



Lexus, A Division of Toyota Motor Sales, USA, Inc.
6565 Headquarters Drive
Plano, TX 75024
(469) 292-4000

Original Publication Date: February 18, 2020

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

SAFETY RECALL 20LA02 (Remedy Notice)

Certain 2020 Model Year ES 300h Certain Engine Blocks Can Cause Engine Failure Leading to Fire Risk

Model / Years	Production Period	Approximate Total Vehicles	Approximate Stop Sale Dealer Inventory
2020 ES 300h	Mid-September 2019 - Mid-December 2019	1,100	600



STOP! DO NOT SELL NEW VEHICLES IN DEALER INVENTORY.

Refer to Dealer Inventory Procedures section for more details.



On February 06, 2020, Lexus will file 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 2020 model year ES 300h vehicles.

Condition

Some of the subject vehicles may be equipped with an engine block that was manufactured incorrectly. This issue may cause coolant to leak internally and/or externally during normal engine operation. This can lead to engine noise, engine smoke, warning lights/malfunction indicator illumination, an audible chime sounding, and/or, in some cases, engine overheating and possible internal mechanical engine damage. If the mechanical engine damage occurs, it could cause engine oil to leak, which, in the presence of an ignition source, can lead to an increased risk of fire.

Remedy

Lexus dealers will inspect the engine block casting serial number to determine if it is involved.

1. In cases where an involved engine block ***IS NOT*** identified, no repairs are needed. Dealers should file the applicable inspection-only Op Code to complete the Safety Recall.
2. In cases where an involved engine block ***IS*** identified:
 - a. For customer owned vehicles, please explain the condition to the customer and offer a loaner vehicle until remedy parts are available. It is the customer's decision if they would like to take a loaner vehicle or not until remedy parts are available. Once remedy parts are available, dealers will replace the engine, including the engine block, with a new one ***FREE OF CHARGE*** to the customers.
 - b. Any vehicle in dealer inventory found with an involved engine block should not be sold until the remedy has been performed. For more information, please refer to the requirements for vehicles in dealer inventory starting on the next page.

Covered Vehicles

There are approximately 1,100 vehicles covered by this Safety Recall. No vehicles involved in this Safety Recall were distributed to Puerto Rico.

Owner Letter Mailing Date

Lexus will notify owners by early April 2020.

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.

Please note that only owners of the covered vehicles will be notified. If you are contacted by an owner who has not yet received a notification, please **verify eligibility by confirming through TIS prior to performing repairs**. Dealers should perform the repair as outlined in the Technical Instructions found on TIS.

Dealer Inventory Procedures

New Vehicles in Dealership Inventory

There are approximately 600 vehicles in new dealer inventory as of February 04, 2020.



Under Title 49, Section 30112 of the United States Code, a dealer cannot sell, offer for sale, or introduce or deliver for introduction in interstate commerce a new motor vehicle when it is aware that the vehicle does not comply with an applicable Federal Motor Vehicle Safety Standard or contains a defect related to motor vehicle safety. Further, 49 Code of Federal Regulations §577.13 requires us to provide the following advisory: It is a violation of Federal law for a dealer to deliver a new motor vehicle or any new or used item of motor vehicle equipment (including a tire) covered by this notification under a sale or lease until the defect or noncompliance is remedied.

Lexus reimburses dealers for flooring costs associated with new vehicles held in dealership inventory until the recall remedy becomes available. Lexus provides these flooring reimbursements at 60-day intervals. Lexus reserves the right to withhold or charge-back any flooring reimbursement funds that may have been paid to the dealer if it determines that a new vehicle subject to a safety recall was sold without first being remedied.

Vehicle Safety Recall completion should always be verified through TIS. We request your assistance to ensure involved vehicles are identified and not delivered prior to performing the remedy.

NOTE:

- ***New vehicles in dealer inventory subject to a Safety Recall must be remedied before delivery into commerce under a sale or lease. Dealer-to-dealer trades as well as vehicle sales between dealers should not be made until a vehicle is remedied.***
- Dealers can identify if any of their new and used inventory has any open campaigns in the Vehicle Inventory Summary available in Dealer Daily (<https://dealerdaily.lexus.com/>). The Vehicle Inventory Summary may take up to 4 hours to populate information for newly launched campaigns.

Inspection Reminder Mirror Hang Tags for Covered Vehicles in New Dealer Stock

To easily recognize vehicles involved in this Safety Recall, each dealership should utilize Inspection Reminder Hang Tags. Inside the vehicle's glove box are stickers containing the VIN. Apply one of these stickers to the hang tag and install the hang tag in the vehicle. A sample copy of the Inspection Reminder Hang Tag has been included for your reference.



