

Toyota acquires Lyft's self-driving unit for \$550 million

April 27 2021, by Yuri Kageyama



In this Nov. 2, 2020, file photo, visitors walk at a Toyota showroom in Tokyo. Toyota Motor Corp. has acquired the self-driving division of American ride-hailing company Lyft for \$500 million, in a move that underlines the Japanese automaker's ambitions in that technology, announced Tuesday, April 27, 2021. (AP Photo/Koji Sasahara, File)

Toyota Motor Corp. has acquired the self-driving division of American ride-hailing company Lyft for \$550 million, in a move that highlights the Japanese automaker's ambitions in that technology.

The acquisition, announced Tuesday, was carried out by Woven Planet Holdings, a Toyota subsidiary that began business in January and focuses on innovations and investment in projects such as "smart cities," robotics and automated driving.

Of the payment, \$200 million will be paid upfront, and \$350 million over a five-year period, according to Toyota.

The Woven Planet project will bring together engineers and researchers in mobility services, software and sensor assets and automated driving systems to further develop the technology, according to Toyota.

"This deal will be key in weaving together the people, resources, and infrastructure that will help us to transform the world we live in through mobility technologies that can bring about a happier, safer future for us all," said Woven Planet Chief Executive James Kuffner.

Woven Planet and Lyft also signed commercial agreements to use the Lyft system and fleet data to speed up commercialization of the technology.

Toyota also said the deal will mean Woven Planet will have Tokyo, Palo Alto, California, and London as locations.



In this March 24, 2020, file photo, a Lyft sign is shown at a ride-hailing pickup location for automobiles in Detroit. Toyota Motor Corp. has acquired the self-driving division of American ride-hailing company Lyft for \$500 million, in a move that underlines the Japanese automaker's ambitions in that technology, announced Tuesday, April 27, 2021. (AP Photo/Paul Sancya, File)

A centerpiece of Woven Planet is the Woven City, which held a groundbreaking ceremony in Japan recently, to build a community showcasing intelligent homes, autonomous vehicles and other mobility products for Toyota's workers and other people.

"Woven Planet is driving towards its mission to combine the innovative culture of Silicon Valley with world-renowned Japanese craftsmanship to create the mobility solutions of the future," said George Kellerman,

who oversees investments at Woven Planet.

All the world's top automakers are working on technology to make vehicles smarter, cleaner and more connected. Lyft, founded in 2012, offers a ride-sharing and rental network.

Also Tuesday, Toyota announced it will work with Japanese automakers Suzuki Motor Corp., which makes small cars, Subaru Corp., Daihatsu Motor Co. and Mazda Motor Corp. on next-generation vehicle communications devices.

Despite the economic damage from the coronavirus pandemic, Toyota has been relatively resilient and continues to invest in clean emissions technology, including electric vehicles, fuel cells and hybrids, robotics and other innovations.

But the advent of such technology is a challenge for old-timers like Toyota because newcomers can emerge as leaders in a totally new game.

"Who will be the economic winners in all of this? Auto companies around the world are girding themselves for the disruption ahead," Daniel Yergin, IHS Markit vice chairman, wrote in a recent commentary.

"Toyota is rebranding itself as a 'mobility company.' Volkswagen goes farther, now billing itself as a 'software-driven mobility provider.' But the big beneficiaries could well be companies that don't yet exist."

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