

Toyota Raises Annual Forecasts On Profit Rise

Yuri Kageyama, AP Business Writer

TOKYO (AP) — Toyota Motor Corp. raised its fiscal year profit forecast Tuesday to triple what it eked out for the disaster-struck previous year, as the world's top automaker continued on a comeback roll as sales surged, especially in the U.S.

Toyota's October-December profit jumped 23 percent to 99.91 billion yen (\$1.09 billion), compared to the same period the previous year. Quarterly sales edged up 9 percent to 5.3 trillion yen (\$58 billion).

Underlining its solid recovery, Toyota is now expecting fiscal year profit of 860 billion yen (\$9.3 billion). It had initially expected a 780 billion yen (\$8.5 billion) profit. It had marked a 283.5 billion yen profit through March 2012.

Toyota also raised its sales forecast for the fiscal year through March, to 21.8 trillion yen (\$237 billion), up 17 percent from the previous fiscal year.

Toyota is also expecting a perk from a favorable exchange rate. The yen has been weakening on expectations the prime minister who took office late last year will push for inflation targets and other monetary policy designed to weaken the yen. A strong yen hurts giant exporters like Toyota by erasing the value of overseas earnings.

Toyota gained 50 billion yen (\$543 million) in operating income in October-December from the weak yen.

Toyota's recovery tale is being repeated at other Japanese automakers, which saw production disruptions from the March 2011 tsunami and earthquake in northeastern Japan.

The Japanese maker of the Prius hybrid, Camry sedan and Lexus luxury cars rose once again to the world's top automaker in global vehicle sales last calendar year, overtaking U.S. rival General Motors Co.

For the fiscal year through March 2013, Toyota is now expecting to sell 8.85 million vehicles, up from the previous forecast for 8.75 million vehicles, because of strong North American sales.

The recent recovery follows difficult years for Toyota. It had a massive recall crisis from late 2009 through 2010, affecting various regions, but especially in the U.S., that resulted in millions of vehicles being recalled for braking, gas pedal, floor mat and other problems.

The recall fiasco threatened to tarnish Toyota's once sterling reputation for quality. However, its popularity in the U.S. shows customers still have faith in the brand,

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although the company still faces lawsuits over accidents.

Toyota has been trying to beef up quality controls, speed up response to defects and become more transparent.

"We believe that our efforts have been bearing fruit and that we are finally on the road to sustainable growth," said senior managing officer Takahiko Ijichi. "We will continue our efforts to build ever-better cars."

Besides the U.S., Toyota's vehicle sales improved in Asia, with the exception of the ailing Japanese market.

Toyota could end up doing even better than its forecasts, as it is counting on the dollar averaging at 81 yen for the fiscal year, while it's already at 92 yen levels in recent sessions and could rise further.

In January, Toyota was among the automakers enjoying a sales recovery in the U.S., soaring 26.6 percent from the previous year behind strong numbers for the Camry and Corolla cars.

Toyota's sales have suffered in China, where anti-Japanese sentiments flared up over a territorial dispute in recent months.

But Toyota has made up for such sales losses with strong demand in other Asian nations, such as Indonesia, Vietnam and Thailand.

"Toyota experienced the year of the dream come back in 2012," said Jesse Toprak, senior analyst at TrueCar.com.

"Virtually all of the metrics by which we define an automaker's performance improved dramatically for the company after a couple years of a roller-coaster ride."

Honda Motor Co. lowered its full fiscal year profit forecast last week, citing the China woes, while reporting a nearly 63 percent rise in quarterly profit to 77.4 billion yen (\$850 million).

Mitsubishi Motors Corp., which did not break down quarterly results, reported Tuesday that nine-month profit through December totaled 17.3 billion yen (\$188 million), up 27 percent from the same period the previous fiscal year.

Japan's No. 2 automaker Nissan Motor Co. reports earnings Friday.

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