NOTE: Dealerships can order hang tags from the Material Distribution Center (MDC).

Part Number	Description	Quantity
00241-INSPT	Inspection Mirror Hang Tag	25 Per Pack

Pre-Owned Vehicles in Dealer Inventory

To ensure customer satisfaction, Lexus requests that dealers complete this Safety Recall inspection on any used vehicles currently in dealer inventory that are covered by this Safety Recall prior to customer delivery. In cases where an involved engine block *IS* identified, the vehicle should not be delivered until remedy parts are available and repairs are completed.

Lexus expects dealers to use the attached 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 20LA02/20LB02" and include the VIN.

NOTE: Dealers can identify if any of their new and used inventory has any open campaigns in the Vehicle Inventory Summary available in Dealer Daily (<https://dealerdaily.lexus.com/>). The Vehicle Inventory Summary may take up to 4 hours to populate information for newly launched campaigns.

L/Certified Vehicles

L/Certified policy prohibits the certification of any vehicle with an outstanding Safety Recall, Special Service Campaign, or Limited Service Campaign. Thus, no affected units are to be designated, sold, or delivered as L/Certified until all applicable Safety Recalls, Special Service Campaigns, and Limited Service Campaigns have been completed on that vehicle.

LCCS Service Loaners

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

Customer Handling, Parts Ordering, and Remedy Procedures

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 Guest Experience Center (1-800-255-3987) - Monday through Friday, 7:00 am to 7:00 pm, Saturday 8:00 am to 5:00 pm Central Time.

Salvage Title Vehicles

Every attempt should be made to complete an open Safety Recall when circumstances permit, unless noted otherwise in the Safety Recall dealer letter.

For complete details on this policy, refer to Lexus Warranty Policy 4.15, "What Is Not Covered by The Lexus New Vehicle Limited Warranty".

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 Tania Saldana (859) 815-9968 in Toyota Corporate Communications. Please do not provide this number to customers. Please provide this contact only to media.

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:

- Senior
- Master

Always check which technicians can perform the repair 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.

Remedy Procedures

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.

Remedy Inspection Website

The Technical Instructions will direct you to a website as part of the inspection procedure. For your reference, the website and default password are listed below:

<https://20TA04-20LA02-safety-recall.imagespm.info/>

Username: Dealer Code

Default Password: XXXXX

Each dealer only has a single account; please ensure that the reset password is communicated to all technicians and dealer associates that will be utilizing this website.

Engine Replacement:

- Engine replacement is not available at this time.
- Lexus expects engine replacement to be available by approximately early April 2020.
- If the inspection determines that engine replacement is required, refer to the instruction below.

IF THE VEHICLE IS INCLUDED IN DEALER INVENTORY:

Vehicles in New or Used Dealer Inventory **SHOULD NOT** be sold until the engine assembly is replaced. Once Lexus completes the parts replacement remedy, additional details will be provided in the dealer letter.

IF THE VEHICLE IS OWNED BY A CUSTOMER:

1. Explain the condition and symptoms to the customer utilizing the FAQ.
2. If the customer does not feel comfortable driving their vehicle, offer a loaner of a similar vehicle type until remedy parts are available. It is the customer's decision if they would like to take a loaner vehicle or not until remedy parts are available.
3. If the customer has further questions or concerns, recommend the customer contact the Toyota Customer Experience Center

800-255-3987

M-F 7:00 a.m. – 7:00 p.m. CT, Sat. 8:00 a.m. – 5:00 p.m. CT

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.

Vehicles Emission Recall Proof of Correction Form (California only)

As this Safety Recall includes emission related parts, California dealers are requested to fill out the Vehicle Emissions Recall – Proof of Correction form after repairs have been completed. The vehicle owner may require this form for vehicle registration renewal. **It is important to note that the forms are an official state document and blank forms must be secured to prevent misuse.** Booklets can be ordered from the MDC (material number 00410-92007).

Please complete the form and provide it to the owner. The first non-completed VINs will be submitted to the California state DMV by early November 2020. If the vehicle owner’s warranty claim will not be processed and paid prior to this date, please be sure to complete a form and provide it to a California owner.



