

HOT SHEET

TAKATA AIRBAG RECALL GLG/GLH/HLA
WHAT THIS MEANS FOR DEALER SALES ASSOCIATES
AND OUR CUSTOMERSAPR
2017

WHAT ARE THE TAKATA AIRBAG RECALLS GLG, GLH, & HLA?

The U.S. automotive industry is facing the largest safety recall in its history. On May 4, 2016, the National Highway Traffic Safety Administration (NHTSA) announced an expansion of the industry-wide Takata Airbag Inflator Recalls. This announcement explained that Takata will, in five (5) phases across three (3) geographical zones, recall additional vehicles between May 2016 and the end of 2019. These vehicles contain Takata front airbag inflators that were manufactured without a "desiccant". Desiccant material is a chemical drying agent that absorbs moisture. For the affected Lexus vehicles, this recall only includes certain front passenger airbag inflators. Driver airbag inflators are not included.

On May 23, 2016, Lexus filed a Defect Information Report (DIR) with NHTSA identifying the vehicles involved in Phase 1 of the expanded Takata recall. On January 9, 2017, Lexus filed a Defect Information Report (DIR) with NHTSA identifying the vehicles involved in Phase 2 of the expanded Takata recall. Toyota informed the agency of its intent to conduct a voluntary Safety Recall on these vehicles. Phases 1 and 2 of campaign designations GLG, GLH, and HLA are also zone dependent. As a result, some of the same GLG, GLH, and HLA Phase 1 and 2 model/model year vehicles may also be included in later phases in other geographic zones. Vehicles involved in Phases 1 and 2 are listed under designations GLG, GLH or HLA based on where the vehicle is operated or has been registered. Please refer to the phase/zone charts below for further information.

WHAT IS THE REMEDY?

Lexus has sufficient parts to begin a phased implementation of the remedy. The remedy will consist of the replacement of the airbag inflator or the airbag assembly, depending on the vehicle model. Please refer to www.lexus.com/recall for additional details. Consumers can also visit safercar.gov for Takata resources available from NHTSA.

WHEN WILL CUSTOMERS BE NOTIFIED?

Lexus will send interim or remedy owner notifications when a phase is launched. Note that owners of vehicles that will be subject to a future phase of this expansion will not receive notifications until their phase is launched.

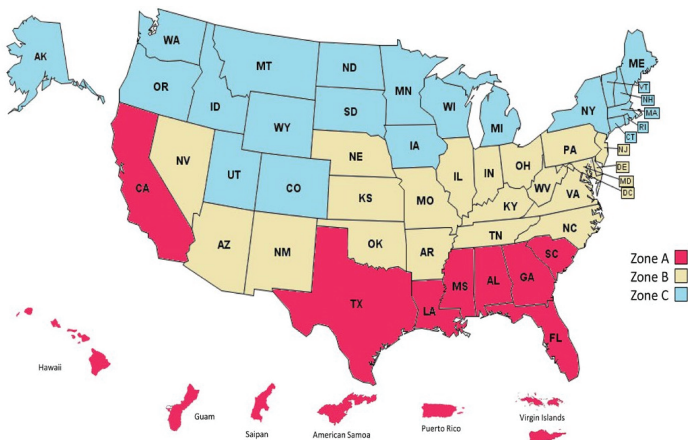
WHY ARE THERE GLG, GLH, & HLA PHASES AND ZONES? WHAT ARE THEY?

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 phased current and future recalls in three geographic zones based on temperature fluctuations and humidity and the exposure time required under those environmental conditions to degrade the propellant to the point where it poses an unreasonable risk to safety; depending on the zone, time until unsafe propellant degradation may occur is projected at between 6 and 20 years. According to NHTSA's current order, inflators in the vehicles affected by this expansion will be recalled by the end of 2019.

ZONE A: GLG (Interim G2G): 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): 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): 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.



These charts show Lexus vehicles identified as part of the May 2016 and January 2017 expansions of Takata airbag inflator recalls (previously manufactured vehicles that are under Safety Recalls GLG, GLH, & HLA).

