

# Honda, Nissan announce merger plans, set for completion by August 2026

**S Ronendra Singh**  
New Delhi

Japanese auto majors Honda Motor Company, Nissan Motor and Mitsubishi Motors Corporation on Monday officially announced their intent to join hands, to co-develop future products and form a holding company that could potentially become third largest in the world.

This would create one of the world's largest auto groups, amidst global competition with Tesla and China's electric vehicles and advanced software.

Nissan, Honda and Mitsubishi Motors have reached a basic agreement to proceed with discussions based on the framework established in the memorandum of understanding signed by Nissan and Honda on August 1, regarding the commencement of a strategic partnership focused on intelligence and electrification, the companies said.

Mitsubishi Motors has been participating in this framework, and the three companies have been pro-

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MOTOR CORPORATION

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**STRATEGIC TIE-UP.** Makoto Uchida, Director, Representative Executive Officer, President and CEO of Nissan Motor Corporation; Toshihiro Mibe, Director, President and Representative EO of Honda; and Takao Kato, Director, Representative EO, President & CEO of Mitsubishi Motors, at a press conference in Tokyo. REUTERS

ceeding with discussions, they said.

The companies also said they will establish an integration preparatory committee to facilitate a smooth integration and will conduct focused discussions. Based on the committee's discussions, as well as the results of due diligence, the companies will examine and analyse more specific synergies.

Nissan and Honda also aim to become a world-class mobility company with sales revenue exceeding 30 trillion yen and operating profit of more than three-trillion yen, they added.

The companies are expected to execute a definitive agreement concerning the business integration (including the share transfer plan) by June 2025 and by August 2026, the companies expect for the share transfer. Mitsubishi said it is evaluating its involvement in the integration and aims to reach a decision by January 2025.

"Nissan and Honda will start the discussion from today onwards with an aim to clarify the possibility of business integration by around the end of January in line with the consideration of Mitsubishi Motors," Toshi-

hiro Mibe, Director and Representative Executive Officer at Honda, said.

According to experts, the merger could result in a huge conglomerate worth more than \$50 billion and Honda, and the Nissan alliance with Renault SA of France and Mitsubishi would gain scale to compete with world's largest Toyota Motor Corp and second largest Germany's Volkswagen Group.

## PRODUCTION PLAN

The companies also indicated that they could make about eight-million vehicles a year, that would mean getting nearer to Toyota's 11.5 million vehicles in 2023. In 2023, Honda made four-million and Nissan produced 3.4 million vehicles. Mitsubishi made just over one-million vehicles.

"Honda and Nissan have begun considering a business integration, and will study the creation of significant synergies between the two companies in a wide range of fields," Makoto Uchida, Director, President, CEO and Representative Executive Officer, Nissan, said.