



December 6, 2024

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: Intimation under Regulation 30 of the Securities and Exchange Board of India
(Listing Obligations and Disclosure Requirements) Regulation, 2015**

Dear Sir / Madam,

The Board of Directors of Samvardhana MotherSON International Limited (“SAMIL”) at its meeting held on December 6, 2024, *inter-alia*, approved an acquisition via a 100% subsidiary of Samvardhana MotherSON Automotive Systems Group B.V (“SMRP B.V.”) (SAHN B.V.). Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI Circular SEBI/HO/CFDPoD-1/P/CIR/2023/123 dated July 13, 2023, details of proposed acquisition is enclosed as **Annexure A**. Further, an investor presentation is also enclosed as **Annexure B**.

The Board Meeting of the Company commenced at 1100 Hours (IST) and concluded at 1220 Hours (IST).

The above is for your information and records.

Thanking You

Yours truly

For Samvardhana MotherSON International 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>Atsumitec Co., Ltd. a company duly incorporated and existing under the laws of Japan and having its registered office at 461 Takaokanishi Chuo-ku, Hamamatsu-shi, Shizuoka 433-8118 along with its direct and indirect subsidiaries in Thailand, Hong-Kong, USA, Vietnam, China, Japan, Indonesia and Mexico. ("Target")</p> <p>The Target shall be acquired by Samvardhana Motherson International Limited ("SAMIL") via a 100% subsidiary of Samvardhana Motherson Automotive Systems Group B.V ("SMRP B.V.") (SAHN B.V.) collectively as "Motherson" to own 95% shares with voting rights in Target to be executed in multiple steps.</p> <p>Honda Motor shall continue to own remaining 5% voting rights shares in Target.</p> <p>2) <u>Business of the Target:</u></p> <p>Target is, inter alia, engaged in the production of high precision machined components including gear shifters, chassis and transmission parts for 4-Wheeler ("4W") and 2-Wheeler ("2W") vehicles.</p> <p>3) <u>Turnover for the FY 2023-24:</u></p> <p>JPY ~62 Bn (~ USD 412 Mn) (April 01, 2023, to March 31, 2024). With a book value of ~31 Bn (~ USD ~207 Mn) as on March 31, 2024.</p> <p>4) Current shareholding pattern:</p> <ul style="list-style-type: none"> a. Honda Motor: 48.01% b. Founding family, management, current and former employees, business partners ("Other Shareholders"): 51.99% (no single person owning more than 7%)

Sr. no.	Details of Events that need to be provided	Information about such events
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	Automotive 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"> • Expanding share of business with Japanese OEMs <ul style="list-style-type: none"> ○ Continued Trust by customers with further entrenchment and expansion in Metal business. ○ Improved penetration with JOEMs (accounting for >25% of global PV production). • Further diversification of the business portfolio with <ul style="list-style-type: none"> ○ entry into new product lines i.e. chassis and transmission parts for 4W and 2W. ○ entry into new geographies like Vietnam for 2W segment. ○ improved resultant penetration with Japanese customers (which accounts for ~25% of global 4W production). • Access to Global Metal & Machining Capabilities <ul style="list-style-type: none"> ○ Complementary to SAMIL footprint (currently in India and Mexico). ○ potential to pivot to wider industry and customer applications. • Customer Diversification and Cross-Sell Opportunities <ul style="list-style-type: none"> ○ Potential cross-selling opportunities of existing product portfolio to JOEMs. ○ Diversification of customer base utilizing Motherson deep customer relationships.
e)	Brief details of any governmental or regulatory approvals required for the acquisitions	1. Merger control clearance required from merger control authorities of Japan

