

Exercise 7

Toyota Motor Corp. slashing its profit outlook by more than half for 2012. This reflects the impact of the recent natural disaster in Japan and abroad. It also signals a deeper threat by the car maker's recovery. The Japanese auto giant has also lowered its global sales outlook to 7.38 million vehicles for the fiscal year ending March 31. If the low sales continue Toyota may lose its crown as the world's largest car maker this year, which it took from General Motors Corp. Just as the company's production was recovering, a recent disaster at home and abroad have forced company executives to cut down its expected sales this year and next. The flooding in Thailand this year has greatly affected the projected sales of Toyota automobiles. It has worsened losses the company has incurred because of the earthquake and tsunami this year in Japan. Toyota is also affected by the rise of the yen against currencies.