

LEXUS

◀ IMPORTANT UPDATE ▶

Lexus Fixed Operations

The attached Dealer Letter has been updated. Refer to the details below.

| DATE | TOPIC |
|-------------------|--|
| April 14, 2017 | Remedy is now available for Zone A 2007 - 2009 ES 350 vehicles. Customer towing sublet added under Warranty Reimbursement Procedures. |
| March 10, 2017 | Estimated remedy timing for all vehicles has been added. |
| February 24, 2017 | Remedy suspension has been removed and new Part Number added for Phase 1 and Phase 2 Lexus IS 250, IS 350, and IS-F vehicles. |
| February 10, 2017 | Remedy has been suspended until further notice for Phase 1 and Phase 2 Lexus IS 250, IS 350, and IS-F vehicles. |
| February 7, 2017 | Remedy is now available for Phase 1 and Phase 2 Lexus IS 250, IS 350, and IS-F vehicles. |

The most recent update in the attached Dealer Letter will be highlighted with a red box.

Please review this notification with your staff to assure that all relevant personnel have been briefed regarding this subject.

Thank you for your cooperation.



May 23, 2016

To: All Lexus Dealer Principals, General Managers, Sales Managers, Service Managers and Parts Managers

Subject: Safety Recall HLA (Interim H2A) - *Remedy Notice*
Multiple Models and Model Years
Front Passenger Airbag Inflator (*Zone C*)

Lexus has sufficient parts to begin a phased implementation of the remedy.

Background

On May 4, 2016, the National Highway Traffic Safety Administration (NHTSA) announced an expansion of the Takata Airbag Inflator Recalls. This announcement explained that Takata will, over time, recall additional specific front airbag inflators manufactured with phase-stabilized ammonium nitrate (PSAN) propellant that does not contain a material called a "desiccant". This expansion impacts Toyota and multiple other automotive manufacturers using specific Takata frontal airbag inflators.

On May 16, 2016, Takata filed the first of multiple Defect Information Reports (DIRs) with NHTSA to address the first phase of this expansion.

On May 23, 2016, Lexus filed a Defect Information Report (DIR) with the National Highway Traffic Safety Administration (NHTSA) identifying the vehicles involved in the first phase of the Takata recall and informing the agency of our intent to conduct a voluntary Safety Recall.

On January 9, 2017, Lexus filed a Defect Information Report (DIR) with the National Highway Traffic Safety Administration (NHTSA) identifying vehicles involved in the second phase of the Takata recall and informing the agency of our intent to conduct a voluntary Safety Recall on the vehicles described below:

- 2006 - 2008 IS 250/IS 350
- 2008 IS-F
- 2007 - 2008 ES 350

Condition

The subject vehicles are equipped with front passenger airbag inflators produced by Takata. According to Takata, the propellant in these inflators may degrade after prolonged exposure to high absolute humidity and fluctuating high temperatures. Degraded propellant can cause inflator rupture during airbag deployment. In the event of an inflator rupture, metal fragments could pass through the airbag cushion material, striking the vehicle occupants, and result in serious injury or death.

Remedy

Lexus has sufficient parts to begin a phased implementation of the remedy. The remedy, when available, will consist of the replacement of the airbag inflator or the airbag assembly, depending on the vehicle model. Refer to the table below for anticipated remedy launch date.

| HLA Status Chart | | | | |
|------------------|----------------|-------------|--|-----------------|
| Zone | Model Name | Model Year | Anticipated Remedy Date | Approximate UIO |
| C | IS250 - IS 350 | 2006 - 2008 | Remedy Available Now (Launched Early February 2017) | 13,460 |
| | IS-F | 2008 | Remedy Available Now (Launched Early February 2017) | 233 |
| | ES350 | 2007-2008 | September 2017 | 21,345 |

Note:

- All anticipated remedy launch dates are subject to change.
- Vehicles opened for the remedy can have the repair performed at any authorized Lexus dealership *regardless of geographical location.*

Covered Vehicles

This Safety Recall covers the second phase of Zone C.

- Phase 2 includes approximately 35,030 Lexus vehicles in this Safety Recall.

Zone Descriptions

Time, temperature, and humidity have been found by NHTSA and multiple independent investigations to contribute to significant propellant degradation that can lead to an unreasonable risk of inflator rupture. Based on this information, NHTSA has identified the specific states and U.S. territories for each of the three Zones.

ZONE A: GLG (Interim G2G): Zone A vehicles are identified as having been originally sold, currently registered, or previously registered in a Zone A state or US territory: AL, CA, FL, GA, HI, LA, MS, SC, TX, American Samoa, Guam, Puerto Rico, Saipan, and the US Virgin Islands. These states and U.S. territories have been identified as having high temperature cycling and humidity. Time in service until significant propellant degradation may occur is projected at between 6-9 years.

ZONE B: GLH (Interim G2H): Zone B vehicles are identified as having been originally sold, currently registered, or previously registered in a Zone B states: AZ, AR, DE, IL, IN, KS, KY, MD, MO, NE, NV, NJ, NM, NC, OH, OK, PA, TN, VA, WV, and the District of Columbia. These states have been identified as having moderate temperature cycling and humidity. Time in service until significant propellant degradation may occur is projected at between 10-15 years.

ZONE C: HLA (Interim H2A): Zone C vehicles are identified as having not been originally sold in zone A or B, not currently registered in Zone A or B, and never previously registered in Zone A or B. Zone C states are: AK, CO, CT, ID, IA, ME, MA, MI, MN, MT, NH, NY, ND, OR, RI, SD, UT, VT, WA, WI, and WY. These states have been identified as having lower temperature cycling and humidity. Time in service until significant propellant degradation may occur is projected at between 15-20 years.

Refer to the attached Takata Phase and Zone Summary for additional details on involved vehicles and zones as well as other projected future Safety Recall applicability for additional Lexus vehicles.

Owner Letter Mailing Date

For owners with vehicles currently involved in **PHASE TWO INTERIM**, Lexus will send owner notification letters in February 2017.

Lexus will begin to notify owners of vehicles open for remedy approximately one week after the remedy is made available. Samples of the owner notification letters have been included for your reference. **Refer to the table in the Remedy section of this letter for anticipated remedy owner notification timing.**

Lexus makes significant effort to obtain current customer name and address information from each state through industry resources when mailing owner letters. In the event your dealership receives a notice for a vehicle that was sold prior to the Safety Recall announcement, it is the dealership's responsibility to forward the owner letter to the customer who purchased the vehicle.

