

Via Overnight Mail August 17, 2010

Subject:

Voluntary Safety Recall ALF - Remedy Available

Certain 2003 through 2007 Model Year Lexus LX 470 Vehicles

Steering Shaft

Dear Dealer Principal:

As announced previously, on July 29, 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 2003 through 2007 model year Lexus LX 470 vehicles.

The construction of the steering shaft is such that the snap ring on the shaft may disengage when the vehicle experiences an unusually severe impact to the front wheels (for example, striking a deep pothole in the roadway). If the snap ring becomes disengaged and the steering wheel is then repeatedly turned to the full locked position, over time the steering shaft may become disconnected which could result in a loss of steering control.

Lexus dealers will be requested to install a newly designed snap ring and an additional component which will prevent separation of the steering shaft at **no** charge to the vehicle owner.

The following information is provided to inform you and your staff of the remedy phase of the Safety Recall and your degree of involvement.

Owner Notification Mailing Dates

The owner notification will commence in mid-August, 2010 approximately one week after parts are made available to your dealership. 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 would like to know if their vehicle is affected, please verify vehicle eligibility by confirming through TIS. The affected VINs are posted on TIS.

Identification of Involved Vehicles

There are approximately 39,000 vehicles involved.

Model	Model Year	VDS	Serial
LX 470	2003		3521286 - 3535572
	2004	HT00W	3535334 - 3548789
	2005		3548477 - 3555881 4000000 - 4003435
	2006		4003120 - 4019991
	2007	Ī	4019996 - 4029735

NOTE:

- If your dealership is contacted by an owner who requests verification of Safety Recall coverage, please confirm through TIS.
- Check the TIS Vehicle Inquiry System to confirm the VIN is involved in this Safety Recall, and that the Safety Recall has not
 already been completed by another dealer.
- TMS Warranty will not reimburse dealers for repairs conducted on vehicles that are not affected or were completed by another dealer.

Technical Instructions

The technical instructions will be posted on TIS on August 17, 2010. Before beginning any repairs please make sure your technicians have read the technical instructions.

Each dealership will also receive sets of the Steering Shaft Snap Ring Installer and VGRS Actuator Check Gauge under separate cover. These tool sets will be delivered via UPS delivery service on Tuesday, August 17. The number of tools sent to each dealership is based on its percentage of the national UIO of affected vehicles.

<u>Parts</u>

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

Warranty Claim Submission

The warranty operation code will be loaded and available for dealer use on Tuesday, August 17, 2010. Dealers are required to submit Safety Recall claims using the information described below.

Safety Recall	Opcode	Description	Model	Labor Hours
ALF	0523G1	Replace the affected parts with the kit parts	LX 470	1.9 hours/vehicle

• Flat rate time includes 0.1 hour for Safety Recall administrative cost per vehicle for your dealership. Lexus warranty will only accept one claim per vehicle under the terms of the Safety Recall. Please ensure that your dealership checks Dealer Daily or TIS to see if the vehicle has been repaired under the Safety Recall prior to servicing a vehicle.

Pre-Owned Vehicles in Dealer Inventory

Lexus 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. Also, as a reminder, Lexus CPO policy prohibits the certification of any vehicle with an outstanding Safety Recall or Special Service Campaign, such as this Safety Recall ALF. Thus, no affected units may be sold or delivered as a CPO vehicle until the Safety Recall has been completed on that vehicle.

<u>Customer Handling</u>

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

Lexus' usual customer care amenities of car wash and fuel tank fill apply to this Safety Recall. Additionally, one day of rental vehicle expense (to a maximum of \$45) or the cost of pick-up and delivery of the customer's vehicle may be claimed if required and subject to the guidelines published in the Safety Recall/Special Service Campaign/Limited Service Campaign General Procedures document on TIS. If your dealership assisted with interim alternative transportation while a remedy was developed for those customers who were uncomfortable driving their vehicles, you may claim the actual cost of the alternative transportation using the 'RT' sublet code and include the number of days of rental and the daily rate in the sublet description. These claims will require DSPM authorization.

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.

Lexus, a Division of Toyota Motor Sales, USA, Inc.

Attachments

Cc: Customer Satisfaction Manager

General Manager
Parts Manager
Pre-Owned Manager
Sales Manager
Service Manager



Voluntary Safety Recall ALF Certain 2003 through 2007 Model Year Lexus LX 470 Vehicles Steering Shaft - Q&A

As announced earlier, on July 29, 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 2003 through 2007 model year Lexus LX 470 vehicles. The remedy is now available and Lexus will begin notifying owners of vehicles covered by the Safety Recall.

O1: Why is Lexus conducting a Safety Recall?

A1: The construction of the steering shaft is such that the snap ring on the shaft may disengage when the vehicle experiences an unusually severe impact to the front wheels (for example, striking a deep pothole in the roadway). If the snap ring becomes disengaged and the steering wheel is then repeatedly turned to the full locked position, over time the steering shaft may become disconnected which could result in a loss of steering control.

O2: Which and how many vehicles are covered by this Safety Recall?

A2: There are approximately 39,000 Lexus LX470 (Certain 2003 through 2007 model year) vehicles covered in the U.S.

Q3: What is the production period of the affected vehicles?

