
Slowdown signs - Toyota expects JPY 850 billion operating loss in FY 09

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Toyota Motor Corporation said that it expects a JPY 850 billion group operating loss and a JPY 550 billion net loss for the year ending March 2010, its biggest losses ever and its second straight year of red ink as the global economy shrinks and the yen muscles up against other currencies. Toyota said that group sales for the year are expected to drop to 6.5 million units from 7.57 million a year earlier.

Mr Katsuaki Watanabe president of Toyota said that "We should expect the harsh business environment to continue. China and India are showing some improvement, but it will take time for the US and European markets to go back to normal."

For the year that ended on March 31st 2009, Toyota logged a JPY 461.01 billion group operating loss and a JPY 436.94 billion net loss. The results were worse than its February 6th 2009 forecast of a JPY 450 billion group operating loss and a JPY 350 billion net loss.

To improve the bottom line, Mr Watanabe said that Toyota will slash manufacturing costs and fixed costs, mainly capital investment, by JPY 800 billion for the year to March 2010. He added that "I believe the market will recover for sure in the future. The main products will be eco friendly and compact cars."

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