

Honda and Nissan Decided to Merge by 2026

The Japanese automobile companies, Honda and Nissan are going to merge by 2026. The new entities both this initiative will be largely handled and led by Honda.



Tokyo, Japan Dec 23, 2024 ([IssueWire.com](https://www.issuewire.com)) - Nissan Motor Co. and Honda Motor Co. are about to merge the companies to dodge the competition from China's automobile companies. As of now, it is coming to know that the Japanese companies have signed an agreement for the merger. From the former media brief, it is coming to know that Honda will buy back ¥1.1 trillion yen, which is nearly US\$ 7 billion of its share. As both companies are merging their forces, they will create a whole different house for the new entity. The list of it is set to be by August 2026. It is also coming to know that Honda will get an opportunity to nominate the board of directors for the new company.

Right now, 24.5% of Mitsubishi Motors Corp. is owned by Nissan. And for that reason, they have also signed a memorandum to be a part of the new company's final decision. It will be accomplished by the January end. The chief executive of Honda, Toshihiro Mibe has addressed the forecasting of ¥1 trillion will give a profit of more than ¥3 trillion. Merging the companies would be a much more profitable decision for both the automobile companies.

Mibe has also said that 'Both companies will continue as wholly owned subsidiaries of the joint holding company with their respective brands in place'. Currently, it is coming to know that Honda will lead the new merger with Nissan as they have a strong position in the industry. The merger of both companies will make Honda a much larger motorcycle unit. Honda previously announced a share buyback of ¥100 billion. As of now, it has been canceled and will start on 6th January. This will be run through 2025 according to the last announcement.

After the previous announcement on Monday, the chief executive of Nissan, Makoto Uchida said 'Partnering with Honda isn't a sign that we're giving up on our plans to turn Nissan around'. This initiative will help both companies to make more profit and make a deep impact on the industry. Hiroki Ihara, the analyst of Tachibana Securities Co. has stated a few things after the mergers. Ihara said 'There are just too many Japanese carmakers, and mergers are becoming necessary to become more competitive, globally'. This has led to the merger of both companies.

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