Current Phase (Phase 1 and 2) - Pre-Owned Vehicles in Dealer Inventory

Lexus typically requests that dealers **NOT** deliver any pre-owned vehicles in dealer inventory that are covered by a Safety Recall unless the defect has been remedied. In this case, until remedy parts are available, delivery of a pre-owned vehicle is acceptable if disclosed to the customer that the vehicle is involved in this Safety Recall and that the remedy is currently being prepared by Lexus.

Lexus expects dealers to use the attached Pre-Owned Vehicle-Safety Recall Customer Contact and Vehicle Disclosure Form to obtain vehicle buyer information. Dealers are expected to provide a copy of the completed form, along with the most current FAQ, to the vehicle buyer. Lexus and the dealer may use this information to contact the customer when the remedy becomes available.

Keep the completed form on file at the dealership and send a copy to quality_compliance@toyota.com. In the subject line of the email state "Disclosure Form" and include the VIN.

Also, as a reminder, L/Certified policy prohibits the certification of any vehicle with an outstanding Special Service Campaign or Safety Recall. Thus, no affected units should be designated, sold or delivered as an L/Certified vehicle until the Safety Recall has been completed on that vehicle.

Future Phase - New and Pre-Owned Vehicles in Dealership Inventory

There are no new vehicles in dealership inventory that are currently included in this Safety Recall. However, there may be some new and pre-owned vehicles in inventory that will be included in a future phase.

| NEW | Model Name | Model Year | Applicable Zones |
|-----|------------|--|------------------|
| | GX 460 | 2015 - 2017* *early production 2017 model year GX 460 | All |

| PRE-OWNED | Model Name | Model Year | Applicable Zones |
|-----------|--------------|--|---|
| | IS 250/350 | 2009 - 2013 | Varies by Zone - Refer to Takata Phase and Zone Summary |
| | IS 250C/350C | 2010 - 2015 | |
| | IS-F | 2009 - 2014 | |
| | ES 350 | 2009 - 2012 | |
| | GX 460 | 2010 - 2017* *early production 2017 model year GX 460 | |

*Some early production 2017 model year GX 460 vehicles have been manufactured with an airbag that is affected by this Safety Recall condition and will be included in a future phase. To determine if a 2017 model year GX 460 will be included in a future phase of this Safety Recall, input the VIN in the following website: <https://takata-lookup.imagespm.info/>. **Note: The default password is XXXXX. Each dealer has only one account. Please ensure that the reset password is communicated to all technicians and dealer associates that will be utilizing this website.**

Importantly, these non-desiccated passenger frontal PSAN airbag inflators in these Future Phase vehicles are not subject to a current recall. Based on multiple independent investigations and NHTSA's independent expert, NHTSA has concluded that the non-desiccated frontal Takata airbag inflators do not pose an unreasonable risk to safety until they reach a certain level of propellant degradation after long-term exposure to environmental moisture and fluctuating high temperatures. NHTSA and Takata are prioritizing these recalls based on when affected inflators are likely to pose an unreasonable risk to safety, considering time, temperature, and environmental moisture, which depends on a vehicle's operating location. According to NHTSA's current order, these components will be recalled by the end of 2019. **Lexus expects dealers to disclose this information to their customers prior to sale.**

Lexus expects dealers to use the attached Future Phase - Customer Contact and Vehicle Disclosure Form to explain this information to the customer and to obtain vehicle buyer contact information. Dealers are to provide a copy of the completed form, along with the most current FAQ, to the vehicle buyer prior to delivery. Lexus or the dealer may use this information to contact the customer when the remedy becomes available. Sales, Finance and Insurance, and Vehicle Delivery personnel should also refer to the Takata Airbag Recall Hot Sheet published July 2016 for additional details.

Keep the completed form on file at the dealer and send a copy to quality_compliance@toyota.com. In the subject line of the email state "Disclosure Form" and included the VIN.

LCCS Service Loaners

Lexus requests that dealers remove all service loaner vehicles from service that are covered by a Safety Recall unless the defect has been remedied.

Loaner Vehicle Reimbursement Procedure

Your Area Office will provide loaner vehicle reimbursement procedures.

Technician Training Requirements

The repair quality of covered vehicles is extremely important to Lexus. All dealership technicians performing this repair are required to successfully complete the most current version of the E-Learning course "Safety Recall and Service Campaign Essentials". To ensure that all vehicles have the repair performed correctly; technicians performing this repair are required to currently hold at least one of the following certification levels:

- Master
- Diagnostic Specialist

NOTE: To support additional service capacity, Lexus Certified and Senior Service Technicians, with at least 36 months Lexus experience AND L652 course credit, may also perform this repair following successful completion of course LSC13B.

Always check which technicians can perform the recall remedy by logging on to <https://LCTPReports.com>. It is the dealership's responsibility to select technicians with the above certification level or greater to perform this repair. Carefully review your resources, the technician skill level, and ability before assigning technicians to this repair. It is important to consider technician days off and vacation schedules to ensure there are properly trained technicians available to perform this repair at all times.

Campaign Specific Part Associate E- Learning Training Requirement

The airbag inflator assembly being replaced during this campaign is a Class 9 Hazmat part. Therefore, Parts Associates involved in this recall are required to complete E-Learning Module (LSC13F "Safety Recall DLC - Front Passenger Airbag Inflator" found on www.LCTPTESTS.com) This E-Learning module will explain the proper procedure for documenting and returning the airbag inflator assembly to TK Holdings Incorporated.

Shipping Information for Removed Inflators and Airbag Assemblies

This parts return procedure is applicable to removed airbag inflators, airbag modules, and airbag assemblies. With this process, each dealer will be required to perform the following:

- Apply a return address label to the outside of each inflator/module/assembly box (**label provided by Takata in the new part box**).
- Store the old parts on a pallet until 100 are accumulated or whatever amount is collected after 30 days.
- **Keep a running log of how many of each type of inflator/module/assembly are on the pallet.**
- Secure the parts on the pallet with shrink wrap.
- Contact Takata at 1-877-650-9409 to arrange LTL pick-up.
- Place an over-pack label on the palletized load and provide the LTL driver with the pre-filled out documentation that will be sent to the dealer by Takata.

This process will not require the dealer to fill out any paperwork. All documents will be filled out by Takata and returned to the dealer.

Refer to the Job Aid available on TIS for more details on this process and how to get more labels.

In addition, to compensate dealers for purchasing pallets and shrink wrap, a sublet claim of 0.20 cents per vehicle may be applied to each inflator replacement warranty claim.

NOTE: This updated inflator recovery program only applies to the continental 48 states. Alaska, Hawaii and the US Territories must contact the following Takata USA representative directly for shipping instructions: Miguel Prigadaa - Tel #: 210-250-5078 or e-mail: MLGTakataRestraints_International@menloworldwide.com.

