

Original Publication Date: February 06, 2020

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

SAFETY RECALL 20LA02 (Interim Notice 20LB02)

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



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 is currently preparing the remedy. When the remedy is available, Lexus dealers will inspect the engine block casting serial number to determine if it is involved. In the cases where an involved engine block is identified, dealers will replace the engine including the engine block with a new one *FREE OF CHARGE* to customers.

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 (<u>https://dealerdaily.lexus.com/</u>). 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

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 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 (<u>https://dealerdaily.lexus.com/</u>). 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.

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.

Warranty Reimbursement Procedures

Loaner Vehicle or Alternative Transportation Reimbursement Procedure

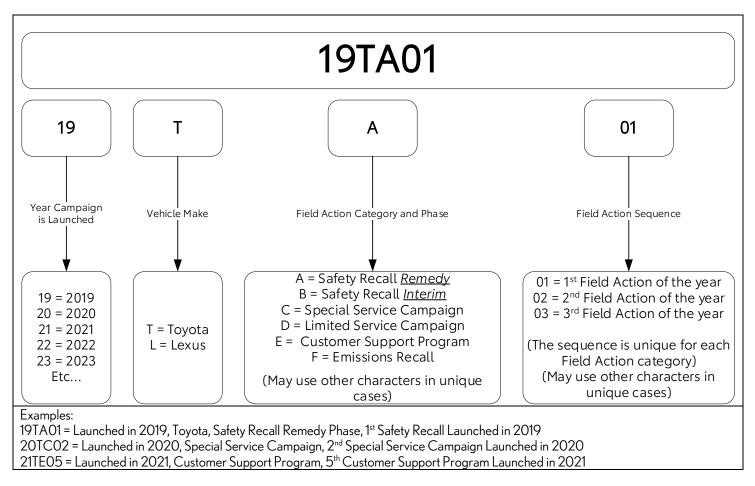
Until the remedy is available, customers who are uncomfortable driving their vehicle during the interim phase may receive a loaner vehicle or alternative transportation which can be claimed up to \$45 per day.

Op Code	Description
TBD	Vehicle Rental 1-30 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.

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.

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SAFETY RECALL 20LA02 (Interim Notice 20LB02)

Certain 2020 Model Year ES 300h

Certain Engine Blocks Can Cause Engine Failure Leading to Fire Risk

Frequently Asked Questions Original Publication Date: February 06, 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?

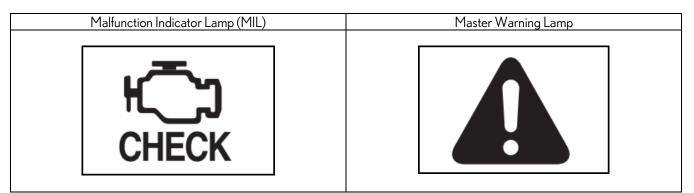
A1a: If the engine stalls in a hybrid vehicle, the vehicle will enter a fail safe driving mode, allowing the driver to operate the vehicle at reduced power for certain distances to maneuver the vehicle to a safe location.

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.



Q4: What is Lexus going to do?

A4: Lexus is currently preparing the remedy. When the remedy is available, Lexus dealers will inspect the engine block casting serial number to determine if it is involved. In the cases where an involved engine block is identified, dealers will replace the engine including the engine block with a new one *FREE OF CHARGE* to customers.

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: What if I have additional questions or concerns?

A7: 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.



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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, <u>remedy parts are not available</u> 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 <u>http://www.lexus.com/drivers/</u> and regularly check recall applicability using <u>www.lexus.com/recall</u> or <u>www.safercar.gov</u>. 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	
	ommunications. If you'd like to upd	you when the remedy becomes available ate your preferred contact information	
Dealer Information			

Dealer Name/Address	Dealer Code	
	Dealer Phone Number	
	Dealer Staff Name	
	Dealer Staff Signature	