

Toyota to replace Akio Toyoda as president and CEO

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Toyota has replaced third-generation chief executive Akio Toyoda.

Toyota named Koji Sato president and CEO on Thursday, in a surprise reshuffle that sees third-generation chief executive Akio Toyoda step aside to become board chairman of the world's top-selling automaker.

The Japanese automaker said Sato, 53, would also become operating officer when the changes to its executive structure take effect on April 1.

Sato—previously chief branding officer, and president of Toyota's luxury Lexus brand—is taking the helm at a time of major upheaval for the industry, with electric vehicles now centre-stage.

He is the same age as Toyoda was in 2009 when he became the company's youngest president, after the global financial crash.

"He has youth, and like-minded colleagues—I expect this team to go beyond the limits that I cannot break through," Toyoda told reporters.

"To promote change in an era in which the future is unpredictable, the head of management must continue to stand on the front lines. For that, stamina, energy and passion are indispensable."

Toyoda, 66, is the grandson of company founder Kiichiro Toyoda. His father Shoichiro Toyoda also led Toyota, in the 1980s and '90s.

He is known as a charismatic leader, having steered the group through a quality-control scandal that saw him apologise before the US Congress, and supply chain chaos caused by Japan's 2011 quake and tsunami.

More recently, he has worked to strengthen Toyota's ambitions in the key electric vehicle sector.

The company pioneered hybrid cars, but some critics say it has been slow to make the shift to battery-powered engines even as demand soars for low-emission automobiles.

In December 2021, Toyota hiked its electric vehicle sales goal by 75

percent and said it planned to roll out 30 battery-powered electric models by the turn of the decade.

'I love making cars'

Sato has worked for Toyota since graduating with a bachelor's in mechanical engineering in 1992.

"I'm an engineer and have long been engaged with developing cars. I love making cars," Sato said.

Toyoda will replace 76-year-old Takeshi Uchiyamada as board chair. Uchiyamada was chief engineer of the team that developed the hugely popular Prius, the world's first mass-produced hybrid model.

Born in the city of Nagoya where Toyota is based, as a child Toyoda wanted to become a taxi driver.

He is a passionate motorsports fan and has even competed in races himself—using the pseudonym "Morizo", so as not to draw attention from his day job as a chief executive.

Although the Toyodas own just a small percentage of Toyota's stock, several subsidiaries are run by extended family members in a complex cross-ownership system.

In November, Toyota left its annual net profit forecast unchanged as a weaker yen offset a global chip shortage and supply-chain disruptions that have repeatedly forced it to slash production targets.

Semiconductors are an essential component of modern cars, and the pandemic-triggered chip drought has pummelled Toyota and its rivals worldwide.

But in January, it set a production target for 2023 of 10.6 million vehicles in the Toyota and Lexus brands—above recent years, including even the 9.05 million units in pre-pandemic 2019.

Still, it warned there was a risk production would come in up to 10 percent lower because of ongoing parts shortages.

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