



Samvardhana MotherSON International Limited

(formerly MotherSON Sumi Systems Limited)

Head Office: C-14 A & B, Sector 1, Noida – 201301 Distt. Gautam Budh Nagar, U.P. India

Tel: +91-120-6752100, 6752278, Fax: +91-120-2521866, 2521966, Website: www.motherSON.com

September 26, 2022

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

Ref. : Disclosure under regulation 30 of SEBI (LODR) Regulation, 2015

Dear Sir / Madam,

SMR Automotive Mirrors UK Limited, United Kingdom (“**SMR UK**”), a 100% step down subsidiary of Samvardhana MotherSON Automotive Systems Group BV, Netherlands (“**SMRP BV**”), has entered into a Share Purchase Agreement (“Agreement”) with Ichikoh Industries, Ltd., Japan (“Ichikoh”) for the acquisition of 100% equity share capital held by Ichikoh in Misato Industries Co. Ltd., Japan and Ichikoh (Wuxi) Automotive Parts Co., Ltd., China. SMRP BV is a material and 100% subsidiary of Samvardhana MotherSON International Limited (formerly MotherSON Sumi Systems Limited).

The closing of the transaction is subject to completion of customary conditions precedent and expected to be completed in next 6 (six) to 8 (eight) months.

In this respect, details prescribed vide SEBI circular no. CIR/CFD/CMD/4/2015 dated September 09, 2015 along with press release and investor presentation to be issued by the Company are respectively enclosed herewith as **Annexure – ‘A’ and ‘B’**.

The above is for your information and records.

Yours truly,

For Samvardhana MotherSON International Limited
(formerly MotherSON Sumi Systems Limited)

Alok Goel
Company Secretary

Encl: a/a

Regd Office:
Unit – 705, C Wing, ONE BKC, G Block
Bandra Kurla Complex, Bandra East
Mumbai – 400051, Maharashtra (India)
Tel: 022-61354800, Fax: 022-61354801
CIN No.: L34300MH1986PLC284510
Email: investorrelations@motherSON.com

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 entities, details in brief such as size, turnover etc.	<p>Misato Industries Co. Ltd., (“Misato” or “Target Company”) a company incorporated under the laws of Japan (“Target Company”) and Ichikoh (Wuxi) Automotive Parts Co., Ltd (“IWAP”), a company incorporated under the Laws of the PRC which shall be a 100% subsidiary of Misato on Closing Date. Misato and IWAP collectively shall be referred as “Target Group”.</p> <p>Target Group is 100% owned by Ichikoh Industries, Ltd., which is a company incorporated under laws of Japan and is listed on the Tokyo Stock exchange (TSE) under ticker 7244</p> <p>Additional details of the <i>Target Group</i> are set out in our response in S.no. (j).</p> <p>The Target Group shall be acquired through SMR Automotive Mirrors UK Limited, a step down subsidiary of the Company.</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	<p>This is not a related party transaction for the Company.</p> <p>None of the promoter/promoter group/ group companies have any interest in the Target Group.</p>
c)	Industry to which the entity being acquired belongs	Manufacturing of automotive mirrors and associated parts
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);	<p>This acquisition is the next major step in line with the Group strategy of 3CX10 with increased geographic and customer diversification.</p> <p>The completion of this transaction will provide Purchaser Group with strong local R&D and manufacturing footprint, further strengthening group’s relationship with Japanese OEMs. The transaction further strengthens Purchaser Group’s presence in China.</p> <p>The improved customer connect with Japanese OEMs is expected to be a key catalyst for growth across the global footprint of these customers.</p>
e)	Brief details of any governmental or regulatory approvals required for the acquisitions	No Governmental or regulatory approvals required for the acquisition.
f)	Indicative time period for completion of the acquisition	Subject to completion of all conditions precedent, the transaction is expected to be closed within an estimated time period of 6-8 months from the date of signing.
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>JPY 5.2 BN in Enterprise Value with adjustments for debt, debt like items and Working capital to be calculated on closing date.</p> <p>Equity Value (Purchase Price) will be determined at Closing from the Enterprise Value after making necessary adjustments for debt / debt like items, cash and cash equivalents, working capital surplus / deficit and certain additional adjustments agreed in the transaction documents.</p> <p>In addition to the Target Group, the Purchaser Group intends to buy the automotive mirrors business of Ichikoh Industries Ltd. In Thailand and Malaysia (“ASEAN Business”) at the net asset value. The net asset value of ASEAN Business as of December 2021 was JPY 29 Million.</p>																		
i)	Percentage of shareholding / control acquired and / or number of shares acquired	100% stake in Target Group																		
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><u>Main line of business:</u> The Target Company’s activity mainly consists of manufacturing of automotive mirrors and associated products.</p> <p><u>Date of incorporation:</u> The Target Group entities have been incorporated on the following date:</p> <table border="1" data-bbox="688 911 1321 1075"> <thead> <tr> <th>Target Entity</th> <th>Date of Incorporation</th> </tr> </thead> <tbody> <tr> <td>Misato Industries Co. Ltd</td> <td>October 6, 1978</td> </tr> <tr> <td>Ichikoh (Wuxi) Automotive Parts Co., Ltd.</td> <td>July 1, 2003</td> </tr> </tbody> </table> <p><u>History of Turnover:</u> The key financial information of the Target Group is as follows:</p> <table border="1" data-bbox="688 1201 1354 1331"> <thead> <tr> <th><i>In JPY Billion (IFRS)</i></th> <th>FY 2019</th> <th>FY 2020</th> <th>FY 2021</th> </tr> </thead> <tbody> <tr> <td>Sales</td> <td>22.0</td> <td>15.5</td> <td>15.8</td> </tr> <tr> <td>EBITDA</td> <td>2.3</td> <td>1.1</td> <td>1.3</td> </tr> </tbody> </table> <p><u>Presence:</u> The Target Group is a leading manufacturer of automotive mirrors and associated products in Japan and to Japanese OEMs in China. The Target Group has 3 manufacturing plants across Japan and China.</p>	Target Entity	Date of Incorporation	Misato Industries Co. Ltd	October 6, 1978	Ichikoh (Wuxi) Automotive Parts Co., Ltd.	July 1, 2003	<i>In JPY Billion (IFRS)</i>	FY 2019	FY 2020	FY 2021	Sales	22.0	15.5	15.8	EBITDA	2.3	1.1	1.3
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Motherson announces its 1st acquisition in Japan, to acquire mirror business of Ichikoh Industries

