

Toyota's net profit surges by 82.5%

TOKYO, JAPAN: Toyota that its net profit for the first six months rose by 82.5% causing it to adjust its annual earnings forecast as a weak yen and improving sales in North America boosted its bottom line.



Workers at the Toyota plant in the UK assemble a hybrid. Image: Toyota UK

The world's biggest car manufacturer said it earned ¥1.0trn on revenue of ¥12.53trn, up 14.9% year-on-year.

Toyota raised its annual profit forecast from ¥1.48trn to ¥1.67trn.

Toyota is tapping emerging markets while US demand has been rising, helping the firm improve its profits. The car manufacturer tripled its net profit in the past fiscal year as a slump in the yen help Japanese manufacturers boost their bottom line as vehicle prices became more competitive in overseas markets and inflated repatriated foreign earnings.

Toyota acknowledged that cost cuts and the weaker currency helped boost its profit as global unit sales slipped about 1.0% to 4.46m units.

"In addition to the impact of the weaker yen, operating income increased because of our efforts with suppliers and distributors to improve profits, cut costs and change model mix," Toyota vice president Nobuyori Kodaira said in a statement.

The company added that it still expects to sell 9.1m vehicles in the year. Toyota was the last of Japan's major car manufacturers to report its financial results so far. Honda earlier said net profit rose 47% in the three months to September while smaller rivals Suzuki and Mitsubishi Motors also reported upbeat results.

However, Nissan didn't far as well and was forced to cut its profit forecast, blaming a sluggish European market and expensive product recalls.

Source: AFP via I-Net Bridge

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