

Company Overview

Business Description

- Marelli Holdings Co. Ltd. is a global automotive supplier headquartered in Saitama, Japan, with its North American headquarters at 26555 Northwestern Highway in Southfield, Michigan.⁽¹⁾
 - Reported \$10bn of revenue for 2024
 - More than 46,000 employees across 24 countries at the Petition Date
 - Served more than 65 original equipment manufacturers (Dkt. 20, ¶¶ 21 to 24)
- Marelli organizes production into seven businesses: Lighting, Electronics, Interiors, Ride Dynamics, Propulsion, Green Technologies and Aftermarket.

⁽¹⁾ Marelli Automotive Lighting USA LLC and 75 affiliated debtors filed for Chapter 11 protection on 11 June 2025 (the "Petition Date") in the U.S. Bankruptcy Court for the District of Delaware, Case No. 25-11034 (CTG), before Judge Craig T. Goldblatt.

Corporate History

KKR Buys Calsonic Kansei

- KKR announced a tender offer for Calsonic Kansei, the Nissan-affiliated supplier, on 22 November 2016 and completed it on 23 March 2017, with 95.21% of shares tendered.
 - The Nissan-Renault-Mitsubishi Alliance was CK Holdings' primary customer at the time.

Magneti Marelli

- KKR agreed in October 2018 to buy Magneti Marelli from FCA for €5.8bn (\$6.66bn) and closed in 2019.
 - The two businesses were merged to form Marelli Holdings.

The 2022 Japanese Turnaround

- Marelli ran a first restructuring out of court in Japan in 2022, cutting roughly ¥450bn from ¥1.1tn of debt, with ¥650m of new capital from KKR and a ¥200bn write-off.
 - The 2025 chapter 11 is its second restructuring in three years.

Operations Overview

Lighting

- The largest business: nineteen production plants in eleven countries, sixteen R&D and application centers, and approximately 16,100 employees.
 - Sells lighting and electrical systems predominantly to European and North American automakers.

Electronics

- The second largest: approximately 5,800 employees across eleven manufacturing sites in ten countries.
 - Strategic investments in China and India; the product line is migrating toward software-defined-vehicle architecture.

Interiors

- Twenty-five manufacturing sites in eight countries, approximately 6,000 employees and more than seventy patents.
 - Includes the first smart-surface technology launched by a Tier 1 supplier.

Remaining Businesses

- Ride Dynamics (approximately 3,700 employees, twelve plants), Propulsion (approximately 3,800 employees, seven plants), Green Technologies (more than 6,700 employees, thirty-one plants) and Marelli Aftermarket.
 - Marelli does not disclose revenue by segment (Dkt. 20, ¶¶ 26 to 30).

Prepetition Obligations

Debtors' Prepetition Obligations

USD in Millions

As of 11 June 2025

Debt Instrument	Lender / Counterparty	Security	Amount
Secured Debt:			
Emergency Loan Facility¹⁾	Development Bank of Japan; Mizuho (agent)	Contractually senior to the Senior Loan Facility	\$ 350.0
Senior Loan Facility²⁾	Japanese commercial banks (approx. half); ad hoc group (approx. half); Mizuho (administrative agent)	First lien; Japanese-law credit agreement ³⁾	\$ 4,550.0
Total Funded Debt⁴⁾			\$ 4,900.0

1) \$350m Emergency Loan Facility provided by the Development Bank of Japan in 2023, maturing 31 December 2027.

2) Comprises a \$540m revolving facility and a \$4,010m term loan.

3) Under the credit agreement, at least 66.67% of lenders by principal amount must consent to direct remedies.

4) Approximately \$4.9bn of funded debt at the Petition Date.

Top Unsecured Claims

Largest Unsecured Creditors		
USD		As of 11 June 2025
Creditor	Nature of Claim	Amount of Claim
1 FCA US LLC (Stellantis)	Customer; largest global customer and largest non-bank creditor	\$ 453,958,618
2 Nissan Motor Co., Ltd.	Customer	\$ 313,145,938
3 Bosch Group	Supplier	\$ 45,000,000

1) Top three entries from the consolidated list of 30 largest unsecured creditors attached to the lead debtor's voluntary petition (Dkt. 1); the Bosch Group amount as reported by Automotive News. The remaining entries are not reproduced here.
2) An official committee of unsecured creditors was appointed on 25 June 2025.

