

How Toyota Started Car Production

After Great Kanto Earthquake of 1923, taxis and buses became popular in Japan. With rising demand, Ford started knock-down production in Yokohama in 1925, and GM followed it in Osaka in 1926. US cars dominated the Japanese market.



Kiichiro Toyoda (1894-1952) was the eldest son of Sakichi Toyoda, the founder of Toyota Weaving Machine. In childhood he watched his father work in the factory. He graduated from Tokyo Imperial University. He followed his father's business but he was more interested in car production. In 1929 and 1930 Kiichiro visited the UK and US on a business trip, and was greatly impressed to see the modern and huge production line of Ford Motors in Detroit.

Kiichiro began to prepare car production. He wanted to create a Japanese car maker independent from and competitive against Ford & GM. The President of Toyota (Kiichiro's brother-in-law) was against his plan, so he pursued his "hobby" from scratch without company approval. He visited many factories, universities & government ministries; purchased needed equipment from Germany & US; and test produced small engines. In 1933 he reverse engineered the latest GM Chevrolet, analyzing all components and identifying Japanese companies that could produce them. In 1934 he designed a passenger car model which combined GM Chevrolet & Chrysler De Soto.

President of Toyota could no longer stop Kiichiro. His father, Sakichi, supported him. In December 1933, the Toyota Board approved establishment of Automotive Department. In January 1934, Kiichiro declared that the first Toyota car must be completed within one year. This was a crazy idea, but his engineer friends helped him. US cars were further analyzed, a large factory was built, and additional equipment was imported. The engine was modeled after GM, the chassis was Ford-based, and the design was copied from Chrysler. After many failures, the team succeeded in casting engine's cylinder block. Cylinder head also had to be improved by trial-and-error. The first Toyota car (Model A1, photo) was finally ready in May 1935—five months behind schedule but it was still a big achievement. Kiichiro quickly transformed it into a truck (Model G1) because it was military trucks that the Japanese government wanted to procure. By November 1935 the truck was ready (but Model G1 had many technical problems that had to be fixed.)



In 1936, the government granted car production licenses to Toyota & Nissan. In 1937 Toyota Motor Company was established. In summary, Toyota's first car production relied heavily on reverse engineering on GM, Ford & Chrysler, but there was no formal assistance from any US companies.