Remedy Procedures

Please refer to TIS for Technical Instructions on repair. Conduct all non-completed Safety Recalls and Service Campaigns on the vehicle during the time of appointment.

Repair Quality Confirmation

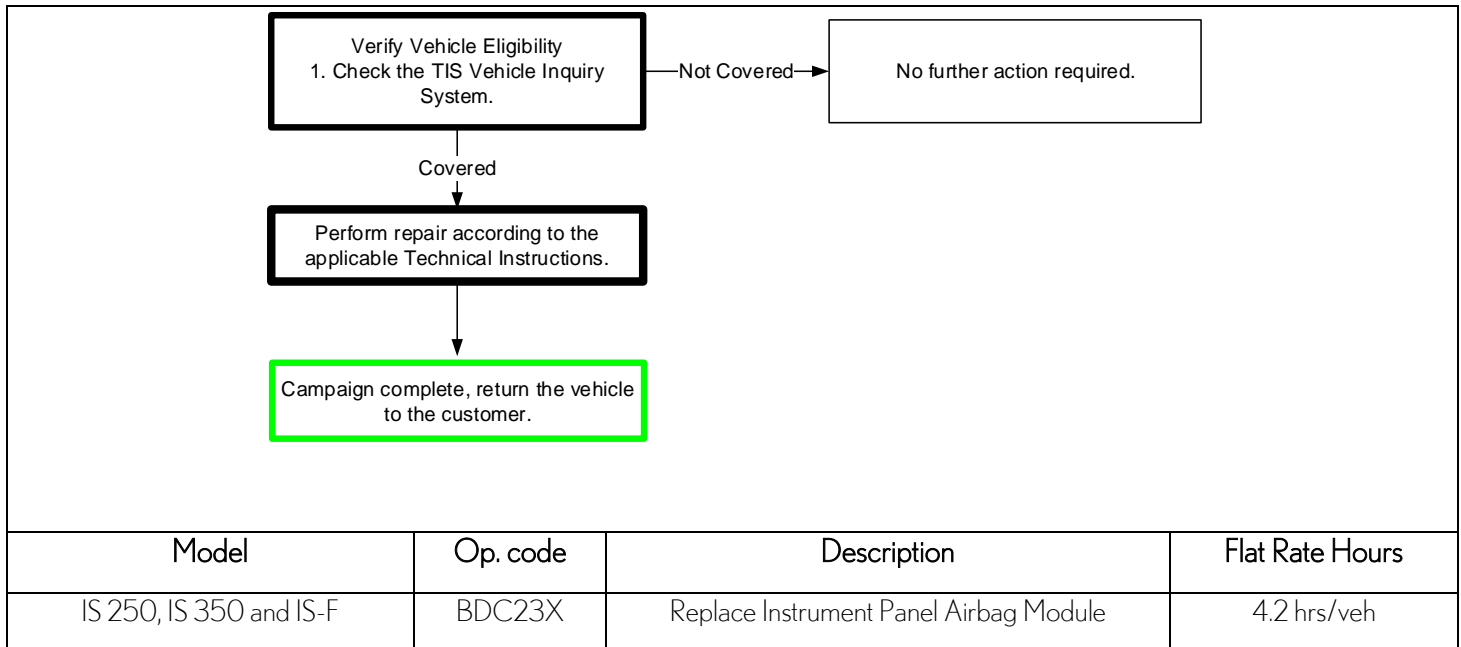
The repair quality of covered vehicles is extremely important to Lexus. To help ensure that all vehicles have the repair performed correctly, please designate at least one associate (someone other than the individual who performed the repair) to verify the repair quality of every vehicle prior to customer delivery.

Parts Ordering Process

Due to potentially limited availability, the parts may have been placed on either Manual Allocation Control (MAC) or Dealer Ordering Solutions (DOS). As the parts inventory changes, the ordering process may change. Please check the MAC/DOS report on the Lexus Customer Services website accessed via Dealer Daily for the most up-to-date parts ordering information.

| Model | Part Number | Part Description | Qty/Vehicle |
|-------------------------|-------------|--------------------------------|-------------|
| IS 250, IS 350 and IS-F | 04006-29353 | Instrument Panel Airbag Module | 1 |
| | 04006-66108 | A-Pillar Garnish Clip Kit | 1 |
| | 90119-A0165 | Airbag Module Retaining Bolt | 2 |

Warranty Reimbursement Procedure



- The flat rate times include 0.1 hours for administrative cost per unit for the dealership.
- Dealers may claim the cost for materials needed for inflator return shipping under Op. code BDC23X at a maximum rate of \$0.20 per vehicle as sublet type "ZZ."
- Towing can be claimed under opcodes AGGC7X and AGGC7Y for a maximum of \$250 as sublet type "TW" in the event the customer requested vehicle pick up.

Lexus' usual customer care amenities of car wash and fuel tank fill apply to this Safety Recall. Additionally, two days of rental vehicle expense (to a maximum of \$45/day) or the cost of pick-up and redelivery of the customer's vehicle may be claimed if required for the remedy repair.

Media Contacts

It is imperative that all media contacts (local and national) receive a consistent message. In this regard, all media contacts must be directed to Victor Vanov (469) 292-1318 in Toyota Corporate Communications. (Please do not provide this number to customers. Please provide this contact only to media associates.

Customer Contacts

Customers who receive the owner letter may contact your dealership with questions regarding the letter and/or the Safety Recall. Please welcome them to your dealership and answer any questions that they may have. A Q&A is provided to assure a consistent message is communicated.

Customers with additional questions or concerns are asked to please contact the Lexus Customer Assistance Center (1-800-255-3987) - Monday through Friday, 8:00 am to 9:00 pm, Saturday 9:00 am to 6:00 pm Eastern Time.

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

Thank you for your cooperation.

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

Attachments

CC: Customer Satisfaction Manager
General Manager
Parts Manager
Sales Manager
Pre-owned Manager
Service Manager
Warranty Administrator



Safety Recalls GLG, GLH, & HLA (Interim G2G, G2H & H2A) - *Remedy Notice*
Multiple Models and Model Years
Takata Front Passenger Airbag Inflator (Zones A, B & C)

Frequently Asked Questions
March 30, 2017

◀ IMPORTANT UPDATE ▶

| TOPIC | |
|-------------------|--|
| March 30, 2017 | <ul style="list-style-type: none">• Remedy now available for Zone A 2007 - 2009 model year ES 350 vehicles. |
| March 10, 2017 | <ul style="list-style-type: none">• Estimated remedy timing for all vehicles has been added.• Additional information describing how remedies are being prioritized has been added.• Airbag and Occupant Classification System details have been added. |
| February 07, 2017 | Remedy is now available for Phase 1 and Phase 2 Lexus IS250, IS350, and IS-F vehicles. |
| January 12, 2017 | Phase Two information has been added. |
| December 13, 2016 | Vehicle UIOs have been updated. |
| October 17, 2016 | Text updates to clarify some details have been highlighted. |
| July 15, 2016 | Text updates to clarify some details have been highlighted. |
| June 9, 2016 | Information regarding new vehicles currently for sale, and vehicles currently being manufactured, with non-desiccated passenger frontal PSAN airbag inflators has been added. |

The most recent update will be highlighted with a red box.

