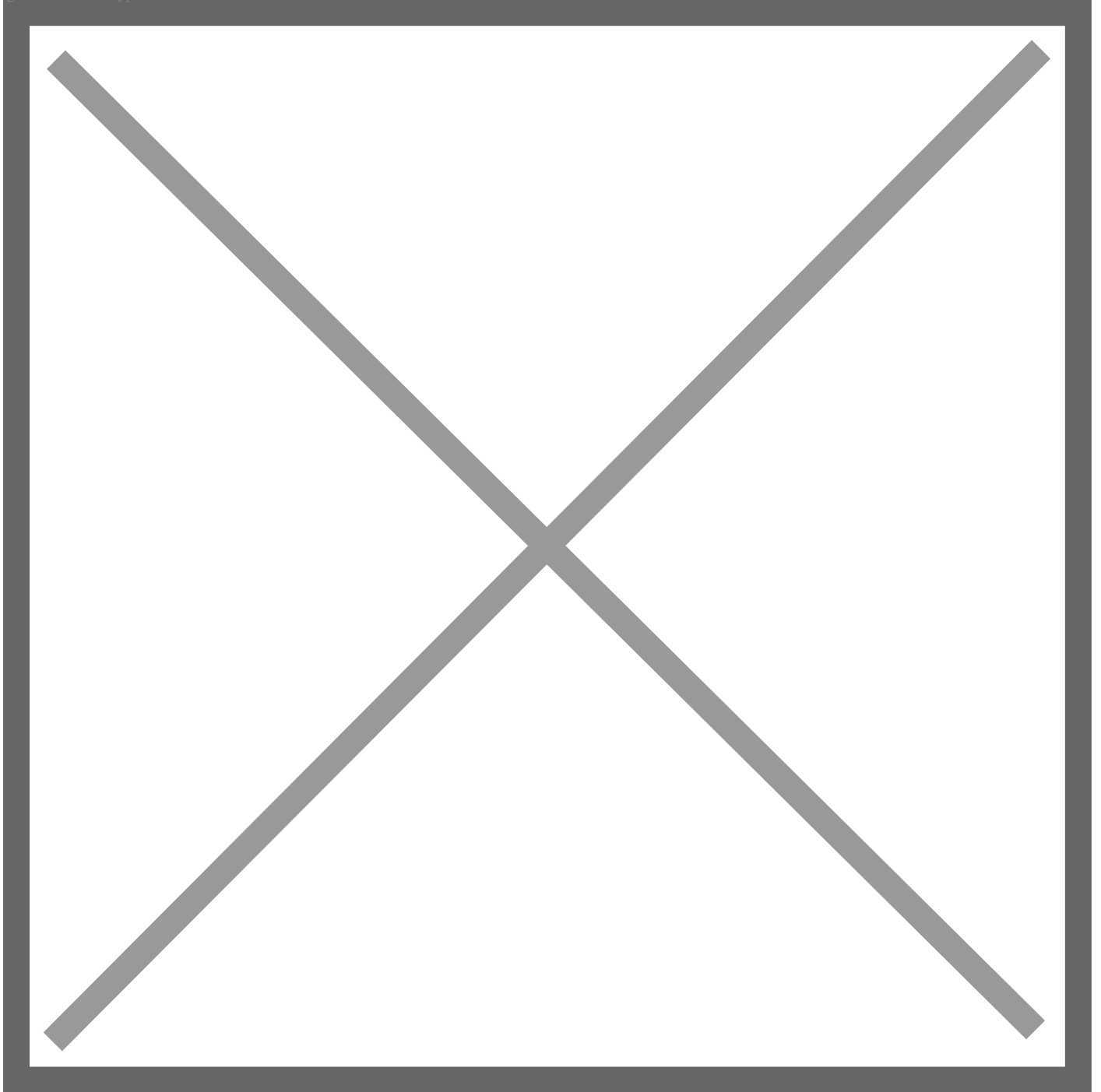


# May 2014 Sales Conference Notes

June 03, 2014

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**May 2014 Sales Conference Call**  
**Tuesday, June 3, 2014**

## May 2014 Sales Conference Call (Audio Clip)

Good day and thank you for joining us to review May sales results for Toyota, Scion and Lexus.

Speaking today will be:

- Bill Fay, Group Vice President and General Manager of the Toyota Division
- And Jeff Bracken, Lexus Group Vice President and General Manager

A recording of the call will be available at [Toyota.newsroom.com](http://Toyota.newsroom.com) about one hour after its conclusion and of course our communications team also is available to field any additional questions you may have at (310) 468-5297.

Now I'd like to turn it over to Bill for a look at TMS and Toyota Division May results.

### **Toyota Division Group Vice President and General Manager Bill Fay:**

Thank you Mike,

Hello everyone, and thank you for joining us today.

May was one of those months...