Warranty Reimbursement Procedures

Alternative Transportation Reimbursement Procedure

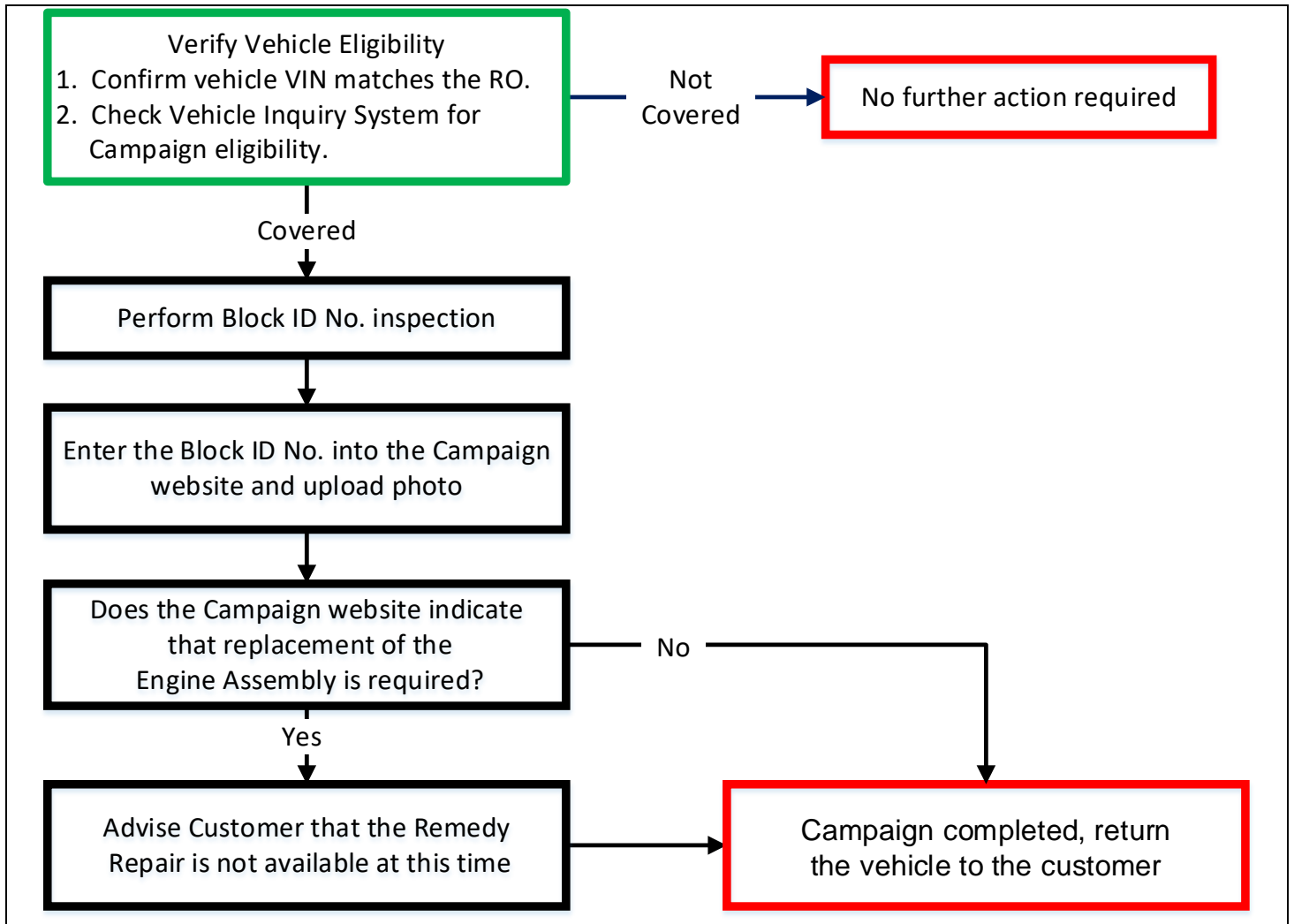
Until the remedy is available, customers who are uncomfortable driving their vehicle during the interim phase may receive a loaner vehicle or alternative transportation which can be claimed up to \$45 per day.

Op Code	Description
A25AL2	Vehicle Rental 1-30 Days
A25AL3	Vehicle Rental 31-60 Days

NOTE:

- Rental invoice **MUST** be attached to all rental claims. These claims may be subject to debit if rental invoice is not attached.
- Rentals that exceed the maximum allowable daily rate will require DSPM authorization.
- Dealers will be allowed to file these Op Codes up to 90 days after the final phase has launched into remedy. After that time, no claims for alternative transportation reimbursement will be accepted.

