

July 2013 Sales Conference Notes

August 01, 2013

July 2013 Sales Conference Call Thursday, August 1, 2013

[July 2013 Sales Conference Call \(audio clip\)](#)

Toyota Motor Sales Vice President of Corporate Communications Mike Michels:

Hello everyone and thank you for joining us to review Toyota's July sales results.

Speaking today will be:

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

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

Toyota Division Group Vice President and General Manager Bill Fay:

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

The industry strength we saw in June carried into July

- Sales of about 1.3 million
- Up 14 percent from last year on volume basis
- Best July in seven years (2006)

- SAAR in the mid-15 million range
- YTD SAAR now stands at 15.4

July typically one of the better retail months

- Case again this year
- Retail sales accounting for nearly 90 percent of total
 - And virtually all of the month's increase
- Continues to be driven by:
 - Consumer confidence
 - Pent-up demand
 - New products
 - Excellent financing options

A strong industry retail month

- Typically translates into a strong month for Toyota, Lexus and Scion dealers
- True again in July

Total sales of 193,394

- Up more than 17 percent from last year
- Outperforming the industry

For the Toyota Division

- Started the month with a focus on Camry and the Prius Family
- Along with sell-down for Corolla and Tundra
 - In preparation for new models coming later this month
- Results indicate that focus paid big dividends

Toyota Division

- Sales of 170,363
- Up 16.2 percent from last year
- Toyota #1 retail brand in July
 - Fleet just 4.5 percent of mix

Camry

- Set the pace with an excellent month
- Sales of nearly 35,000
 - Up 16 percent
- Best-selling car in America

Prius Family

- Showed an even larger percentage increase
- Up 40 percent
- To 23,300 units
- Best July ever for Prius

Pushed Toyota Division hybrid sales

- Up 40 percent
- Accounting for more than 60 percent of all industry hybrid sales

New Avalon

- Continued its run of triple digit increases
- Sales more than doubled
- Second best July ever

Finally on the car side

- Corolla
- One of the smoother sell-downs I can remember
- sold nearly 24,500
- + 3.5 percent
- + 4-and-half percent for the year

Truck results

RAV4 volume leader

- More than 19,500 units
- Up 28 percent
- Best July ever
- 6th straight record-setting month

Sienna topped 10,500

- Up 10 percent

Highlander

- Also sold more 10,000
- Up 2 percent for the month and nearly 7 percent for the year
- In July announced production expansion
 - Toyota Motor Manufacturing Indiana
- Another 15,000 units
- In addition to a previously announced 50,000 unit expansion already slated for this fall

Pickup sales up 15 and-a-half percent

- Tacoma +22 percent
- Tundra +7 percent

Toyota Certified Used Vehicles

- Continue to roll along
- 7th straight record-setting month
- More than 32,500

Next up

- August marks end of the model year
- And our annual nationwide clearance sale
- With two new vehicles on the horizon
 - Corolla and Tundra
 - Sell-down especially important
 - Going very well
- Series of APRs
- Zero percent on 7 models
 - Including Corolla and Tundra
- Wide range of low lease rates

Able to offer these outstanding financing options

- In part, due to strong residual values of our products
- In fact, last month
 - Kelly Blue Book named Toyota top brand for residual value
 - Third time in the last four years
- Also named Lexus the top luxury brand

Finally

- Production began this week for the new Corolla and Tundra
 - Couldn't come at a better time
 - Both vehicles in relatively short supply
 - Pulling start of sales forward to later this month
 - As soon as we can get them from the factories

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

Lexus Group Vice President and General Manager Jeff Bracken:

Thank you Bill.

The Lexus July story centers around the all-new IS.

Went on sale last weekend in June

- Got off to great start
- Carried through July

Thanks to a big boost from the IS

- Total Lexus sales up 25.5 percent from last July on volume basis
- 23,031
- Third straight month above 21,000
- Mainly the result of a 37.5 percent jump in car sales

The IS

- Easily had its best month of the year
 - Still building inventory
- Up 60 percent
- To more than 3,600
- More than doubling last month's results

The ES was even stronger

- Sales up 62 percent

LS also posted a good month

- Sales up 23 percent

In the luxury SUV segment, RX continues to lead the way

- Sales of 8,400
- Up 15 percent

Lexus Certified Pre-Owned

- Also strong showing
- Fifth straight record-setting month

Taking a look at some early IS highlights

- Buyers were drawn by
 - The new look
 - Added technology
 - Especially the driving dynamics of the new car

About half are new to the Lexus family

- About two-thirds are male
- Average age of 42
 - lowest of any luxury model
- May be an indication why driving dynamics are so important

Because of the initial response to the new car, along with the continued hot pace being set by the ES, LS and RX, and the fact our historically best months of the year are still ahead of us, we've decided to move our sales target for the year up slightly, from about 260,000 units, closer to 270,000.

With the luxury market showing steady growth and our new products performing so well, we felt now was the right time to challenge ourselves in the coming months.

August always a good sales month

- We expect it to be again this year
 - Started our Golden Opportunity Sales Event
 - close out 2013 models
 - Launch the 2014 lineup
 - We'll focus on performance
 - And hybrid lineup
 - Accounts for 65 percent of all luxury hybrid sales

Finally, IS launch will continue to build momentum in August

- Closeout of 2013 going very well
- Good and growing inventory of the 2014 model
- We'll be focused on getting the word out about the all-new IS

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