

# Toyota apologizes for scandals as vehicle sales set new record

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At a press conference, board chairman Akio Toyoda bowed in apology.

Toyota's chairman said Tuesday he was "ashamed" of recent scandals involving subsidiaries of the Japanese auto giant, as the firm announced record vehicle sales of 11.2 million across its brands last year.

The bumper figure—an industry record—sees Toyota retain its position as the world's top-selling automaker for the fourth successive year, thanks to a recovery in demand and easing chip shortages.

Taking only the Toyota and Lexus brands, global volume sales totaled 10.3 million units, but growth fell for Daihatsu, which builds mini-vehicles and is embroiled in a rigged safety test scandal.

Truck and bus-maker Hino, which has also been hit by a scandal related to rigged tests of its engines in Japan, saw volume sales sink almost 10 percent.

It came a day after Toyota said it was suspending shipments of 10 models that use [diesel engines](#) linked with testing irregularities at an affiliate, Toyota Industries.

Board chairman Akio Toyoda bowed in apology at a press conference on Tuesday and said he was ultimately responsible for the misconduct.

"I deeply apologize for the repeated wrongdoings by Hino Motors, Daihatsu Motor, and Toyota Industries that have caused troubles and worries to customers and stakeholders," he told reporters.

"They lost sight of the values and priorities that should have been upheld," he said, adding that he was "ashamed" of the situation.

"It will take time to recover the trust back from our customers," Toyoda said, promising to lead a "transformation".

## **Top-selling automaker**

Toyota's total vehicle sales figure was a jump of 7.2 percent on-year and compares with 9.2 million for Germany's Volkswagen Group, whose unit

sales soared 12 percent.

South Korea's Hyundai-Kia retained third place in 2023 with 7.3 million units sold, up 6.7 percent.

In terms of market value, however, Elon Musk's US electric automaker Tesla remains number one ahead of the Japanese giant.



Toyota has been slower than some other rivals to embrace electric vehicle investment having long-focused more on hybrids.

Toyota credited for its performance "solid demand in each region, in addition to easing semiconductor shortages in each region."

Tuesday's figure combined sales for the Toyota, Lexus, Daihatsu and Hino brands, and beat Toyota's own previous record of 10.7 million set in 2019, the year before it overtook Volkswagen.

Volkswagen's 2019 unit sales of 10.97 million was the previous industry record.

## **EV targets**

Scandals involving subsidiaries "could potentially have repercussions on Toyota's overall reputation, especially if there are concerns about [corporate governance](#) or ethical practices," Tatsuo Yoshida, an auto analyst at Bloomberg Intelligence, told AFP.

"However, there are millions of happy owners of Toyota, Lexus, Daihatsu and Hino vehicles... such strong consumer confidence is a valuable asset and won't deteriorate instantly," he said.

Toyota has been slower than some other rivals to embrace electric vehicle investment having long-focused more on hybrids.

In 2023 it sold just 104,018 EVs—a fraction of the 1.81 million for Tesla and 1.57 million for China's BYD.

Toyota's hybrid unit sales were 3.4 million last year, a jump of 31.4 percent.

But the company has said that by 2025 it plans to have an electrified version for every Toyota and Lexus model globally.

It also aims to sell 1.5 million EVs annually by 2026 and 3.5 million by 2030, and said this month it will significantly expand an electric battery plant in North Carolina.

Toyota's slow EV sales progress and a recent backlash against battery-powered vehicles means meeting the 2026 target may be "more difficult" than when the target was set, Yoshida said.

"Whether this goal is achievable or might be postponed depends on various factors, including advancements in technology, market demand, regulatory environment, and Toyota's ability to ramp up production and innovation."

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