

2011 NAIAS Press Conference - Prius Family World Premiere

January 10, 2011

Good afternoon ...and thank you for coming.

This is my first appearance before an American audience since the Larry King Live Show, last February. That was during a difficult time but Larry made me feel welcome. I thank him for that and now that he is retired I will miss him.

Today, I have come to talk about our commitment to:

- the American customer,
- the economy,
- the industry,
- our employees,
- our dealers,
- and the environment.

When I think about our commitment in America I think about our popular Camry sedan made in our first U.S. stand-alone plant in Kentucky that was established twenty-five years ago this month. Thanks to millions of American customers Camry remains the Number One passenger car in the United States. We are proud of this car and the people who design, build, and keep improving it.

Camry competes in NASCAR and I recently drove the race car getting into it through the window like our drivers do on the track. Thankfully, our production Camry is MUCH easier to get in and out of.

I realized that to compete in a great American race series such as NASCAR means Camry has been embraced here and is truly an AMERICAN car. That made me very proud.

We are also honored and humbled that Toyota was the Number One “retail” brand in the U.S. last year, regaining the highest consideration among consumers. These achievements during a difficult year were made possible through the outstanding efforts of Toyota associates, dealers, and suppliers, and the support of loyal customers ALL across America. I thank everyone involved.

We intend to continue to earn that customer loyalty with even greater dedication to quality, safety, and customer care.

Now in our fifty-fourth year in this country we remain committed to America. In fact, yesterday we announced that our new Safety Research Center here in Michigan will work with leading North American universities and other partners on safety projects that will benefit the entire industry. Our investment will support research aiming to reduce driver distraction and increase the safety of vehicles, drivers, passengers, and pedestrians.

Finally, we continue our massive commitment to the environment, in particular the development of clean, high-efficiency vehicles. We are creating a variety of advanced vehicles, including plug-in hybrids and battery-electrics that arrive next year, and hydrogen fuel cells that will arrive in twenty-fifteen, or sooner. Over the years customers will choose which technology is best for their needs so we will continue to keep an open dialog

with them as we bring these vehicles to market.

It is important to note that ALL of these efforts started with Prius thirteen years ago. And today, Toyota Division General Manager Bob Carter will show you the NEXT major step for Prius, a family of vehicles providing the benefits of Toyota's hybrid technology to a larger family of Americans.

Before I conclude let me promise you that all of us at Toyota are determined to continue earning the trust and confidence of American consumers and the American community.

And now please welcome Bob Carter ...

(Bob Carter)

Thank you, Mr. Toyoda. We sincerely appreciate having you with us. Hello everyone, and thanks for coming. It's hard to believe, but it's been more than 20 years since Toyota made a commitment to the environment by investing in hybrid technology.

So, before I discuss important family matters I'd like to take us back to the early challenges Prius faced to get to where it is today. When Prius came to the U.S. in 2000, it was a misunderstood concept struggled for acceptance and drew plenty of skeptics. One well-known critic, for example, called it "a PR stunt" and dismissed all hybrids as "an interesting curiosity."

It's easy to see why that kind of opinion prevailed at the time. Gas was only 99 cents a gallon, and many wondered if the high development cost of hybrids would be worth the investment. After all, cheap gas was great for Hummer H2, which was being introduced about the same time, but not so good for a new small car with highest mileage in America.

Fortunately, there were a lot of people who helped Prius find its way. Over the years, Prius has created its own mystique and persona. It's in movies, TV shows, late-night monologs, daily conversation, and the garages of celebrities, politicians, business leaders, and average American families.

With nearly one million sold in North America over the last 10 years, it has the highest brand awareness of any hybrid vehicle. Prius has become to hybrids what Kleenex is to tissues and Levi's are to jeans. It has also had a tremendous impact on the industry. Since Prius debuted, 13 automotive brands have joined the hybrid market, offering a variety of 30 models... 30!

But Toyota isn't standing still. We are continuing our commitment to hybrids by introducing 11 new models to our global lineup in the next 23 months. And seven of them will be entirely new, not next generations of existing models. Let me ask you, who else is making that kind of commitment, to the environment, and to reduce oil dependency, while lowering the cost of transportation?

Now, at last year's Detroit Auto Show, we told you about a family strategy that would bring Prius to a wider range of customers. We're doing that because customers told us they wanted all the benefits of Prius in a variety of vehicles. Consumers convinced us to expand the Prius line into an entire family of vehicles. As the family expands, each member will be an all-new model, not a re-badged version of an existing Toyota hybrid.

Today, we're going to plant the family tree and watch it grow. Now, let's meet the family starting with the 3rd generation Prius that we introduced two years ago in this room.

This highly advanced vehicle delivers 50 miles per gallon, the best fuel economy of any car without a plug sold in America. Since it launched in May of 2009, more than 230 thousand have been sold and it continues to be a benchmark for cars of the future. It's a fantastic vehicle; consider it the patriarch of the family.

The next family member represents the best of both worlds, the superior fuel economy of the Prius with added EV driving capability. Say "hello" to the Prius Plug-in.

