW.

WARRANT NO. CS2021-2
DATE OF ISSUANCE : October 4, 2021
EXPIRATION DATE: October 4, 2024

NUMBER OF SHARES: 650,000
(subject to adjustment hereunder)

WARRANT TO PURCHASE SHARES
OF COMMON STOCK OF

TRANSPHORM, INC.

This Warrant is issued to Yaskawa Electric Corporation, or its registered assigns (including any successors or assigns, the "Warrantholder"), in connection with that certain Note Amendment and Conversion Agreement, dated as of October 4, 2021, by and among Transphorm, Inc., a Delaware corporation (the "Company"), Transphorm Technology, Inc., a Delaware corporation, and the Warrantholder (the "Note").

1. EXERCISE OF WARRANT.

- (a) Number and Exercise Price of Warrant Shares; Expiration Date. Subject to the terms and conditions set forth herein, the Warrantholder is entitled to purchase from the Company up to 650,000 shares of the Company's common stock, \$0.0001 par value per share (the "Common Stock") (as adjusted from time to time pursuant to the provisions of this Warrant) (the "Warrant Shares"), at a purchase price of \$6.00 per share (the "Exercise Price"), on or before 5:00 p.m. New York City time on October 4, 2024 (the "Expiration Date") (subject to earlier termination of this Warrant as set forth herein).
- (b) Method of Exercise. While this Warrant remains outstanding and exercisable in accordance with Section 1(a) above, the Warrantholder may exercise this Warrant in accordance with Section 6 herein, by either:
- (i) wire transfer to the Company or cashier's check drawn on a United States bank made payable to the order of the Company, or
 - (ii) exercising of the right to credit the Exercise Price against the Fair Market Value (as defined below) of the Warrant Shares on the date of exercise (the "Net Exercise") pursuant to Section 1(c).

Notwithstanding anything herein to the contrary, the Warrantholder shall not be required to physically surrender this Warrant to the Company until the Warrantholder has purchased all of the Warrant Shares available hereunder and the Warrant has been exercised in full, in which case, the Warrantholder shall surrender this Warrant to the Company for cancellation within three trading days of the date the final Notice of Exercise is delivered to the Company. Partial exercises of this Warrant resulting in purchases of a portion of the total number of Warrant Shares available hereunder shall have the effect of lowering the outstanding number of Warrant Shares purchasable hereunder in an amount equal to the applicable number of Warrant Shares purchased. The Warrantholder and the Company shall maintain records showing the number of Warrant Shares purchased and the date of such purchases.

- (c) Net Exercise. If the Company shall receive written notice from the Warrantholder at the time of exercise of this Warrant that the holder elects to Net Exercise the Warrant, the Company shall deliver to such Warrantholder (without payment by the Warrantholder of any exercise price in cash) that number of Warrant Shares computed using the following formula:

$$X = \frac{Y(A-B)}{A}$$

Where

- X = The number of Warrant Shares to be issued to the Warrantholder.
Y = The number of Warrant Shares purchasable under this Warrant or, if only a portion of the Warrant is being exercised, the portion of the Warrant being cancelled (at the date of such calculation).
A = The Fair Market Value of one share of Common Stock (at the date of such calculation).
B = The Exercise Price (as adjusted hereunder to the date of such calculations).

The “**Fair Market Value**” of one share of Common Stock as of a particular date shall be determined as follows: (i) if traded on a securities exchange, the value shall be deemed to be the average of the closing prices of the Common Stock on such exchange over the thirty (30) day period ending two business days prior to the date of Net Exercise; (ii) if traded over-the-counter, the value shall be deemed to be the average of the closing bid or sale prices (whichever is applicable) of the Common Stock over the thirty (30) day period ending two business days prior to the date of Net Exercise; or (iii) if fair market value cannot be calculated as of such date on either of the foregoing bases, the price determined in good faith by the Company’s Board of Directors. For the avoidance of doubt, “**the date of Net Exercise**” shall be the date the Warrantholder’s written notice has been given to the Company pursuant to Section 12 hereof.

