

Toyota Mirai Fuel Cell Sedan Global Media Preview - Bill Fay

November 17, 2014

TOYOTA

As prepared for:

Toyota Mirai LLPP

Newport Beach, CA

Monday, November 17, 2014

Bill Fay, Group Vice President, Toyota Motor Sales and General Manager, Toyota Division

Thanks John and thanks everyone for joining us today!

So let's review.....Chairman Uchiyamada explained *why* hydrogen.

Managing Officer Ogiso explained *what* a fuel cell vehicle is and what we did to develop the technology.

And now, I'm going to walk you through *HOW* we'll bring this revolutionary vehicle to market.

But first this event and location bring back a real dejavu for me — a quick flashback to the year 2000.

I am just starting my new job as the gm in the los angeles region...our largest company owned distributor covering southern california.

Our first major task...launch a new prius, a new hybrid...

Fuel is very affordable and there is no market or awarness for this new technology... a gas electric hybrid.

Our dealers were apprehensive but trusted our vision and instincts.

We never worked harder to produce 5500 sales in six months in my life.

As you know by 2012 we were selling over 235k prius family sales a year, and it has become the best selling vehicle in california the last two years in a row.

And here we are again, at another turning point in technology.

Launching a disruptive technology is a challenge, it's true... But we did learn a thing or two when we launched Prius 15 years ago.

We've taken that knowledge and developed a comprehensive launch plan That will introduce the public to the technology of the future, And provide a luxury ownership experience.

We're less than a year from launch, and several details are Still in the works....

But this morning, I'll introduce you to our target customer, Walk you through our sales plan, and finally... and most importantly...Outline our world-class 360 Customer Ownership Experience.

When you launch a new technology, education is key.

We learned this with Prius.

Our Prius launch team spent hours in Whole Foods parking lots Asking people to drive the car and explaining how hybrid technology works.

And while we haven't set up shop at Whole Foods, We have been raising awareness and preparing for this turning point, for almost two years.

In 2013 we started exploring Who our potential customer may be... Why they're interested in fuel cell technology... And What are their must haves...

We listened to social media conversations, Spoke directly to alternative vehicle intenders, And held clinics with

potential fuel cell buyers.

Similar to Prius, we expect our first fuel cell customers to be explorers.... “trailblazers”, so to speak

They are highly educated, tech savvy, practical, and Concerned about their personal impact to the environment.

Potential drivers liked Mirai’s cutting-edge, futuristic styling...the luxurious and comfortable interior...advanced safety features...and industry-leading range.

They also like the ability to lower their carbon footprint While making a statement.

These customers see Mirai as a conversation starter... The vehicle that will lead drivers into the future... They, and I quote, “want their next car to make Them feel like they are part of a movement.”

Mirai will lead that movement.

We’re lucky, in that the Toyota brand brings with it a sense of confidence And trust in new technology... As one focus group member said “If anyone can launch a fuel cell vehicle, Toyota can.”

But as you heard from ogiso, Not everyone shares this view.

We love talking to the skeptics.

It gives us a chance to talk about the electrification of the automobile... in all forms... and answer important questions about fuel cell technology.

And people have a lot of questions about fuel cells...

That’s why our team will continue to communicate our commitment to fuel cell technology, educate customers and prepare the mass market for the future... today.

Mirai will hit the streets of California in the fall of 2015.

Volume will be restricted during the fourth quarter, to less than 200 vehicles, but will steadily increase, totaling more than 3,000 units by the end of 2017.

As infrastructure expands, you can expect the Northeast to follow soon.

Since the fuel cell website launched in January 2014.

1.3 million unique visitors have learned about this groundbreaking vehicle and 14,000 “handraisers” have signed up for additional information.

That’s a great head start for our sales team, but soon we will start translating interest to sales.

In fact, I’ve challenged our team to pre-sell all 2015 units before Mirai reaches the showroom.

And our integrated launch strategy will help us do just that, with a

- A dual sales approach, for both retail and fleet.
- A specialized, dedicated dealer network.
- Continued support for hydrogen infrastructure expansion.
- And a world class ownership experience.

When we talk sales, retail customers are often first to mind.

But fleet will also play a key role in our early market launch.

Over the last year, our fleet team has engaged in unprecedented, individualized efforts To introduce corporations, states and city agencies, in California and the Northeast, to fuel cell technology.

From focus groups to private test drive events, fleet customers were given exclusive access to Mirai.

They learned about hydrogen as a fuel and how fuel cell vehicles could support their social responsibility initiatives.

These efforts have paid off and we'll be sharing these fleet success stories very soon.

When it hits the market in 2015, customers can take advantage of Mirai's \$499 per month/36 month lease option, or purchase the vehicle for \$57,500.

With potential combined state and federal incentives of \$13,000, the purchase price could fall to under \$45,000, a price point that set well with our intender focus groups.

Add on our comprehensive ownership experience, which I'm about to tell you more about, and zero emission vehicle access to the California HOV lanes and you have significant value for drivers ready to leave their mark.

In many ways, our first customer's experience is more important than the vehicle itself.

We know the vehicle will not disappoint – we've taken 20 years to make sure that's the case!

But as Ogiso noted, Mirai must fit comfortably and conveniently into customers lives.

That's why we've outlined an ownership package that ensures the only thing our early adopters will have to worry about is how to answer all the questions they'll get from their neighbors.

Our complimentary "360 Ownership Experience" Provides complete peace of mind with:

- 24 hour a day, 7 days a week concierge service... with calls answered by a dedicated fuel cell representative.
- 24 hour enhanced roadside assistance, including towing, battery, flat tire assistance, trip interruption reimbursement, and loaner vehicle... all arranged by the helpful concierge
- 3 years of Toyota Care maintenance, which covers all recommended factory maintenance
- And 8 year/100,000 mile warranty on fuel cell components.

Of course the Mirai also features complimentary Entune and 3 years of Safety Connect, complete with hydrogen station map app.

But guiding customers to the hydrogen station isn't enough.... Our initial group of buyers will also receive complimentary hydrogen fuel to ensure they're always ready to go.

At CES we told you about the STREET hydrogen station model we developed with UCI.

You'll hear more about STREET from Chris Hostetter in a minute, and he'll also tell you about the latest hydrogen infrastructure developments... And there are a LOT of developments...

But it all started with this STREET model.

The model was key to not only placing stations where customers need them but it also helped us identify Toyota dealerships To support those customers... Initially, Mirai will launch at a limited number of California dealerships with expansion to additional dealerships as volumes continue to increase.

These dealers will receive special hands on fuel cell vehicle training, implement new processes for streamlined e-contracting and invest in dedicated service bays and special service tools.

After 20 years of development, we're excited to lead this turning point in automotive technology.

Mirai's package of innovation, performance and luxury, is one-of-a-kind, as you'll see first-hand tomorrow.

The flexible purchase options, backed by our 360 ownership experience, add even more value and will help us connect the technology of tomorrow to today's customer.

Over the next few months we'll announce specific dealers, details of vehicle delivery and give you an update on how that pre-sale challenge is shaping up.

Similar to Prius... Roll out will start small and ramp up over time.

It took us 10 years to reach 1 million global hybrid sales.

But we're in this for the long term and this turning point is our starting point.

Hopefully... Just like Prius... in 15 years, We'll be telling you the story of another "science experiment" that's now a household name.

Thanks again for being here, enjoy your time behind the wheel tomorrow... and I'll turn it back over to John.