

Nissan board to vote on Ghosn's dismissal

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The fate of Nissan's disgraced Carlos Ghosn as chairman of the Japanese car giant is set to be decided Thursday when board members meet to vote on his dismissal, days after the tycoon's arrest for financial misconduct.

The fallen superstar executive credited with turning around the Nissan-Renault-Mitsubishi Motors alliance is in detention over allegations he under-reported his pay by millions of dollars.

His arrest on Monday has sent shockwaves through the global car sector, corporate Japan and beyond.

If Nissan's board remove the 64-year-old millionaire from his post on Thursday afternoon Japan time, it would be a staggering reversal of fortune for the once-revered manager.

But it would appear his fate is all but sealed after his hand-picked replacement as CEO, Hiroto Saikawa, launched an astonishing broadside at his mentor.

Saikawa said Monday that "too much authority" had been placed in the chairman's hands and lamented the "dark side of the Ghosn era", as he called the board meeting to fire him.

Japanese authorities have extended Ghosn's detention by 10 days, several media reported Wednesday, as it emerged Nissan itself could face charges over the scandal.

The Brazilian-born polyglot is being held on suspicion of under-reporting his income by about five billion yen (\$44.5 million) over five years, prosecutors say.



Japanese authorities have extended Ghosn's detention by 10 days, media reported Wednesday

A months-long investigation prompted by a whistleblower uncovered years of financial wrongdoing, including the misuse of company assets, according to Saikawa.

Public broadcaster NHK said Nissan had paid "huge sums" to provide Ghosn with luxury homes in Rio de Janeiro, Beirut, Paris and Amsterdam "without any legitimate business reason".

Prosecutors had 48 hours after Ghosn's arrest to either press formal charges, release him or request a 10-day custody extension to continue the probe.

Flashy lifestyle

It has been a stark indictment of the man considered one of the world's most powerful auto executives and known as a hard-nosed workaholic willing to shut factories and cut thousands of jobs to get a firm on solid financial footing.

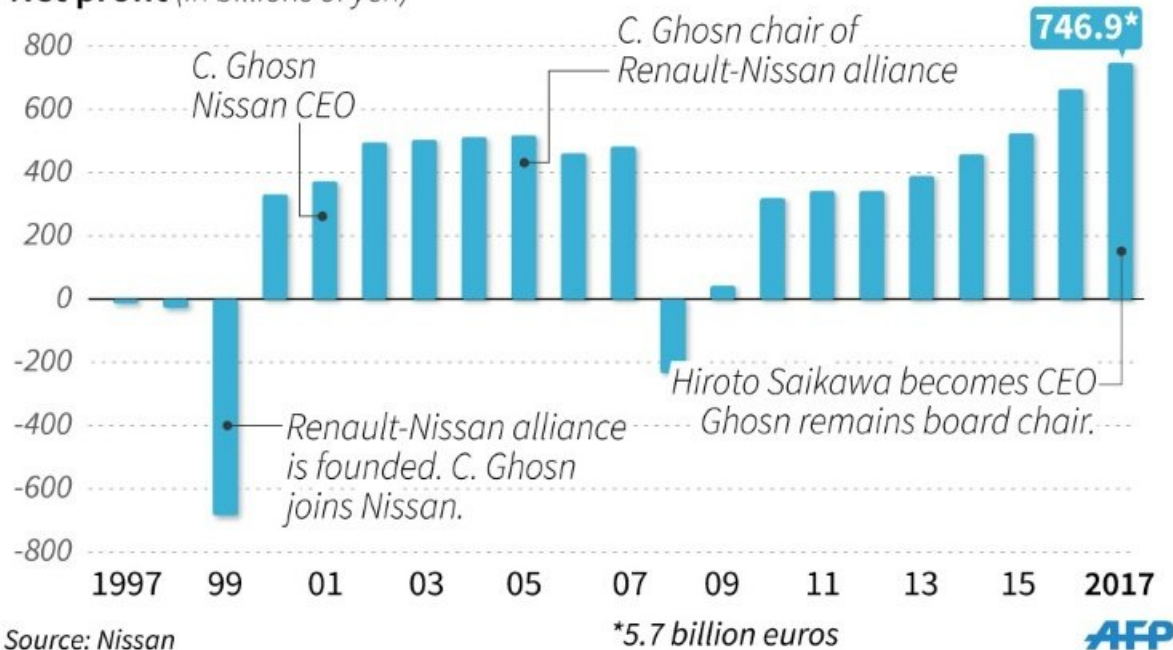
Even when his reputation was sky-high, he attracted criticism for a flashy lifestyle and high salary at odds with traditional Japanese corporate culture.

Ghosn is being held in a detention centre in northern Tokyo in conditions far removed from his usual expensive surroundings. "In principle, he will be all alone in a cell," lawyer Ayano Kanazuka told AFP.

"There is everything you need, heating, a bed but conditions are spartan," said Kanazuka's colleague Lionel Vincent.

Nissan

Net profit (in billions of yen)



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Renault said it was sticking with the fallen manager as chief executive but named chief operating officer Thierry Bollere as deputy CEO.

"This leadership guarantees the correct functioning of the Renault company," French Economy Minister Bruno Le Maire told reporters on

Wednesday.

He added he would meet his Japanese counterpart on Thursday to discuss "prolonging" the relationship.

The alliance of Renault, Nissan and since 2016 Mitsubishi has flourished, selling 10.6 million cars last year—more than any of its rivals.

After an emergency board meeting earlier, Renault urged Nissan to share evidence against Ghosn from its internal investigation. Renault said it was unable to comment on the charges without this information.

'Le Cost Killer'

Paris and Tokyo have been scrambling to contain the fallout from the arrest.



Under Ghosn's stewardship, Nissan and Renault became deeply entwined

The scandal—the latest in a string to affect Japan Inc.—wiped millions off the stock value of all three companies.

Nissan bounced back marginally on the Tokyo stocks exchange, after plunging following Ghosn's arrest.

Ghosn was once the darling of corporate and popular Japan—even having a manga comic inspired by him. He has been the glue holding the auto tie-up together since 1999.

He won the nickname "Le Cost Killer" in France for his slash-and-burn

approach to corporate restructuring.

Under his stewardship, Nissan and Renault became deeply entwined.

Renault owns 43 percent of Nissan while in turn the Japanese firm has a 15-percent stake in Renault.

Nissan has become the alliance's key player however, posting sales of 12 trillion yen (\$106 billion) last year compared with Renault's 59 billion euros (\$67 billion).

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