

Lexus New Product Showcase Executive Remarks

June 03, 2022

»(*Koji Sato*)

Thank you, Bob. Hello everyone!

I'm very happy to be here tonight to talk about some amazing new products that have changed how people view our company. At the core of this effort is our growing lineup of vehicles wearing the Gazoo Racing ... or GR ... badge.

For us ... GR is more than a badge... it's a mindset...

Driven by Akio Toyoda's passion for motorsports... it's all about pushing the limits on the track ... in the most demanding conditions... to elevate vehicle performance... not only for our sports cars ... but across the entire Toyota and Lexus lineup.

This is the GR brand promise ... and I am honored to have been selected by Akio to lead this effort.

As an engineer and a performance driving enthusiast myself ... I take this responsibility very seriously. Akio Toyoda plays a key role in the development process for each GR model.

Under his racing name ... Morizo ... he put his personal stamp on GR Corolla. With Corolla's rich history as a foundation ... he oversaw its evolution into a dynamic, sporty car born from GR's World Rally Championship experience.

Morizo's fingerprints are on every GR product... and they don't get a GR badge

until they have earned a GR badge!

I can tell you ... some of my most stressful meetings have not been in the office ... but in the passenger seat of a test car with Morizo at the wheel!

It's true what we say... "GR vehicles are born on the track ... not in the boardroom!"

GR is also leading us forward into a new era for motorsports.

We use Japan's Super Taikyu endurance series as a lab for testing hydrogen internal combustion engines ... and carbon neutral fuels.

We are also working hard to support customer-driven motorsports activities.

I'm excited to announce that the GT3 Concept car we showed at the Tokyo Auto Salon has advanced to the development stage.

And we'll have more to say about exciting new GR products ... and customer motorsports activities ... at our Toyota show tomorrow morning.

Our GR story is just beginning... But tonight... Lexus takes center stage.

[VIDEO: LEXUS BRAND]

When I succeeded the role of Chief Branding Officer from Akio Toyoda... our team made one promise: Crafting better cars.

In order to make a superior vehicle.... you need good fundamentals.

It's about giving the driver a unified, engaging experience... through confident brake feel... responsive, precise steering... and a direct connection to the road through the tires.

That is the secret behind the Lexus Driving Signature... which has been the center of our focus for more than 10 years.

Over that time ...we have elevated Lexus Driving Signature to the next level by reinventing our vehicle fundamentals ... and continuous harsh track testing at our new testing facility Shimoyama.

And you'll see those changes ... from the LFA we all love... to the recent launch of NX and LX...and tonight ... with RX.

It may seem obvious ... but that is our way of car crafting. And we have kept those values at the center of our brand.

And when it comes to electrification ... we have been a pioneer since the launch of the very first luxury hybrid ...the RX 400h.

And just recently ...we outlined the Lexus Electrified vision.

For Lexus ...“electrification” means maximizing vehicle potential through electrified technology while reimagining the unique design identity and proportions born from the driving experience.

We aim to achieve carbon neutrality in a way that is accessible for every guest ... through a variety of powertrains meant for the right place at the right time.

And by 2035... we aim to achieve 100% Battery Evs in all models globally.

We're proud of what we have accomplished in just 33 years.

But as we have entered the Next Chapter of Lexus... we're even more excited about what's next.

So ... watch out for Lexus... because we're just getting started.

Thank you.

Next ... I'd like to bring up Senior Vice President ... Automotive Operations ...

Jack Hollis ...

»(*Jack Hollis*)

Thank you, Sato-san... we appreciate you joining us for this important event.

And thank you all...for being here.

We're excited to have you see our new product ...drive our lineup ... and of course ... getting a chance to go to Bucee's. And while that beef jerky is life-changing... we like to think that what we have to share tonight ...will make your trip worthwhile.

(pause)

At Lexus... our brand identity is our compass... guiding who we are and what we do.

Our Covenant is just as relevant today as it was when we launched the LS in 1989.

We do it right from the start...and we treat each customer as we would a guest in our home. Here in North America... over the past couple of years... we recognized an opportunity to reach emerging consumer segments ... and redefine what Lexus means to them.

I'd like to bring up Vinay Shahani ... Vice President of Lexus marketing... to share how we've sharpened our brand focus to take Lexus into the Future of Amazing.

»*(Vinay Shahani)*

Thanks Jack...

Keeping our guests at the heart of everything we do... we recognized an opportunity to get to know them on a deeper level.

So we went back to square one...the data.

And what we found wasn't surprising...our world is younger and more diverse... and toward 2030... Gen Y and Z are the growing audience. We've had foundational success with those who have been with us since the beginning... but our opportunity lies with younger guests.