Background

On May 4, 2016, the National Highway Traffic Safety Administration (NHTSA) announced an expansion of the Takata Airbag Inflator Recalls. This announcement explained that Takata will, over time, recall additional specific front airbag inflators manufactured with phase-stabilized ammonium nitrate (PSAN) propellant that does not contain a material called a "desiccant". This expansion impacts Lexus and multiple other automotive manufacturers using specific Takata frontal airbag inflators.

On May 16, 2016, Takata filed the first of multiple Defect Information Reports (DIRs) with NHTSA to address the first phase of this expansion.

On May 23, 2016, Lexus filed a Defect Information Report (DIR) with the National Highway Traffic Safety Administration (NHTSA) identifying the vehicles involved in the first phase of the Takata recall and informing the agency of our intent to conduct a voluntary Safety Recall on these vehicles.

On January 9, 2017, Lexus filed a Defect Information Report (DIR) with the National Highway Traffic Safety Administration (NHTSA) identifying the vehicles involved in the second phase of the Takata recall and informing the

agency of our intent to conduct a voluntary Safety Recall on these vehicles. The involved vehicles are described in the attached Phase and Zone summary.

Q1: *What is the condition?*

A1: The subject vehicles are equipped with front passenger airbag inflators produced by Takata. According to Takata, the propellant in these inflators may degrade after prolonged exposure to high absolute humidity and fluctuating high temperatures. Degraded propellant can cause inflator rupture during airbag deployment. In the event of an inflator rupture, metal fragments could pass through the airbag cushion material, striking the vehicle occupants, and result in serious injury or death.

Q2: *Why is Takata recalling all frontal airbag inflators manufactured with phase-stabilized ammonium nitrate (PSAN) propellant that do not also include a desiccant?*

A2: Multiple independent investigations and NHTSA's independent expert concluded that the ammonium nitrate propellant in non-desiccated, frontal Takata airbag inflators degrades over time. The degradation is the result of various factors existing in the location where the vehicle containing the inflators is principally operated, including long-term exposure to environmental moisture and fluctuating high temperatures.

Q2a: *What is the inflator?*

A2a: The inflator is a device contained within the airbag assembly. It contains propellant which is ignited to initiate airbag deployment. When ignited, the propellant expands into an inert gas, inflating the airbag.

Q2b: *What happens when the non-desiccated propellant degrades?*

A2b: If the propellant degrades substantially, the inflators can become over-pressurized and rupture during airbag deployment.

Q2c: *What is a desiccant?*

A2c: A desiccant is a material that acts as a drying agent. Desiccants collect moisture present in their immediate environment, helping to limit moisture absorption by other nearby materials, such as propellant in an airbag inflator.

Q3: *Which airbags in Lexus vehicles are affected by this Safety Recall?*

A3: This Safety Recall only includes certain Takata-produced front Passenger airbag inflators. No front Driver airbags in Lexus vehicles are included.

Q4: *Does this involve other airbags in the vehicles?*

A4: No. The announcement made by NHTSA only applies to certain front Passenger airbag inflators manufactured and installed in certain Lexus vehicles. Other airbags in the vehicles will not be affected by this announcement or subsequent Safety Recalls involving Lexus vehicles.

Q5: *Which vehicles are involved in this Safety Recall?*

A5: Refer to the attached Takata Phase and zone summary for details on involved vehicles. Also, customers can refer to Lexus.com/recall and select the Takata information link to see applicable models and zones.

Q5a: *How are the zones identified, and which zone am I located in?*

A5a: Refer to the attached Takata Phase and Zone Summary for details on zones.

Q6: *Are there any warnings that this condition exists?*

A6: No. There are no warnings or other indicators that this condition exists. However, the condition *does not cause the front Passenger airbag to activate when it should not*. Also, the front Passenger airbag is designed to inflate only in certain moderate to severe crashes, and only when a passenger is occupying the front passenger seat. Therefore, Toyota recommends that no one occupy the front passenger seat until the remedy is performed. Further, NHTSA has concluded that the non-desiccated frontal Takata airbag inflators do not pose an unreasonable risk to safety until they reach a certain level of propellant degradation, which is the result of time, temperature and environmental moisture, which depends on the vehicle's location.

Q7: What is Lexus going to do?

A7: An interim owner notification was sent in July 2016 to all owners with vehicles involved in Phase One. An interim owner notification will begin to be sent in February 2017 to all owners with vehicles involved in Phase Two Interim. The interim owner notifications inform them that their vehicle is involved and that we will notify them again when the remedy becomes available.

Lexus has sufficient parts to begin a phased implementation of the remedy. Refer to the table below for anticipated remedy launch timing. Owner notifications will begin approximately one week after the anticipated remedy launch.

| GLG, GLH, HLA Status Chart | | | | |
|----------------------------|-------------------|-----------------|--|--|
| Zone | Model Name | Model Year | Anticipated Remedy Date | Approximate UIO |
| | IS 250 - IS 350 | 2006 - 2012 | Remedy Available Now (Launched Early February 2017) | 187,814 |
| | IS-F | 2008 - 2012 | Remedy Available Now (Launched Early February 2017) | 3,560 |
| | IS 250C - IS 350C | 2010 | June 2017 | 9,563 |
| | IS 250C - IS 350C | 2011 - 2012 | September 2017 | 7,049 |
| A | ES 350 | 2007 - 2009 | Remedy Available Now (Launched Late March 2017) | 142,284 |
| | ES 350 | 2010 - 2012 | September 2017 | 72,414 |
| | GX 460 | 2010 | June 2017 | 6,993 |
| | GX 460 | 2011 | September 2017 | 6,719 |
| | GX 460 | 2012 | December 2017 | 5,082 |
| | LFA | 2012 | April 2017 | 180 |
| | B | IS 250 - IS 350 | 2006 - 2009 | Remedy Available Now (Launched Early February 2017) |
| IS-F | | 2008 - 2009 | Remedy Available Now (Launched Early February 2017) | 736 |
| ES 350 | | 2007-2008 | June 2017 | 62,138 |
| ES 350 | | 2009 | September 2017 | 13,709 |
| C | IS250 - IS 350 | 2006 - 2008 | Remedy Available Now (Launched Early February 2017) | 13,460 |
| | IS-F | 2008 | Remedy Available Now (Launched Early February 2017) | 233 |
| | ES350 | 2007-2008 | September 2017 | 21,345 |