- INVOLVED IN CURRENT SAFETY RECALL (REMEDY)
- INVOLVED IN CURRENT SAFETY RECALL (INTERIM)
- PROJECTED FOR FUTURE PHASE (FULL MODEL YEAR APPLICABILITY)
- 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												
IS250C/350C												
IS-F												
ES350												
GX460												
LFA												
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												
IS250C/350C												
IS-F												
ES350												
GX460												
Phase	Phase 1			Phase 2	Phase 3		Phase 4					

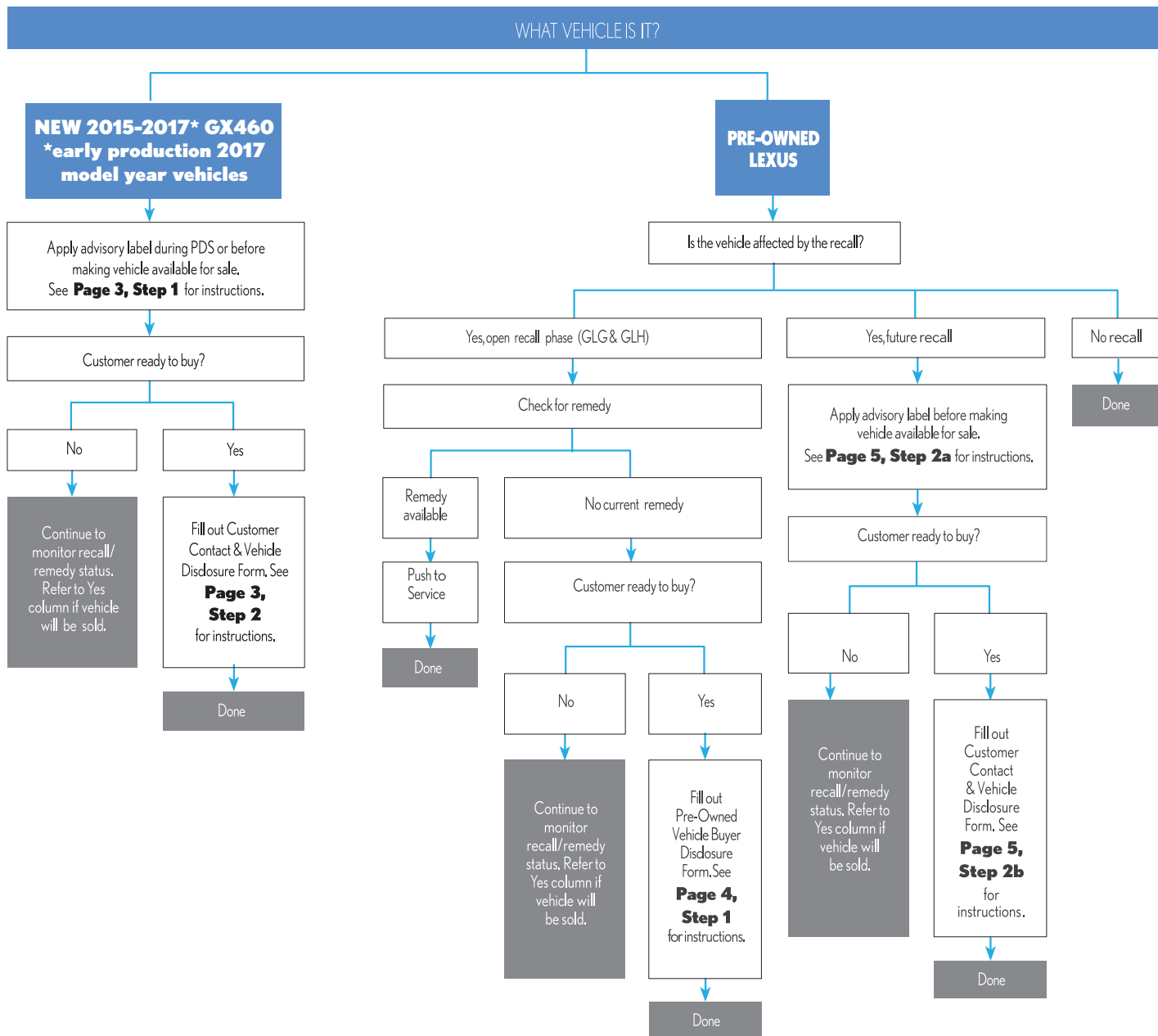
ZONE C - HLA (Interim H2A)												
Model	Model Year											
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
IS250/350												
IS250C/350C												
IS-F												
ES350												
GX460												
Phase	Phase 2			Phase 3		Phase 4						

For additional information on when a vehicle may be involved in a current or future Safety Recall, or for more phase/zone information, please refer to the phase/zone summary found on www.lexus.com/recall or in the GLG/GLH/HLA Dealer Package in TIS.

