



Via Overnight Mail
June 21, 2010

To: Lexus Area Managers
From: Al Smith - Vice President, Lexus Customer Services
Subject: Safety Recall ALC - Update
Certain Late 2009 and 2010 Model Year LS Vehicles Equipped with Variable Gear Ratio Steering (VGRS) -
Steering Wheel Temporarily Off-Center

As previously communicated, on May 21, 2010, Lexus filed a Defect Information Report (DIR) with the National Highway Traffic Safety Administration (NHTSA) informing the agency of our intent to conduct a voluntary Safety Recall on certain late 2009 and 2010 model year LS 460, LS 460L and LS 600h L vehicles equipped with Variable Gear Ratio Steering (VGRS).

On certain late 2009 and 2010 model year Lexus LS 460, LS 460L and LS 600h L vehicles equipped with VGRS, under certain limited circumstances the steering wheel may temporarily become off-centered. In extreme conditions, it can be off-center by a maximum of up to 90 degrees.

Although other models may be equipped with VGRS, they are of a different design and not covered by this Safety Recall.

Lexus dealers are requested to install a newly designed Steering Control ECU at no charge to the vehicle owner, when it is made available.

The following vital information is provided to update you and your staff with regard to this Safety Recall and your degree of involvement.

Dealer and Owner Notification Mailing Date

The update dealer letter will be sent today via e-mail to all dealers followed by hard copies sent via Next Day UPS to the attention of the service manager on Thursday, June 21, 2010.

The owner notification will begin in late June 2010. The Lexus Q&A is attached for your use when responding to dealer and customer questions.

Only owners of the affected vehicles will be notified. If your dealerships are contacted by owners who have not yet received a notification letter, please have them verify vehicle eligibility by confirming through Dealer Daily/TIS prior to performing repairs. The affected VINs were posted on TIS on May 24, 2010.

Identification of Involved Vehicles

There are approximately 3,800 certain late 2009 and 2010 Lexus LS 460, LS 460L and LS 600h L vehicles involved.

Model	VGRS	WMI	Year	VIN Range
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				VDS	Range
LS 460 AWD	Standard	JTH	2009	CL46F	5000462 - 5004625
LS 460 L AWD	Standard			DL46F	5000964 - 5000976
LS 460 2WD	Optional	JTH	2010	BL5EF	5094610 - 5099031
LS 460 AWD	Standard			CL1EF	5005866 - 5007811
LS 460 AWD	Standard			CL5EF	5005833 - 5007834
LS 460 L 2WD	Optional			GL1EF	5038166 - 5040664
LS 460 L 2WD	Optional			GL5EF	5038149 - 5040695
LS 460 L AWD	Standard			DL1EF	5001281 - 5002321
LS 460 L AWD	Standard			DL5EF	5001275 - 5002345
LS 600h L	Standard			DJ1EF	5011084 - 5012817
LS 600h L	Standard			DJ5EF	5012468 - 5012561

NOTE:

- Not all vehicles in the VIN range are affected by this Safety Recall.
- If a dealership is contacted by an owner who requests verification of *Safety Recall coverage, please remind them to confirm through Dealer Daily/TIS.*
- Only LS 460 2WD with optional air suspension (accessory code AS) and LS 460L 2WD vehicles with optional sport package (SU) are covered by this Safety Recall.

Technical Instructions

The technical instructions will be posted on TIS on June 21, 2010. Before beginning any repairs please make sure your dealers' technicians have read the technical instructions. It is important that the correct ECU be installed in each vehicle.

Parts

Lexus will place all parts orders for dealers until further notice.

Warranty Claim Submission

Warranty operation codes will be loaded and available for dealer use on Tuesday, June 22, 2010. Dealers are required to submit recall claims using the information described below:

Safety Recall	Opcode	Description	Model	Labor Hours
ALC	0514E1	Replace the Steering Control ECU	LS 460/LS 460L	0.6
	0514E2	Replace the Steering Control ECU	LS 600h L	0.8

- Flat rate time(s) include 0.1 hour for recall administrative cost per unit for the dealership. Lexus warranty will only accept one claim per vehicle under the terms of the recall. Please ensure that your dealership checks Dealer Daily or TIS to see if the vehicle has been repaired under this recall prior to servicing a vehicle.