This is a car with no compromises. It can be driven about 13 miles on battery power alone at speeds up to 60 miles-per-hour. When the EV charge runs out, the proven Prius Hybrid Synergy Drive System takes over. And the lithium-ion batteries can be fully recharged in just three hours on a standard 110 outlet, and about half that time on 220.

It's a perfect car for someone like me who commutes 7 miles a day. And, for those consumers who make regular trips of 13 miles or less and then recharge, it's possible they would never have to use any gas.

When it goes on sale in the first half of next year, we'll initially offer it in 14 West and East Coast states where nearly 60 percent of all Prius vehicles are sold. It will then be available in all remaining states a year later. The Prius Plug-In represents the most eco-sensitive and advanced choice within the Prius brand of products.

As much as people love their Prius vehicles, others told us they'd like a hybrid with even more versatility and room to meet their growing family needs and active life styles. A Prius that's comfortable and safe with advanced technology matched with outstanding environmental performance and fuel efficiency and striking a balance between utility and style with a compact exterior and a more spacious interior.

Well, we listened, and combined all of these elements into the first all-new member of the Prius Family. Ladies and gentlemen, please welcome a new evolution in hybrid vehicles ... the Prius *v*, with the *v* standing for versatility.

(Bob) This is a car full of surprises. Mr. Toyoda, nice to see you again.

(Akio) Thanks Bob, this car has lots of room. I really wanted to drive on stage, but they would not let me because I drive too fast.

(Bob) Prius *v* has plenty of power, but there are also a lot of other great features our customers will like.

(Akio) You're right Bob, tell us more.

(Bob) I'll be happy to Mr. Toyoda, and thanks for stopping by, Ladies and gentlemen, Mr. Toyoda,

The Prius *v* shares the same platform and Hybrid Synergy Drive system as the current Prius ... so even though it's bigger, it still produces 66 percent fewer emissions than the average new vehicle. With almost the same footprint as the current Prius, it has nearly 60 percent more cargo space, making it the most spacious dedicated hybrid vehicle in the industry.

It will deliver estimated mileage of 42 city, 38 highway, and 40 combined, in a family-friendly midsize vehicle. That's the best combined mileage of any, SUV, crossover, or wagon, sold in America.

Now, as you can see the exterior features an extended roofline, while still retaining the triangular shape of Prius. The interior has comfortable seating for five, specifically designed for young families. For convenience, Prius *v*

has a standard backup camera, and a low, wide-opening cargo hatch to access 34 cubic feet of luggage space, better than most small SUVs. And in a first for a Toyota vehicle, Prius *v* will offer an available lightweight resin moon roof with retractable sunshades.

Prius *v* will also be the first vehicle to offer Toyota's all new, exclusive Entune multi-media system that debuted last week at the Consumer Electronics Show. Frankly, we were blown away by the extent of the media praise, and the awards it received, including the prestigious CNET "Best of Show" in Car Technology.

Entune delivers more features in a safe, consumer friendly way than anything on the market. Here are four industry-leading highlights that I think customers will really like. It offers more popular apps, the most advanced voice recognition system. It's easy to upgrade, and, it's compatible with more phones than *any* other system. Make sure to stop by our booth and have some fun with Entune.

Along with great multi-media technology, Prius *v* has many standard safety features, including seven airbags and the Star Safety System.

The Prius *v* will be a family-oriented hybrid with a great combination of, versatility, safety, low emissions, and fuel efficiency. Look for it to go on sale later this summer.

Behind every great car, there's a great engineer. Ladies and gentlemen, please join me in welcoming the Prius *v* chief engineer, Mr. Kayukawa.

Now while many hybrid customers asked for more room and versatility, others told us they'd like something the exact opposite, a smaller more affordable vehicle with even better gas mileage than the Prius. So, our designers and product planners have provided a vision of what it might be.

Ladies and gentlemen, the Prius *c* Concept.

As you can see, this is a dynamic vehicle with urban appeal ... a city-friendly car aimed at young singles and couples who want an eco-sensitive, high-mileage, fun-to-drive Prius with a roomy interior.

Prius *c* Concept is the inspiration for our next Prius Family member that we plan to launch in the first half of next year. It will be the most value-oriented hybrid, with the highest mileage of any "plug-less" hybrid available in the U.S.

Well, there you have it. This is no ordinary family. It's a modern family with a Prius for everyone. Starting with the flagship Prius liftback, which covers a broad range of customer needs to the Prius Plug-In for drivers who want the best of both worlds and the spacious and versatile Prius *v* for young families with active lifestyle, to the Prius *c* Concept for younger buyers who want high mileage at an affordable price.

I've got to tell you, with gas prices heading toward \$4 a gallon and Prius sales rising I'm really glad this new family is coming. Prius had a terrific December with sales of nearly 16,000, up 38 percent. That's the best winter month ever for Prius, and it was the best month for Prius sales since Cash for Clunkers. And in the process, it out-retailed every Ford and GM passenger car.

Ok, I'll admit it, I'm a Prius Geek, and I'm proud of it! Ladies and gentlemen, it seems like a perfect time to start a family. Thanks for joining us and have a great year. Now, I'd like to invite the photographers to come up and get a few shots for the family album.

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