



MITSUBISHI



Official name: Mitsubishi Motors Corporation.

Owned by: Nissan Motor Co (34%), Mitsubishi Heavy Industries Ltd (12.63%), Mitsubishi Corporation (10.06%), The Bank of Tokyo-Mitsubishi (3.91%), plus institutional and private investors.

Current situation: Although Mitsubishi is the sixth-largest automaker in Japan, globally it's only the 16th-largest.

Mitsubishi Motors is currently in nosedive after years of consistently losing money. Facing multi-billion dollar losses and legal action over falsified fuel economy figures, Mitsubishi was recently rescued by Nissan.

Most of Mitsubishi's Western investors have bailed out and won't come back.

Mitsubishi now has less than a 1% share of the American car market. Mitsubishi's Chinese sales and Japanese sales are nosediving.

Chances of survival: poor.

Mitsubishi is likely to be absorbed into the Nissan-Renault group •



A brief history of Mitsubishi

FOUNDED IN 1870, Mitsubishi began producing cars in 1917, but full-scale production did not commence until the early 1960s. With typical Japanese thoroughness, Mitsubishi Motors produced well-built, well-designed cars. They were mostly too small for the American market, because Mitsubishi built its cars for Japanese roads, which were small and congested.

Mitsubishi Motors had its big break in the 1970s fuel crisis: suddenly the world fell in love with small, fuel-economic, reliable Japanese cars. For decades it seemed that Mitsubishi Motors could do no wrong. Mitsubishis were reliable and well built. They weren't



very safe, but people didn't care so much in those days. Sometime in the 1990s Mitsubishi began to lose the plot. Safety problems were hidden and vehicles that should have been recalled were simply ignored. Worse, whereas the early Mitsubishi designs were simple and straightforward, from the 1990s onwards Mitsubishi developed an unhealthy obsession with high technology. This high

technology has often not stood the test of time.

Mitsubishi Motors has had the dubious privilege of being – until recently – the only Japanese car company to consistently lose money. Plagued by years of scandal and vehicles that no one wanted to buy, Mitsubishi Motors successfully alienated customers and investors alike.

In the year 2000, DaimlerChrysler bought 34% of Mitsubishi, only to sell it again a few years later after losing billions on the deal.



In 2008, Mitsubishi stopped manufacturing in Australia after losing billions there.

In 2012, Mitsubishi announced that it would also cease production in Europe, after suffering losses of 22 billion yen (US\$287 million). Mitsubishi's sole remaining plant, in Holland, was sold to local bus-maker *VDL Groep* for 1 Euro (US\$1.23).

In 2015, Mitsubishi announced that it would stop building cars in the USA.

In 2016, Mitsubishi was caught faking fuel consumption figures in its native Japan. The Japanese government does not tolerate challenges to its authority, and therefore Mitsubishi was punished severely.

Internationally, newer Mitsubishi models like the Outlander have done okay, but older vehicles like the four-wheel drive Pajero/Montero are now hopelessly outdated.

And Mitsubishi's bad news just keeps coming.

Mitsubishi is raked by scandals in Japan, and has suffered massive losses as a result. And it's no better anywhere else; Mitsubishi has less than 1% share of the US market. Mitsubishi's Chinese investments are losing billions.

In 2016, Nissan came to Mitsubishi's rescue. This rescue was partly the result of pressure from the Japanese government, and partly because Nissan wants Mitsubishi's remaining customers.

Everyone in the motor industry understands that only large companies will survive the coming meltdown in the global car market. That's why Chrysler and Fiat got married.

By adding Mitsubishi to its ranks, Nissan, and its parent company Renault, have a far stronger chance of staying afloat.

But Nissan doesn't need the Mitsubishi brand. So, in the longer term, it's likely that the Mitsubishi-Motors name will disappear altogether. •

