



June 25, 2010

To: Lexus Area GMs and AGMs

Subject: Notification of NCIR Filing – FMVSS 301
2010 Model Year HS250h Vehicles

On June 25, 2010, Lexus filed a Noncompliance Information Report (NCIR) with the National Highway Traffic Safety Administration (NHTSA) informing the agency of our intent to conduct a voluntary Safety Recall of certain model year 2010 Lexus HS250h vehicles. There are up to 17,000 HS250h vehicles covered by this NCIR.

Background

As part of its annual compliance testing program, NHTSA recently conducted a Federal Motor Vehicle Safety Standard (FMVSS) 301 compliance test of a 2010 model year HS 250h vehicle. The test involves striking the subject vehicle from the rear at 80 km/h (approximately 50 mph). The vehicle is struck by a moving deformable barrier with a 70 percent overlap. Following the impact, the test vehicle is rotated on its longitudinal axis to each successive increment of 90°. During the rotation, the vehicle exhibited fuel spillage which exceeded the requirement in the standard.

During vehicle development, Lexus conducted testing utilizing the same protocol. The Lexus tests showed the vehicles fully comply with the FMVSS 301. We are working to understand the different results.

Status

- Lexus is working to identify the reason for the different test results and to identify the cause of the noncompliance.
- At the present time, Lexus has not identified a remedy for this noncompliance, but it is working hard to do so promptly.
- *We will continue to keep you apprised of the situation as it progresses.*
- The attached dealer communication will be sent by me shortly and posted to Dealer Daily later today. A Q&A is attached to the dealer communication for use when responding to customer questions.

Vehicles in Dealer Inventory

As required by Federal law, **dealers are not to deliver any new vehicles in their inventory which are covered by this NCIR until remedied.** Vehicle applicability and completion can be verified through TIS.

Media Contacts

For *news media inquires only*. 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 provide these contacts to only media associates).

Please review this entire letter with your staff to familiarize them with this issue

Thank you for your understanding and cooperation.

Robin LeFevre / Service & Parts Operations
Lexus Customer Services
June 25, 2010
Approved By: Al Smith

To: All Lexus Dealers
From: Lexus Customer Services

**Notification of NCIR Filing – FMVSS 301
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*****URGENT*******

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NCIR Filing - FMVSS 301
2010 Model Year HS250h Vehicles - Q&A

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Q1: What is the condition?

A1: As part of its annual compliance testing program, NHTSA recently conducted an FMVSS 301 compliance test of a 2010 model year HS 250h vehicle. The test involves striking the subject vehicle from the rear at 80 km/h (approximately 50 mph). The vehicle is struck by a moving deformable barrier with a 70 percent overlap. Following the impact, the test vehicle is rotated on its longitudinal axis to each successive increment of 90°. During the rotation, the vehicle exhibited fuel spillage which exceeded the requirement of the standard.

It is important to note that during vehicle development, Lexus conducted testing utilizing the same protocol. The Lexus tests showed the vehicles fully comply with the FMVSS 301. We are working to understand the different results.

Q2: What is the cause of this condition?

A2: Lexus is currently in the process of investigating and it would be premature to comment until the investigation has been completed.

Q3: Have there been any reports of incidents related to this issue involving the HS 250h?

A3: Lexus is not aware of any accidents involving this issue.

Q4: How many Lexus HS 250h vehicles have been sold that are being investigated?

A4: Approximately 13,000 model year 2010 Lexus HS 250h vehicles have been sold in the United States. (Note: Approximately 17,000 vehicles have been manufactured.)

Q5: Are there any other Lexus or Toyota vehicles involved?

A5: No, there are no other Lexus or Toyota vehicles covered by the Noncompliance Information Report.

Q6: What is FMVSS 301?

A6: FMVSS 301 is entitled "Fuel system integrity." It establishes performance requirements to protect against fuel leaks following a crash.

Q7: What is Lexus going to do?

A7: Lexus is working to identify the reason for the different test results and to identify the cause of the noncompliance. At the present time, Lexus has not identified a remedy for this noncompliance, but it is working hard to do so promptly. As soon as a remedy is developed, Lexus will notify owners of covered vehicles by first class mail.

Q8: When will the investigation be completed?

A8: Lexus is working hard to complete its investigation, but at this time it cannot be certain when it will be completed.

Q9: Can vehicles in dealer inventory be delivered?

A9: As required by Federal law, dealers are not to deliver any new vehicles in their inventory which are covered by this NCIR until remedied. Vehicle applicability and completion can be verified through TIS.

Q10: What if customers have questions or safety concerns regarding this issue, should they go to their dealer?

A10: If customers have any concerns at all, they should feel free to contact Lexus Customer Assistance Center (1-800-255-3987).



June 25, 2010

Dear Lexus Dealers and General Managers,

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