- (d) Deemed Exercise. In the event that immediately prior to the close of business on the Expiration Date, the Fair Market Value of one share of Common Stock (as determined in accordance with Section 1(c) above) is greater than the then applicable Exercise Price, this Warrant shall be deemed to be automatically exercised on a Net Exercise issue basis pursuant to Section 1(c) above, and the Company shall deliver the applicable number of Warrant Shares to the Warrantholder pursuant to the provisions of Section 1(c) above and this Section 1(d).

2. CERTAIN ADJUSTMENTS.

- (a) Adjustment of Number of Warrant Shares and Exercise Price. The number and kind of Warrant Shares purchasable upon exercise of this Warrant and the Exercise Price shall be subject to adjustment from time to time as follows:
- (i) Subdivisions, Combinations and Other Issuances. If the Company shall at any time after the Date of Issuance (as first above written) but prior to the Expiration Date subdivide its shares of capital stock of the same class as the Warrant Shares, by split-up or otherwise, or combine such shares of capital stock, or issue additional shares of capital stock as a dividend with respect to any shares of such capital stock, the number of Warrant Shares issuable on the exercise of this Warrant shall forthwith be proportionately increased in the case of a subdivision or stock dividend, or proportionately decreased in the case of a combination. Appropriate adjustments shall also be made to the Exercise Price payable per share, but the aggregate Exercise Price payable for the total number of Warrant Shares purchasable under this Warrant (as adjusted) shall remain the same. Any adjustment under this Section 2(a)(i) shall become effective at the close of business on the date the subdivision or combination becomes effective, or as of the record date of such dividend, or in the event that no record date is fixed, upon the making of such dividend.
- (ii) Reclassification, Reorganizations and Consolidation. In case of any reclassification, capital reorganization or change in the capital stock of the Company (other than as a result of a subdivision, combination or stock dividend provided for in Section 2(a)(i) above) that occurs after the Date of Issuance, then, as a condition of such reclassification, reorganization or change, lawful provision shall be made, and duly executed documents evidencing the same from the Company or

its successor shall be delivered to the Warrantholder, so that the Warrantholder shall thereafter have the right at any time prior to the expiration of this Warrant to purchase, at a total price equal to that payable upon the exercise of this Warrant, the kind and amount of shares of stock and/or other securities or property (including, if applicable, cash) receivable in connection with such reclassification, reorganization or change by a holder of the same number and type of securities as were purchasable as Warrant Shares by the Warrantholder immediately prior to such reclassification, reorganization or change. In any such case appropriate provisions shall be made with respect to the rights and interest of the Warrantholder so that the provisions hereof shall thereafter be applicable with respect to any shares of stock or other securities or property deliverable upon exercise hereof, and appropriate adjustments shall be made to the Exercise Price payable hereunder, provided the aggregate Exercise Price shall remain the same (and, for the avoidance of doubt, this Warrant shall be exclusively exercisable for such shares of stock and/or other securities or property from and after the consummation of such reclassification or other change in the capital stock of the Company).

(b) Statement of Adjustment. Whenever the Exercise Price or number or type of securities issuable upon exercise of this Warrant is adjusted, as herein provided, the Company shall, at its expense, promptly deliver to the Warrantholder a certificate of an officer of the Company setting forth the nature of such adjustment and showing in reasonable detail the facts upon which such adjustment is based.