Note:

- All anticipated remedy launch dates are subject to change.
- Vehicles opened for the remedy can have the repair performed at any authorized Lexus dealership *regardless of geographical location.*

Q8: *The remedy has launched for some vehicles but not for my vehicle yet. How is the remedy availability being prioritized??*

A8: These Safety Recalls have been structured with multiple phases across three geographic zones. Time, temperature, and humidity have been found by NHTSA and multiple independent investigations to contribute to significant Takata airbag inflator propellant degradation that can lead to an unreasonable risk of inflator rupture. As such, NHTSA has established a launch deadline for each model based on the vehicle age and geographic location which prioritizes the highest risk vehicles first. Lexus has developed a launch schedule based on both NHTSA's deadlines and the availability of remedy parts. For all models, Lexus intends to meet NHTSA's deadline or launch earlier than the deadline, depending on the availability of remedy parts for each model.

Q9: *My vehicle is involved in this Safety Recall but the remedy is not yet available. Will Lexus provide a loaner vehicle until the remedy is available?*

A9: Remember, this condition does not cause the front Passenger airbag to activate when it should not. To minimize risk, Lexus recommends that no passengers sit in the front passenger seat. If this recommendation is not feasible for the customer's personal or business needs, alternative transportation may be made available.

Q10: *Until the remedy is available, are there any steps I can take to minimize the occurrence of this condition?*

A10: *The condition does not cause the front Passenger airbag to activate when it should not. Also, the front Passenger airbag is designed to inflate only in certain moderate to severe crashes, and only when a passenger is occupying the front passenger seat. Therefore, Toyota recommends that no one occupy the front passenger seat until the remedy is performed.*

Further, based on multiple independent investigations and NHTSA's independent expert, NHTSA has concluded that the non-desiccated frontal Takata airbag inflators do not pose an unreasonable risk to safety until they reach a certain level of propellant degradation after long-term exposure to environmental moisture and fluctuating high temperatures. NHTSA and Takata are prioritizing the expanded inflator recalls based on when involved inflators are more likely to pose an unreasonable risk to safety, considering time, temperature, and environmental moisture, which depends on a vehicle's location.

Q11: *Are there any indicators that my vehicle is equipped with an affected Takata inflator?*

A11: No. There are no indicators. See the Takata Recall Phase and Zone Summary for details on involved vehicles.

Q12: *My vehicle is not involved in this Safety Recall. Will it be involved in a future phase?*

A12: NHTSA and Takata are prioritizing future recalls based on when the affected inflators are likely to pose an unreasonable risk to safety, considering time, temperature, and environmental moisture. Therefore, the plan has been structured with five phases and three geographical zones based on time in service and climatic conditions.

Q13: *My vehicle is not involved in this Safety Recall, but it may be involved in a future phase. When will the remedy be available for my vehicle?*

A13: NHTSA and Takata are finalizing plans to initiate multiple recalls for all affected vehicles that will be released in five phases that began in May 2016 and will continue through 2019. Registered owners of involved vehicles will be notified by Lexus as each additional Takata recall is filed and phase announced between May 2016 and 2019.

Q14: *What should I do to determine if my vehicle will be involved in a future phase?*

A14: Lexus recommends that you regularly check recall applicability using www.lexus.com/recall or www.safercar.gov. You will need to input your 17-digit Vehicle Identification Number (VIN).

Q15: *If my vehicle may potentially be included in a future Safety Recall, will Lexus disconnect the involved Passenger airbag or the other airbags in my vehicle until the remedy is available?*

A15: No, Lexus will not disconnect airbags as part of this recall action. Based on multiple independent investigations and NHTSA's independent expert, NHTSA has concluded that the non-desiccated frontal Takata airbag inflators do not pose an unreasonable risk to safety until they reach a certain level of propellant degradation after long-term exposure to environmental moisture and fluctuating high temperatures. NHTSA and Takata are prioritizing these recalls based on when affected inflators are likely to pose an unreasonable risk to safety, considering time, temperature, and environmental moisture, which depends on a vehicle's operating location.

Q16: *If my vehicle will be included in a future Safety Recall, will Lexus provide a loaner vehicle until the remedy is available?*

A16: At this time, Lexus is reserving alternative transportation options to specifically support those customers with vehicles currently under recall. For vehicles equipped with Takata inflators that may be recalled in the future, NHTSA and Takata have concluded that the non-desiccated frontal Takata airbag inflators do not pose an unreasonable risk to safety until they reach a certain level of propellant degradation. NHTSA and Takata are prioritizing future recalls based on when inflators are likely to pose an unreasonable risk to safety, considering time, temperature, and environmental moisture, which depends on a vehicle's location.

Q17: *Are any vehicles currently being manufactured by Toyota, Lexus, or Scion being equipped with Takata frontal airbag inflators manufactured with PSAN propellant that does not include a desiccant?*

A17: No, Toyota, Lexus, and Scion are no longer manufacturing any vehicles with PSAN propellant that does not include a desiccant.

Q18: *Is Toyota, Lexus, or Scion selling any new vehicles that are equipped with Takata frontal airbag inflators manufactured with PSAN propellant that does not include a desiccant?*

A18: Yes, the models that may be in dealer inventory today are listed below.

- 2016 Toyota 4Runner
- 2015 - 2017 Lexus GX 460*

**only applies to early production 2017 model year Lexus GX 460 vehicles*

Importantly, these non-desiccated passenger frontal PSAN airbag inflators in these new vehicles are not subject to a current recall. Based on multiple independent investigations and NHTSA's independent expert, NHTSA has concluded that the non-desiccated frontal Takata airbag inflators do not pose an unreasonable risk to safety until they reach a certain level of propellant degradation after long-term exposure to environmental moisture and fluctuating high temperatures. NHTSA and Takata are prioritizing these recalls based on when affected inflators are likely to pose an unreasonable risk to safety, considering time, temperature, and environmental moisture, which depends on a vehicle's operating location. According to NHTSA's current order, these components will be recalled by the end of 2019.

Q19: *How does NHTSA's announcement relate to other actions Lexus has taken regarding Takata airbag inflators?*

A19: Previous Safety Recalls that are currently ongoing remain in effect, and remedy actions remain underway. Customers are strongly encouraged to have these inflators replaced as soon as they are notified that replacement parts are available. The current NHTSA and Takata announcement will ultimately involve the recall

of all Takata frontal inflators that utilize non-desiccated, phase-stabilized ammonium nitrate (PSAN) propellant. Lexus will announce subsequent Safety Recalls in accordance with NHTSA's announcement.

