

## **Toyota Putting Higher Focus On Environmental, Safety Technologies**

The Associated Press

NAGOYA (Kyodo) -- Toyota Motor Corp. plans to increase resources including funds and engineers devoted to advanced environmental and safety technologies starting next year even at the cost of reducing such resources for the development of new models, sources close to the matter said Tuesday.

The automaker is also considering accelerating standardizing parts and components across different models in an effort to simultaneously achieve upgrading of products and cutting costs in a strategic project called "Toyota New Global Architecture," the sources said.

Toyota has decided to delay or review the launch of some models, they said. Such a move could negatively affect affiliated dealers around the world in the short run, but Toyota apparently is putting greater emphasis on developing advanced technologies, a source of higher competitiveness for the company.

The automaker also aims to bolster its technologies so it can quickly respond to abrupt changes such as legal restrictions on fuel efficiency and a change in the automobile tax rate, according to the sources.

Toyota has advantages in the development of hybrid models and fuel-cell cars but is said to have lagged behind its rivals in safety technologies such as automatic brakes. Similarly, Nissan Motor Co. and Volkswagen AG of Germany are ahead of Toyota in the area of standardization of parts and components.

Toyota has significantly improved its business performance, with its group operating profit for the business year through next March projected to almost recover to the record-high level logged in fiscal 2007 before the so-called Lehman shock in September 2008.

However, a pickup in earnings apparently stems from a weaker yen, not as a result of structural reforms, prompting Toyota executives to take steps to boost competitiveness.

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