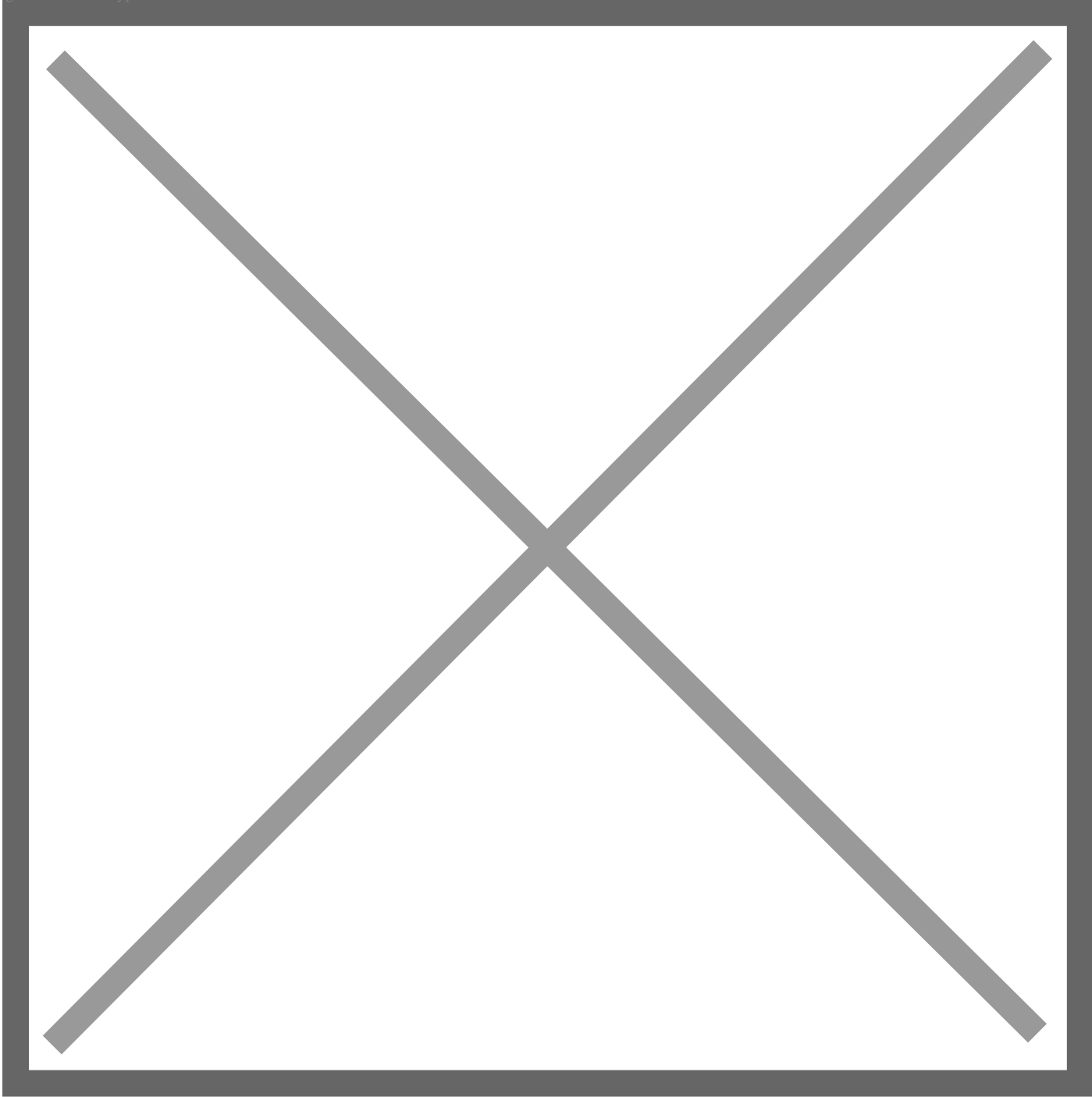


June 2017 Sales Conference Call Notes

July 03, 2017

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**June 2017, First Half Sales Conference Call
Monday, July 3, 2017**

June 2017 Sales Conference Call (Audio Clip)

Toyota Motor Sales Corporate Communications Manager Aaron Fowles:

Good morning and thank you for joining us to review Toyota and Lexus sales results for June and the first six months of 2017.

Speaking today will be:

- Bill Fay, senior vice president of Automotive Operations for TMNA

A recording of the call will be available at pressroom.Toyota.com about one hour after its conclusion and, of course, our communications team also is available to field any additional questions you may have @ (469) 292-5100.

Now I'd like to turn it over to Bill for a look at June and the first half results for Toyota and Lexus divisions.

Bill Fay:

Thank you, Aaron. Good morning everyone, and Happy 4th of July!