Q20: *What if I have additional questions or concerns?*

A20: If you have additional questions or concerns go to www.Lexus.com/recall, or please contact the Lexus Customer Assistance Center at 1-800-255-3987 Monday - Friday, 8:00 am to 9:00 pm, or Saturday 9:00 am to 6:00 pm Eastern Time.

NHTSA-Takata Airbag Inflator Expansion

Summary of Phases / Zones

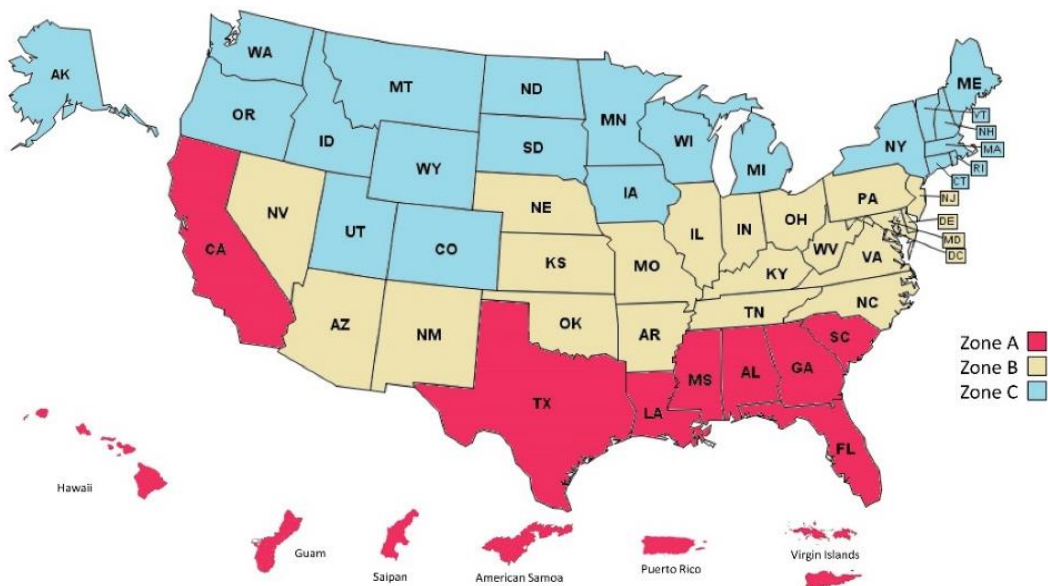


These Safety Recalls have been structured with multiple phases across three geographic zones. Time, Temperature, and Humidity have been found by NHTSA and multiple independent investigations to contribute to significant Takata airbag inflator propellant degradation that can lead to an unreasonable risk of inflator rupture.

ZONE A: Includes states with high temperature cycling and humidity. Time in service until significant propellant degradation may occur is projected at 6-9 years.

ZONE B: Includes states with moderate temperature cycling and humidity. Time in service until significant propellant degradation may occur is projected at 10-15 years.

ZONE C: Includes states with lower temperature cycling and humidity. Time in service until significant propellant degradation may occur is projected at 15-20 years.



Follow the steps below to understand if your vehicle may be involved in a current or future Safety Recall:

1. Identify the geographic zone where you live or principally operate the vehicle; A, B or C.
2. Locate your applicable Zone Table and the vehicle model and model year.
3. Refer to the Phase Definition at the bottom of each table for the Phase and Safety Recall Timing.

Note: The vehicle models and model years described on this document represent the best information currently available to Lexus and are subject to change if additional information is identified by Lexus, Takata, or NHTSA. In addition, all remedy launch targets are subject to change.

Involved in current Safety Recall - *Interim*

Mar '17

Projected for Future Phase - *Full model year applicability*

For Interim - Box Text Indicates Anticipated Remedy Launch Date

Involved in current Safety Recall - *Remedy*



Projected for Future Phase - *Partial model year applicability*



| ZONE A - GLG (Interim G2G) | | | | | | | | | | | | |
|----------------------------|----------------|------|------|------|------|------|----------------|----------------|----------------|------|------|------|
| Model | Model Year | | | | | | | | | | | |
| | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
| IS250/350 | Green | | | | | | Green | Grey | Grey | Grey | Grey | Grey |
| IS250C/350C | Green | | | | | | Green | Grey | Grey | Grey | Grey | Grey |
| IS-F | Green | | | | | | Green | Grey | Grey | Grey | Grey | Grey |
| ES350 | Green | | | | | | Green | Grey | Grey | Grey | Grey | Grey |
| GX460 | Green | | | | | | Green | Grey | Grey | Grey | Grey | Grey |
| LFA | Green | | | | | | Green | Grey | Grey | Grey | Grey | Grey |
| Phase | Phase 1 | | | | | | Phase 2 | Phase 3 | Phase 4 | | | |

| ZONE B - GLH (Interim G2H) | | | | | | | | | | | | |
|----------------------------|----------------|------|------|----------------|----------------|----------------|-------|------|------|------|------|------|
| Model | Model Year | | | | | | | | | | | |
| | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
| IS250/350 | Green | | | | | | Green | Grey | Grey | Grey | Grey | Grey |
| IS250C/350C | Green | | | | | | Green | Grey | Grey | Grey | Grey | Grey |
| IS-F | Green | | | | | | Green | Grey | Grey | Grey | Grey | Grey |
| ES350 | Green | | | | | | Green | Grey | Grey | Grey | Grey | Grey |
| GX460 | Green | | | | | | Green | Grey | Grey | Grey | Grey | Grey |
| Phase | Phase 1 | | | Phase 2 | Phase 3 | Phase 4 | | | | | | |

| ZONE C - HLA (Interim H2A) | | | | | | | | | | | | |
|----------------------------|----------------|------|------|----------------|----------------|------|-------|------|------|------|------|------|
| Model | Model Year | | | | | | | | | | | |
| | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
| IS250/350 | Green | | | | | | Green | Grey | Grey | Grey | Grey | Grey |
| IS250C/350C | Green | | | | | | Green | Grey | Grey | Grey | Grey | Grey |
| IS-F | Green | | | | | | Green | Grey | Grey | Grey | Grey | Grey |
| ES350 | Green | | | | | | Green | Grey | Grey | Grey | Grey | Grey |
| GX460 | Green | | | | | | Green | Grey | Grey | Grey | Grey | Grey |
| Phase | Phase 2 | | | Phase 3 | Phase 4 | | | | | | | |

Only some early production 2017 model year GX460 vehicles have been manufactured with an airbag that is affected by this Safety Recall condition and will be included in a future phase. To determine if your 2017 model year GX460 will be included, refer to your dealer.

