<table>
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<th>Title</th>
<th>Capital structure analysis of Toyota Motor Corporation</th>
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<td>Author(s)</td>
<td>Cheng, Hong Ting (鄭匡廷); Cheong, Ka Hong (張嘉洪); Fok, Ching Ho (霍政豪); Li, Yuen Tung (李婉彤); Sze, Wing Yiu (施泳耀); Wong, Wun Ching (黃渙靖)</td>
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CAPITAL STRUCTURE ANALYSIS OF
TOYOTA MOTOR CORPORATION

by

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Ka Hong CHEONG
Ching Ho FOK
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Wun Ching WONG

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City University of Hong Kong

2014
Executive Summary

Toyota Motor Corporation (TMC) is a leading multinational automotive company headquartered in Tokyo, Japan. It is having a high brand recognition and market position. However, it also faces some risks such as the product recall in 2010 which led to a decline in consumer confidence. Besides, Toyota’s operation is subject to factors like currency, interest rate fluctuations, economic recessions and prices of raw materials, etc.

Despite the risks it faces, based on capital structure analysis of Toyota, its performance remained stable with steady growth. The stable achievement is reflected by indicators such as solvency ratios and profitability ratios.

For Toyota, though its debt ratio is high relative to its competitors like Honda, it still maintains a good financial position to repay its long term debt as shown in the high interest coverage ratio and stable long term debt to total assets ratio. Moreover, Toyota experienced a steady growth in net income since 2009 and its increased debt financing also lead to its improvement in ROA and ROE which shows its ascending potential profit.

To conclude, even with increased debt financing, Toyota is not over-leveraged. It still possesses a high ability to meet its long-term obligations. Also, Toyota’s product market strategy is to expand overseas market and meet the changing market requirements, which are consistent with its capital structure changes, an increased leverage.

In the future, Toyota can increase its leverage to finance its heavy R&D. With its great ability to meets its obligations, high liquidity and credit ratings, it is believed that Toyota’s sales and profit will surge further in coming years.

1. Company Background

1.1 Industry overview

Toyota Motor Corporation (TMC) has its main competitions in automotive industry. It had been a hard time for the participants in this industry in the past few years. There is growing concern towards energy saving and the fuel price has increased tremendously. So, some of the consumers have switched their demand for more fuel-efficient and small-size car.
From *KPMG’s Global Auto Executive Survey 2013*\(^1\), it is found that 92% of the respondents regard fuel efficiency as the most important automobile purchase decision criteria. *(Fig.1)*

As a result, some manufacturers began to focus on fuel-efficient cars. Though there was a financial crisis in 2007-09 that hurt the industry *(Fig.2)*, the economic growth in the BRIC countries (India, China, Brazil, Russia) helped accelerate the recovery. Moreover, some production facilities were moved to those countries where they could open new market and enjoy low production cost. For the next few years, the emerging countries grow further, which helps recover the motor vehicles demand in Western countries. Total industry turnover is expected to grow at 2.5% annually until 2018\(^2\).

### 1.2 Business summary

TMC was founded in 1937 and is now the leading automotive company in the world with total net income of ¥962.1 bil. Its primary markets are in Japan, Asia, Europe and North America with more than 333,498 employees. The businesses are mainly motor vehicle production and sales. The reasons of its leading position in the industry are strong market position, extensive R&D, distribution networks, etc. The SWOT analysis of Toyota is as follow:

<table>
<thead>
<tr>
<th>Strength</th>
<th>Weakness</th>
</tr>
</thead>
<tbody>
<tr>
<td>● High Brand Recognition and market position</td>
<td>● Frequent product defects (recalls affect image)</td>
</tr>
<tr>
<td>● Strong R&amp;D</td>
<td></td>
</tr>
<tr>
<td>● Extensive production &amp; distribution network</td>
<td></td>
</tr>
<tr>
<td>● Low price</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Opportunities</th>
<th>Threats</th>
</tr>
</thead>
<tbody>
<tr>
<td>● Growing automotive industry</td>
<td>● Strong competition in automotive industry</td>
</tr>
<tr>
<td>● Increased new model’s demand (electric car)</td>
<td>● Fluctuation in exchange rate (exports declines)</td>
</tr>
<tr>
<td>● Co-operative partnership</td>
<td></td>
</tr>
</tbody>
</table>

### 1.3 Toyota’s marketing strategy

**Cost leadership strategy**

The Toyota Production System has two main concepts: Jidoka and Just-in-Time.

