

Renault-Nissan's Ghosn to head Mitsubishi Motors

TOKYO: Nissan chief Carlos Ghosn will become chairman of Mitsubishi Motors after Japan's number two automaker announced a major investment in its scandal-hit rival, a report said on Wednesday.



Mitsubishi's Tokyo-listed shares soared more than 10% to 536 yen (\$5.15) in afternoon trading, shortly after the report by the leading Nikkei business daily. The stock closed at 522 yen, up 7.85%, while Nissan edged up 0.52% to 1,004.5 yen.

In May Nissan [threw Mitsubishi a lifeline](#) as it announced plans to buy a one-third stake in the crisis-hit automaker for about \$2.2 billion, forging an alliance that will challenge some of the world's biggest auto groups. The purchase came after Mitsubishi was hit by a mileage-cheating scandal that slammed the brakes on sales.

Mitsubishi has asked its current chairman and president Osamu Masuko to stay on as president, the Nikkei said, citing unnamed sources.

Ghosn - who is also head of French carmaker Renault - will be officially appointed after a board meeting later this year, it said.

Mitsubishi declined to comment on the report.

Ghosn, who was widely credited with turning around a nearly bankrupt Nissan in the late 1990s, is being given the senior

job so he can oversee Mitsubishi's turnaround, the Nikkei said. The automaker earlier warned it is on track to lose 145 billion yen this fiscal year as costs tied to the scandal mount.

Mitsubishi has admitted it had been falsifying mileage tests for years, manipulating data to make cars seem more efficient than they were. Two of the affected vehicle models were being made for Nissan, which was the first to uncover problems with the fuel economy data.

Among the compensation costs, Mitsubishi is on the hook to pay more than \$1.0 billion to Nissan and other suppliers as well as payments to customers who bought the affected cars.

Source: AFP

For more, visit: <https://www.bizcommunity.com>