Timing of Projected Safety Recall Phase Announcement

- Phase 1: May 2016
- Phase 2: January 2017
- Phase 3: January 2018
- Phase 4: January 2019

Multiple Models and Model Years
Takata Front Passenger Airbag Inflator (Zone C)
IMPORTANT SAFETY RECALL (Remedy Notice)

This notice applies to your vehicle: [VIN]
NHTSA Recall No. 17V-006

Dear Lexus Customer:

This notice is 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 vehicles described below:

- 2006 - 2008 IS 250/350
- 2007 - 2008 ES 350
- 2008 IS-F

You received this notice because our records, which are based primarily on state registration and title data, indicate that you are the current owner of a subject vehicle.

What is the problem?

The subject vehicles are equipped with front passenger airbag inflators produced by Takata. The propellant in these inflators may degrade after prolonged exposure to high absolute humidity and fluctuating high temperatures. Degraded propellant can cause inflator rupture during airbag deployment. In the event of an inflator rupture, metal fragments could pass through the airbag cushion material, striking the vehicle occupants, and result in serious injury or death.

What will Lexus do?

Any authorized Lexus dealer will replace the airbag inflator or the airbag assembly, depending on the vehicle model, at **NO CHARGE** to you.

What should you do?

This is an important Safety Recall

Please contact any authorized Lexus dealer to schedule an appointment to have the remedy performed as soon as possible.

Until the remedy is performed, we recommend that you do not operate the vehicle with an occupant in the front passenger seat. We sincerely apologize for any inconvenience this will cause, but we are taking this action to ensure your safety.

The repair, depending on model, will take approximately 3-5 hours. However, depending on 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?

- For more information about Takata Recalls please see Lexus' website (www.lexus.com/recall) or the National Highway Traffic Safety Administration (NHTSA) website (www.safercar.gov).
- If you require further assistance, you may contact your local Lexus dealer or the Lexus Customer Assistance Center at 1-800-255-3987 Monday through Friday, 8:00 am to 9:00 pm, or Saturday 9:00 am through 6:00 pm Eastern Time.



To visit Lexus.com/recall from your smart phone, scan the QR code to the left. Here you will find the most current Takata recall information and be able to check repair applicability specific to your VIN #.

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 Hot Line at 1-888-327-4236 (TTY: 1-800-424-9153), or go to <http://www.safercar.gov>.

If you would like to update your vehicle ownership or contact information, you may do so by registering at www.lexus.com/drivers. You will need your full 17-digit Vehicle Identification Number (VIN) to input the new information.

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 lessee within ten days.

We have sent this notice in the interest of your continued satisfaction with our products, and we sincerely regret any inconvenience this problem may have caused you.

Thank you for driving a Lexus.

Sincerely,

LEXUS, A DIVISION OF TOYOTA MOTOR SALES, U.S.A., INC.

Draft Sample

Multiple Models and Model Years
Takata Front Passenger Airbag Inflator (Zone C)
IMPORTANT SAFETY RECALL (Interim Notice)

This notice applies to your vehicle: [VIN]
NHTSA Recall No. 17V-006

Dear Lexus Customer:

This notice is 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 vehicles described below:

- 2006 - 2008 IS 250/350
- 2007 - 2008 ES 350
- 2008 IS-F

You received this notice because our records, which are based primarily on state registration and title data, indicate that you are the current owner of a subject vehicle.

What is the problem?

The subject vehicles are equipped with front passenger airbag inflators produced by Takata. The propellant in these inflators may degrade after prolonged exposure to high absolute humidity and fluctuating high temperatures. Degraded propellant can cause inflator rupture during airbag deployment. In the event of an inflator rupture, metal fragments could pass through the airbag cushion material, striking the vehicle occupants, and result in serious injury or death.

What will Lexus do?

Lexus is currently preparing the remedy for this problem and will send another notification to all affected owners when the remedy becomes available. The remedy, when available, will consist of the replacement of the airbag inflator or the airbag assembly, depending on the vehicle model at **NO CHARGE** to you.

What should you do?

Until the remedy becomes available, we recommend that you do not operate the vehicle with an occupant in the front passenger seat.
We sincerely apologize for any inconvenience this will cause, but we are taking this action to ensure your safety.

What if you have other questions?

- For more information about Takata Recalls please see Lexus' website (www.lexus.com/recall) or the National Highway Traffic Safety Administration (NHTSA) website (www.safercar.gov).
- If you require further assistance, you may contact your local Lexus dealer or the Lexus Customer Assistance Center at 1-800-255-3987 Monday through Friday, 8:00 am to 9:00 pm, or Saturday 9:00 am through 6:00 pm Eastern Time.



To visit Lexus.com/recall from your smart phone, scan the QR code to the left. Here you will find the most current Takata recall information and be able to check repair applicability specific to your VIN #.

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 Hot Line at 1-888-327-4236 (TTY: 1-800-424-9153), or go to <http://www.safercar.gov>.

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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 lessee within ten days.

We have sent this notice in the interest of your continued satisfaction with our products, and we sincerely regret any inconvenience this problem may have caused you.

Thank you for driving a Lexus.

Sincerely,

LEXUS, A DIVISION OF TOYOTA MOTOR SALES, U.S.A., INC.

Sample



Lexus, A Division of Toyota Motor Sales, USA
19001 South Western Avenue
Torrance, CA 90501
(310) 468-4000

Published October 17, 2016

PRE-OWNED - SAFETY RECALL CUSTOMER CONTACT & VEHICLE DISCLOSURE FORM

Pre-Owned Vehicles *ONLY* (Not Applicable for LCCS units)

This vehicle is involved in Safety Recall. At this time, remedy parts are not available and the remedy has *NOT* been performed. I understand that the vehicle will need to be returned to an authorized Lexus dealer to have the remedy performed at *NO CHARGE* when the remedy is available.

Customer Signature _____

Lexus recommends that you register with the Lexus Owners Community at <http://www.lexus.com/drivers/> and regularly check recall applicability using www.lexus.com/recall or www.safercar.gov. You will need to input your 17-digit Vehicle Identification Number (VIN).

VIN

| | | | | | | | | | | | | | | | | | |
|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|
| | | | | | | | | | | | | | | | | | |
|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|

 CAMPAIGN CODE

| | | |
|--|--|--|
| | | |
|--|--|--|

MODEL _____ MODEL YEAR _____

Customer Information

| | |
|------------------------|----------------------|
| Customer Name _____ | Customer Email _____ |
| Customer Address _____ | Home Phone # _____ |
| _____ | Mobile Phone # _____ |
| _____ | Date _____ |

Please provide this information so that Lexus or your dealer can notify you when the remedy becomes available. This information will only be used for Safety Recall and other campaign communications. If you'd like to update your preferred contact information in the future, contact us at 1-800-255-3987.

