







Toyota

sToyota Motor Corporation

Toyota Jidosha Kabushiki-gaisha

トヨタ自動車株式会社



Type	Public (TYO: 7203) & (NYSE: TM)
Founded	1937
Founder(s)	Kiichiro Toyoda
Headquarters	Toyota City, Japan; Tokyo, Japan
Key people	Kiichiro Toyoda (Founder), Fujio Cho (Chairman and Representative Director), Katsuhiro Nakagawa (Vice chairman and Representative Director), Katsuaki Watanabe (President and Representative Director), Shoichiro Toyoda (Honorary Chairman)
Industry	Automotive Robotics Financial services
Products	Biotechnology Economy/mainstream/luxury vehicles
Revenue	▼ USD \$203.26 billion (2009)

Operating income	▼ USD \$-4.56 billion (2009)
Net income	▼ USD \$-4.33 billion (2009)
Total equity	▼ USD \$-5.54 billion (2009)
Employees	316,121
Subsidiaries	522
Website	Toyota Worldwide

Toyota Motor Corporation (トヨタ自動車株式会社 *Toyota Jidosha Kabushiki-gaisha*) is a multinational corporation headquartered in Japan, and is currently the world's largest automaker. **Toyota** employs approximately 316,000 people worldwide. In 1934, while still a department of Toyota Industries, it created its first product Type A engine and in 1936 its first passenger car the Toyota AA. The company was eventually founded by Kiichiro Toyoda in 1937 as a spinoff from his father's company Toyota Industries to create automobiles. Toyota also owns and operates Lexus and Scion brands and has a majority shareholding stake in Daihatsu and Hino Motors, and minority shareholdings in Fuji Heavy Industries, Isuzu Motors, and Yamaha Motors. The company includes 522 subsidiaries. Toyota is headquartered in Toyota City and Nagoya (both in Aichi), and in Tokyo. In addition to manufacturing automobiles, Toyota provides financial services through its division Toyota Financial Services and also builds robots. Toyota Industries and Finance divisions form the bulk of the Toyota Group, one of the largest conglomerates in the world. On May 8, 2009, Toyota reported a record annual net loss of US\$4.4 billion, making it the latest automobile maker to be severely affected by the 2007-2009 financial crisis.

Name

Vehicles were originally sold under the name "Toyoda" (トヨタ), from the family name of the company's founder, Kiichiro Toyoda. In September 1936, the company ran a public competition to design a new logo. Out of 27,000 entries the winning entry was the three Japanese katakana letters for "Toyoda" in a circle. But Risaburo Toyoda, who had married into the family and was not born with that name, preferred "Toyota" (トヨタ) because it took eight brush strokes (a fortuitous number) to write in Japanese, was visually simpler (leaving off two ticks at the end) and with a voiceless consonant instead of a voiced one (voiced consonant is considered "murky" or "muddy" sound compared to the voiceless consonant, which is "clear"). Since "Toyoda" literally means "fertile rice paddies", changing the name also helped to distance the company from associations with old fashioned farming. The newly formed word was trademarked and the company was registered in August 1937 as the "Toyota Motor Company". In predominantly Chinese speaking countries using traditional Chinese characters (eg Hong Kong, Taiwan), Toyota is known as '豐田'. In predominantly Chinese speaking countries using simplified Chinese characters (eg China), Toyota is known as '丰田' (pronounced as 'Fēngtián' in the Mandarin Chinese dialect). These are the same characters as the founding family's name "Toyoda" in Japanese, which translate to "fertile rice paddies" in the Chinese language as well. From September 1947, Toyota's small-sized vehicles were sold under the name "Toyopet" (トヨペツト). The first vehicle sold under this name was the Toyopet SA but it also included vehicles such as the Toyopet SB light truck, Toyopet Stout light truck, Toyopet Crown and the Toyopet Corona. However, when Toyota eventually entered the American market in 1957 with the Crown, the name was not well received due to connotations of Toys and pets. The name was soon dropped for the American market but continued in other markets until the mid 1960's.