Vehicles in Dealer Inventory

As required by Federal law, dealers are not to deliver any new vehicles in their inventory which are involved in a Safety Recall unless the defect has been remedied. Vehicle Safety Recall applicability can be verified through TIS. Lexus also requests that dealers not deliver any pre-owned vehicles in their inventory which are involved in this Safety Recall until the defect has been remedied.

Your dealerships may be receiving vehicles which have had the newly designed Steering Gear ECU installed during vehicle production. Please be advised that they may continue to sell LS vehicles not covered by Safety Recall ALC and these counter measured vehicles as they are received. Vehicle VINs may be verified in Dealer Daily/TIS with regard to the applicability of this Safety Recall.

Customer Handling

Please consider this Safety Recall as a great opportunity to focus on assuring our customers that their safety remains Lexus' highest priority. This will go a long way toward preserving customers' faith in your dealerships and the Lexus brand. Please instruct your dealers to welcome these customers to their dealership and answer any questions they may have. The attached Q&A is provided to assure a consistent message is communicated.

Media Contacts

For *news media inquires only*. Due to the nature of this Safety Recall, it is imperative that all media contacts (local and national) receive a consistent message. In this regard, *all media contacts* must be directed to Brian Lyons (310) 468-2552 or John Hanson (310) 468-4718 in Corporate Communications. (Please do not provide these numbers to customers or direct dealership associates to call).

Please review this entire package with your staff to familiarize them with the proper step-by-step procedures required to implement this Safety Recall.

Thank you for your understanding and cooperation.

Attachment

CC: Assistant Area General Managers
Customer Satisfaction Managers
Customer Services Field Managers
Customer Services Operations Managers
District Service and Parts Managers
District Technical Managers
Field Product Engineers
Vehicle Field Sales Managers



Safety Recall ALC -
Certain Late 2009 and 2010 Model Year Lexus LS Vehicles Equipped with the Variable Gear Ratio Steering (VGRS)
Steering Wheel Temporarily Off-Center - Q&A

On May 21, 2010, Lexus filed a Defect Information Report (DIR) with the National Highway Traffic Safety Administration (NHTSA) informing the agency of our intent to conduct a voluntary Safety Recall on certain late 2009 and 2010 model year Lexus LS 460 and LS 600h vehicles equipped with the Variable Gear Ratio Steering (VGRS).

Q1: Why is Lexus conducting a Safety Recall?

A1: On certain late 2009 and 2010 model year Lexus LS 460 and LS 600h vehicles equipped with VGRS, under certain limited circumstances the steering wheel may temporarily become off-centered. In extreme conditions, it can be off-center by a maximum of up to 90 degrees.

Q2: What are the certain limited circumstances that this can occur?

A2: If the steering wheel is fully turned in one direction to the end of its travel (full lock position) and then quickly turned in the opposite direction, the driver may observe that the center position of the steering wheel is temporarily off-centered. The VGRS system will self-correct the steering wheel off-center condition as the vehicle is driven for a few seconds (approximately five seconds).

Due to the limited circumstances that this can occur, this condition will not occur during normal driving such as changing lanes or turning left or right at intersections.

Q2a: Will this occur if a customer is making a u-turn?

A2a: This may occur in situations (for example: pulling into a tight parking space, making a sharp turn at an intersection or making a tight u-turn) where the steering wheel is fully turned in one direction to the end of its travel (full lock position) and then suddenly back in the opposite direction. The steering wheel itself will continue to respond, and the driver will not lose steering control; however, the customer may observe that the steering wheel is temporarily off-center.

Q2b: What if the steering wheel seems to be off-center in other conditions?

A2b: The steering wheel may become temporarily off-center under any of the following conditions:

- The steering wheel is turned when the engine switch is off.
- The steering wheel is turned quickly.

These conditions DO NOT indicate a malfunction. The VGRS system will self correct the steering wheel off-center condition as the vehicle is driven for a few seconds (approximately five seconds).

Q3: What is the cause of this condition?

A3: The condition is caused by the VGRS programming logic that protects the system when greater than normal steering effort is applied.

Q3a: What is a Variable Gear Ratio Steering (VGRS)?

A3a: The VGRS system enhances the relationship between the amount the steering wheel must turn and the reaction of the vehicle's front wheels, which varies depending on the situation. For example, VGRS increases the gear ratio at high speeds to make handling less sensitive and twitchy. It can also lower its gear ratio to make less turning of the steering wheel necessary while maneuvering at slow speeds.