3. **NO FRACTIONAL SHARES.** No fractional Warrant Shares or scrip representing fractional shares will be issued upon exercise of this Warrant. In lieu of any fractional shares which would otherwise be issuable, the Company shall pay cash equal to the product of such fraction multiplied by the Fair Market Value of one Warrant Share.
4. **NO STOCKHOLDER RIGHTS.** Until the exercise of this Warrant or any portion of this Warrant, the Warrantholder shall not have, nor exercise, any rights as a stockholder of the Company (including without limitation the right to notification of stockholder meetings or the right to receive any notice or other communication concerning the business and affairs of the Company).
5. **RESERVATION OF STOCK.** The Company covenants that during the period this Warrant is exercisable, the Company will reserve from its authorized and unissued Common Stock a sufficient number of shares of Common Stock (or other securities, if applicable) to provide for the issuance of Warrant Shares (or other securities) upon the exercise of this Warrant.
6. **MECHANICS OF EXERCISE.** This Warrant may be exercised by the holder hereof, in whole or in part, by delivering to the Company (or such other office or agency of the Company as it may designate by notice in writing to the registered Warrantholder at the address of the Warrantholder appearing on the books of the Company) a completed and duly executed copy of the Notice of Exercise in the form attached hereto as Exhibit A by mail or email attachment together with payment in full of the Exercise Price (unless the Warrantholder has elected to Net Exercise) then in effect with respect to the number of Warrant Shares as to which the Warrant is being exercised. This Warrant shall be deemed to have been exercised immediately prior to the close of business on the date of the delivery to the Company of the Notice of Exercise as provided above, and the person entitled to receive the Warrant Shares issuable upon such exercise shall be treated for all purposes as the holder of such shares of record as of the close of business on such date. Warrant Shares purchased hereunder shall be transmitted by the Company's transfer agent to the holder by crediting the account of the holder's prime broker with The Depository Trust Company through its Deposit or Withdrawal at Custodian system ("**DWAC**") if the Company is then a participant in such system and either (A) there is an effective registration statement permitting the issuance of the Warrant Shares to or resale of the Warrant Shares by the holder or (B) the shares are eligible for resale by the holder without volume or manner-of-sale limitations pursuant to Rule 144, and otherwise by physical delivery to the address specified by the holder in the Notice of Exercise by the end of the day on the date that is three trading days from the delivery to the Company of the Notice of Exercise and payment of the aggregate Exercise Price (unless exercised by means of a cashless exercise pursuant to Section 1(c)). The Warrant Shares shall be deemed to have been issued, and the holder or any other person so designated to be named therein shall be deemed to have become a holder of record of such shares for all purposes, as of the date the Warrant has been exercised, with payment to the Company of the Exercise Price (or

by Net Exercise) and all taxes required to be paid by the holder, if any, prior to the issuance of such shares, having been paid.

7. COMPLIANCE WITH SECURITIES LAWS; RESTRICTIVE LEGEND.

- (a) The Warrantholder hereby represents: (a) that this Warrant and any securities to be acquired by the Warrantholder on exercise of the Warrant will be acquired for investment for the Warrantholder's own account and not with a view to the resale or distribution of any part thereof, and (b) that the Warrantholder is an accredited investor as defined in Rule 501(a) of Regulation D promulgated under the Securities Act of 1933, as amended (the "**Securities Act**"). In addition, as a condition of its delivery of certificates for the Common Stock, the Company will require the Warrantholder to deliver to the Company representations regarding the Warrantholder's sophistication, investor status, investment intent, acquisition for its own account and such other matters as are reasonable and customary for purchasers of securities in an unregistered private offering as set forth in the form of Notice of Exercise attached hereto as Exhibit A.
- (b) The Warrantholder understands that this Warrant and the Warrant Shares are characterized as "restricted securities" under the federal securities laws inasmuch as they are being acquired from the Company in a transaction not involving a public offering and that under such laws and applicable regulations this Warrant and the Warrant Shares may be resold without registration under the Securities Act only in certain limited circumstances. In this connection, the Warrantholder represents that it is familiar with Rule 144 under the Securities Act, as presently in effect, and understands the resale limitations imposed thereby and by the Securities Act.
- (c) Prior and as a condition to the sale or transfer of the Warrant Shares issuable upon exercise of this Warrant, the Warrantholder shall furnish to the Company such certificates, representations, agreements and other information, including an opinion of counsel, as the Company or the Company's transfer agent reasonably may require to confirm that such sale or transfer is being made pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act, unless such Warrant Shares are being sold or transferred pursuant to an effective registration statement.
- (d) The Warrantholder acknowledges that the Company may place a restrictive legend substantially similar to the legend set forth below on the Warrant Shares issuable upon exercise of this Warrant in order to comply with applicable securities laws. The Company may issue stop transfer instructions to its transfer agent in connection with such restrictions.

THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR ANY U.S. STATE SECURITIES LAWS. THEY MAY NOT BE SOLD, OFFERED FOR SALE, PLEDGED, HYPOTHECATED OR OTHERWISE TRANSFERRED EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT, OR PURSUANT TO AN AVAILABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN EACH CASE ONLY IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS

- 8. REPLACEMENT OF WARRANT. On receipt of evidence reasonably satisfactory to the Company of the loss, theft, destruction or mutilation of this Warrant and, in the case of any such loss, theft or destruction of this Warrant, on delivery of an indemnity agreement reasonably satisfactory in form and amount to the Company or, in the case of any such mutilation, on surrender and cancellation of such Warrant, the Company at its expense will execute and deliver, in lieu thereof, a new Warrant of like tenor.
- 9. NO IMPAIRMENT. Except to the extent as may be waived by the Warrantholder, the Company will not, by amendment of its charter or through a merger, dissolution, sale of assets or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms of this Warrant, but will at all times in good faith assist in the carrying out of all such terms and in the taking of all such action as may be necessary or appropriate in order to protect the rights of the Warrantholder against impairment.

10. TRANSFERS; EXCHANGES.

- (a) Subject to compliance with applicable federal and state securities laws and Section 7 hereof, this Warrant may be transferred by the Warrantholder with respect to any or all of the Warrant Shares purchasable hereunder. For a transfer of this Warrant as an entirety by the Warrantholder, upon surrender of this Warrant to the Company, together with the Notice of Assignment in the form attached hereto as Exhibit B duly completed and executed on behalf of the Warrantholder, the Company shall issue a new Warrant of the same denomination to the assignee. For a transfer of this Warrant with respect to a portion of the Warrant Shares purchasable hereunder, upon surrender of this Warrant to the Company, together with the Notice of Assignment in the form attached hereto as Exhibit B duly completed and executed on behalf of the Warrantholder, the Company shall issue a new Warrant to the assignee, in such denomination as shall be requested by the Warrantholder, and shall issue to the Warrantholder a new Warrant covering the number of shares in respect of which this Warrant shall not have been transferred.
- (b) This Warrant is exchangeable, without expense, at the option of the Warrantholder, upon presentation and surrender hereof to the Company for other warrants of different denominations entitling the holder thereof to purchase in the aggregate the same number of shares of Common Stock purchasable hereunder. This Warrant may be divided or combined with other warrants that carry the same rights upon presentation hereof at the principal office of the Company together with a written notice specifying the denominations in which new warrants are to be issued to the Warrantholder and signed by the Warrantholder hereof. The term "Warrants" as used herein includes any warrants into which this Warrant may be divided or exchanged.

11. **APPLICABLE LAW.** This Warrant shall be governed by and construed in accordance with the internal laws of the State of New York, without the application of principles of conflicts of laws that would result in any law other than the laws of the State of New York.

12. **NOTICE.** Any notices required or permitted to be given hereunder will be in writing and may be served personally or by mail, including by email; and if served will be addressed as follows:

If to the Company: Transphorm, Inc.