- Where everything came together for the industry
  - With five weekends
    - Including an early Memorial Day
  - One extra selling-day
  - And improving consumer confidence
- Resulting in the industry's best volume month in nine years

Total industry sales

- Coming in at 1.6 million vehicles
- Up 11 and a half percent from last year
- Best May since 2004

Translates to a SAAR of about 16.8 million

- Third straight month with a SAAR of 16 million or better
- First time since 2007 we've seen that consistency
- Brings YTD SAAR to 15.9 million

Toyota, Lexus and Scion dealers

- Helped lead the way
- Sales of 243,236
- Up 17% from last year

- Well above the industry average
- Making TMS #1 in retail sales
  - By more than 12,000 units
- That's also more vehicles than we've sold in any one month
  - Since May of 2008

#### For the Toyota Division

- Big month for our core products
  - Camry, Corolla, hybrids and RAV4
  - All posting significant gains
- Passenger car sales were up 21%
  - As our cars outperformed trucks for the first time in 7 months
- Light Truck sales were still up 11%
  - Continue to work through inventory challenges with several vehicles in our lineup

#### Total Toyota Division sales of 216,315

- Up 17% from last year
- Toyota was #1 in retail sales
  - By a wide margin
  - For the fifth consecutive month this year

#### Camry sales

- Hit nearly 50,000 units
- 49,584 to be exact
- And up 26 and half percent for the month
- Put it in perspective, Camry has exceeded 50,000 monthly sales only four times in its history
- Camry also was involved in another milestone during May
  - It became the 10 millionth car built at our plant in Kentucky over the past 26 years

#### The all-new Corolla

- Best month in nearly five years
- Sales of 36,600 units
- Up 31%
- Stretched its lead as the best-selling subcompact in America

#### Hybrid Lineup also did very well

- With total Toyota Division sales of nearly 34,500
- Up 11%
- That's the most hybrids we've sold in month in two years
- Prius Family led the way with sales of more than 26,800 units
- Up 14%

- Both Camry and Avalon hybrids posted double-digit gains

#### Prius story was especially strong in California

- Where our total car sales were up 22%
  - Prius sales were up 30%
  - Southern California had its best Prius month ever
- In fact, 1 out of every 3 Toyota cars sold in California was a member of the Prius family
- And it looks like we sold more Prius in California in May
  - Than the #2 hybrid nameplate
  - The Fusion, sold nationwide

#### On truck side

- RAV4 volume leader
- At nearly 23,500
  - Up 13% from last year
  - Best May ever
- The compact sport utility segment remains red hot
- RAV4 is limited only by inventory levels

#### The New 4Runner and Highlander models

- Continue to perform very well
- As they combined for sales of nearly 20,000
- Highlander up 8.5%
- While 4Runner jumped 70%

#### And Sienna had a good month

- Up 12 and half percent
- With more than 13,300 sold

#### Combined pickup sales

- Topped 25,000 units
  - Up two and half percent
- As a drop in Tacoma sales because of inventory constraints
- Was offset by a 14.5% gain in Tundra sales

#### Finally, Toyota Certified Used vehicles

- Sold more than 32,000 vehicles in May
- As the demand for used vehicles remains strong
- A further indication of the overall strength of the market

## Looking Ahead

- Although we may see some payback in June as a result of the May results
- Expect overall momentum to continue
  - Driven by new products,
    - including the new Camry coming later this year
    - Near record-low financing options
    - And the recent uptick in consumer confidence
- This past weekend
  - Was our 2nd best non-holiday weekend in the 6 years
  - and the strength of the passenger car market
  - And retail sales are also good signs for the summer selling season
- So there's every indication the market stability
- And solid growth we've seen the last three months will continue through the summer

Now I'd like to turn this over to Jeff Bracken for a look at Lexus results.

### **Lexus Group Vice President and General Manager Jeff Bracken:**

Hello everyone. Thanks for calling in.

#### The luxury vehicle market

- Has been outperforming the overall industry so far this year
  - that trend continued last month

#### At Lexus we had a very good month in May

- Sales of 26,921
- Up 16.6% (DSR)
- That's our best May since 2008
- Third straight month of double digit gains
- Sales of our newest models
  - The IS and GX,
  - more than doubled
- And our core models,
  - the ES and RX,
  - both showed solid gains

#### On the passenger car side,

- ES posted sales of more than 6,500 units
- Up nearly 7% (DSR) from last year

#### IS was the big gainer as it has been all year

- Sales of 4,400
- Sixth straight month sales have more than doubled

### For our Luxury Utility Vehicle lineup

- We saw total sales rise 20%
- All three models posted gains
- The new GX continues to provide the growth
- While the RX provides impressive volume
- GX sales more than doubled to 1,958 units
  - Best volume since in nearly four years
  - 7th consecutive month sales have doubled since launch
- RX was up nearly 5% (DSR)
  - RX continues to be the best-selling luxury utility vehicle

### Lexus Certified Pre-owned

- Further validating the strength of the luxury market
- Our Certified Pre-owned program sold more than 7,000 vehicles
- A record for May
- Second best month ever

### In closing: YTD Lexus sales

- Now up 18% for the year
- Looking to keep momentum through the summer
- And into the fall
- When we'll be adding several new products
  - Including the RC and RC F on the passenger car side
  - And NX 200t and 300h luxury utility vehicles

Thank you for joining us today and now I'd like to open this up for any questions you may have.