



Samvardhana MotherSON International Limited

(formerly MotherSON Sumi Systems Limited)

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October 4, 2023

National Stock Exchange of India Limited
Exchange Plaza, 5th Floor
Plot No.C/1, G-Block
Bandra-Kurla Complex
Bandra (E)
MUMBAI – 400051, India

BSE Limited
1st Floor, New Trading Ring
Rotunda Building
P.J. Towers, Dalal Street
Fort
MUMBAI – 400001, India

Scrip Code: MOTHERSON

Scrip Code: 517334

Subject: Update on acquisition disclosure dated July 4, 2023 under Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Dear Sir / Madam,

This has reference to our letter dated July 4, 2023 thereby informing acquisition of 81% stake in Yachiyo Industry Co., Ltd. (“Yachiyo” or “Target”) by Samvardhana MotherSON International Limited (“SAMIL”) via 100% subsidiary of SMRP B.V. (“SMRP B.V.”) which entered into an agreement to acquire 81% stake in Yachiyo’s 4W (Y4W) Business housed under Yachiyo Industry Co., Ltd. (‘Yachiyo’).

As mentioned in our disclosure, the transaction consummation required merger control approvals which have been either received or waived by Honda Motor Co., Ltd. (“Honda Motor”). Further, Honda Motor shall launch a Tender Offer to acquire remaining 49.6% stake in Yachiyo on October 5, 2023.

Subject to successful execution of tender offer, the transaction is expected to be closed promptly after Honda Motor has made Yachiyo a wholly-owned subsidiary (expected to be completed by Q1 FY25).

In order to simplify the transaction structure, SAMIL will now be acquiring 100% of Yachiyo’s Indian subsidiary Yachiyo India Manufacturing Private Limited (“YIM”) as against indirect 81% acquisition under the earlier announcement. This change of structure will not have any impact on the consideration and timelines. In this respect, an updated disclosure pursuant to SEBI (Listing Obligation and Disclosure Requirement), 2015 is attached as **Annexure-A**.

The disclosure is pursuant to Regulation 30(7) of the SEBI (Listing Obligation and Disclosure Requirement), 2015.

The above is for your information and records. The Board Meeting of the Company commenced at 1400 Hours (IST) and concluded at 1440 Hours (IST).

Yours truly,
For Samvardhana MotherSON International Limited
(formerly MotherSON Sumi Systems Limited)


Alok Goel
Company Secretary

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ANNEXURE A

Acquisition (including agreement to acquire)

Sr. no.	Details of Events that need to be provided	Information about such events
a)	Name of target entity, details in brief such as size, turnover etc.	<p>1) <u>Name of the Target:</u></p> <p>Yachiyo Industry Co., Ltd. is a company duly incorporated and existing under the laws of Japan and having its registered office at, Kashiwabara 293, Sayama City, Saitama, 350-1335, Japan. ("Yachiyo" or "Target") and is listed on Tokyo Stock Exchange. Yachiyo comprises of 4W and 2W business (housed under Goshi Giken Co., Ltd or Goshi)</p> <p>Honda Motor currently owns 50.4% stake in Yachiyo, and the rest is owned by the public. As a part of this transaction, Honda Motor will first buy out the entire public stake in Yachiyo via a tender offer making Yachiyo a wholly owned subsidiary. Further, Yachiyo's 2W business (Housed under Goshi) will get transferred to Honda Motor. Subsequently, SAMIL will acquire 81% equity in remaining Yachiyo's 4W business thereby forming an 81:19 Joint Venture with Honda Motor. In order to simplify the transaction structure, SAMIL will now be directly acquiring 100% stake in YIM. This change of structure will not have any impact on the consideration and timelines.</p> <p>The change in transaction structure is being done for the following purposes:</p> <ul style="list-style-type: none"> - Overall simplification of the structure with stronger local coordination - Seamless sharing of resources such as, manufacturing facilities, vendors, employees, etc. thereby accelerating faster growth in India - Expanding Target's customer base by introduction of the SAMIL's existing customers in India <p>The Target (excluding YIM) shall be acquired by Samvardhana Motherson International Limited (SAMIL) via 100% subsidiary of SMRPBV (SAHN BV) while YIM shall be acquired directly by SAMIL.</p> <p>2) <u>Business of the Target (Yachiyo 4W) :</u></p> <p>Target is, <i>inter alia</i>, engaged in production of automobile parts i.e., Sunroofs, Fuel tanks and Resin products.</p>

