

June 2013 Sales Conference Notes

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Tuesday, July 2, 2013

[June 2013 Sales Conference Call Audio](#)

Toyota Motor Sales Vice President of Corporate Communications Mike Michels:

Hello everyone and thank you for joining us to review Toyota's June and mid-year sales results.

Speaking today will be:

- Bill Fay, Toyota Division group vice president and general manager
- And for Lexus we're joined for the first time by Steve Hearne, vice president of sales

Following the call, our communications team will be available to field any additional questions you may have.

Now I'd like to turn it over to Bill for a look at June results.

Toyota Division Group Vice President and General Manager Bill Fay:

Thank you Mike...and thanks everyone for joining us today.

As you know by now...

Industry had a great month in June

- Sales of more than 1.4 million
- up 9 percent from last year on volume basis
- One additional selling day last year
- Even better on an adjusted DSR basis, +13 percent
- Easily best June in six years (2007)

Pushed SAAR to 15.9 million for the month

- Impressive jump of 600,000 units from May SAAR
- Within shouting distance of the magic 16 million mark

Midway through 2013

- Industry sales closing in on 8 million units
- SAAR solid 15.3 million
- Expect momentum to roll into summer months

Economic fundamentals remain strong

- Consumer confidence, housing and employment
 - All hit 5-year highs during the past couple months

Industry fundamentals also strong

- New products continue to bring people to showrooms
- Appears to be no let up in pent-up demand
- There remains a wide range of excellent financing options

Toyota, Lexus and Scion in June

- Strong and sustained demand throughout the month
- Total sales of 195,235
 - Up 9.8 percent from last year
 - 14 percent on DSR basis
 - Ahead of industry pace for the month

From here on, straight volume percentages

Toyota Division

- Sales of 173,880
- Up 10 percent from last year
- Toyota Division again #1 retail brand in June

Toyota also #1 retail brand midway through 2013

Big month for Camry

- Sales of 35,870
 - Up nearly 12 percent from last year
 - Just yesterday sold Camry No. 10 million
 - Went on sale 30 years ago
 - Nearly 6.5 million of those cars still on the road
 - Helped make Camry best-selling car for the month
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- Midway through 2013
 - More than 20,000 units ahead of second place car
 - Camry also was ranked as the #1 mid-size car in J.D. Power's Initial Quality Survey

Prius also up for the month

- Up 10 percent
- More than 21,000
- YTD more than 120,000
- Right on track to hit our target for the year

Total Toyota Div. hybrid sales up nearly 20 percent for the month

- After six months, continue to account for more than half of all alternative fuel vehicles sold

Avalon sales nearly tripled for the month

- For the year, new Avalon running at double the pace it set a year ago

Corolla

- Sales of nearly 26,500
- Flat on a volume basis (actually up 3 percent on DSR)
- Sell-down of the current model going extremely well
- In fact, sales up about 5 percent for year
 - Best-selling subcompact model YTD

Showed 2014 Corolla for first time in early June

- Early reaction has been especially strong
- Already recorded more than 500 million media impressions
- Production begins in August
- Excited to add to our lineup soon afterwards

Moving to our truck results

- Toyota Division up 13.5 percent for the month
- More than 400,000 during first six month
 - Up 12 percent first half of 2013

RAV4 volume leader

- Up 36 percent last month; more than 20,000
- Best-ever June
- Since went on sale in January
 - New RAV4 has 5 record months
 - Sold more 100,000 during the first six months
 - First time that's ever happened
 - Up 13 percent for the year
 - Still trying to build inventory

Pickup sales up 13.5 percent in June

- Tacoma up 18 percent
- Tundra up 12 percent
- Through first six months
 - Combined pickup sales up 18 percent
 - Slightly ahead of the segment's growth rate (about 15 percent)

Sienna up more than 9 percent for the month

Highlander up 7 percent

- Sales of both models top 60,000 units midway through the year

Toyota Certified Used Vehicles

- Continued its string of record-setting results
- Now set a new record every month this year
- Sales of more than 32,000 up 12.5 percent

Looking Ahead

The auto industry has led the economic recovery through the first half of 2013 and we believe that will continue in the months ahead.

Toyota well-positioned to take advantage of this growth

- Core models,
 - Camry, Corolla, Prius and Tacoma retain leadership positions
- Newest models,
 - RAV 4 and Avalon, off to excellent starts

And we'll roll out three all-new or significantly updated models between now and the end of the year to help keep the momentum going, beginning with Corolla this fall.

Thanks again for joining us today and now I'd like to turn this over to Steve for a look at Lexus.

Lexus Vice President of Sales Steve Hearne:

Thank you Bill.

I'll get to the June breakout for Lexus in a moment...but the big news for us in June was the launch of the all-new IS lineup, which went on sale Friday.

The marketing launch actually started in mid-June, with a heavy emphasis on the new design, driving dynamics and technology advancements of the IS.

It seems to have made a connection with customers, as we sold more than 500 in just three days

Many of those customers came looking for the new IS F Sport with its bold design and sporty performance.

It helped give us to the best non-holiday weekend for Lexus in six years.

Pushed Lexus sales above 21,000 for the second straight month

- Third time in last four month

Total June sales of 21,355

- Up 6.7 percent on straight volume basis

YTD, sales up about 10 percent

- At nearly 120,000 vehicles

The two other new cars in our line-up – the ES and LS – posted strong gains in June and both models continue to show the biggest increases in their respective luxury segments.

ES

- Up 50 percent in June
- Sales of more than 33,000 thru first six months
- Up 83 percent for the year

LS

- sales up 45 percent for the month
- Up 73 percent for the first half
- LS also received the highest score among all models in J.D. Power's IQS – for the sixth year in a row.

The SUV side of our business

- RX continues to be the best-selling vehicle in our lineup
 - Sales of more than 8,600 in June
 - Year to date sales up 4 percent
 - Continues to lead luxury SUV segment
- GX also had a good month
 - Saw sales climb 9 percent for the month

Lexus Certified Pre-Owned

- Four consecutive record-setting month

We expect the IS fireworks to continue in July

- All IS models currently at dealerships, including F SPORT version
- Availability will improve throughout the month

Combined with ES and LS, that will give us three of the hottest models in the growing luxury sedan market.

Thank you very much for joining us today and now I'd like to open up the call for questions.