Sr. no.	Details of Events that need to be provided	Information about such events
f)	Indicative time period for completion of the acquisition	<p>Transaction steps;</p> <ol style="list-style-type: none"> 1. Procurement of shares from other shareholders (51.99%) by special purpose (“SPC”) company incorporated by seller with minimum threshold of 48.02% to be procured. <ul style="list-style-type: none"> ○ As of the date of this announcement, the SPC has already procured 31.75% stake from Other Shareholders out of the 51.99%. ○ If minimum threshold is not met the transaction would not move forward. 2. SAMIL to purchase procured shares from SPC post required regulatory approvals, expected to be achieved by Q4FY25. <ul style="list-style-type: none"> ○ SAMIL will become the largest stakeholder with consolidation right and ability to reconstitute Target Board. 3. Thereafter remaining shares (if any of other shareholders) will be subject to Squeeze Out / Stock Consolidation Process as defined in Japanese Regulations to ensure shareholding is upto 51.99%. 4. Target to launch share buy back of Honda Motor shareholding resulting in final shareholding structure; 95% Motherson and 5% Honda Motor (Voting right basis) 5. On the day of buy back, SAMIL to additionally purchase 49% stake in Atsumitec Indonesia (“AIN”) from Honda Motor. <p>Subject to satisfactory completion of all conditions precedent and steps outlined above, final closing is expected by Q1FY26.</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	<p>Transaction is based on locked box mechanism (March 31st, 2024);</p> <p>Equity value for 100% stake is ~JPY 8.5 Bn (~USD 57 Mn) subject to any adjustment in relation to above transaction (such as leakages etc.)</p>

Sr. no.	Details of Events that need to be provided	Information about such events												
		The company was in a net cash position on consolidated level as of March 31 st 2024.												
i)	Percentage of shareholding / control acquired and / or number of shares acquired	<u>Target</u> : 95% shareholding												
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, inter alia, engaged in production of high precision machined components including gear shifters, chassis and transmission parts for 4W and 2W</p> <p>2) <u>Date of incorporation of the Target</u>: April 15, 1949</p> <p>3) <u>Turnover of last three financial years of the Target</u> :</p> <table border="1" data-bbox="792 831 1446 1005"> <thead> <tr> <th>Particular</th> <th>FY 2022</th> <th>FY 2023</th> <th>FY 2024</th> </tr> </thead> <tbody> <tr> <td>~JPY Bn</td> <td>58</td> <td>55</td> <td>62</td> </tr> <tr> <td>~USD Mn</td> <td>391</td> <td>368</td> <td>412</td> </tr> </tbody> </table> <ul style="list-style-type: none"> • Conversion from JPY to USD done at a constant exchange rate of 149.75 JPY per USD as of November 30th, 2024. <p>4) <u>Presence</u>: The Target has 9 Facilities across 7 countries i.e. Japan, China, United States, Mexico, Thailand, Indonesia, and Vietnam.</p>	Particular	FY 2022	FY 2023	FY 2024	~JPY Bn	58	55	62	~USD Mn	391	368	412
Particular	FY 2022	FY 2023	FY 2024											
~JPY Bn	58	55	62											
~USD Mn	391	368	412											



**SAMIL strengthens relationship with Honda Motors,
creating a springboard for metal business.**



Transaction Highlights.



Transaction Overview

- SAMIL Via 100% subsidiary of SMRP B.V (SAHN B.V) will acquire “Atsumitec” from its existing shareholders (Honda Motors & Others)
- Transaction will be executed in multiple steps culminating into a shareholding of **Motherson 95% : 5% Honda Motors**

Deal Metrics

- Transaction based on lock box mechanism as of 31st March 2024
- Purchase consideration of Approx. **JPY 8.5 Bn / USD 57 Mn¹** (subject to leakage adjustments) to be paid upon closing.
- The company was **in a net cash position on consolidated level** as of 31st March 2024.
- **Book value** of JPY 31 Bn / USD 207 Mn¹ as of 31st March 2024

Particulars (USD Mn) ¹	FY 2022	FY 2023	FY 2024
Revenue	391	368	412
EBITDA	31	15	31
%	7.9%	4.1%	7.5%

Strategic Rationale

- Expanding relationship and share of business with Japanese OEMS
- Access to **Global Machining Capabilities**
- Customer **Diversification** and **Cross-Sell** Opportunities
- **3CX Strategy** at Play