The first six months of the year

- Yielded the highest average for the consumer sentiment index since the second half of 2000,
- And there are still indicators for a stable auto industry in 2017,
- Such as a stronger economy,
- Higher employment and wage rates,
- And greater disposable income.

While credit has started to tighten

- With FED interest rate increases still possible later this year,
- We do not expect it will have a significant impact
- On new vehicle sales in 2017.

Also, there is still a lot that we are waiting to learn,

- Such as plans to cut tax rates
- Or boosts to infrastructure spending,
- Both of which would have impact on new vehicle sales.
- Regardless, it has been a strong first half.

In June, we expect the industry

- To post sales of nearly 1.5 million units,
- Down from last year,
- But still a great place to be.

Although the Seasonally Adjusted Annual Rate

- Will come in under 17 million for the month of June,
- We still believe that 2017 will be another solid year,
- With a SAAR above 17 million.

I will now go through the combined and individual Toyota and Lexus division results for June, followed by a recap of the first half and a look at the rest of the year.

Combined Toyota and Lexus new vehicle sales for June

- Totaled sales of 202,376 units
- An increase of 2.1 percent on a volume basis,
- A great first month for us,
- As we transitioned to our new North American headquarters in Plano, Texas.

The Toyota division recorded June new vehicle sales

- Of 177,981,
- Up 3.2 percent on a volume basis.

While passenger car sales slowed,

- We still sold around 30,000 Camrys and Corollas
- Other series, such as Prius, softened a bit,
- As gas prices remain low for consumers.

However, low gas prices helped drive light truck sales, and Toyota divisional light trucks continued to sell at record rates,

- As we saw best-ever June results for Toyota division's light trucks, RAV4 and Highlander
- With RAV4 up nearly 25 percent,
- and Highlander up 28.3 percent.
- Demand increased for the all-new C-HR,
- Ending the month at 3,100 sales.
- Additionally, 4Runner had another great month,
- Up nearly 24 percent, as we sold more than 10,000 units.
- Finally, Tacoma and Tundra also saw increases in June,
- At four percent or above.

The Toyota division outperformed the industry for both the month of June and the second quarter, giving us great momentum as we head into the summer selling season.

Now, I'd like to talk about Lexus sales results.

Lexus posted June sales

- Of 24,395 vehicles
- Down 5.4 percent from last year

Matching the industry-wide trends,

- Our luxury sedan sales have softened,
- However, we are encouraged at the sales numbers
- We are seeing for our newest addition, the LC 500.

More than 800 LCs sold in its first two months on the market

- As the LC brings our “Experience Amazing” tagline to life,
- And the reception from our dealers and customers has been nothing short of phenomenal,
- Marking a great launch, firmly establishing the LC with icons in the luxury auto business.
- We believe the LC will drive increased interest and shopping for the Lexus brand for the second half of the year.

Lexus continues to see strong demand in luxury utility vehicles

- As NX continues to climb up by double-digits,
- With sales of 4,597 in June, setting another best-ever,
- Also setting a new best-ever first half of the year.
- RX and LX were also up for the month.

Lexus division results for the first six months

- Totaled sales of 133,760,
- Down 11.7 percent overall;
- Sales were led by light truck sales,
- Nearly even with last year.

Lexus is known to be a stronger second half team,

- With 55 percent of sales coming from July through December,
- As our guests anticipate the Golden Opportunity sales event,
- Which begins from this Thursday, July 6th.
- With improvements to inventory mix, including the highest mix of LUVs that Lexus has ever seen,
- Up to 55 percent of our dealer stock,
- We have the right products to help customer demand for a strong summer selling season.

Toyota division results for the first six months

- Ended with sales of 1,021,405 vehicles, down 2.4 percent;
- But we continue to see records in our light trucks,
- With five successive record months,
- Up seven percent overall for the light truck segment.

The Toyota division had a lot of positives in the first half,

- As Camry and Corolla maintained their leadership positions &
- Toyota remained the #1 retail brand for the first six months.
- We also successfully launched the C-HR,
- And built momentum over the second quarter,
- Doing it all with lower fleet volume.
- And we still have more to come,
- As Camry leads the charge back into the mid-size segment,
- By more than doubling the outgoing model's marketing efforts,
- Preparing to launch,
- And ramp up sales of the exciting, all-new Camry starting in the third quarter of this year.

After six months in 2017,

- Combined Toyota and Lexus sales of 1,155,165,
- Are down 3.6 percent from last year on a volume basis.

Based on the increased pipeline and availability of light trucks,

- We will keep up the momentum we saw over the last quarter,
- To help us have an even stronger second half in 2017.

We wish you all a Happy 4th of July and look forward to the second half of 2017!

Aaron Fowles:

Thank you for, Bill, and for those of you joining us today. Now we'd like to open the call up to any questions you may have.