*Jidoka* is also known as “automation with human touch”. It means a machine safely stops when a problem is detected, preventing produce the defective product and allow human correction which lowers production cost.

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Just-in-Time (JIT) system is also known as the “lean manufacturing system”. All assembly lines will stock with certain number of parts and manufacture only what is needed by the next process in a continuous flow. This minimizes the inventory and reduces the inventory cost.

**Differentiation strategy**

Toyota has been differentiating itself with quality and technology. This created a strong brand image of high quality and long-lasting cars for Toyota. Launching the hybrid car and operating Lexus and Toyota Corolla enlarges its customer’s base with its products differentiated on different income levels.

### 1.4 Toyota’s competitors in Motor industry

**General Motors** is an American multinational corporation founded in 1908 with 17.4% market share and 649 thousands sales in 2013. Chevrolet AveoDaewoo Lacetti and Holden Commodore are its major products.

**Honda** is a Japanese public multinational corporation founded in 1946 with 8.7% market share and 325 thousands sales in 2013. Honda Civic, Honda Accord and Honda CR-V are its major products.

### 1.5 Toyota’s historical performance

<table>
<thead>
<tr>
<th>Year</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>1937</td>
<td>Founded by Kiichiro Toyoda</td>
</tr>
<tr>
<td>1997</td>
<td>First all-electric vehicle lease available</td>
</tr>
<tr>
<td>2003</td>
<td>First massive production of hybrid car</td>
</tr>
<tr>
<td>2003</td>
<td>Toyota makes 6.78 million vehicles and become world No.2 in annual sales</td>
</tr>
<tr>
<td>2006</td>
<td>Toyota's group global sales of 8.808 million vehicles exceeds GM's by 128,000</td>
</tr>
<tr>
<td>2010</td>
<td>Recall 12 million vehicles of unintended acceleration</td>
</tr>
<tr>
<td>2012</td>
<td>Launched the &quot;LS&quot; lineup with Advanced Pre-collision System</td>
</tr>
<tr>
<td>2013</td>
<td>Become the world’s best-selling carmaker with 9.98 million vehicles sold</td>
</tr>
<tr>
<td>2014</td>
<td>6.39 million cars recalled for defective air bags.</td>
</tr>
</tbody>
</table>

Toyota’s sales it increased from 2004 to 2008, then dropped greatly until 2011 caused by the financial crisis. Since then, the sales volume has been increasing since 2012 and maintained a level above 1500USD bil. *(Fig.3)*

## 2. Capital Structure Analysis

### 2.1 Capital structure analysis – Liquidity
2.1.1 Current Ratio and Net working Capital

Toyota’s Performance

In 2013, the current ratio of Toyota is 1.07 and it is the lowest current ratio in recent 5 years. In 2010, the current ratio of Toyota is 1.22; in between 2010 to 2013, the trend of this ratio is continuously decreasing. *(Fig.4)*

Comparison of current ratio and net working capital

The current ratio of Honda and General Motors in fiscal 2013 is 1.3, which are 21.5% higher than Toyota. Toyota is the only company which had decreased its current ratio in recent five years. This effect happened as they kept on increasing short-term debt and eventually higher the current liabilities of the company. The net working capital of Toyota is the lowest when it compare with Honda and General Motors. *(Fig.5)* It shows that the liquidity of Toyota is negatively affected by the aggressive debt financing policy of the company.

2.2 Capital structure analysis - Solvency

We are going to use the 1.) Total debt to equity ratio, 2.) Long-term debt to equity ratio, 3.) Interest coverage and 4.) Long-term debt to total assets ratio to analyze the solvency of Toyota in the previous five year as well as compare with its major competitors who are General Motors and Honda.

2.2.1 Total debt to equity ratio

Toyota’s performance

The total debt to equity ratio of Toyota in 2013 is around 1.2. In between 2009 to 2012, the ratio is decreasing gently, but start from 2012; we can see this ratio rise again. *(Fig.6)*

Comparison of Total debt to equity ratio

The total debt to equity ratio of automobile industry remains at 1 in recent five years and Honda’s total debt to equity ratio is stick to the industry level *(Fig.6)*. When we compare Toyota’s ratio with Honda and the industry level, it is relatively high and it means that Toyota’s total debt is much higher than its peer groups.

2.2.2 Long term debt to equity ratio

Toyota’s performance
There is a significant drop of long term debt to equity ratio in between 2010 and 2012 (Fig. 7). This is due to the car recall issue of Toyota happened in 2010. It makes Toyota to be more conservative in debt financing. But start from 2012, the long term debt to equity start to rise and we can foresee that Toyota will have more debt in future.

