

January 2013 Sales Conference Call Notes

February 01, 2013

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Friday, Feb. 1, 2013

[January 2013 Sales Conference Call \(Audio\)](#)

Bill Fay
Group Vice President and General Manager
Toyota Division

Hello everyone, and thank you for joining us.

The sales pace we saw in the fourth quarter of last year rolled right into January, exceeding expectations for the industry and resulting in a great start to the year for Toyota.

That's especially good news

- Think everyone a little apprehensive about start of the year
 - Fiscal Cliff debates
 - New tax rates
 - January normally a slower month

Industry again emerged as one of strong points of economy

- Sales should come in around 1,040,000
- Up 13.9 percent from last January on a straight volume basis
- Works out to SAAR of about 15.2 million
- Best industry start since 2008

And while it was a good month for the industry

- Great month for Toyota, Lexus and Scion
- Total sales of 157,725
- Up 26.6 percent
 - Biggest gain of any manufacturer in January
 - Just about doubling industry average
 - Share of more than 15 percent

That breaks down to

- Toyota Division: 26 percent
 - #1 retail brand
- Lexus: up 32 percent
- Scion: gained 38 percent

At Toyota

- Biggest volume gainers were Prius and Corolla
- Prius family up over 36 percent
 - Best January ever
- Corolla up over 32 percent

Camry continues to put up big numbers

- Nearly 32,000
- Plus 13 percent
- Started 2013 the same way it ended last year
 - Best-selling car in America

Two newest models are off to great starts

- Fastest turning models in our lineup

Avalon, first full month of sales

- Topped 4,800
- Up over 50 percent
- Hybrid 40 mpg rating attracting interest
 - about 20 percent of mix
- Not yet at full availability

RAV4 began arriving at dealerships in mid-January

- Sales of more than 11,600
- Up 18 percent
- Good sell down and steady ramp up of new model
- New models about 20 percent of mix

Hybrid sales...

- Probably getting a little boost from rising gas prices
- Hybrid sales up 45 percent
- More than 21,000 total units
- 15 percent of Toyota Division sales
- Well-positioned for future hybrid growth
- In addition to new models
- Best Prius inventory we've had in long time

On the truck side

- Toyota Division truck sales up over 28 percent
 - Every single model posted double digit gains
 - In addition to RAV4:
- 4Runner up nearly 54 percent
- Tacoma 30 percent
- Highlander 29 percent

- Tundra 27 percent
- Sienna 23 percent

Toyota Certified Used Vehicles

- All-time record January
- Sales of nearly 26,500
- Up over 12 percent

Looking ahead

- The RAV4 advertising launch begins on the Super Bowl
 - Featuring Kaley Cuoco from the Big Bang Theory
 - Already generated nearly 9 million views online
 - Just five days
- Next week unveil new Tundra at Chicago Auto Show
 - On-sale this fall
 - Latest of 9 all-new or significantly updated models to be introduced this year
- Follows intro of Corolla Furia Concept at Detroit
 - very well received

To keep the momentum going,

- Consumers responding to our new products
- And great value we're able to offer
- Low interest are making cars more affordable than ever before
 - In many cases, car payments are nearly as low as lease rates

In closing,

- January good start to the year for the industry
- Great start for Toyota

We expect continued stability in the economy to bode well for the industry in the months ahead, with pent-up demand, an influx of new models and great value combining to bring people into dealerships.

Now I'd like to turn this over to Tim Morrison for a look at the Lexus results.

Tim Morrison
Vice President, Sales and Dealer Development
Lexus Division

- Coming out of a strong December sales event, we are very pleased with Sales results for January.
- Lexus sold 16,211 vehicles, increase of 32 percent over last January on a volume basis
- Car sales led the way with an increase of 61 percent over last year
 - After a very busy launch year in 2012, when we introduced 9 new or significantly refreshed vehicles, we are fully stocked and offering a great selection of these new products, and customers are responding.

- New ES continues to sell well: 5,186 units (>25 percent hybrids)
- While ES and RX continue to be volume leaders, we are seeing a pretty even distribution of sales across the rest of our lineup...speaks to the breadth of our offerings.
- The IS World Premiere in Detroit was the really big news for us in January.
 - The webcast of the reveal on Lexus.com and our Facebook page was viewed by more than 600,000 people around the world, in 99 countries from Albania to Zimbabwe.
 - Early reaction to the vehicle from journalists, customers and dealers has been fantastic
 - Dealers can't wait to get it in their showrooms.
 - C/G IS is already the youngest car in the luxury industry. With N/G IS focus on design, advanced technology, and engaging driving dynamics, we expect it to bring even younger customers to the brand.
- In summary:
 - With a strong January we're off to a great start in 2013
 - With great inventories of our recently launched models and more exciting vehicles new to come, we expect the momentum to continue.

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