History

Toyota started in 1933 as a division of Toyoda Automatic Loom Works devoted to the production of automobiles under the direction of the founder's son, Kiichiro Toyoda. Its first vehicles were the A1 passenger car and the G1 in 1935. Toyota Motor Co. was established as an independent and separate company in 1937.

Company overview

The Toyota Motor Company was awarded its first Japanese Quality Control Award at the start of the 1980s and began participating in a wide variety of Motorsports. Due to the 1973 oil crisis consumers in the lucrative U.S. market began turning to small cars with better fuel economy. American car manufacturers had considered small economy cars to be an "entry level" product, and their small vehicles were made to a low level of quality in order to keep the price low. In 1982, the Toyota Motor Company and Toyota Motor Sales merged into one company, the Toyota Motor Corporation. Two years later, Toyota entered into a joint venture with GM called NUMMI, the *New United Motor Manufacturing, Inc.*, operating an automobile manufacturing plant in Fremont, California. The factory was an old General Motors plant that had been closed for two years. Toyota then started to establish new brands at the end of the 1980s, with the launch of their luxury division Lexus in 1989.

In the 1990s Toyota began to branch out from producing mostly compact cars by adding many larger and more luxurious vehicles to its lineup, including a full sized pickup, the T100 (and later the Tundra), several lines of SUVs, a sport version of the Camry, known as the Camry Solara, and the Scion brand, a group of several affordable, yet sporty, automobiles targeted specifically to young adults. Toyota also began production of the world's best selling hybrid car, the Prius, in 1997.

With a major presence with Europe, due to the success of Toyota Team Europe, the corporation decided to set up TMME, *Toyota Motor Europe Marketing & Engineering*, to help market vehicles in the continent. Two years later, Toyota set up a base in the United Kingdom, *TMUK*, as the company's cars had become very popular among British drivers. Bases in Indiana, Virginia and Tianjin were also set up. In 1999, the company decided to list itself on the New York and London Stock Exchange. With over 30 million sold, the Corolla is one of the most popular and best selling cars in the world.

In 2001, Toyota's Toyo Trust and Banking merged to form the UFJ, *United Financials of Japan*, which was accused of corruption by the Japan's government for making bad loans to alleged Yakuza crime syndicates with executives accused of blocking Financial Service Agency inspections. The UFJ was listed among *Fortune Magazine's* largest money-losing corporations in the world, with Toyota's chairman serving as a director. At the time, the UFJ was one of the largest shareholders of Toyota. As a result of Japan's banking crisis, the UFJ was merged again to become Mitsubishi UFJ Financial Group.

In 2002, Toyota managed to enter a Formula One works team and establish joint ventures with French motoring companies Citroën and Peugeot, a year after Toyota started producing cars in France. Toyota ranked eight on Forbes 2000 list of worlds leading companies for the year 2005. The company was number one in global automobile sales for the first quarter of 2008. On December 7, 2004, a U.S. press release was issued stating that Toyota would be offering Sirius Satellite Radios. However, as late as January 27, 2007, Sirius Satellite Radio and XM Satellite radio kits were not available for Toyota factory radios. While the press release enumerated nine models, only limited availability existed at the dealer level in the U.S. As of 2008, all Toyota and Scion models have either standard or available XM radio kits. Major Lexus dealerships have been offering satellite radio kits for Lexus vehicles since 2005, in addition to factory-equipped satellite radio models.

In 2007, Toyota released an update of its full size truck, the Tundra, produced in two American factories, one in Texas and one in Indiana. "Motor Trend" named the Tundra "Truck of the Year," and the 2007 Toyota Camry "Car of the Year" for 2007. It also began the construction of two new factories, one to build the RAV4 in Woodstock, Ontario, Canada and the other to build the Toyota Prius in Blue Springs, Mississippi, USA. This plant was originally intended to build the Toyota Highlander, but Toyota decided to use the plant in Princeton, Indiana, USA instead. The company has also found recent success with its smaller models - the Corolla and Yaris - as gas prices have risen rapidly in the last few years.

