

# Toyota Quarterly Profit Quadruples On Recovery

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TOKYO (AP) — Toyota's quarterly profit more than quadrupled to 121 billion yen (\$1.5 billion), and the automaker gave upbeat forecasts as it recovers from a sales plunge caused by the tsunami in Japan last year.

Japan's No. 1 automaker forecast Wednesday that profit for its business year ending March 2013 would soar to 760 billion yen (\$9.5 billion). Net profit plunged 30 percent to 283.6 billion yen (\$3.5 billion) for the just ended business year.

The annual results were better than the company projection for a 200 billion yen (\$2.5 billion) profit, as well as the FactSet estimate at 279 billion yen (\$3.49 billion). That, along with the jump in profit for the January-March quarter, is a sign of a turnaround from last year's tsunami that hobbled Toyota production around the world.

Toyota's profit for January-March the previous year had been dismal at 25.4 billion yen because of the damage from an earthquake and tsunami that hit March 11, 2011. Flooding in Thailand, which disrupted supplies, added to the decline.

Toyota President Akio Toyoda acknowledged the hardships, but also pointed to the strong yen, which erodes the overseas earnings of Japanese exporters such as Toyota.

"Our vision is to establish a strong business foundation that will ensure profitability under any kind of difficult business environment," he said.

"But thanks to the concerted efforts of our employees, suppliers and dealers, we were able to recover production and sales faster than anticipated and achieved a strong result."

Toyota, which makes the Prius hybrid, Camry sedan and Lexus luxury models, said its vehicle sales grew in Japan, Europe and Africa, but not in North America. However, it is regaining market share there.

The automaker expects to sell 8.7 million vehicles this business year, 1.3 million more vehicles than the nearly 7.4 million vehicles sold for the year ended March.

Rising gas prices and concerns about global warming are major plus factors for Toyota and other Japanese automakers that excel at producing compact fuel-efficient models.

Toyota's image suffered in North America over a series of massive recalls since 2009, and its U.S. sales fell last year. But its sales and market share in the U.S. have almost recovered.

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"It's no secret that Toyota had a tough year last year due to the production fallout from the Japanese earthquake. In the last few months though, Toyota has made big strides to regain the U.S. market share it lost to its competitors," said Edmunds.com senior analyst Jessica Caldwell.

But she warned Toyota needs to keep coming up with new products to maintain its recovery momentum amid intense competition.

Toyota faces an increasingly powerful Hyundai Motor Co., a resurgent General Motors Co. and Volkswagen AG, who all remain hard to beat in key growth markets such as China.

Toyota's sales for the business year ended March 31 totaled 18.58 trillion yen (\$232 billion), down 2 percent.

January-March sales rebounded to 5.7 trillion yen (\$71.3 billion), up 23 percent from 4.6 trillion yen a year earlier.

The comeback at Toyota is playing out at other Japanese automakers.

Last month, Honda Motor Co. reported its January-March profit jumped 61 percent on robust car and motorcycle sales, and forecast record global sales of 4.3 million vehicles for this fiscal year.

Nissan Motor Co. reports fiscal results Friday.

Toyoda, the grandson of Toyota's founder, vowed to lead a full turnaround, promising a range of products targeting emerging markets, in addition to established markets.

"In recent years, we have suffered periods of hardship," he said. "This year, I am determined to show tangible results."

Toyota shares closed unchanged at 3,145 yen (\$39) in Tokyo, shortly before earnings were announced.

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