India **26th** September 2022 –Samvardhana Motherson Automotive Systems Group BV (SMRPBV), through its Vision systems division, has entered into an agreement with Ichikoh Industries (a subsidiary of Valeo SE) in Japan to buy 100% stake of its mirror business at an Enterprise Value of JPY 5.2 Bn (subject to customary closing adjustments for debt/debt-like items and working capital).

The transaction includes Ichikoh's mirror business (development and manufacturing of automotive mirrors and associated products) in Japan and China, catering largely to Japanese OEMs. The target business reported revenues of JPY 15.8 billion in 2021. With this transaction Motherson will add three manufacturing facilities across Japan and China and 260 patents to its IP portfolio.

This acquisition will be a major milestone in the group's relationship with Japan which began in 1983 with its first collaboration. As the 3rd largest automotive production hub with strong technology leadership, Japan remains a key target market for Motherson. In July 2022, Motherson established two facilities in Hamamatsu, Japan and this acquisition is the next major step in line with the Group strategy of 3CX10 with increased geographic and customer diversification. Completion of this transaction will provide Motherson with strong local R&D and manufacturing footprint, further strengthening group's relationship with Japanese OEMs. The improved customer connect with Japanese OEMs is expected to be a key catalyst for growth across the global footprint of these customers.

This will be the third acquisition under the Vision systems business division during the current five-year plan following acquisitions in Turkey and China. With this transaction, Vision systems will achieve majority of its strategic geographical expansion objectives that were highlighted as a part of the of the Group's 2025 five-year plan. The increased share of Japanese OEMs which were previously under-represented in the Vision system portfolio will create additional growth opportunities for the division in the future.

The proposed deal is expected to be closed in 6-8 months subject to completion of all conditions precedent

Commenting on the deal, Mr Vivek Chaand Sehgal, Chairman, Motherson said, *"Inorganic growth is an integral part of our Vision 2025. With this acquisition, Motherson will acquire design and manufacturing footprint in Japan enabling closer coordination and stronger relationship with Japanese customers both for their local as well as global business. This will also help Visions Systems to expand its geographical reach in China and in its ability to grow business with Japanese OEMs. Being an EPS accretive transaction, we are confident that we will be able to create value for our customers and shareholders by this acquisition"*

Mr. Christophe Vilatte, President and CEO, Ichikoh Industries, Ltd. said:

"Ichikoh is a pioneer of the automotive mirror business in Japan with its long history and close relationship with Japanese OEM customers. I am convinced that with Motherson Group's advanced technologies and global presence, Ichikoh mirror business will be in a stronger position to continue meeting its customers' expectations and realizing further growth. At the same time, Ichikoh will focus on its expertise in lighting, which is currently undergoing a profound revolution."