Events Leading to Bankruptcy

Financial Deterioration

- Marelli began engaging its secured lenders in August 2024 to address liquidity needs and potential credit-agreement amendments (Dkt. 2852).
- A J.P. Morgan-led 2024 financing effort produced no actionable proposals.
- Tariffs imposed in March 2025 worsened the liquidity position of a business that moves components across borders in both directions.
- Annual interest on the funded debt ran to approximately \$150m.

The Lender Deadlock

- The senior facility's Japanese-law terms require at least 66.67% of lenders by principal amount to direct remedies.
 - With roughly half held by Japanese banks and half by the ad hoc group, each side ended the talks holding approximately 50%, enough to block and not enough to act.
 - Eight months of negotiation deadlocked.

Motherson Approach

- In May 2025, Nikkei reported a buyout proposal from India-listed supplier Motherson.
 - It could not bridge the gap between the Japanese and non-Japanese creditor groups in time, and the case went to court instead.

Events Leading to Bankruptcy (cont'd)

OPmobility Litigation

- OPmobility Gestion et al. v. Strategic Value Partners LLC, Marelli Holdings Co. Ltd. et al., Adv. Pro. No. 26-50470-CTG (Bankr. D. Del.), filed 16 June 2026.
 - OPmobility alleges the debtors and SVP are attempting to hire its former chief executive, Laurent Favre, in breach of a non-compete, and pleads related trade-secret claims.
 - The defendants moved to dismiss under Rule 12(b)(6) on 11 September 2026 and on forum non conveniens grounds on 18 September 2026 (Dkt. 2852).
 - The adversary is ongoing.

Investigations and Regulatory Matters

- At the direction of a special committee, Selendy Gay has investigated potential claims against related parties arising from prepetition transactions, including document requests to KKR and access to a lender data room (Dkt. 2852).
 - The investigation remained ongoing as of the amended disclosure statement.
- No state investigations are disclosed, and no regulatory approvals are required to consummate the plan beyond standard conditions.
 - Parts of the restructuring must be effectuated on an expedited timeline to satisfy Italian regulatory requirements.

Events Leading to Bankruptcy (cont'd)

Industry Precedent Transactions

- The Marelli filing lands inside a broader supplier squeeze. 9fin's August 2025 survey of the sector, "OEMs take the wheel in supplier restructurings", documents automakers pressing suppliers on price and payment terms, OEMs absorbing tariff costs selectively, and a run of supplier insolvencies across Europe and North America.
- Marelli is the largest supplier restructuring of the cycle, and the only one so far in which the lenders rather than the sponsor end up owning the company.
- Customers concentrate in exactly the way the plan's critics point to: Stellantis is simultaneously Marelli's largest global customer and, at \$453,958,618, its largest non-bank creditor; Nissan is second at \$313,145,938.
 - The company spent more than \$750m supporting customers in 2024 and 2025 (Dkt. 20).

Chapter 11 Filing

The Chapter 11 Filing

- Marelli Automotive Lighting USA LLC and 75 affiliated debtors filed voluntary chapter 11 petitions in the District of Delaware on 11 June 2025.
- First-day relief included cash management, customer and vendor programs and the initial DIP draw: \$519m interim (12 June 2025), \$130m interim (25 July 2025), final approval 30 July 2025.
- Capital structure: a \$350m contractually senior Emergency Loan Facility (DBJ lender, Mizuho agent, maturing 31 December 2027) and the approximately \$4.55bn first-lien Senior Loan Facility under Japanese law.
 - KKR funds hold the equity.

Case Administration

- Judge: Craig T. Goldblatt. UCC appointed 25 June 2025, with Paul Hastings as counsel. Claims agent: Verita Global.
- Debtors' advisors: Kirkland & Ellis, Nishimura & Asahi, Mori Hamada & Matsumoto, PJT Partners and Alvarez & Marsal.