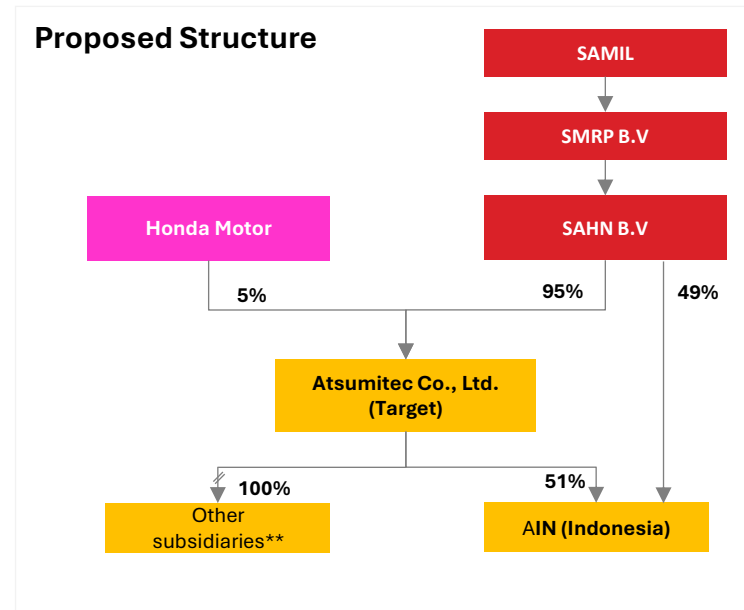
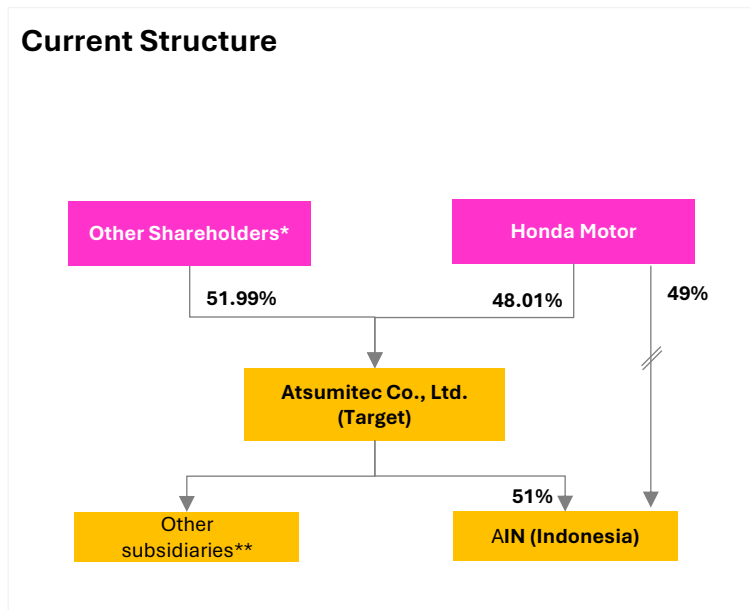
Timelines

- Transaction to consummate over multiple steps subject to regulatory approvals and conditions to closing;
- **By Q4FY25**, SAMIL to hold at least 48% shareholding and reconstitute board of Atsumitec
 - **By Q1FY26**, ultimate ownership resulting in SAMIL 95% : 5% Honda Motor respectively. *(Please refer to next slide for details)*

Note:

1. Conversion from JPY to USD done at a constant exchange rate of 149.75 JPY per USD as of November 30th, 2024

Overview of Proposed Structure.



Honda Motor retaining 5% to ensure business transition and successful integration with MotherSON

Transaction Structure and Mechanics.

December 2024

Q4FY25

Q1FY26



1.1

1.2



Announcement and Signing of Definitive Agreements

- Procurement of shares from **other shareholders** (51.99%) by special purpose (“SPC”) company incorporated by seller with minimum threshold of 48.02% to be procured.
- As on date SPC has procured **31.75% shares** from other shareholders.
- If minimum threshold is not met **the transaction would not move forward**

- SAMIL to purchase procured shares from SPC (under step 1.1) subject to customary closing conditions and regulatory approvals
- **SAMIL** will become **largest stakeholder** with **consolidation right and ability to reconstitute Atsumitec board**
- Thereafter remaining shares (if any of other shareholders) will be subject to Squeeze Out / Stock Consolidation Process as defined in Japanese Regulations to ensure **shareholding is upto 51.99%**

- Atsumitec to launch share buy back of **Honda Motor shareholding**
- Resulting in final shareholding structure; **95% MotherSON and 5% Honda Motor** (Voting right basis)
- SAMIL to additionally purchase 49% stake in Atsumitec Indonesia from Honda Motor

Note

* Among **Other Shareholders** there is no single person owning more than 7%

**Other subsidiaries include direct and indirect subsidiaries in Thailand, Hong-Kong, USA, Vietnam, China, Japan and Mexico. Other than 2 subsidiaries in Thailand, all subsidiaries are 100% owned by Atsumitec Japan, whereas the 2 Thailand entities are owned 80% and 66.24%.