**Comparison of Long term debt to equity ratio**

Toyota’s long term debt to equity ratio is decreasing between 2009 and 2012. Despite the trend, Toyota remains the position of highest long term debt to equity ratio among its competitors (Fig. 8). The most recent ratio of Toyota is 0.61. When we compare the amount of long term debt Toyota and it competitors had borrowed. We found that Toyota had borrowed more than USD600 mil in 2013 and it is 3 times higher than Honda and General Motors (Fig. 9). It shows that the capital structure of Toyota is quite relying on the long term debt financing.

**2.2.3 Interest coverage ratio**

**Toyota’s Performance**

Interest coverage ratio is calculated as EBIT/ Total interest payment. The lower the ratio, the more the company is burdened by the interest expense. When the interest coverage ratio is low, company is not generating sufficient revenues to satisfy the interest expense and easily fall into bankruptcy. For Toyota, its interest coverage in the most recent fiscal year is 72.2%, which are high among industry (Fig. 10). The trend of the interest coverage ratio is keep on increasing and there was a sharply increment in 2012-2013 that rose from 28.51% % to 72.2%. Therefore, we can say that Toyota is improving the interest coverage and keeping it as high as possible.

**Comparison of the interest coverage ratio**

From the graph below (Fig. 11), we can see the interest coverage ratio of the three companies fluctuated a lot in the past five year and actually most of the firms want to keep their ratio high among the competitors. In the year 2013, Toyota obtained the highest interest coverage ratio between its major competitors, Honda and General Motors. Again, it shows that Toyota has a high level of interest coverage and proves the financial fitness of Toyota is in a good condition.

**2.2.4 Long-term debt to total assets ratio**

**Toyota’s performance**

It is calculate by the long-term debt divided by the total assets. The ratio of Toyota is the most recent fiscal year is 0.2, which means that every $1 of Toyota’s assets contain $ 0.2 of their long-term debt. From the graph below (Fig. 12), the
trend of the ratio is very stable that around 0.2 in the previous five years and it slightly decreases from 0.22 to 0.2 in the past five years.

**Comparison of long-term debt to total assets ratio**

The trend of the graph (*Fig.13*) below shows that the long-term debt to total assets ratio is quite stable over time. There is an interesting point that Toyota and Honda’s ratio are very similar, which remain at around 0.2 consistently. This indicates that Toyota and Honda both have $0.2 as a long-term debt for every dollar is has in assets. From this phenomenon, we can deduce that even though Toyota is aggressively borrowing debt and increasing leverage, it does not mean Toyota is over-leveraged. Contradictorily, this graph shows that Toyota’s leverage is stable and reasonable.

**2.3 Capital structure analysis- Profitability**

**2.3.1 Return on equity (ROE)**

**Toyota’s performance**

The return on equity is calculated by the net income divided by the shareholders equity. The ROE of Toyota in the most recent fiscal year is 14.45%. According to the graph below (*Fig.14*) the trend of the ROE is improving form the last five years, from -4% to 14.45% and there was a dramatically increase start in the year 2012, which rose from 2.72% to 14.45%. This was also the year that Toyota started to borrow a large amount of debt.

**Comparison of the return of equity**

The return on equity of Toyota is slightly lower when compare to its major competitors Yet, *Fig.15* shows that the scale of the ROE growth and net income growth is in the same proportion and it proves that the drastically increment in the year 2012 to 2013 is because of the aggressively borrowing of debt and finance its investments.

**2.3.2 Return on assets (ROA)**

**Toyota performance**

The return on assets is calculated by the net income divided by the total assets. The latest ROA is 5.06%. From the graph below (*Fig.16*), the ratio has a rising trend in the last five years, rose from -1.42% to 5.06%. Same as the ROE ratio, there was also a significant increasing on ROA started in 2012 that growth form 0.94% to 5.06%. It is obvious that Toyota is trying to improve both of their return on assets and return on equity.

**Comparison of the ROA**
The return on assets of Toyota is low when comparing to the competitors and the Fig.14, 16 shows the pattern of ROA and ROE are very similar. The scale of ROA growth and net income growth are also in right proportion. Therefore, we can deduce that sharply rise of ROA in 2012 can also be explained by the aggressively borrowing of debt and it can prove that Toyota achieves a great success in improving their net income by using debt to finance.

