

# Glitch halts Toyota factories in Japan

August 29 2023, by Hiroshi HIYAMA

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Toyota is the world's biggest automaker, and one of the most important companies in Japan.

Toyota said Tuesday it has been hit by a technical glitch that forced it to suspend production at all of its 14 factories in Japan.

The world's top-selling automaker said the "malfunction in the

production order system" occurred during the daytime on Monday and forced stoppages starting Tuesday morning.

The company said that the problem did not appear to be caused by a cyberattack, but that an investigation was ongoing.

The glitch prevented Toyota's system from processing orders for parts, resulting in a suspension of a dozen factories or 25 production lines on Tuesday morning, it said in a statement.

The company later decided to halt the afternoon shift of the two other operational factories, suspending all of Toyota's domestic plants, or 28 production lines.

The incident affected only Japanese factories, Toyota said.

Later in the day, the company announced in a statement that production at 12 domestic plants would resume Wednesday morning, with all plants expected to be operational from the second shift of the day onwards.

—Outsized impact—

News of the suspension briefly sent Toyota's stocks into the red in the morning session before recovering.

Last year, Toyota had to suspend all of its domestic factories after a subsidiary was hit by a cyberattack.

The company is one of the biggest in Japan, and its production activities have an outsized impact on the country's economy.

Toyota is famous for its "just-in-time" production system of providing only small deliveries of necessary parts and other items at various steps of the assembly process.

This practice minimizes costs while improving efficiency and is studied by other manufacturers and at business schools around the world, but also comes with risks.

The company retained its global top-selling auto crown for the third year in a row in 2022, and aims to earn an annual net profit of 2.58 trillion yen (\$17.6 billion) this fiscal year.

Major automakers are enjoying a robust surge of global demand after the COVID-19 pandemic slowed manufacturing activities.

Severe shortages of semiconductors had limited production capacity for a host of goods ranging from cars to smartphones.

Toyota has said chip supplies were improving and that it had raised product prices, while it worked with suppliers to bring production back to normal.

The company was still experiencing delays in the deliveries of new vehicles to customers, it added.

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