

# Toyota Promises Full Recovery, A Revived Automaker

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TOYOTA, Japan (AP) — President Akio Toyoda promised shareholders a revived Toyota despite the production disruptions from the earthquake and tsunami that decimated northeastern Japan on March 11, and first offered his prayers for those killed.

The disaster dominated Friday's annual shareholders at Toyota Motor Corp. headquarters in the town named after the world's biggest automaker.

It started with a solemn moment of silence for those killed and missing, now estimated at more than 23,000 people. The first question from investors was about what the company was doing in response to the destruction.

But the overall mood was supportive and upbeat, periodically interrupted by applause, unlike shareholder meetings in recent years when Toyota officials were on the defensive for massive global recalls caused by quality lapses and profit drops that followed the financial crisis.

Toyota executives said they felt vindicated by the decision by U.S. authorities earlier this year that there were no electronic-system defects in Toyota vehicles, as some had claimed, and that the problem with unintended acceleration had been with faulty floor mats.

"We showed Toyota does not lie, and Toyota does not cover up," Toyoda said, his voice shaking a little with emotion.

When a shareholder asked whether the company planned action against those who had made the allegations, Toyota Executive Vice President Shinichi Sasaki said the company had put the recall woes behind it.

"The American people have already recognized that we were in the right," Sasaki told shareholders.

The quake and tsunami damaged key parts suppliers in northeastern Japan, and vehicle production for some models is still not back to normal, three months later.

That is crimping Toyota sales, even for popular models, just at a time when it was starting to recover from a two-year recall fiasco, especially by boosting growth in emerging markets.

Toyota shares had been rising earlier this year on hopes for a recovery, but lost such gains after the March 11 disaster, trading recently in Tokyo at about 3,200 yen

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(\$40) .

Reporters were able to watch the two-hour shareholders' meeting proceedings through a monitor set up for media at headquarters.

One shareholder got up to grumble about how he was still waiting for his Prius hybrid order, but called himself "a Toyota fan," and expressed confidence Toyota was on a comeback.

Another investor said he had purchased several Prius vehicles, while one who identified himself only by his surname Harada said he was rooting for Toyota, adding, "We want a Toyota that runs at the top."

Toyoda said his company was working hard so that vehicle production, which had stopped nationwide after the 9.0-magnitude quake, is expected to be back at pre-disaster levels by July, both in Japan and overseas.

He said he visited suppliers and dealers in northeastern Japan and was deeply moved by the struggle of people to deal with widespread damage.

Although it will take time for the Tohoku area to return to normal, Toyota will do its best to contribute to the regional economy by keeping production there and providing jobs.

"I ask shareholders for their understanding," Toyoda said with a bow, which was welcomed with enthusiastic clapping.

Despite the gradual recovery over the past year, Toyota is still expecting its profit to dive 31 percent on year to 280 billion yen (\$3.5 billion) for the fiscal year through March 2012, hammered by the parts shortages.

Toyota may lose its spot as the world's top-selling automaker to General Motors Co. this year because of the disaster, although executives have played down the importance of that loss.

Toyota, which makes the Lexus luxury model and the Camry sedan, expects to sell 7.24 million vehicles for the fiscal year through March 2012, down from 7.31 million vehicles in the previous year.

Michihiro Hamajima, a 60-year-old retired employee at a Toyota affiliate, who owns 600 shares, said he was counting on a healthy Toyota.

"The question is when it can stand strong," he said outside the meeting, noting some electronic parts are so crucial they prove essential for production. "But it was not just Toyota that was hurt. All the companies were hurt."

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**Toyota to return to full NA production in Sept.**

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ERLANGER, Kentucky (AP) — Toyota said Thursday it expects to return to full North American production in September, faster than it expected following parts shortages stemming from the March earthquake and tsunami in Japan.

Toyota Motor Corp. said its North American production is currently at 80 percent on average. Eight of its 12 North American-built models returned to full production on June 6, the automaker said.

The March 11 earthquake and tsunami damaged auto parts plants in northeastern Japan and cut power to others, interrupting the supply of car and truck parts to carmakers across the world.

Toyota, along with Honda Motor Co., was one of the hardest hit. It cut production to about 30 percent of normal in May by idling factories for several days or reducing their hours. It warned dealers to expect shortages of some models well into the summer.

Toyota has resumed full production of the Avalon large car, Camry midsize car, Corolla compact, Highlander SUV, Matrix small car, Sequoia large SUV, Sienna minivan and Venza crossover vehicle, the company said.

The Lexus RX350 SUV, Toyota RAV4 small crossover and Tundra and Tacoma pickups are not expected to return to full production in June.

The automaker will focus on making up as much lost production as possible after September, said Steve St. Angelo, executive vice president of Toyota's North American manufacturing, said in a statement.

The automaker has 13 factories in North America that employ 25,000 people. Toyota has said it will not lay off any workers.

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