Toyota philosophy

Toyota's management philosophy has evolved from the company's origins and has been reflected in the terms "Lean Manufacturing" and Just In Time Production, which it was instrumental in developing. The Toyota Way has four components:

1. Long-term thinking as a basis for management decisions.
2. A process for problem-solving.
3. Adding value to the organization by developing its people.
4. Recognizing that continuously solving root problems drives organizational learning.

The Toyota Way incorporates the Toyota Production System.

Toyota Production System

Toyota has long been recognized as an industry leader in manufacturing and production. Three stories of its origin have been found, one that they studied Piggly-Wiggly's just-in-time distribution system, one that they followed the writings of W. Edwards Deming, and one that they were given the principles from an Army training program. It is possible that all are true. Regardless of the origin, the principles, described in Toyota's management philosophy, The Toyota Way, are as follows:

1. Base your management decisions on a long-term philosophy, even at the expense of short-term goals
2. Create continuous process flow to bring problems to the surface
3. Use "pull" systems to avoid overproduction
4. Level out the workload
5. Build a culture of stopping to fix problems, to get quality right the first time
6. Standardized tasks are the foundation for continuous improvement and employee empowerment
7. Use visual control so no problems are hidden
8. Use only reliable, thoroughly tested technology that serves your people and processes
9. Grow leaders who thoroughly understand the work, live the philosophy, and teach it to others
10. Develop exceptional people and teams who follow your company's philosophy
11. Respect your extended network of partners and suppliers by challenging them and helping them improve
12. Go and see for yourself to thoroughly understand the situation (genchi genbutsu)
13. Make decisions slowly by consensus, thoroughly considering all options; implement decisions rapidly
14. Become a learning organization through relentless reflection and continuous improvement

Operations

Toyota has grown to a large multinational corporation from where it started and expanded to different worldwide markets and countries. It displaced GM and became the world's largest automaker for the year 2008. It held the title of the most profitable automaker (\$11 billion in 2006) along with increasing sales in, among other countries, the United States. The world headquarters of Toyota are located in its home country in Toyota, Aichi, Japan. Its subsidiary, Toyota Financial Services sells financing and participates in other lines of business. Toyota brands include Scion and Lexus and the corporation is part of the Toyota Group. Toyota also owns majority stakes in Daihatsu, and 8.7% of Fuji Heavy Industries, which manufactures Subaru vehicles. They also acquired 5.9% of Isuzu Motors Ltd. on November 7, 2006 and will be introducing Isuzu diesel technology into their products.

Toyota has introduced new technologies including one of the first mass-produced hybrid gas-electric vehicles, of which it says it has sold 1 million globally (2007-06-07), Advanced Parking Guidance System (automatic parking), a four-speed electronically controlled automatic with buttons for power and economy shifting, and an eight-speed automatic transmission. Toyota, and Toyota-produced Lexus and Scion automobiles, consistently rank near the top in certain quality and reliability surveys, primarily J.D. Power and Consumer Reports.

In 2005, Toyota, combined with its half-owned subsidiary Daihatsu Motor Company, produced 8.54 million vehicles, about 500,000 fewer than the number produced by GM that year. Toyota has a large market share in the United States, but a small market share in Europe. Its also sells vehicles in Africa and is a market leader in Australia. Due to its Daihatsu subsidiary it has significant market shares in several fast-growing Southeast Asian countries.

According to the 2008 Fortune Global 500, Toyota Motor is the fifth largest company in the world. Since the recession of 2001, it has gained market share in the United States. Toyota's market share struggles in Europe where its Lexus brand has three tenths of one percent market share, compared to nearly two percent market share as the U.S. luxury segment leader.