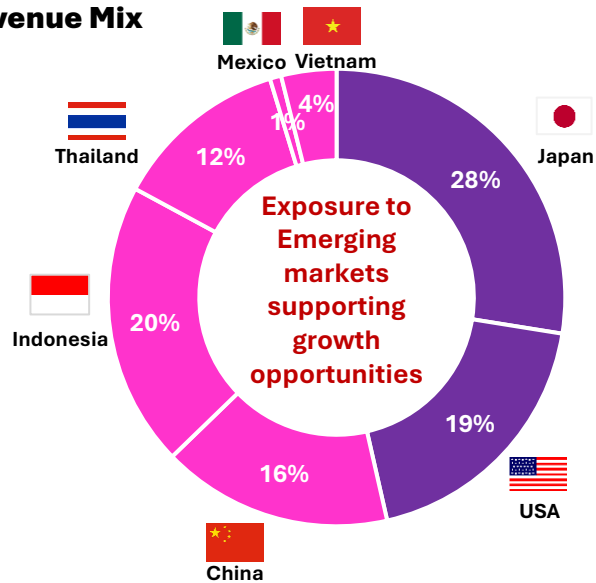
Overview : Atsumitec.



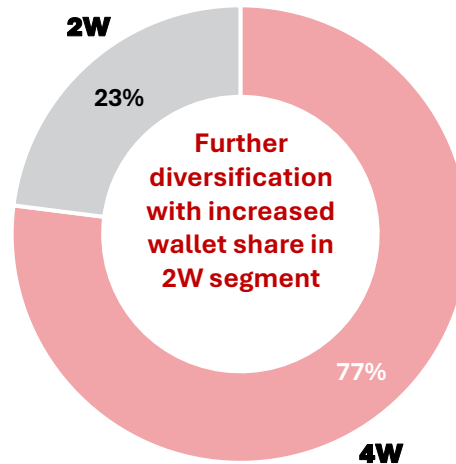
About Atsumitec

- Founded in 1949 with its headquarter in Hamamatsu Japan.
- **Core capabilities in metal and machining** business primarily manufacturing Chassis and Transmission components for 4W and 2W segment.
- 9 Facilities across developed and **emerging markets** with over ~3,400 employees
- Global Machining capabilities with **high value add capabilities** such as heat treatment, carburizing, grinding and broaching among other process residing in-house.
- Key supplier to **marquee Japanese OEMs** such as Honda Motor, Toyota, Mitsubishi, Suzuki, Daihatsu etc.

Revenue Mix



Product Mix



Manufacturing Capabilities



Moulding Technology



Precision Machining



Heat Treatment



Automated assembly inspection line



Automated assembly load line

Global Metal & Machining Capabilities with potential to serve wider industry set and customer base

Product Portfolio

4W Chassis Parts

Gear Shifters



01 Automatic Transmission Shifter



02 Manual Transmission Shifter

2W Parts



Shift Fork



Connecting Rods

4W Transmission Parts

Pulley and Pully Pistons



CVT Pulley



Pulley Piston



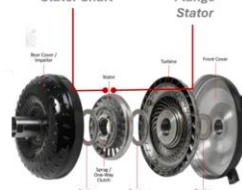
Flange Assembly



Stator Shaft



Flange Stator



Product portfolio well suited for ICE and Hybrid Platforms

1 Expanding share of business with Japanese OEMs

- Continued Trust by customers with further entrenchment and expansion in Metal business
- Improved penetration with JOEMs (accounting for >25% of global PV production)

2 Access to Global Machining Capabilities

- Global Metal & Machining footprint complementary to SAMIL (currently in India and Mexico)
- Metal & Machining capabilities carry potential to pivot to wider industry and customer applications

Forging strong supply relationship and penetration with Japanese OEMs and springboard for Metals Business

3 Customer Diversification and Cross-Sell Opportunities

- Potential cross-selling opportunities of existing product portfolio to JOEMs
- Diversification of customer base utilizing MotherSON deep customer relationships

4 3CX Strategy at Play

Entry into new product lines;
Chassis and Transmission Components

Further diversification of customer base with
JOEMs

Entry and expansion into
new geographies



Thank you.

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