

TOYOTA
TOYOTA MOTOR NORTH AMERICA, INC.

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June 26, 2006

06V-235
(4 pages)

Mr. Daniel C. Smith
Associate Administrator for Enforcement
National Highway Traffic Safety Administration
400 Seventh Street, S.W., Room 5321
Washington, D.C. 20590

DEFECT INFORMATION REPORT
JUN 26 2 10 PM '06

Re: 2007 MY Toyota FJ Cruiser Tires
Part 573, Defect Information Report

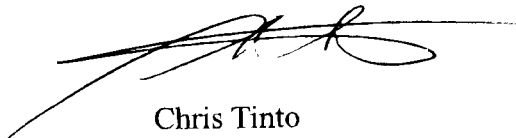
Dear Mr. Smith:

In accordance with the requirements of the National Traffic and Motor Vehicle Safety Act of 1966 and 49 CFR Part 573, on behalf of Toyota Motor Corporation ["TMC"], we hereby submit the attached Defect Information Report concerning a voluntary safety recall of certain 2007 MY Toyota FJ Cruiser vehicles to address an issue with the tires.

Should you have any questions about this report, please contact Mr. Chris Santucci at (202) 775-1707.

Sincerely,

TOYOTA MOTOR NORTH AMERICA, INC.



Chris Tinto
Vice President

CT:cs
Attachment

DEFECT INFORMATION REPORT

1. Vehicle Manufacturer Name:

Toyota Motor Corporation ["TMC"]
1, Toyota-cho, Toyota-city,
Aichi-ken, 471-8571, Japan

Affiliated U.S. Sales Company

Toyota Motor Sales, USA, Inc. ["TMS"]
19001 South Western Avenue, Torrance, CA 90509

2. Identification of Affected Vehicles:

Based on production records, we have determined the affected vehicle population as in the table below.

Make/ Car Line	Model Year	Manufac- turer	VIN		Production Period
			VDS	VIS	
Toyota FJ Cruiser	2007	TMC	BU11F	70001029 - 70011264	January 25, 2006 through March 21, 2006
			ZU11F	70001017 - 70002528	

Note: Although the involved vehicles are within the above VIN range, not all vehicles in this range were sold in the U.S.

3. Total Number of Vehicles Potentially Affected:

9,434

4. Percentage of Vehicles Estimated to Actually Experience Malfunction:

Unknown

5. Description of Problem:

In certain tires installed on the subject vehicles, the inner bead of the tire may have been damaged due to improper assembly of the tires onto the wheels. If the vehicle is operated in this condition, there is a possibility that a bulge may be formed on the sidewall and/or air may leak from the area of the damaged bead.

6. Chronology of Principal Events:

Early March 2006 – Mid June 2006

After Toyota initiated a safety recall campaign concerning a similar problem found on Tacoma vehicles in February 2006, Toyota began an inspection at the contracted wheel and tire assembler on other tires. This inspection included tires equipped with the TPMS sensor, but also included tires that were not equipped with the TPMS sensor to see if there was a possibility for those tires to have the same problem. As a result of the automated tire to wheel mounting process, it was discovered that a small crack could develop on the inner bead of the tires to be installed on FJ Cruiser vehicles, due to improper mounting conditions. To avoid any damage to the inner bead of the tire, the mounting conditions were changed on March 21, 2006.

Toyota continued the investigation, including durability testing of tires with a bead crack to confirm whether the crack could expand and cause an unreasonable risk of safety. As a result, it was found that there is no concern if the plies in the bead area of the tire do not have any damage. However, if the plies in the bead area suffered damage, a bulge may develop on the sidewall of the tire and/or air in the tire may leak from the area of the damaged bead.

Late June 2006

As a result of the investigation above, Toyota decided to conduct a voluntary safety recall of all affected vehicles.

This safety campaign will also be conducted in Canada.

7. Description of Corrective Repair Action:

All known owners of the subject vehicles will be notified by first class mail to return their vehicles to any Toyota dealer for replacement of the tires.

Reimbursement Plan for pre-notification remedies

The owner letter will instruct vehicle owners that have had their tire(s) replaced for a similar condition prior to this campaign to seek reimbursement by mailing a copy of their repair order, proof-of-payment, and proof-of-ownership for reimbursement consideration.

- (i) The beginning date of the Toyota reimbursement plan will be:
The reimbursement plan will cover repairs made no earlier than January 25, 2006, when the first vehicles were manufactured.
- (ii) The ending date of Toyota reimbursement plan will be:
The ending date shall be at least 10 calendar days after the date on which the last owner notification was mailed, however Toyota will further review requests for reimbursement from involved vehicle owners on a case-by-case basis.
- (iii) Toyota may exclude reimbursement, if:
 - a. the pre-notification repair was not of the same type (repair, replacement, or refund of purchase price) as the recall remedy;
 - b. the pre-notification repair was not reasonably necessary to correct the defect or noncompliance that led to the recall or a manifestation of the defect or noncompliance;

- c. the pre-notification remedy was not reasonably necessary to correct the defect or noncompliance; or;
 - d. the repair was conducted as a result of vehicle accident, debris or another reason not specifically related to the defect or noncompliance.
- (iv) Toyota will reimburse eligible customers for at least the cost of the tire(s) and the replacement labor. Other costs may be reimbursed on a case-by-case basis.
- (v) Owners requesting reimbursement must submit the appropriate documentation: repair order, reason for replacement, proof-of-payment, and proof-of-ownership to Toyota for reimbursement consideration.

8. Recall Schedule:

Mailing of the owner notifications will commence in mid-July 2006, and will be completed in Mid August 2006.

Copies of the owner notification and dealer instructions will be submitted as soon as they are available.

9. Distributor/Dealer Notification Schedule:

Notifications to distributors/dealers will be sent in early July 2006.