2.3 Capital structure strategy

Toyota strives to maintain its key ideas of financial strategy, growth, efficiency and stability. As the value of Toyota is correlated with its capital structure, it is important to know if it has an efficient capital structure currently.

Capital structure reflects Toyota how to finance its overall operation and growth by utilizing different sources of funds, and will influences its value. An efficient capital structure strikes a balance between debt and equity capital and maximize firm’s capital. Strong and balanced capital position also help Toyota raise funds at lower cost.

As discussed, the long term debt to equity ratio of Toyota was 0.6 in 2013. It attained its highest level in 2009 to 2013, and faced a declining trend in recent years. To determine Toyota is over-leveraged or not, we compare D/E ratio to the competitors in which Toyota is relative higher. The ratio is lower when compared to the Auto & Truck Manufacturers Industries(1.92). Therefore, Toyota is having an average D/E ratio and low bankruptcy risk under the industry average.

We think Toyota should be able to maintain a stable leverage position if they can plan and budget well for repaying debt. In order to avoid facing interest expenses burden and reduced earnings, Toyota adopts a more conservative policy, as well as maintaining an acceptable leverage level and risk level compared to industry level.

Toyota stated that it keeps on improving the ability to invest capital efficiently and is aiming to obtain the same results with less outlay. Further improvement on their earnings structure through efficient investment that emphasizes the area in which they want to advance, including hybrids, other eco-cars, and emerging markets can also help them to maintain an efficient capital structure. Consequently, it is concluded that the current capital structure of Toyota is efficient.

As mentioned before, the long-term debt to equity ratio of Toyota stayed at the level of 0.6 during 2009 to 2013. Although both long-term debt and total shareholders' debt were increasing during these five years, long-term debt had decreased from 7015409 million yen to 6042277 million yen during 2010 to 2012, and its overall growth is slightly slower than the equity's. Thus, this leads to a declining debt-equity ratio.
Toyota is striving to achieve sustainable growth and stable business foundation, which can maintain their competitiveness. If there is downturn in financial markets, Toyota's ability to raise capital will be adversely affected. To maintain stable capital structure, it invests actively to meet the structural shifts in demand and ensures long-term sustainable growth on various aspects.

Besides, it secures stable shareholders' equity to overcome the difficulties that may encounter in the future due to steep increases in raw materials prices or volatility in foreign exchange rates. And use retained earnings to instantly commercialize environment- and safety-related next-generation technologies, with emphasis on customer safety and peace of mind. Under these policies, we can see that Toyota actually pays the effort on maintaining a stable capital structure. Therefore, it actually has a stable debt-equity ratio currently. As Toyota is considered as market leader in the automotive industry now, a stable debt-equity ratio would be maintained if it keeps on adopting a safe capital policy.

2.4 Credit rating

Credit rating reflects the ability of a company to pay its debt. Toyota Motor Corporation has received very high and even the highest long term credit rating for a few years from Moody’s. Although Toyota has been continuously downgraded by Moody’s to Aaa3 in 2011 from 2009, it maintains its stable rating at recent years. If we compare the credit rating of Toyota to those of its competitors like Honda Motor, Nissan Motor and Ford Motor, it can be seen that Toyota’s financial situation is very healthy. Honda is about a level lower, Nissan is even about two to three levels lower than Honda and Ford has a poorer rating. The long term credit rating are similar to short term comparison as well.

Reasons for high credit rating

High liquidity profile is the key reason for having a high rating. Toyota has a lot of ready-to-sell investment securities that totaled JPY3.27 trillion at FTE3/2013. Moreover, Toyota has effectively recovered from production disruptions stemming from the earthquake and tsunami in 2011, and the huge recalls that damaged its standing in the US market in 2009. Even more, Toyota can access to a considerable amount of funds from its core banks which shows a close relationship. At last, it has a well performance --the EBITA margin is 5.3% up in FYE3/2013 and positive margin next year is expected to be 6% benefited by the weaker Yen and lower cost.
Undoubtedly, Toyota has a high ability to pay its debt in short and long term. Even on 9th April this year, Toyota announced a voluntary recall involving about 6.4 million of cars, there is no effect to its credit rating by Moody’s because of Toyota’s strong liquidity profile and high earnings. It is more likely a reputation risk rather than a financial risk.

Also, referring to the largest recall in Oct2012, there was a surplus of the provision amount which is JPY 491.5 billion (amount spent was just JPY 344.2 billion including all fees incurred).