About Ichikoh Group

Ichikoh Industries (a subsidiary of Valeo SE) is listed in Tokyo stock exchange (ticker 7244) and is headquartered in Isehara-shi, Kanagawa-ken (Japan). Ichikoh engages in lighting and mirror business as a Tier-1 auto-parts supplier to various OEMs. Ichikoh's mirror business was established in 1965 and it has been a preferred automotive supplier in Japan for more than 55 years producing and supplying rear-view mirrors for automotive applications. The mirror business of Ichikoh has three state of the art manufacturing facilities in Japan and China.

About SAMIL & Samvardhana Motherson Automotive Systems Group BV (SMRP BV)

Motherson Group is a diversified global manufacturing specialist and one of the world's largest and fastest-growing automotive suppliers for OEMs. Motherson Group supports its customers from more than 300 facilities across 41 countries, with a team of over 150,000 dedicated professionals. The group recorded revenues of USD 10.5 billion for FY22 and is among the top 25 largest automotive suppliers worldwide. Samvardhana Motherson Automotive Systems Group BV (SMRPBV) is a 100% subsidiary of SAMIL and is present in all major global automotive production hubs, with 109 facilities spread across 29 countries. To know more please visit www.motherson.com and www.smrpbv.com

Vision Systems Business Division

Motherson's Vision systems division is serving its customers from 37 facilities spread across 18 countries. This division supplies exterior mirrors, interior mirrors, and camera-based detection systems to leading global automotive OEMs. The division develops solutions for all categories of automotive mirror applications, from basic manually adjusted exterior and interior mirrors to electrically controlled high-performance mirrors and camera-based rear view camera monitoring systems.

For other details on this, you may please contact:

Pankaj Mital

Chief Operating Officer (COO)
Samvardhana Motherson International Limited
Phone: +91 120 6679500

Rajat Jain

Chief Operating Officer (COO)
Samvardhana Motherson Reflectec (SMR)
Phone: +91 120 6679 500
Rajat.jain@motherson.com

Ankur Bansal

Investor Relations (Motherson)
Phone: +91 22 6135 4812
ankur.bansal@motherson.com

Kunal Malani

Chief Financial Officer (CFO)
Samvardhana Motherson International Limited
Phone: +91 22 6135 4806

Rahul Deep

Head – MARCOM (India),
Motherson Group
Phone: +91 99100 85201
Rahul.deep@motherson.com