We knew we had to introduce Lexus in a way that made sense to them. In order to do that...we needed to understand them.

What do they like? What do they care about? How can we make Lexus relevant and exciting to them?

We found that our future guests are creative...diverse...open minded...thoughtful... and confident.

As a group... they are very discerning...and they want to support brands whose views align with their own. To them ... luxury is one-of-a kind... experiential on-trend... and a reflection of what is important to them.

We also were not surprised to find... they are early adopters in technology... which makes it critical in the products they buy.

We took those learnings and integrated them with our Next Chapter product goals that Sato-san mentioned... to guide and shape the Future of Amazing.

To meet the needs of our new guests ... we created a new strategy with four key pillars:

- 1) Lexus Driving Signature
- 2) Electrification
- 3) Bold design
- 4) And intuitive technology

And we amplified it with a more vibrant approach to our communications and experiential endeavors.

We're taking Lexus hospitality ... or Omotenashi ... to new heights. Instead of just serving... we're anticipating the needs of our guests.

And as a brand... we've never been boastful or arrogant and we never will be.

But we're over 30 years old now... we've come into our own... we've got a nice house... and we know what we bring to the table.

So ... moving forward... we're carrying a humble swagger... because we are confident that the experiences and vehicles we create for our guests are world-class.

(pause)

Now that we understand our guests... how do we reach them in an authentic way?

We've evolved our marketing strategy to ensure that the content guests consume from Lexus reflect their community and what is important to them.

The youthful audience has challenged us to strategically enter spaces we've never been before. A recent example is Lexus becoming the first Luxury Auto partner of 100 Thieves... a premium lifestyle brand and gaming organization... which has introduced Lexus to an emerging market of future guests like gamers.

To amplify this partnership... our Lexus Racing team worked with Gran Turismo 7 to put our Vasser-Sullivan Lexus RC F GT3 in the game.

We took it a step further by partnering with our 100 Thieves Ambassadors to race each other during a Twitch livestream while viewers engage and cheer our drivers on during the race.

These thoughtful ... strategic partnerships have successfully put Lexus in the minds of people who may have never thought about us before. And It's starting to work.

As you can see... we've successfully started to move the needle toward reaching this younger market...and we've just scratched the surface of our potential.

Ok ... here's the deal ... I've been in the auto industry for more than 28 years ... and right now is one of the most invigorating moments in my career.

This is the most aggressive change Lexus has made since its inception.

And Sato-san is right...we're just getting started.

Okay ... now...are you ready to see some vehicles? Jack ... take it away.

»*(Jack)*

Thanks Vinay... This is truly a revolutionary time for Lexus. Seeing the Next Chapter come to life in our vehicles... gets better and better with each product reveal.

I want to reiterate what Sato-san mentioned about the importance of electrification to our company. And ... let me remind you we offered electrified powertrains before they were cool.

So ... leading off tonight ... is the 2023 Lexus UX 250h F SPORT.

We're doubling down on our commitment to electrification... and starting with this 2023 model... UX will be exclusively hybrid.

Also new for 2023 ... UX F SPORT is available in Design and Handling grades.

We've also upgraded the UX 250h with the latest Lexus Safety System... and Lexus Interface multimedia system with larger touchscreens.

The 2023 UX 250h will go on sale later this summer.

While we're on the topic of electrified... we couldn't miss the opportunity for you to see in person for the first time... the all-new full battery electric vehicle... the 2023 Lexus RZ 450e.

This is the Lexus Electrified vision in action. We didn't just build any BEV... we made a Lexus BEV.

RZ integrates Lexus Driving Signature and the all-new DIRECT4 technology.

By freely distributing the drive force of the front and rear motors according to the vertical load... RZ is able to respond in a quick ... linear and precise manner based on driver input.

This allows the driver to feel confident under any driving situation... achieving an intuitive experience ... where the vehicle feels like a natural extension of the driver.

We wanted to create a uniquely Lexus BEV that feels secure to ride in ... and exhilarating to drive.

And did you think I wasn't going to talk about this?

Sato-san and Vinay mentioned the importance of Lexus Driving Signature in our strategy.

Nothing exemplifies our commitment to Lexus Driving Signature... more than the Steer by Wire system. It provides a high-level driving experience that combines the responsiveness of a BEV ... with a linear and direct driving feel.

Steer by Wire limits the range of motion to 300 degrees ... while still providing enough steering input for a driver to easily maneuver the RZ. We want people to know that electrified vehicles are not just fun to drive off the line ... they can also provide an engaging driving experience on a back country road.

Early feedback has been amazing... and we're excited for you to drive it later this year.

Moving to the interior... it's a driver-focused... open... and relaxing space.

Featuring an available Panorama moonroof... a first for Lexus... and a radiant heating system. RZ also comes with the latest Lexus Safety System.