Dealer Information

| | |
|---------------------------|------------------------------|
| Dealer Name/Address _____ | Dealer Code _____ |
| _____ | Dealer Phone Number _____ |
| _____ | Dealer Staff Name _____ |
| _____ | Dealer Staff Signature _____ |



FUTURE PHASE - CUSTOMER CONTACT & VEHICLE DISCLOSURE FORM

Takata Front Passenger Airbag Inflator - Future Safety Recall Applicability

Thank you for considering Lexus - we're pleased that you're about to become part of the Lexus family and are confident you will enjoy your driving experience! As part of our Customer First commitment, we want to make you aware of a future issue and ensure that we have your preferred contact information so that we can contact you at the appropriate time.

So what's the issue? The vehicle listed below is equipped with a Takata-produced front passenger airbag inflator. It **IS NOT** currently involved in any recall. However, according to an order issued by the U.S. National Highway Traffic Safety Administration (NHTSA), the vehicle's front passenger airbag inflator will be recalled by the end of 2019. As a result, Lexus will contact you to arrange for a replacement inflator or airbag assembly at **NO CHARGE** in connection with this future recall - and that's why we want to make sure we have your preferred contact information.

Based on multiple independent investigations and NHTSA's independent expert, NHTSA has concluded that the vehicle's Takata front passenger airbag inflator does not pose an unreasonable risk to safety until after long-term exposure to environmental moisture and fluctuating high temperatures.

NHTSA and Takata are prioritizing the Takata airbag inflator recalls, considering time in operation, temperature, and environmental moisture, which depends on a vehicle's operating location. You can obtain more information about this on NHTSA's website (www.safercar.gov) or Lexus' website (www.lexus.com/recall).

Lexus recommends that you register with the Lexus Owners Community at <http://www.lexus.com/drivers/> and regularly check recall applicability using www.lexus.com/recall or www.safercar.gov. You will need to input your 17-digit Vehicle Identification Number (VIN).

VIN

CAMPAIGN CODE MODEL _____ MODEL YEAR _____

This Is My Preferred Contact Information

| | |
|------------------------|----------------------|
| Customer Name _____ | Customer Email _____ |
| Customer Address _____ | Home Phone # _____ |
| _____ | Mobile Phone # _____ |
| _____ | Date _____ |

Please provide this information so that Lexus or your dealer can notify you when the remedy becomes available. This information will only be used for Safety Recall and other campaign communications. If you'd like to update your preferred contact information in the future, contact us at 1-800-255-3987.

Customer Signature _____

Once again - thank you for choosing Lexus!

Dealer Information

| | |
|---------------------------|------------------------------|
| Dealer Name/Address _____ | Dealer Code _____ |
| _____ | Dealer Phone Number _____ |
| _____ | Dealer Staff Name _____ |
| _____ | Dealer Staff Signature _____ |



Lexus, A Division of Toyota Motor Sales, USA
 19001 South Western Avenue
 Torrance, CA 90501
 (310) 468-4000

Published January 12, 2017

To: General Managers
 Sales and Service Managers

Subject: ACTION REQUIRED - New and Pre-Owned Vehicle Inventory
 FUTURE Safety Recall Phase - Takata Front Passenger Airbag Inflator Advisory Label

The enclosed advisory label **MUST BE** applied to all new and pre-owned vehicles that will be included in a **FUTURE** Takata Safety Recall phase prior to being displayed for sale or presented as available for sale to a customer. Reference the model and model year table below, as well as the Takata Phase and Zone summary (map) to determine applicability based on your geographic location.

New Vehicles in Dealership Inventory

Up until this point, Lexus has been applying these labels at all ports and processing centers prior to delivery to dealers. As of October 10, 2016, Lexus will no longer be applying these labels at ports or processing centers. Refer to the note below for additional details.

| NEW | Model Name | Model Year | Applicable Zones |
|-----|------------|--|------------------|
| | GX 460 | 2015 - 2017* *early production 2017 model year vehicles | All |

*Some early production 2017 model year GX 460 vehicles have been manufactured with an airbag that is affected by this Safety Recall condition and will be included in a future phase. To determine if a 2017 model year GX 460 will be included in a future phase of this Safety Recall, input the VIN in the following website: <https://takata-lookup.imagespm.info/>. Note: The default password is XXXXXX. Each dealer has only one account. Please ensure that the reset password is communicated to all technicians and dealer associates that will be utilizing this website.

Pre-owned Vehicles in Dealership Inventory

| PRE-OWNED | Model Name | Model Year | Applicable Zones |
|-----------|--------------|--|---|
| | IS 250/350 | 2009 - 2013 | Varies by Zone - Some vehicles are already under Safety Recall* and others may be in a future phase based on location. Refer to Takata Phase and Zone summary (map) for detail. |
| | IS 250C/350C | 2010 - 2015 | |
| | IS-F | 2009 - 2014 | |
| | ES 350 | 2009 - 2012 | |
| | GX 460 | 2010 - 2017* *early production 2017 model year vehicles | |

NOTE: This advisory label is only to be applied for vehicles not currently under recall but which will be in **FUTURE** phases.

In mid-July 2016, each dealership was provided an initial quantity of advisory labels. Additional labels are available at the Material Distribution Center (MDC) in packs of 20 (1 pack = 20 labels) at no cost. As with many MDC items, shipping charges do apply and expedited shipping is available at an additional cost.

LABEL APPLICATION INSTRUCTIONS:

Please apply the label to the inside of the passenger's front window as illustrated below.



IMPORTANT ADVISORY

This vehicle is equipped with a Takata-produced Front Passenger Airbag Inflator. It is NOT currently involved in any recall. However, according to an order issued by the U.S. National Highway Traffic Safety Administration (NHTSA), the front passenger airbag inflator will be recalled by the end of 2019. As a result, Lexus will contact you to arrange for a replacement inflator or airbag assembly at **NO CHARGE** in connection with this future recall.

Based on multiple independent investigations and NHTSA's independent expert, NHTSA has concluded that the Takata Front Passenger Airbag Inflator in your vehicle does not pose an unreasonable risk to safety until after long-term exposure to environmental moisture and fluctuating high temperatures.

For more information about Takata Recalls please see the NHTSA website (www.safercar.gov) or Lexus' website (www.lexus.com/recall).

00411-TAKINF-LEX

Additional labels are available at the MDC. To order online visit: <https://portal.toyotamdc.com> or by phone call: (800) 622-2033

MDC #: 00411-TAKINF-LEX

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