

# Toyota To Remain At Half Capacity At Japanese Plants

TOKYO (AP) — Toyota Motor Corp. said Friday it will maintain output at half capacity in Japan from May 10 to June 3 amid a supply crunch following the March tsunami disaster.

The world's No. 1 automaker said it still remained unclear when the company would return to full production in Japan. Toyota spokeswoman Shiori Hashimoto said the company was struggling to secure around 150 types of auto parts.

The magnitude 9.0-earthquake and ensuing tsunami on March 11 destroyed parts factories in northeastern Japan, causing severe supply shortages for Toyota and other automakers.

The twin disasters have caused Toyota a production loss of 260,000 cars, Hashimoto said.

Toyota has shut down all output in Japan except at three plants, which are running at limited capacity to produce the Prius, two Lexus hybrids and Corolla vehicles.

The company will resume production at all its Japanese plants at half capacity from April 18 to 27, and then halt output from April 28 to May 9, a period that includes Golden Week holidays when factories would normally close.

Limited output will resume at the plants from May 10 to June 3. Hashimoto said Toyota will decide later on production plans after June 6.

Amid uncertainty over the supply crunch, Toyota's share price has dropped nearly 10 percent since March 11 to close at 3,240 yen (\$39) on Friday.

Masataka Kunugimoto, an auto analyst at Nomura Securities, said Toyota would likely incur an operating loss of 328 billion yen in the April-June quarter due to the fallout from the post-tsunami parts shortage.

Toyota is again expected to post an operating loss of 78 billion yen in the July-September quarter, he said.

But the analyst forecast Toyota's Japanese production will return to full capacity in September, and the company will then swing back to the black later in the year.

"Once Toyota gets enough auto parts, it can boost domestic output to make up for production losses. Toyota will post a V-shape profit recovery," Kunugimoto said.

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He expected Toyota to post an operating profit of 414 billion yen in the October-December quarter, and forecast the same amount of an operating profit in the following quarter.

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