

January 2015 Sales Conference Notes

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January 2015 Sales Conference Call
Tuesday, February 3, 2015

January 2015 Sales Conference Call (Audio Clip)

Good morning and thank you for joining us to review Toyota's January sales.

Speaking today will be:

- Bill Fay, Group Vice President and General Manager of the Toyota Division
- And 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.

A recording of the call will be available at www.toyotacmsstg.demosjr.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 the January sales results.

Toyota Division Group Vice President and General Manager Bill Fay:

Thank you Scott and welcome to the team.

Good morning everyone.

2015 is off to an excellent start

- As January industry sales should come in at 1,150,000
- An increase of about 13 ½ percent from last year

As a result

- The Seasonally Adjusted Annual Rate
- Looks to be about 16.6 million vehicles
- Nearly 1.5 million vehicles ahead of last January's pace
- And the best rate since 2006 when the industry started at a 17.6 clip

Toyota, Lexus and Scion dealers

- Outperformed the industry for the month
- With sales up 15.6%
- To 169,194
- For our best start in seven years
- We saw across the board growth
 - As light trucks were up 18 ½ percent
 - And set a new January record of more than 80,000
 - And passenger car sales were up 13%
- Lexus also set a January record
 - Its third consecutive new monthly mark
- And Toyota was the #1 retail manufacturer in January

For the Toyota Division

- Three of our core models
 - Corolla, RAV4 and Highlander
- Set January records
- And two others – Camry and Tacoma
 - Posted double-digit gains
- As total sales of more than 146,000
- Were up 13.5%
- The Toyota Division also started 2015 as it ended 2014
 - As the best-selling retail brand in America

The new January record for RAV4

- Of nearly 20,000 vehicles
- Was up 17 ½ percent from last year
- And was the 10th consecutive new monthly record for the RAV4
- As the compact sport utility market obviously remains red hot

4Runner sales were up 75.5%

- And along with 16% increases
- For Tacoma and Sienna
- Pushed Toyota Division light truck sales to a new January record of 70,000
- Topping the previous mark set in 2008

On the passenger car side

- Corolla's record month
- Saw sales increase 20%
- To more than 27,350 vehicles

While Camry also had a big month

- Up nearly 15%
- To 26,750
- As we continue to build inventory of the new 2015 model
- And while all the numbers aren't in yet
- It looks like Corolla and Camry will finish one-two atop the passenger car sales chart
- Avalon was up 12%
- While Prius was on a par with last year's results

Looking ahead

- The encouraging January results
- On top of positive economic news including a seven year high in consumer confidence
- Bodes well for the months ahead as we approach President's Day and the first hint of the spring selling season we'll continue to support the launch of the new Camry
 - And you may have seen a couple new spots during the Super Bowl
- We also introduced the new Tacoma to excellent reviews last month at the Detroit Auto and while it won't go on sale until later this year we continue to have good inventories of the current model

Now I'd like to turn it over to Jeff for a look at the Lexus record results.

Lexus Group Vice President and General Manager Jeff Bracken:

Thank you Bill and good morning everyone.

As Bill mentioned

- Lexus dealers had their best January ever
- With total sales of 23,131 vehicles
- Up 31% from last year
- The industry's biggest increase for the month and topping our previous January mark by more than 1,000 vehicles set back in 2007

That comes on the heels of our all-time

- Best-ever month in December and we have now set a new sales record in four of the past six months

The results are a good indication

- That our two all-new models
 - The NX compact luxury utility vehicles
 - And RC sport coupes
- Are off to fast starts
- But we also showed strong growth across the board
- With the IS, GS, RX and GX all posting double-digit gains

NX sales topped 2,800 for the month

- And while we don't have anything to compare that to
- That's nearly 30% more than we planned for at the start of the month

The rest of the luxury utility lineup also performed well

- RX sales rose 17% to 6,500
- While the GX was up 25%
- Bringing the total for the month to 11,477
- Up 55%
- And breaking a January record dating back to 2005

Our passenger car sales were up 14% in total

- As the GS was up 30%
 - The GS, by the way, will get an added boost later this year with the arrival of the GS-F which debuted last month at the Detroit Auto Show
- The IS was 11% in January
- The ES 3%
- And the RC added 850 to our total

The marketing launch

- for the RC and NX will continue to gather speed in February and you may have noticed ads for both vehicles during the Super Bowl...

- In fact, according to Kelley Blue Book the RC commercial generated the most new-car searches of any model advertised on the Super Bowl

And since I mentioned KBB

- It just named Lexus the luxury brand with the best resale value for the 4th straight year including six segment leaders

That may be one reason

- Lexus pre-owned sales also set a new January record
- Its sixth straight record month

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