Key Dates

- 23 October 2026: committee challenge period expires (Dkt. 2839).
- 23 November 2026, 4:00 p.m. (ET): voting closes; objections due.
- 8 December 2026, 10:00 a.m. (ET): confirmation hearing.

Chapter 11 Filing (cont'd)

Approximately \$1.1 Billion of DIP Financing

- The initial DIP facilities totaled approximately \$1.1bn: a first-out super-senior senior DIP facility of up to approximately \$865m of new-money term loans available in three draws (\$519m, \$130m and the balance), and a second-out junior DIP facility of up to approximately \$242m of new money, plus a 47.5% roll-up of senior loan claims held by DIP lenders.
- In June 2026 the facilities were amended (Dkt. 2218) to provide approximately \$300m of incremental liquidity.
 - Tranche A increased from approximately \$865m to \$900m; a new Tranche A-1 senior facility of up to \$300m ranks ahead of the Tranche B loans.
 - The junior DIP rose from approximately \$242m to up to \$542m; maturities extended to 31 December 2026, extendable to 31 March 2027.
- A borrowing notice on 23 July 2026 drew the remaining Tranche A-1 loans on 7 August 2026, leaving the DIP facilities fully drawn.
- The DIP milestones mirror the restructuring support agreement's; missing one is an event of default.
- Alongside the DIP, the debtors negotiated a \$215m uncommitted accounts receivable purchase facility with Deutsche Bank's New York branch, funded by Deutsche Bank AG, London Branch, certain other new money lenders and members of the ad hoc group.

Restructuring Support Agreement

- Marelli signed a restructuring support agreement before filing with holders of approximately 80% of the senior loan claims, the ad hoc group, Mizuho and KKR (Dkt. 2852).
 - New-money priming DIP of up to approximately \$1.1bn and a 47.5% roll-up of the DIP lenders' senior loan claims; rolled claims become "last out" DIP loans in euro and yen.
 - The approximately \$350m Emergency Loan Facility is repaid in full in cash; the Japanese lenders receive an 11% cash recovery on plan consummation.
- Plan economics (Dkt. 2851): Class 3, the \$308m Emergency Loan Facility, is paid 100% in cash; Class 5, \$78m of general unsecured claims, is reinstated or paid in full in cash; preferred equity, common equity and section 510(b) claims are cancelled.
 - Class 4, \$3,431m of senior loan claims, votes: non-participants receive cash equal to 11% of the sum of principal, accrued and unpaid interest, and fees through the day before the Petition Date; participants take their recovery through the DIP and waive any recovery on their senior claims.
 - On confirmation the sponsors' Tranche B and Tranche C DIP claims are equitized into 100% of the reorganized common equity, subject to dilution by a management incentive plan; Tranche A and A-1 loans are paid in full in cash.

Chapter 11 Filing (cont'd)

OEM Accommodation Agreements

- The amended disclosure statement states that OEM negotiations remain ongoing, that the projections assume OEM support, and that no accommodation agreement is yet agreed (Dkt. 2852). Effectiveness requires OEM accommodation agreements acceptable to the debtors and the sponsors, approved by the court.
- FCA US LLC filed a limited objection on 1 September 2026 (Dkt. 2581): feasibility depends entirely on customer accommodation agreements, and no mutually acceptable agreement with Stellantis had been reached; it supported approval while reserving rights.
- BMW Manufacturing filed a reservation of rights the same day (Dkt. 2583): a proposed accommodation party with no agreement reached.

Where the Plan Stands

- The plan and disclosure statement were filed on 3 August 2026 (Dkt. 2510, 2511) and amended on 16 October 2026 (Dkt. 2851, 2852).
 - The disclosure statement was approved on 20 October 2026 (Dkt. 2870); voting closes and plan objections are due 23 November 2026, with the confirmation hearing set for 8 December 2026.
- The committee supported the move to solicitation (Dkt. 2853) while flagging the plan's contingencies: general unsecured treatment at the debtors' option with sponsor consent, effectiveness conditioned on a sponsor-acceptable exit facility, and sponsor consent over the effective date debtor by debtor and over aggregate claims.