Warranty Reimbursement Procedure

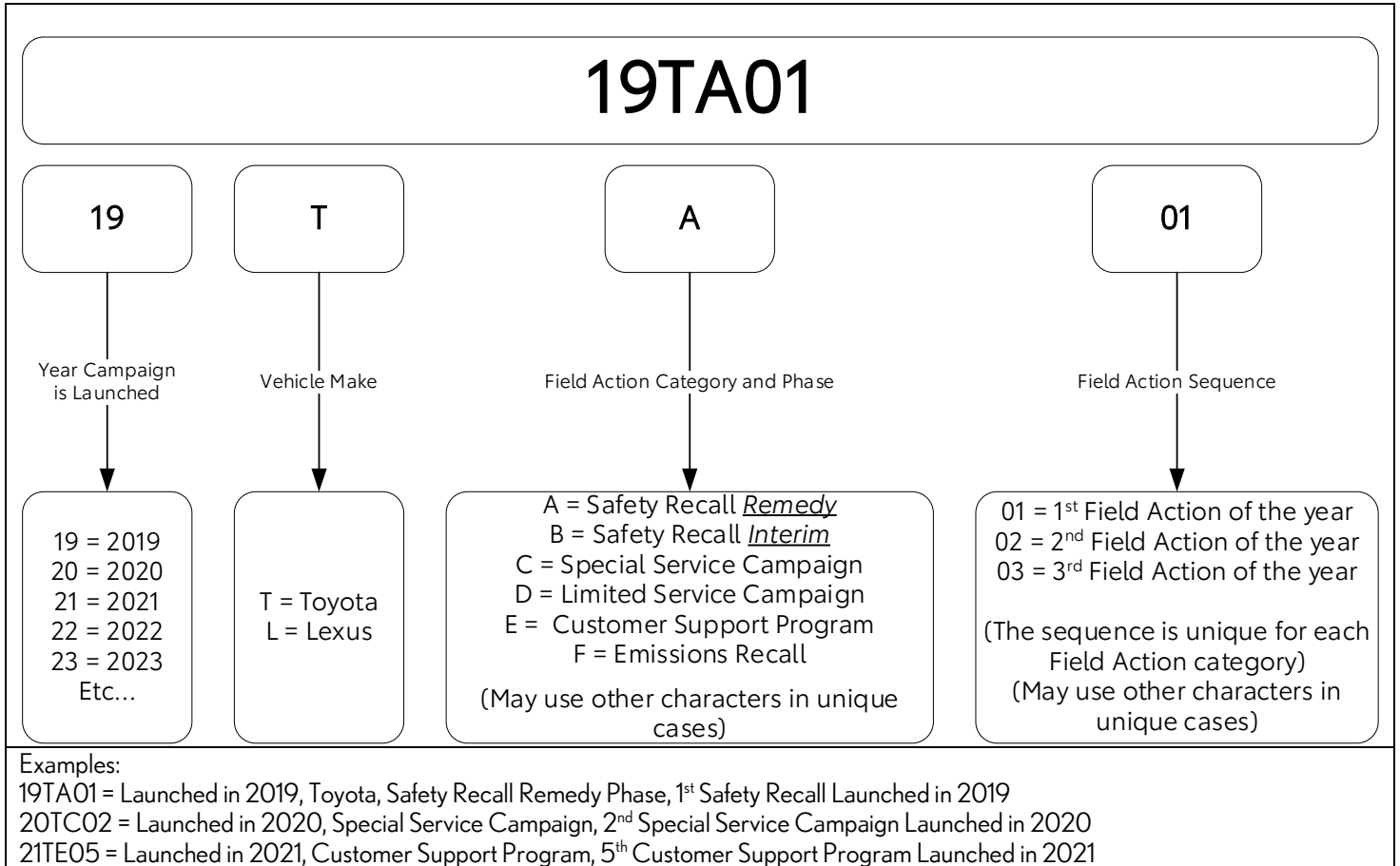


Op Code	Description	Flat Rate Hours
A25AL1	Inspect Block ID Number, no engine replacement necessary	0.5

- The flat rate times include 0.1 hours for administrative cost per unit for the dealership.
- Towing can be claimed under Op Code A25AL1 for a maximum of \$250 as sublet type "TW" in the event the customer requests vehicle pickup.)
 - **Towing invoice *MUST* be attached to all towing claims. These claims may be subject to debit if towing invoice is not attached.**

Lexus' usual customer care amenities of car wash and fuel fill-up apply to this Safety Recall. Additionally, one day of rental vehicle expense (to a maximum of \$45/day) while the vehicle is being remedied or the cost of pick-up and delivery of the customer's car may be claimed if required and subject to the guidelines published in the Safety Recall and Special Service Campaign General Procedures document on TIS.