In the first three months of 2007, Toyota together with its half-owned subsidiary Daihatsu reported number one sales of 2.348 million units. Toyota's brand sales had risen 9.2% largely on demand for Corolla and Camry sedans. The difference in performance was largely attributed to surging demand for fuel-efficient vehicles. In November 2006, Toyota Motor Manufacturing Texas added a facility in San Antonio. Toyota has experienced quality problems and was reprimanded by the government in Japan for its recall practices. Toyota currently maintains over 16% of the US market share and is listed second only to GM in terms of volume. Toyota Century is the official state car of the Japanese imperial family, namely for the Emperor of Japan Akihito. Toyota was hit by the global financial crisis of 2008 as it was forced in December 2008 to forecast its first annual loss in 70 years. In January 2009 it announced the closure of all of its Japanese plants for 11 days to reduce output and stocks of unsold vehicles. Early in 2009, although company spokespersons declined confirmation, media sources reported that Akio Toyoda, grandson of the founder, will be promoted in June from vice-president to the position of President, replacing Katsuaki Watanabe.

Electric Technology

Toyota is one of the largest companies to push hybrid vehicles in the market and the first to commercially mass-produce and sell such vehicles, an example being the Toyota Prius. The company eventually began providing this option on the main smaller cars such as Camry and later with the Lexus divisions, producing some hybrid luxury vehicles. It labeled such technology in Toyota cars as "**Hybrid Synergy Drive**" and in Lexus versions as "**Lexus Hybrid Drive**."

The Prius has become the top selling hybrid car in America. Toyota, as a brand, now has three hybrid vehicles in its lineup: the Prius, Highlander, and Camry. The popular minivan Toyota Sienna is scheduled to join the hybrid lineup by 2010, and by 2030 Toyota plans to offer its entire lineup of cars, trucks, and SUVs with a Hybrid Synergy Drive option.

The Hybrid Synergy drive is the most widely rolled-out environment-friendly system in the automotive industry to date. More than 1,000,000 units have been sold. Toyota's CEO has committed to eventually making every car of the company a hybrid vehicle. Lexus also has their own hybrid lineup, consisting of the GS 450h, RX 400h, and launched in 2007, the LS 600h/LS 600h L. Toyota has said it plans to make a hybrid-electric system available on every vehicle it sells worldwide sometime in the 2010s. Toyota and Honda have already said they've halved the incremental cost of electric hybrids and see cost parity in the future (even without incentives). Hybrids are viewed by some automakers as a core segment of the future vehicle market.

Plug-in hybrids

After General Motors announced it would produce the Chevrolet Volt plug-in hybrid, Toyota announced that it, too, would make one. Toyota is currently testing its "Toyota Plug-in HV" in Japan, the United States, and Europe. Like GM's Volt, it uses a lithium-ion battery pack. The PHEV (plug-in hybrid electric vehicle) could have a lower environmental impact than existing hybrids. On June 5, 2008, A123Systems announced that its Hymotion plug-in hybrid conversion kits for the Prius would be installed by six dealers, including four Toyota dealerships: Westboro Toyota in Boston, Fitzgerald Toyota in Washington D.C., Toyota of Hollywood in Los Angeles, and the Minneapolis-based Denny Hecker Automotive Group, which sells multiple brands.

All-electric vehicles

Toyota is speeding up the development of vehicles that run only on electricity with the aim of mass-producing them in the early part of next decade. Road tests for the current prototype, called "e-com", had ended in 2006.

Trucks

The Tundra is a full-size pickup truck sold by Toyota that originally went into production in 1999 (as a 2000 model year model). Currently, the Tundra has been on the market for more than half a decade, and has captured 17 percent of the full-size half-ton market. The all new Tundra is assembled in two different locations, both inside the United States. The Standard and Double Cabs are assembled in "Truck Country" San Antonio, Texas, while the Crew Max is assembled in Mooreland, Indiana. Toyota Motor Corporation assembled around 150,000 Standard and Double Cabs, and only 70,000 Crew Max's in 2007. As of November 2008 the San Antonio Plant will be the only one producing Tundra Trucks. In addition to the Tundra, Toyota also produces the Tacoma, with a smaller body and smaller engine than its bigger brother.

















































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