Q4: Are there any warnings that this condition will occur?

A4: No. There are no specific warnings for when this condition will occur.

Q5: Are there any steps a driver may take to minimize the occurrence of this condition?

A5: Until the remedy has been completed on the vehicle, drivers can take the following steps to minimize the likelihood that this condition will occur:

1. When turning left or right at sharp intersections, when making a tight u-turn, or when parallel parking the vehicle, the steering wheel may reach the end of travel (full lock position). If this occurs, the driver should slowly turn the steering wheel back in the opposite direction and slowly exit the turn.
2. If possible, avoid quickly turning the steering wheel in the opposite direction, especially if the steering wheel was turned to the end of travel (full lock position).
3. Do not attempt to duplicate this condition.

Q6: Are there any steps a driver may take if they experience this condition?

A6:

1. If the driver notices an apparent steering wheel off-center condition when driving straight, please carefully steer the vehicle and avoid any sudden maneuvers. Steering should be based on the vehicle direction of travel rather than the steering wheel position. The VGRS will correct the steering wheel off-center condition automatically (approximately 5 seconds). The driver may notice this correction, as the steering wheel moves slowly by itself to the center position when driving straight.
2. If the driver notices that the vehicle is not tracking straight even though the steering wheel is in the centered position, the driver should make the necessary steering corrections so the vehicle will travel in the intended path.

Q7: Which and how many vehicles are covered by this Safety Recall?

A7: There are approximately 3,800 Lexus LS (certain late 2009 model year and 2010 model year) vehicles equipped with the VGRS system involved in the U.S.

MY	MODEL	VGRS	UIC
Specific late 2009 and certain 2010	LS 460 AWD	Standard	1,760
	LS 460 L 2WD	Optional	450
	LS 460 L AWD	Standard	960
	LS 600h L AWD	Standard	60
	LS 460 2WD	Optional	570

*Only LS 460 2WD with optional air suspension (accessory code AS) and LS 460L 2WD vehicles with optional sport package (SU) are covered by this Safety Recall.

Q8: What is the production period of the affected vehicles?

A8: The vehicles covered by this Safety Recall were produced from late August 2009 to late September 2009 and November 2009 to May 2010.

Q9: Are there any other Toyota or Lexus vehicles involved?

A9: No, there are no other Lexus or Toyota vehicles covered by this Safety Recall in the North American market. However, Lexus will be conducting a similar recall for certain Lexus LS vehicles equipped with the VGRS in Australia, Canada, and Japan as well as other countries.

Q10: What is Lexus going to do?

A10: Lexus will send out owner notification letters by first class mail starting in late June 2010. The letter will advise owners to bring their vehicle to a Lexus dealer for Steering Control ECU replacement at **no charge**.

Q11: Have any production changes been implemented?

A11: Yes, a production change was implemented for this condition recently (May 2010).

Q12: How many reports of this condition have been received?

A12: Lexus has recently received one report related to this condition in the U.S.

Q13: Have there been any accidents reported?

A13: There have been no related accidents reported in the U.S.

Q14: What should an owner do if they experience this condition or have immediate concerns about his/her vehicle?

A14: Owners with questions or concerns are asked to contact their local Lexus dealer for diagnosis and repair if applicable. Owners may also contact Lexus Customer Satisfaction at 1-800-255-3987.



Via Overnight Mail
June 21, 2010

Subject: Safety Recall ALC - Update
Certain Late 2009 and 2010 Model Year LS Vehicles Equipped with Variable Gear Ratio Steering (VGRS) - Steering Wheel Temporarily Off-Center

Dear Dealer Principal:

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Owner Notification Mailing Date

The owner notification will begin in late June 2010. The Lexus Q&A is attached for your use when responding to customer questions.

Only owners of the affected vehicles will be notified. If your dealership is contacted by an owner who has not yet received a notification letter, please verify vehicle eligibility by confirming through Dealer Daily/TIS prior to performing repairs. The affected VINs were posted on TIS starting May 24, 2010.

Identification of Involved Vehicles

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Model	VGRS	WMI	Year	VIN Range	
				VDS	Range
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Lexus, A Division of Toyota Motor Sales, USA, Inc.

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General Manager
Parts Manager
Sales Manager
Service Manager



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