2.4 Product-market strategy

Toyota’s 2012 annual report, they adopted new strategy aiming at making ever better cars. They would conduct business that is strongly rooted in the countries in which they operate by adapting to local needs and pushing for 100% localization. They have been striving to achieve the target which is to generate 50% of sales in emerging markets. They planned to introduce 8 new types of subcompact cars by 2015, designed specifically for emerging markets. The Etios and its variants are examples that have been introduced to specifically to some emerging markets like Brazil and India.

In order to boost sales of eco cars, Toyota jointly developed hybrid cars with two Chinese auto giants First Automobile Works Corp. and Guangzhou Automobile Group Co. Apart from localizing the sales, Toyota aimed to keep production in Japan to around 3 mil. Units annually and expand overseas so that the account for more than 60% of output in FYE3/2014 and more after that.

The focus on localizing production will mitigate the impact of foreign currency volatility, especially the USD/JPY rate because North American market typically accounts for more than 25% of annual consolidated units sales and export markets take up more than 50% of its output in Japan.

Just in March this year, Toyota Financial Services (TFS) which is a subsidiary wholly owned by Toyota Motor Corporation issued the industry’s first Greenbond in the amount of $1.75 billion which was originally only 1.25 billion but upsized due to huge investors’ demand. One of the purposes of the issue is to finance vehicles that are powered by hybrid or alternative fuel. The Etios that was just mentioned was considered to go hybrid at the end of last year, maybe it is thus a part of the finance target. Citi Bank, as an underwriter, has successfully closed the inaugural asset-backed green bond issuance. This transaction shows Citi’s commitment to the tenets of the Green Bond Principles, allows Toyota to meet the demand of both consumers and investors for clean transportation and green investment opportunities.
3. Conclusions

Efficient capital structure strategy
To conclude what we have analyzed in this report, we found that the capital structure of Toyota is relying on debt financing in certain extent. From the solvency analysis, Toyota borrows lots of money to finance its investment, and its debt to equity ratio is also relatively high when we compare it with the industry. From the profitability analysis, it shows that debt financing is one of the main reasons to raise the net income for the company and high interest expense is not a burden for this company. Therefore, we can conclude that the aggressive financial policy adopted by Toyota is very efficient. And we can foresee Toyota will keep increasing its leverage in future until it reaches certain maximum points.

Concerns and risks
Toyota is one of the most successful companies in automotive industry. It enjoys high sales volume, high profit and high credit rating. However, it also has lots of concerns and risks need to cope with. On the one hand, Toyota need to improve its quality control to prevent car recall issue happened. This will destroy the goodwill of the company and it is extremely difficult to retrieve reputation and customer confidence. On the other hand, Toyota is keen on develop overseas markets; it needs to aware of the exchange rates fluctuation, since the profit of the company will be easily affected by this factor.

Recommendations
20 years ago, electric car is only a concept and nobody believes that it can be implemented. Now, hybrid car is substituting the diesel car, and everyone is promoting the concept environmentally friendly. Toyota should keep developing eco car and increase the research and development expense to prepare for the transformation of automobile. From the example of Toyota, we can see that debt financing is an efficient method to raise funds, and Toyota should keep this policy for the company development in future.
EF4313 Corporate Finance
Final Project
Toyota Motor Corporation NYSE:TM

Appendix
Fig. 1
Top consumer purchase issues

![Bar chart showing top consumer purchase issues](image)

Note: Percentage of respondents rating issues as ‘extremely important’ and ‘very important’
Source: KPMG’s Global Auto Executive Survey 2013