A3: The vehicles covered by this Safety Recall were produced from mid-June 2002 to early August 2007.

Q4: Are there any other Toyota or Lexus vehicles involved?

A4: There are no other Lexus or Toyota vehicles covered by this Safety Recall in the U.S.

Q5: Are Toyota Land Cruisers involved?

A5: No, the Toyota Land Cruiser is not covered by this recall because the construction of the Land Cruiser steering shaft is different from that of the LX470.

O6: Are there any warnings that this condition will occur?

A6: No. There are no warnings that this condition will occur.

O7: What is Lexus going to do?

A7: In mid-August, 2010 Lexus will begin sending out owner notifications by first class mail. The letter will advise owners to bring their vehicle to a Lexus dealer for the remedy to be performed at *no charge* to the vehicle owner. The remedy will include the replacement of the snap ring with a newly designed one and the installation of an additional component which will prevent separation of the steering shaft.

Q8: How many reports of this condition have been received?

A8: Lexus has received one report related to this condition in the U.S.

Q9: Have there been any accidents reported?

A9: Lexus is not aware of any accidents related to this condition.

Q10: What if an owner has previously paid for repairs to his/her vehicle to address this specific condition?

A10: Owners that have previously paid for repairs to their vehicle to address this specific condition should refer to their owner letter for reimbursement consideration instructions.

Q11: What should an owner do if they experience this condition or have immediate concerns about his/her vehicle?

A11: 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.

Certain 2003 through 2007 Model Year Lexus LX 470 Vehicles Steering Shaft Safety Recall Notice

Please make an appointment with your local Lexus Dealer to have this important remedy completed.

[VIN] Dear Lexus Owner:

This notice is being sent to you in accordance with the requirements of the National Traffic and Motor Vehicle Safety Act. Lexus has decided that a defect, which relates to motor vehicle safety, exists in the Steering Shaft of certain 2003 – 2007 Model Year Lexus LX 470 vehicles.

What is the condition?

The construction of the steering shaft is such that the snap ring on the shaft may disengage when the vehicle experiences an unusually severe impact to the front wheels (for example, striking a deep pothole in the roadway). If the snap ring becomes disengaged and the steering wheel is then repeatedly turned to the full locked position, over time the steering shaft may become disconnected which could result in a loss of steering control and thus increase the risk of a crash.

What is Lexus going to do?

Any Lexus dealer will replace the snap ring with a newly designed one and install an additional component which will prevent separation of the steering shaft. The remedy will be performed at NO CHARGE to you.

What should you do?

This is an important Safety Recall

Please contact your authorized Lexus dealer and make appointment to have these important remedies performed on your vehicle as soon as possible.

The remedy will take approximately two hours to complete. However, depending upon the dealer's work schedule, it may be necessary to make your vehicle available for a longer period of time.

What if you have other questions or concerns?

Your local Lexus dealer will be more than happy to answer any of your questions and set up an appointment to perform the repair. If you require further assistance, you may contact the Lexus Customer Assistance Center at 1-800-255-3987 Monday through Friday, 5:00 am to 6:00 pm, Saturday 7:00 am through 4:00 pm Pacific Standard Time.

What if you have previously paid for repairs for this condition?

If you have previously paid for the replacement of the steering shaft to address this specific condition, please mail a copy of the repair order, proof-of-payment, and proof-of-ownership to the following address for reimbursement consideration

Lexus Customer Assistance Mail Stop L201 19001 South Western Avenue Torrance, CA 90509

If you believe that the dealer or Lexus has failed or is unable to remedy the defect within a reasonable time, you may submit a complaint to the Administrator, National Highway Traffic Safety Administration, 1200 New Jersey Avenue, S.E., Washington, D.C. 20590; or call the toll-free Vehicle Safety Hotline at 1-888-327-4236 (TTY: 1-800-424-9153) or go to https://www.safercar.gov.

If you are a vehicle lessor, Federal law requires that any vehicle lessor receiving this recall notice must forward a copy of this notice to the vehicle lessee within ten days of your receipt of this letter.

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Thank you for driving a Lexus.

Sincerely,

Lexus Division TOYOTA MOTOR SALES, U.S.A., INC.



Via Overnight Mail August 13, 2010

To:

Lexus Area Managers

From:

Al Smith - Vice President, Lexus Customer Services

Subject:

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The following information is provided to inform you and your staff of the remedy phase of the Safety Recall and your degree of involvement.

Dealer and Owner Notification Mailing Dates

The attached dealer letter will be sent on August 17, via e-mail to all dealers (dealer principal, general manager, sales manager, service manager, parts manager and warranty administrator) followed by hard copies sent via Next Day UPS to the attention of the service manager.

The owner notification will commence in mid-August, 2010 approximately one week after parts are made available to your dealers. The Lexus Q&A is attached for your use when responding to dealer and customer questions.

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Attachments

Cc: Assistant Area General Managers
Customer Satisfaction Managers District Technical Managers
Customer Services Field Managers Field Product Engineers
Customer Services Operations Managers Vehicle Field Sales Managers
District Service and Parts Managers
District Technical Managers
Field Product Engineers
Pre-Owned Managers

Vehicle Field Sales Managers



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Thank you for driving a Lexus.

Sincerely,

Lexus Division TOYOTA MOTOR SALES, U.S.A., INC.