75 Castilian Drive
Goleta, CA 93117
Attn: Primit Parikh and Cameron McAulay
Email: pparikh@transphormusa.com and cmcaulay@transphormusa.com

with a copy (which shall not constitute notice) to:

Wilson Sonsini Goodrich & Rosati P.C.
650 Page Mill Road
Palo Alto, CA 94304
Attn: Erika Muhl
Email: emuhl@wsgr.com

If to the Warrantholder: Yaskawa Electric Corporation

2-1 Kurosakishiroishi, Yahatanishi-ku,
Kitakyushu 806-0004 Japan
Attn: Yasushi Ichiki
Email: yasushi.ichiki@yaskawa.co.jp

Any notice so given by mail will be deemed effectively given 48 hours after mailing when deposited in the United States mail, registered or certified mail, return receipt requested, postage prepaid and addressed as specified above. Any notice given by email must be accompanied by confirmation of receipt, and will be deemed effectively given upon confirmation of such receipt. Any party may by written notice to the other specify a different address for notice purposes.

IN WITNESS WHEREOF, this Warrant is issued effective as of the date first set forth above.

TRANSPHORM, INC.

By: /s/ Cameron McAulay
Name: Cameron McAulay
Title: Chief Financial Officer

**AGREED AND ACKNOWLEDGED
YASKAWA ELECTRIC CORPORATION**

By: /s/ Yasushi Ichiki
Name: Yasushi Ichiki
Title: Executive Officer, Deputy General Manager,
Corporate Planning & Finance Division

EXHIBIT A

NOTICE OF EXERCISE
(To be signed only upon exercise of Warrant)

To: Transphorm, Inc.

1. The undersigned, the Warrantholder of the attached Warrant No. CS2021-2, hereby irrevocably elects to exercise the purchase right represented by such Warrant for, and to purchase thereunder, shares of Common Stock of Transphorm, Inc. as follows (choose one):

Exercise for Cash. Pursuant to Section 1(b)(i) of the Warrant, the Warrantholder hereby elects to exercise the Warrant for cash and tenders payment herewith (or has made a wire transfer) to the order of Transphorm, Inc. in the amount of \$_____.

Net Exercise. Pursuant to Section 1(b)(ii) of the Warrant, the Warrantholder hereby elects to Net Exercise the Warrant.

2. The undersigned requests that the certificates or book entry position evidencing the shares to be acquired pursuant to such exercise be issued in the name of, and delivered to, the following:

Name: _____

Address: _____

Email: _____

SSN: _____

3. The undersigned understands, agrees and recognizes that: No federal or state agency has made any finding or determination as to the fairness of the investment or any recommendation or endorsement of the securities. All certificates or book entry positions evidencing the shares of Common Stock may bear a legend substantially similar to the legend set forth in Section 7 of the Warrant regarding resale restrictions. By its signature below the undersigned hereby represents and warrants that it is an “accredited investor” as defined in Rule 501(a) of Regulation D promulgated under the Securities Act of 1933, as amended, and agrees to be bound by the terms and conditions of the attached Warrant as of the date hereof.

Dated: _____

(Signature must conform in all respects to name of the Warrantholder as specified on the face of the Warrant)

Signature: _____

By: _____

Its: _____

EXHIBIT B

NOTICE OF ASSIGNMENT FORM

FOR VALUE RECEIVED, [_____] (the “**Assignor**”) hereby sells, assigns and transfers all of the rights of the undersigned Assignor under the attached Warrant with respect to the number of shares of Common Stock of Transphorm, Inc. (the “**Company**”) covered thereby set forth below, to the following “**Assignee**” and, in connection with such transfer, represents and warrants to the Company that the transfer is in compliance with Section 7 of the Warrant and applicable federal and state securities laws:

	NAME OF ASSIGNEE	ADDRESS/FAX NUMBER
Number of shares:	_____	
Dated:	_____	Signatures: _____
		Witness: _____

ASSIGNEE ACKNOWLEDGMENT

The undersigned Assignee acknowledges that it has reviewed the attached Warrant and by its signature below it hereby represents and warrants that it is an “accredited investor” as defined in Rule 501(a) of Regulation D promulgated under the Securities Act of 1933, as amended, and agrees to be bound by the terms and conditions of the Warrant as of the date hereof, including Section 7 thereof.

	Signatures: _____
	By: _____
	Its: _____
Address:	

