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AUTOS

Toyota Chairman Says People Are Finally Seeing the Reality About EVs

Akio Toyoda's comments come amid cooling U.S. demand and a price war with China

By [River Davis](#) [Follow](#)

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Toyota Motor's FT-Se concept car at the Japan Mobility Show 2023 in Tokyo. PHOTO: FRANCK ROBICHON/SHUTTERSTOCK

TOKYO—Toyota TM **0.18%** ▲ Motor Chairman Akio Toyoda, asked about electric-vehicle challenges including a recent lull in U.S. demand, said the industry was coming to recognize that there isn't a single answer to reducing carbon emissions.

“People are finally seeing reality,” Toyoda said Wednesday, speaking in his capacity as the head of the Japan Automobile Manufacturers Association.

Toyoda, who stepped down this year as Toyota chief executive after nearly 14 years on the job, has long said the auto industry should hedge its bets by continuing to invest in hybrid gasoline-electric cars and other options beyond just electric vehicles.

As EV sales momentum lags behind in the U.S., he may be enjoying an “I told you so” moment.

“There are many ways to climb the mountain that is achieving carbon neutrality,” Toyoda told a small group of reporters at the Japan Mobility Show, formerly the Tokyo Motor Show, which is opening this week for the first time in four years.

Japanese automakers, most prominently Toyota, have been more vocal than their Western peers about the challenges EVs face in the near term, including high costs, resource crunches and limited charging infrastructure.

In China, the world’s largest car market by vehicle sales, Western and Japanese companies face a host of local challengers and an EV price war.

While the early stages of the EV revolution shake out, Toyota and others have been leaning on hybrid vehicles as a bridging technology and studying the operations of front-runners including Tesla and China’s BYD. Toyota’s current CEO, Koji Sato, has said the carmaker will accelerate development of parts and manufacturing methods optimized for EVs.

At the Tokyo event, Japanese automakers showcased an array of concept EVs, many of which aren’t due in showrooms until the latter half of the decade.

Toyota displayed two EV concept cars due for release after 2026, as well as an electric pickup truck and a version of its Land Cruiser expected to launch within the next few years. Honda Motor’s joint venture with Sony showed off a prototype of its Afeela EV due to be delivered in 2026.



Toyota Motor Chairman Akio Toyoda at the Japan Mobility Show. PHOTO: RIVER DAVIS/THE WALL STREET JOURNAL

The handful of foreign automakers at the show—including BYD, Mercedes-Benz and BMW—all showed electric models that consumers can buy today, at least in some countries.

With their slower rollouts, Japanese brands await judgment on whether they failed to catch the wave in time or correctly read the general population's readiness to make the EV shift.

One favorable sign for Toyota: Its head of sales in North America said recently the market for hybrids is “smoking hot” and the company is trying to make as many of the vehicles as possible. Last month, Toyota had a little more than a week's worth of Prius hybrids in stock, compared with more than two months' supply of its electric SUV, the bZ4X.

“I have continued to say what I see as reality,” said Toyoda. Someone needs to convey to the industry what will make car buyers most happy, he said, and “if regulations are created based on ideals, it is regular users who are the ones who suffer.”

EV sales rose 49% globally in the first half of this year, down from the previous year's 63% growth, according to market-research firm Canalys. Of all EVs, 55% were sold in China, where foreign automakers are increasingly being wedged out by local manufacturers.

In the U.S., some dealers say the first wave of buyers willing to try an EV has passed and remaining buyers are deterred by high sticker prices and the limited range of many EV models.

GM said last week it was delaying the opening of an electric pickup truck factory in Michigan, citing “evolving EV demand.” A few days before that, The Wall Street Journal reported that Ford Motor was considering cutting a work shift at the plant where it builds its electric F-150 Lightning pickup as demand for the truck falters.

Toyoda said the concept vehicles at the Japan show were the product of Japanese automakers taking time to work with battery makers and think about what is possible in EVs. He said the Japanese industry's strength in the EV era will come from practical car making “over a long period of time and from experiences of failure.”

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