

Toyota profit down as chips shortage keeps customers waiting

August 4 2022, by YURI KAGEYAMA



A man walks past a Toyota dealer in Tokyo on May 11, 2022. Toyota Motor Corp. reported Thursday, Aug. 4, 2022 a quarterly profit of 736.8 billion yen (\$5.5 billion), down from 897.8 billion yen the previous year. Credit: AP Photo/Eugene Hoshiko

Toyota's profit fell nearly 18% in the April-June quarter from the year

before, as a semiconductor shortage that has slammed the auto industry dented production at Japan's top automaker.

Toyota Motor Corp. reported Thursday a quarterly profit of 736.8 billion yen (\$5.5 billion), down from 897.8 billion yen the previous year.

Quarterly sales rose 7% to 8.49 trillion yen (\$63 billion).

Toyota officials apologized to customers who have been waiting for their cars after putting in orders. Some have waited so long the vehicle went through a model change in the meantime.

Various problems apart from the chips shortage have hurt production, such as flooding in South Africa and pandemic lockdowns in Shanghai, according to the manufacturer based in Toyota City, central Japan.

Electric vehicles, which need many chips, have been the worst hit by the global chips crunch. Rising material costs also hurt Toyota's bottom line.

The negatives offset the perks of a weaker Japanese yen. A cheap yen benefits Japanese exporters like Toyota by boosting the value of their overseas earnings when they are converted into yen.

The favorable foreign exchange rate increased Toyota's operating income for the quarter by 195 billion yen (\$1.5 billion), the company said.



A logo of Toyota Motor Corp. is pictured at a dealer in Tokyo May 11, 2022. Toyota Motor Corp. reported Thursday, Aug. 4, 2022 a quarterly profit of 736.8 billion yen (\$5.5 billion), down from 897.8 billion yen the previous year. Credit: AP Photo/Eugene Hoshiko

Toyota sold about 2 million vehicles during the quarter, down from 2.1 million vehicles in the same period last year.

But it kept unchanged its full [fiscal year](#) forecast to produce 9.7 million vehicles, saying output will pick up in the months ahead.

Toyota posted record earnings in the last fiscal year through March, racking up a 2.85 trillion yen (\$21 billion) profit, up nearly 27% on year.

For the fiscal year through March 2023, it's forecasting a profit of 2.36 trillion yen (\$17.6 billion). The projection was revised upward from an earlier estimate of 2.26 trillion yen (\$16.9 billion).

Toyota said it did not include numbers from its group truck maker Hino Motors because Hino hadn't released a forecast. Earlier this week, Hino acknowledged it had been falsifying emission and mileage data for 20 years and apologized for betraying its customers' trust. It has promised to prevent a recurrence.

Toyota, which makes the Prius hybrid, Lexus luxury models and Camry sedan, has been boosting electric [vehicle](#) sales as the world's interest in sustainability grows. At times it has been accused of lagging in [electric vehicles](#), partly because it's done well with [hybrid vehicles](#), like the Prius, which includes a [gasoline engine](#) and an [electric motor](#).

The company expects to sell 10.7 million vehicles worldwide in the fiscal year through March 2023, up from nearly 10.4 million vehicles in the previous fiscal year.

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Citation: Toyota profit down as chips shortage keeps customers waiting (2022, August 4)
retrieved 27 April 2024 from
<https://techxplore.com/news/2022-08-toyota-profit-chips-shortage-customers.html>

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