

May 2013 Sales Conference Notes

June 03, 2013

May 2013 Sales Conference Call
Monday, June 3, 2013

[May 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 May sales.

Speaking today will be:

- Bill Fay, group vice president and general manager of the Toyota Division;
- Jeff Bracken, group vice President and general manager of Lexus.

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 May results.

Toyota Division Group Vice President and General Manager Bill Fay:

Thank you Mike and thanks everyone for joining us today.

May industry sales

- About 1.4 million
- 12% percent from April
- Retail sales even stronger, up 9% from last May
 - 1.2 million
 - Topping 1 million for third straight month
 - Best retail month in nearly six years
 - since August of 2007

Pushed SAAR back above 15 million for the month

- @ 15.3 million
- CYTD also 15.3

We had an excellent Memorial Day Weekend

- Nice springboard to the summer selling season
- Expect continued improvement in sales pace in months ahead

- Hit 15.3 million for the year

Improving economy supports this modest growth

- Consumer confidence reached a five year high
 - Consumer spending also continues to rise
- Unemployment at four-year low
- Still see plenty of pent-up demand, low interest rates and stable gas prices

Toyota, Lexus and Scion in May

- Total sales of 207,952
 - Up 2.5% from last year
 - Increase of 18% from April

Accomplished despite trimming fleet sales nearly 30%

- About 7,500 units

On a retail basis

- TMS industry's #1 retail manufacturer

Toyota Division

- Sales of 185,723
- Up 2.3% from last year
- 17% from last month
- Toyota Division #1 retail brand

Big month for Camry

- More than 39,000
 - On a par with last year
- Making Camry best-selling car for the month

Camry also featured on *Consumer Reports'* list of Top 10 models

- XLE hybrid and XLE V6 *only* non-luxury models on list

For Prius

- Best month in more than a year
- Sales of 23,522
- Up nearly 10%

- Accounting for about half of all the hybrid car sales in America

Corolla also turned in a solid month

- Sales of 28,000
- Down from last year
- Sell-down of the current model going extremely well
- Will show new Corolla for first time later this week

The FR-S continues to drive Scion

- On-sale for a year now
- Second-best month ever at nearly 2,000 units
- Pushing Scion up 9% for the month

And finally on the car side, have a bona fide hit in Avalon

- Sales up more than 250% from last May
- And have more than doubled for the year

Looking at light truck sales

- New RAV4 volume leader
 - Set new May record in process
 - Best month in more than three years
 - Topping 20,000
 - Up 8%

Tacoma and Tundra both posted double-digit gains

- Up 20% and 13.5% respectively
- At nearly 25,000,
 - best pickup month since Aug. 2008

Also a good month for our SUVs

- FJ Cruiser up 30%, Sequoia 15% and Land Cruiser 12%

Finally, Toyota Certified Used Vehicles

- Recorded its best-ever May
- More than 32,000
- Fifth straight record month

Looking Ahead

- We're well positioned for the summer selling season
 - Especially in a strong retail environment:
 - Camry, best-selling car in America
 - RAV4 coming off two-straight record months
 - Hot compact cross-over segment
 - Avalon more than doubling sales so far this year
 - Prius momentum is building and with our hybrid sales accounting for more half the industry's total
 - Just one reason we have the most fuel efficient full-line fleet in industry

Looking forward to 2014 Corolla launch activities underway

Add that up and you have the makings for a great summer.

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

Lexus Group Vice President and General Manager Jeff Bracken:

Thank you Bill.

Lexus also had a very good May

- Sales of 22,229
- Up 3.6% from last year
- More impressively, up 23% from April
- Easily biggest month-to-month increase of any luxury brand

Luxury sedans

- Continue to perform well
- we have two of the hottest new cars in the luxury market
- ES and LS
- Both models more than doubled year-ago totals during May

ES sales of 5,890

- For the year, ES sales up 92%
- Big part of increase is addition of hybrid model to the ES lineup
- Accounted for about nearly 25% of mix in May
- Key reason Lexus hybrid sales up more than 50% for month

LS

- LS sales up 117% in May

- Up 78% for the year
- Best performance of any prestige luxury sedan
- By the way, the LS 460L also made the list of Top 10 *Consumer Reports* models Bill mentioned earlier

Luxury SUVs

- Continue to be fastest growing luxury segment
- Our RX remains the class of the field
- And is our overall volume leader
- With May sales of more than 8,700
- Year to date sales up 5%
- Total sales nearly doubling its closest competitor

Finally on the Certified Pre-Owned front

- Lexus Certified Pre-Owned
- Sales of more than 6,700
- Best-ever May
- Third straight record month

Looking ahead

- Strong consumer confidence – 5 Year high
 - Bodes especially well for luxury market
 - Expect it will continue to gather momentum this summer
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- With ES and LS just now hitting their stride
 - Well-positioned to take advantage of the growth
 - Soon be adding the new IS model to our lineup
 - 13th new or updated model in the past 15 months
 - The culmination of an unprecedented string of new models changing the face of Lexus
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- Sell-down of our current IS model going smoothly
 - Marketing activities for the new IS begin later this month
 - Combined with ES and LS will give us a trio of new luxury sedan choices

The other big news for us in May

- Lexus earning the #1 brand ranking from *Consumer Reports Magazine* – Recommendation 100% of our lineup
- First-ever ranking of individual brands

In the words of *Consumer Reports*:

“When it comes to making cars, Lexus pushes all of the right buttons”

When you combine that kind of review, with the sweep of the J.D. Power customer satisfaction awards Lexus picked up earlier, I think you can see why we’re excited about the months ahead.

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

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