Sr. no.	Details of Events that need to be provided	Information about such events
		 <p data-bbox="755 457 1458 590">3) <u>Turnover for the FY 2022-23</u>: JPY 116.1 Bn (April 01, 2022, to March 31, 2023). The Yachiyo 4W business has a book value of JPY 59.2 Bn as on March 31, 2023</p>
b)	Whether the acquisition would fall within related party transaction(s) and whether the promoter/promoter group/ group companies have any interest in the entity being acquired? If yes, nature of interest and details thereof and whether the same is done at arms-length	No
c)	Industry to which the entity being acquired belongs	Automobile Industry
d)	Objects and effects of acquisition (including but not limited to, disclosure of reasons for acquisition of target entity, if its business is outside the main line of business of the Company);	<ul style="list-style-type: none"> • Global Partnership with Honda Motor • Access to strong R&D capabilities and experienced team • Foraying into global sunroof market • Significant synergies with existing business and operations • In line with Motherson's Group's 3CX10 diversification strategy • Opportunity to enter into other segments with Honda Motor • Strengthening of Motherson's Group's presence in Japan
e)	Brief details of any governmental or regulatory approvals required for the acquisitions	<p data-bbox="740 1419 1458 1482">Merger control clearance required from merger control authorities of China, Brazil and the United States.</p> <p data-bbox="740 1518 1458 1717">To make this transaction successful, Honda Motor must reach a minimum stake of 66.7%, and then acquire the remaining public shareholding through a Squeeze out / Stock Consolidation process (as per the process defined in Japanese regulations) thus making Yachiyo its wholly owned subsidiary.</p>
f)	Indicative time period for completion of the acquisition	<p data-bbox="740 1755 980 1787">Transaction steps:</p> <ul style="list-style-type: none"> • The Tender Offer shall be launched by Honda Motor on 5th October 2023. • Secure Anti-trust and other applicable regulatory approvals by the end of October 2023.

Sr. no.	Details of Events that need to be provided	Information about such events								
		<ul style="list-style-type: none"> • The Tender Offer will be successful if Honda Motor reaches a minimum threshold of 66.7% stake in listed Yachiyo. Honda Motor currently owns 50.4% in listed Yachiyo. • Once the Tender Offer is successfully completed, Honda Motor shall acquire the remaining public shareholding as per the process defined in Japanese regulations, making it into a wholly owned subsidiary. • Honda Motor shall purchase Yachiyo's 52.4% shareholding in the Goshi Giken Co., Ltd. (2W business). • SAMIL shall buy 100% shareholding of YIM • Motherson to buy 81% stake in Yachiyo (4W business) with Honda Motor continuing to retain the remaining 19%. <p>Subject to satisfactory completion of all conditions precedent mentioned in the Framework Agreement of Business Reorganization executed on July 4, 2023 along with successful execution of tender offer, the transaction is expected to be closed promptly after Honda Motor has made Yachiyo a wholly-owned subsidiary (expected to be completed by Q1 FY25).</p>								
g)	Nature of consideration – whether cash consideration or share swap and details of the same	Cash consideration								
h)	Cost of acquisition or the price at which the shares are acquired	Equity value of JPY 22.9 billion for 100% stake subject to any adjustments in relation to above transaction								
i)	Percentage of shareholding / control acquired and / or number of shares acquired	81% in Yachiyo and 100% in YIM.								
j)	Brief background about the entity acquired in terms of products/line of business acquired, date of incorporation, history of last 3 years turnover, country in which the acquired entity has presence and other significant information (in brief)	<p>1) <u>Main line of business:</u> Target is engaged in production of automobile parts i.e., Sunroofs, Fuel tanks and Resin products.</p> <p>2) <u>Date of incorporation of the Target:</u> August 27, 1953</p> <p>3) <u>Turnover of last three financial years of the Target (Yachiyo 4W business):</u></p> <table border="1" data-bbox="792 1583 1442 1688"> <thead> <tr> <th>Particular (JPY Bn)</th> <th>FY 2021</th> <th>FY 2022</th> <th>FY 2023</th> </tr> </thead> <tbody> <tr> <td>Turnover</td> <td>105.7</td> <td>102.8</td> <td>116.1</td> </tr> </tbody> </table> <p>4) <u>Presence:</u> The Target has 13 manufacturing facilities and 3 R&D facilities in 8 countries across the world i.e. Japan, China, the United States, Thailand, Brazil, India, Indonesia, Mexico.</p>	Particular (JPY Bn)	FY 2021	FY 2022	FY 2023	Turnover	105.7	102.8	116.1
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