

Toyota Assures Shareholders Of Disaster Recovery

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TOYOTA, Japan (AP) — Toyota Motor Corp. President Akio Toyoda assured shareholders Friday that Japan's top automaker had recovered from last year's disasters even as power shortages continue to dog the country.

The earthquake and tsunami in northeastern Japan and the flooding in Thailand last year temporarily hobbled production for all the Japanese automakers, but they have since recovered.

"We were able to recover more quickly than we expected," Toyoda told a packed hall at the automaker's headquarters. "We want to work to revive Japan and bring more smiles to Japan."

Toyoda also fielded questions underlining nervousness about Japan's electricity supply, stemming from another disaster — the nuclear crisis caused by the meltdowns at Fukushima Dai-ichi nuclear power plant. All of Japan's reactors are now offline after being shut down for routine safety checks, with imports of oil and gas being used to fuel other generators.

Toyota executive Atsushi Niimi acknowledged the region's utility had asked Toyota to reduce power consumption by 5 percent.

But the company was already working on reductions by switching to more efficient LED lighting, setting air conditioning at 28 degrees Centigrade (82.4 Fahrenheit), and boosting its ability to generate its own power.

"There is no reason to worry about an electricity supply this summer," he told a shareholder who asked why the hall was so well lit.

The meeting drew nearly 4,000 people to this central Japanese city named after the automaker. Items on the agenda, including promotion of executives, all passed smoothly with a round of applause.

The maker of the Camry sedan, Prius hybrid and Lexus luxury models is projecting a strong turnaround following the disaster-struck previous year.

It is forecasting a 760 billion yen (\$9.5 billion) profit for the fiscal year through March 2013. Net profit plunged 30 percent to 283.6 billion yen (\$3.5 billion) for the business year ended March.

Toyota shares have lagged, fluctuating between 2,500 yen (\$30) and 3,500 yen (\$44) over the past year. It is now trading at about 3,000 yen (\$40).

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Toyota is rolling out new models and aggressively remodeling its lineup to steer its turnaround.

And it's looking to emerging markets for growth, targeting 50 percent of its global vehicle sales in such countries by 2015. Toyota already sells more than 3 million vehicles a year in emerging markets, or 45 percent of its global sales of 7.1 million vehicles.

But 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.

The automaker expects to sell 8.7 million vehicles worldwide this fiscal year, up from 7.4 million vehicles sold for the year ended March.

A couple of shareholders expressed worries about the ability of Toyota to keep its promise to preserve production of 3 million vehicles in Japan.

"Can you really sell 3 million cars in Japan?" demanded a shareholder who identified himself only by his surname Suzuki.

Niimi said Toyota plans to sell half of that in Japan and export the rest. Officials acknowledged that it would be better to sell more in Japan because of the strong yen that puts Toyota at a disadvantage in the U.S. and other markets against Volkswagen and Hyundai.

Vehicle demand in Japan in 2011 totaled 4.2 million vehicles, down 15 percent from the previous year, but is expected to grow 19 percent to 5 million vehicles this year, according to the Japan Automobile Manufacturers Association.

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

The auto industry provides more than 5 million jobs in Japan, including auto workers, suppliers and dealers.

Toyoda, the grandson of the automaker's founder, said he hoped the company will help in an overall Japan revival from the disasters.

He got choked up in thanking the flood of email and other encouragement Toyota had received to "gambare," which means "keep going."

"Our spirit of never giving up means I want ours to be a company that keeps growing," he said.

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