And of course... standard with Lexus Interface... and a 14-inch touchscreen display.

This is just the beginning for Lexus Electrified. We can't wait to show you what we have up our sleeve in the next couple of years.

The RZ 450e will be on display just outside during dinner...and will be available at U.S. dealerships by the end of the year.

Alright ... we've reached the home stretch...and the one you've all been waiting to see.

Everyone here signed their embargo waiver... right?

You've still got a little longer until you can post.

When we talk about the future of the brand... it's **impossible** to not talk about the history of RX. **It is the franchise.**

Years ago...we saw the need for a product that had the amenities of a sedan... but had the ride height and feel of an SUV. The RX created the luxury crossover SUV segment... and we've never looked back. While we had the foresight to create a vehicle that we thought our guests would love... we had no idea just *how much* they would love it.

We sold almost 400,000 units in the first generation... and it became the best-selling Lexus model... and still is today. Just a couple years later... the second generation offered the Lexus-first hybrid electric system ... and the world's first hybrid SUV.

Electrification has always been important to us ...even if it wasn't popular at the time.

We began the conversation and education... that electrified vehicles can be capable... powerful...luxurious...environmentally conscious....and really fun to drive.

And as we move forward...we're proud of the legacy this vehicle has built.

But since we set the bar... we can raise it. Introducing... The all-new 2023 RX.

Continuing the Next Chapter for Lexus Product ... the 2023 RX is redesigned from the ground up... and proof of the transformation happening at Lexus right now.

Under Sato-san's guidance... changing the RX... our core model... was the best way to show our brand's evolution. We adopted a global platform to reduce the weight ... lower the floor... decrease the overall height... and lower the center of gravity... resulting in improved handling.

At the same time... we kept what makes the RX an RX... by honoring the ride comfort and quietness... excellent grip feel... and refinement of drive force control ...that is crucial to RX's distinct driving feel.

This is the RX 350 Premium Plus grade...in head-turning Iridium.

You'll notice that the iconic spindle grille... has evolved to a spindle body design to seamlessly connect the grille... through the body to the back ... for a unified ... grounded look.

We've also continued with the refreshed Lexus brand mark at the rear of the vehicle... to simplify the brand image.

2023 RX comes standard with Lexus Safety System ... and Lexus Interface with voice command technology.

The RX 350 Premium Plus ... shown here ... comes standard with a host of features to provide a welcoming in-cabin experience. We maintained the foundation of what guests love about the RX... but we've taken their daily driver... and leveled it up.

This is the first RX powered by a spirited 2.4L turbocharged engine... that outperforms the current generation with 275 horsepower... 317 pound-feet of torque... and an estimated combined 24 miles per gallon.

The Premium Plus unit will be the centerpiece at dinner

Also on display this week ... we have our current generation RX ... the first-generation RX... and some iconic historic Lexus vehicles in our Lexus Experience Center so make sure you check it out.

We're not done yet... for 2023 ... RX will offer four redesigned powertrains... and **three are electrified.**

- A 2.4L Gas turbo engine you just saw...
- A 2.5L Hybrid electric
- A 2.5L Plug-in electric...

and one more...

I don't like to play favorites... but this is the one... I'm most excited to show you.

For the first time in RX history... Introducing the 2023 RX 500h F SPORT Performance Hybrid

Building on more than 20 years of hybrid technology and experience... the RX 500h introduces a new hybrid system for the Lexus brand that is equipped with a high output electric motor... and eAxle at the rear.

This all-new system delivers unprecedented performance for RX ... proven by an impressive 367 horsepower... and 406 pound-feet of torque... which is unheard of for this segment... and even more torque than the LFA.

And it has excellent efficiency with an estimated combined 26 miles per gallon.

Paired with a 2.4L turbo engine... The RX 500h delivers faster acceleration... and more evenly-distributed torque for more power on demand... whether you're running errands... on the freeway... or driving a scenic mountain road.

It also adopts the same DIRECT4 all-wheel drive technology found in the RZ ...that integrates the drive and brake force control that can only be found with Lexus Driving Signature.

The **RX 500h F SPORT Performance** package adds a host of exclusive features ...from the blacked-out 21-inch wheels ... to the aluminum pedals and more.

We can't wait for you to get a first drive later this year.

You came here for exclusive news... and we delivered.

I'm sure you didn't miss when I mentioned the Plug-in in the powertrain mix, right? RX was the leader in entering the luxury hybrid market... and we plan to continue that legacy. Stay tuned... we will provide exact dates for plug-in hybrid availability in the U.S. at a later time

We want to thank you again for coming...and for being incredible partners. We love your enthusiasm for Lexus ... and always look forward to sharing what's next with you.