Campaign Designation / Phase Decoder



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, U.S.A., INC.



SAFETY RECALL 20LA02 (Remedy Notice)

Certain 2020 Model Year ES 300h
Certain Engine Blocks Can Cause Engine Failure Leading to Fire Risk

Frequently Asked Questions
Original Publication Date: February 18, 2020

Q1: *What is the condition?*

A1: Some of the subject vehicles may be equipped with an engine block that was manufactured incorrectly. This issue may cause coolant to leak internally and/or externally during normal engine operation. This can lead to engine noise, engine smoke, warning lights/malfunction indicator illumination, an audible chime sounding, and/or, in some cases, engine overheating and possible internal mechanical engine damage. If the mechanical engine damage occurs, it could cause engine oil to leak, which, in the presence of an ignition source, can lead to an increased risk of fire.

Q1a: *If the condition is present in a hybrid vehicle, will the vehicle stall?*



A1a: If the engine stalls in a hybrid vehicle, the vehicle will enter a fail safe driving mode, allowing the driver to operate the vehicle at reduced power for certain distances to maneuver the vehicle to a safe location.

Q2: *Are there any symptoms/warnings if the condition appears in a vehicle?*

A2: If the condition occurs, it can cause coolant to leak internally and/or externally during normal engine operation and may lead to engine noise, engine smoke, warning lights/malfunction indicator illumination, and/or an audible chime sounding.

Q3: *Which warning messages may be displayed if the condition is present?*

A3: If the condition occurs, the malfunction indicator lamp (MIL) shown below may illuminate in the instrument cluster. In addition to the malfunction indicator lamp, other warning lamps and message may also be displayed.

Malfunction Indicator Lamp (MIL)	Master Warning Lamp
	

Q4: What is Lexus going to do?

A4: Lexus dealers will inspect the engine block casting serial number to determine if it is involved:

1. In cases where an involved engine block IS NOT identified, no repairs are needed. Dealers should file the applicable inspection-only Op Code to complete the Safety Recall.
2. In cases where an involved engine block IS identified:
 - a. For customer owned vehicles, please explain the condition to the customer and offer a loaner vehicle until remedy parts are available. It is the customer's decision if they would like to take a loaner vehicle or not until remedy parts are available. Once remedy parts are available, dealers will replace the engine, including the engine block, with a new one **FREE OF CHARGE** to the customers.
 - b. Any vehicle in dealer inventory found with an involved engine block should not be sold until the remedy has been performed.

Q5: Which and how many vehicles are covered by this Safety Recall?

A5: There are approximately 1,100 vehicles covered by this Safety Recall.

Model Name	Model Year	Approximate Total Vehicles	Production Period
ES 300h	2020	1,100	Mid-September 2019 - Mid-December 2019

Q5a: Are there any other Lexus/Toyota/Scion vehicles covered by this Safety Recall in the U.S.?

A5a: Yes, certain 2020 model year Toyota Avalon HV, Camry, Camry HV and certain 2019 - 2020 model year RAV4, RAV4 HV vehicles are covered by this Safety Recall.

Q6: How does Lexus obtain my mailing information?

A6: Lexus uses an industry provider who works with each state's Department of Motor Vehicles (DMV) to receive registration or title information, based upon the DMV records. Please make sure your registration or title information is correct.

Q7: How long will the remedy inspection take?

A7: The remedy inspection takes approximately 1 hour. However, depending upon the dealer's work schedule, it may be necessary to make the vehicle available for a longer period of time.

Q8: What if I have additional questions or concerns?

A8: If you have additional questions or concerns, please contact the Lexus Guest Experience Center at 1-800-255-3987 Monday through Friday, 7:00 am to 7:00 pm, Saturday 8:00 am to 5:00 pm Central Time.



Lexus, a Division of Toyota Motor Sales, USA, Inc.
6565 Headquarters Drive
Plano, TX 75024
(469) 292-4000

CUSTOMER CONTACT & VEHICLE DISCLOSURE FORM

This form is not applicable for new vehicles in dealership inventory and L/Certified Vehicles

This vehicle is involved in a 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 campaign communications. If you'd like to update your preferred contact information in the future, visit www.lexus.com/drivers or contact us at 1-800-255-3987.

Dealer Information

Dealer Name/Address _____

Dealer Code _____

Dealer Phone Number _____

Dealer Staff Name _____

Dealer Staff Signature _____