Jatin Khattar

Adfactors PR Pvt. Ltd
Phone +91 98107 51243
motherson@adfactorspr.com



**Motherson announces its 1st acquisition in Japan,
to acquire 100% of the mirror business of Ichikoh
Industries**

26th September 2022



Transaction Overview

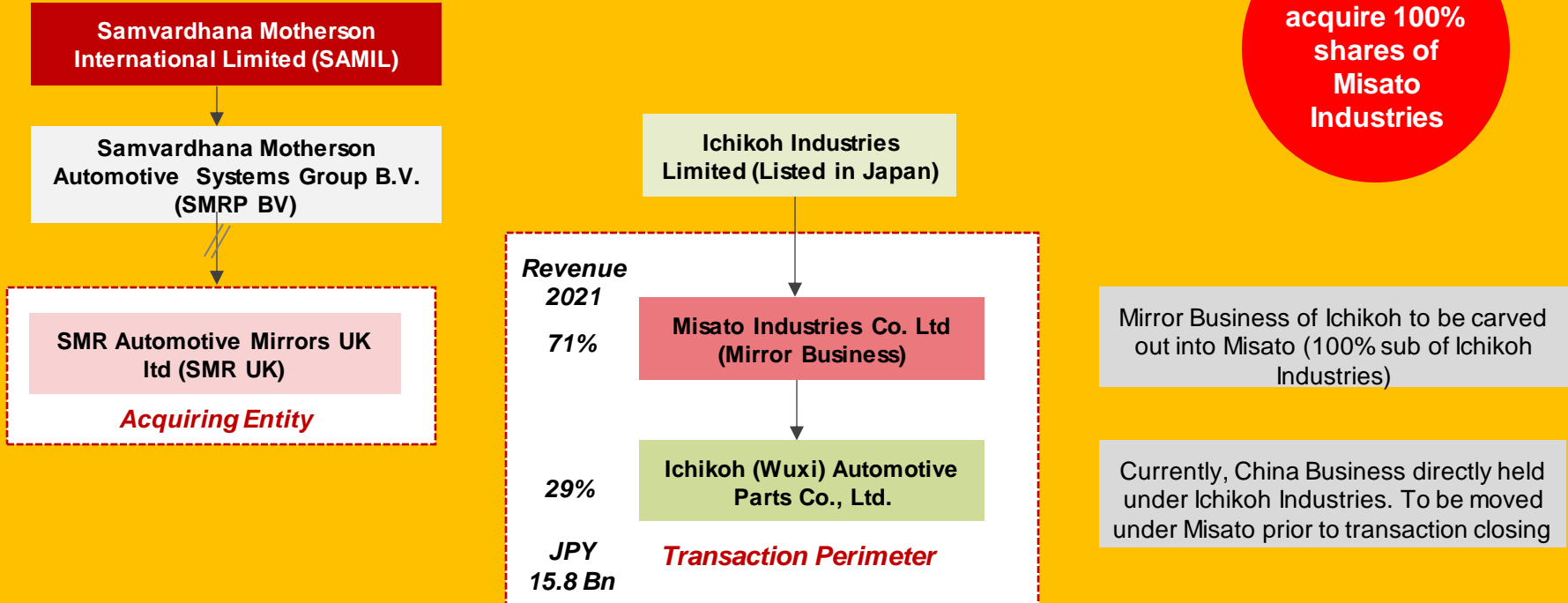
motherson 

- **Motherson to acquire 100% of the mirror business of Ichikoh Industries Ltd. Japan (a Valeo company) in an all-cash deal**
- **Ichikoh Industries is one of the key suppliers of Automotive Mirrors to Japanese OEMs in Japan, China and Thailand**
- **Enterprise value of JPY 5.2 Billion, subject to closing adjustments (incl. debt/debt like items and working capital)**
- **Subject to receipt of necessary approvals, expected to close in May 2023**

Key financials

JPY Billion (IFRS)	2019	2020	2021
Revenue	22.0	15.5	15.8
EBITDA	2.3	1.1	1.3

Transaction Structure.



Mirror Business of Ichikoh, Japan.

Overview

- Headquartered in Isehara-Shi, Kanagawa (Japan)
- Full system solution provider from design to manufacturing and serving customers for over 55 years
- Longstanding relationship with key Japanese OEMs; 95%+ customers are Japanese



2
countries



3
facilities





~700
employees

Product Range





Highly synergistic and complementary footprint.

-  Ichikoh's Mirror Business's manufacturing plants
-  Motherson's Vision Systems business division's facilities*

*Facilities include all operational units (manufacturing plants, module centres, assembly centres, units for service businesses), tech centres and representative offices.

Transaction Rationale.

Foothold in Japanese Market

7 million cars produced in Japan annually

Growth potential globally with Japanese OEMs

17 million cars produced by Japanese OEMs globally (excluding Japan)

Synergistic and complementary Footprint

Best cost manufacturing capability for components

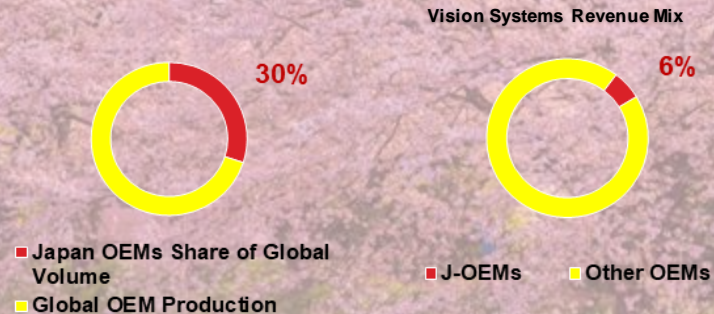
Access to actuators and power-folds for Asian markets

Access to R&D Capabilities

260 Patents and local development teams

With the 3rd acquisition in the current 5-year plan, Vision systems will achieve majority of its strategic geographical expansion objectives

The increased share of Japanese OEMs (previously under-represented) in the Vision system portfolio to create additional growth opportunities





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Overview of **Vision Systems** Business division of **Motherson**.



- Global tier 1 supplier to the automotive industry with focus on electro-mechanical systems
- Leading exterior mirror manufacturer globally and a pioneer for intelligent camera system
- History of 'First to Markets' with Long tradition of inventing outstanding solutions providing cost optimisation, increased comfort, enhanced safety and unique styling.
- In-house design, manufacturing and assembly



18

countries



37

facilities



~10,000

employees



~\$ 1.8 Bn¹

