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Toyota Plans to Boost Testing and Disclosure

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By NORIHIKO SHIROUZU

Toyota Motor Corp. is considering ways to bolster procedures for checking the quality and reliability of cars, and to do more to publicize incremental changes to cars on the market that are currently made only quietly in response to consumer complaints.

Stung by global criticism after a series of high-profile recalls, the company is aiming to announce some changes to its quality and disclosure practices in coming days in advance of Congressional hearings on the company's safety record in Washington next week, and chief executive Akio Toyoda's trip to the U.S. scheduled for early next month, according to two top company executives.

The company Monday announced a press conference scheduled for this Wednesday evening at the company's Tokyo office. The statement said the briefing, to be held by Mr. Toyoda and quality chief Shinichi Sasaki, "will report on its progress...in its approach to quality." It wasn't clear how much of the change Toyota is considering will be detailed at this briefing. It will be Mr. Toyoda's third press conference on the issue in less than two weeks.

A Toyota spokesman declined to comment on what would be announced Wednesday.

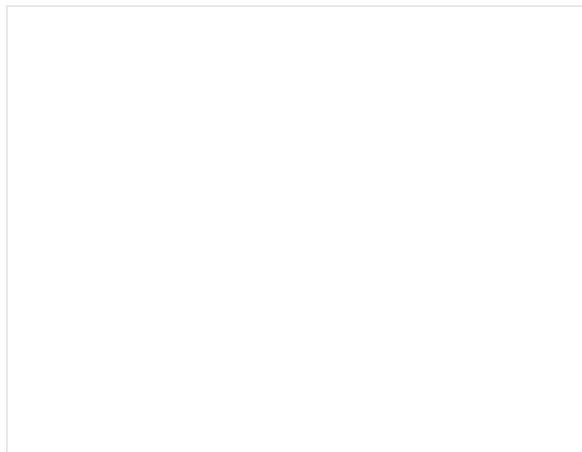
In the late 1990s and the earlier part of this decade, the company streamlined the vehicle development process, skipping steps such as making physical prototypes in order to save time and money and to be more responsive to rapidly changing consumer preferences.

In 2006, Mr. Toyoda's predecessor, then-president **Katsuaki Watanabe**, told company engineers to rely less on virtual engineering or computer-aided design tools and take more time to make more physical prototypes to verify component and vehicle quality and reliability. The measure, which was implemented in response to a sharp rise in the number of recalled vehicles in the U.S. and around the world in 2005, added as much as six months to projects that normally called for roughly two to three years of development lead time.

Now, as part of the soul-searching prompted by the latest quality crisis, the company is "re-visiting the issue again," said one senior Toyota executive. The company believes it might need to conduct even more physical tests on vehicles, "especially in areas with direct bearing on safety," the executive said.

As part of that broader effort, Toyota engineers may be asked in some cases to verify the "robustness" of design changes they make during and after the product development process, the executive added.

Currently, those engineering changes, some of which are proposed by parts suppliers, are



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approved by Toyota engineers without conducting physical tests, although some are tested physically by the suppliers. "That has to change," the executive said, pointing to a possible move by the company to do more physical checks to implement even small design changes.

Earlier this month, Mr. Sasaki, the quality officer, said the auto maker's massive recall may also prompt it to alter the way designers scrutinize parts for quality and reliability. Mr. Sasaki told reporters that the company may have overlooked the need for "the kind of reliability tests that look into how individual components perform as a whole inside the car under different environmental conditions."

Mr. Sasaki said the defective acceleration pedals, which were identified last month as a cause of sudden unwanted acceleration, were susceptible to moisture, and that condition in some cases caused them stick in the depressed position. He said the moisture problem was not understood until recently because of the lack of research on how those accelerator pedal systems were affected by certain climate conditions inside the recalled cars, which caused the harmful moisture or condensation to build inside the pedals.

Mr. Sasaki said the reliability of individual components is always regularly checked. But "we need to do those checks more thoroughly," including looking at how those components are affected by the climate inside the car.

Toyota is also considering a new level of disclosure about engineering changes it might make to cars after a model goes on sale.

Such changes are made for a variety of reasons: to make the vehicle easier to assemble; to boost the quality of a new car; or in response to consumer complaints about vehicle performance. In some cases, hundreds of engineering changes are made to a new vehicle after it is launched into the marketplace.

Until now, most of those incremental design changes haven't been announced to the public. They are in some cases classified as "consumer actions" where modifications are made to vehicles quietly when customers came into dealers to service their vehicles. Toyota has been criticized in recent weeks for making design changes to respond to customer complaints about sudden acceleration without disclosing more broadly to owners of the affected vehicles that they could also have such problems.

"We're preparing to make those running changes—what we might call problems with below recall level seriousness—more transparent to the public, to disclose information on those much like the way more-serious safety problems are handled in the government-coordinated recall process," one of the top Toyota executives said.

Toyota spokeswoman Ririko Takeuchi in Tokyo said the company is "considering" a more aggressive disclosure of engineering changes. She noted, however, that nothing has been decided. "Even if some engineering changes don't rise to the level of a safety recall, information on some of those changes may be useful to our customers and we are currently sorting to see what kind of information is more useful to consumers."

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