Fig. 2

<table>
<thead>
<tr>
<th>Country</th>
<th>Cars</th>
<th>Commercial vehicles</th>
<th>Total</th>
<th>% change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>47,772,598</td>
<td>14,019,270</td>
<td>61,791,868</td>
<td>-12.4%</td>
</tr>
<tr>
<td>Argentina</td>
<td>380,067</td>
<td>132,857</td>
<td>512,924</td>
<td>-14.1%</td>
</tr>
<tr>
<td>Australia</td>
<td>188,158</td>
<td>39,125</td>
<td>227,283</td>
<td>-31.0%</td>
</tr>
<tr>
<td>Austria</td>
<td>56,620</td>
<td>15,714</td>
<td>72,334</td>
<td>-52.2%</td>
</tr>
<tr>
<td>Country</td>
<td>Sales 2022</td>
<td>Sales 2021</td>
<td>Change 2022</td>
<td>Change %</td>
</tr>
<tr>
<td>-------------</td>
<td>------------</td>
<td>------------</td>
<td>-------------</td>
<td>----------</td>
</tr>
<tr>
<td>Belgium</td>
<td>524,595</td>
<td>12,510</td>
<td>537,354</td>
<td>-25.8%</td>
</tr>
<tr>
<td>Brazil</td>
<td>2,575,418</td>
<td>607,505</td>
<td>3,182,923</td>
<td>-1.0%</td>
</tr>
<tr>
<td>Canada</td>
<td>822,267</td>
<td>668,215</td>
<td>1,490,482</td>
<td>-28.4%</td>
</tr>
<tr>
<td>China</td>
<td>10,383,831</td>
<td>3,407,163</td>
<td>13,790,994</td>
<td>48.3%</td>
</tr>
<tr>
<td>Czech Rep.</td>
<td>976,435</td>
<td>6,810</td>
<td>983,243</td>
<td>3.9%</td>
</tr>
<tr>
<td>Egypt</td>
<td>60,249</td>
<td>32,090</td>
<td>92,339</td>
<td>-23.0%</td>
</tr>
<tr>
<td>Finland</td>
<td>10,907</td>
<td>64</td>
<td>10,971</td>
<td>-38.7%</td>
</tr>
<tr>
<td>France</td>
<td>1,819,497</td>
<td>228,196</td>
<td>2,047,693</td>
<td>-20.3%</td>
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<tr>
<td>Germany</td>
<td>4,964,523</td>
<td>245,334</td>
<td>5,209,857</td>
<td>-13.8%</td>
</tr>
<tr>
<td>Hungary</td>
<td>212,773</td>
<td>1,770</td>
<td>214,543</td>
<td>-38.0%</td>
</tr>
<tr>
<td>India</td>
<td>2,175,220</td>
<td>466,330</td>
<td>2,641,550</td>
<td>13.3%</td>
</tr>
<tr>
<td>Indonesia</td>
<td>352,172</td>
<td>112,644</td>
<td>464,816</td>
<td>-22.6%</td>
</tr>
<tr>
<td>Iran</td>
<td>1,170,503</td>
<td>223,572</td>
<td>1,394,075</td>
<td>9.4%</td>
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<tr>
<td>Italy</td>
<td>661,100</td>
<td>182,139</td>
<td>843,239</td>
<td>-17.6%</td>
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<tr>
<td>Japan</td>
<td>6,862,161</td>
<td>1,071,896</td>
<td>7,934,057</td>
<td>-31.5%</td>
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<td>Malaysia</td>
<td>447,002</td>
<td>42,267</td>
<td>489,269</td>
<td>-7.8%</td>
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<td>Mexico</td>
<td>942,876</td>
<td>618,176</td>
<td>1,561,052</td>
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<td>Netherlands</td>
<td>50,620</td>
<td>26,131</td>
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<td>Poland</td>
<td>818,800</td>
<td>60,198</td>
<td>878,998</td>
<td>-7.7%</td>
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<td>Portugal</td>
<td>101,680</td>
<td>24,335</td>
<td>126,015</td>
<td>-28.1%</td>
</tr>
</tbody>
</table>
## World Motor Vehicle Production

*Source: OICA, 2015 © International Organization of Motor Vehicle Manufacturers*
Fig. 3

Toyota Sales

Sales (USD in billions)


Fig. 4

Current Ratio

2009 2010 2011 2012 2013

Toyota  Honda  General Motors
Fig. 5

Net Working Capital

Toyota | Honda | General Motos
---|---|---
| | | Net Working Capital

Fig. 6

Total debt to equity ratio

Toyota | Honda | Industry Level
---|---|---
| | | 2009 2010 2011 2012 2013
---|---|---
0.2 0.4 0.6 0.8 1 1.2 1.4 1 0.8 0.6 0.4 0.2 0 2009 2010 2011 2012 2013
Fig. 7

Long term debt to Equity ratio

Fig. 8

Long term debt-to-equity ratio

- Toyota
- Honda
- General Motors
Fig. 9

Long Term Debt

Fig. 10

Toyota’s interest coverage ratio
Fig. 11

Interest Coverage Ratio Comparison

Fig. 12

Long term debt to total assets
Fig. 13

Long Term Debt to Total asset ratio

Fig. 14

Return on equity ratio (ROE)
Fig. 15

Net Income Growth

$000's

2010 2011 2012 2013

Fig. 16

Return on assets ratio (ROA)

2009 2010 2011 2012 2013

Toyota Honda General Motors
References