Some early production 2017 model year GX460 vehicles have been manufactured with an airbag that is not affected by the May 2016 Expansion of the Takata Airbag Inflator Recalls. To determine if a particular early production 2017 model year GX460 will be included in a future phase of the May 2016 Expansion, input the VIN in the following website: <https://takata-lookup.imagespm.info/>.

PROCESS FLOWCHART

This flowchart only applies to the May 2016 and January 2017 expansions of the Takata front passenger airbag recall. It does not apply to or address any other recall action. It is provided to assist dealer staff in performing proper steps.



NEW VEHICLE INVENTORY

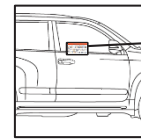
STEP ONE

WHAT TO DO WITH NEW VEHICLES IN INVENTORY SUBJECT TO A FUTURE TAKATA FRONT PASSENGER AIRBAG INFLATOR RECALL PHASE AS ANNOUNCED IN MAY 2016

For all NEW 2015–2017 model year GX460 (early production 2017 model year only) vehicles in transit and/or in dealer inventory that will be subject to a future Takata recall phase, Lexus expects dealers to apply an advisory label to the passenger front window during PDS or prior to making it available for sale. Based on the number of new vehicles in your inventory and in-transit to your dealership, Lexus has already provided an initial quantity of advisory labels to support this process.

Up until this point, Lexus has been applying these labels at all ports and processing centers prior to delivery to dealers. As of October 2017, Lexus no longer applied these labels at ports or processing centers. As such, dealers are required to apply labels to all remaining new 2016 GX460 vehicles subject to a future Takata recall. Enter any 2017 GX460 VIN into the following website to determine if it will be involved in a future phase: <https://takata-lookup.imagespm.info/>.

If the provided quantities are not enough to support dealer inventory, additional quantities are available at the Material Distribution Center (MDC) in packs of 20 (1 pack = 20 advisory labels) at no cost. As with many MDC items, shipping charges do apply and expedited shipping is available at an additional cost. To order online visit <https://portal.toyotamdc.com> or call (800) 622-2033, referencing MDC #: 00411-TAKINF-LEX.



IMPORTANT ADVISORY
 This vehicle is equipped with a Takata-produced Front Passenger Airbag Inflator. It is a safety device intended to protect the front passenger. 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 call 1-800-455-9728.

LABEL APPLICATION INSTRUCTIONS:

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

STEP TWO

WHAT TO COMMUNICATE AND COMPLETE WITH BUYERS OF NEW VEHICLES LINKED TO A FUTURE RECALL PHASE

Some new vehicles in dealership inventory are affected by the May 2016 and January 2017 expansions, but will not be recalled until the end of 2019. Please refer to Page 1 for vehicles and timing.

As part of our Customer First commitment, Lexus expects dealers to use the Future Phase – Customer Contact & Vehicle Disclosure Form (Refer to your GSM or find it in the GLG/GLH/HLA Package on TIS) to obtain preferred contact information from the vehicle buyer and advise them of the fact that the vehicle will be subject to a recall related to the Takata front passenger airbag inflator by the end of 2019. Specifically, the form:

1. **Helps ensure that Lexus has preferred contact information so Lexus or the dealer can contact the customer when the future recall occurs and the remedy becomes available, as appropriate.**
2. **Advises the customer that:**
 - a. **The vehicle listed below is equipped with a Takata-produced front passenger airbag inflator.**
 - b. **The passenger airbag inflator in this new vehicle is NOT subject to a current recall but will be in the future.**
 - c. **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.**
 - d. **NHTSA and Takata are prioritizing the Takata airbag inflator recalls based on when affected inflators are likely to pose an unreasonable risk to safety, considering several factors, including time, temperature and environmental moisture in the operating location.**
 - e. **More information can be obtained on Lexus' website (www.lexus.com/recall).**

Future Phase – Customer Contact & Vehicle Disclosure Form

After explaining the above points, Lexus expects dealers to:

1. **Obtain vehicle buyer information by having the customer complete the form.**
2. **Create and provide a copy of the completed form to the vehicle buyer. Retain original for step 4.**
3. **Provide vehicle buyer with a current copy of the Lexus Q&A for the Takata Recall (Q&A found on www.lexus.com/recall).**
4. **Keep the completed form on file at the dealer and send a copy to quality_compliance@toyota.com.**

PRE-OWNED VEHICLE INVENTORY

Pre-owned vehicles in dealer inventory affected by the May 2016 and January 2017 Takata recall expansion may fall into two categories:

1. **Pre-owned vehicles in the current Safety Recalls GLG, GLH or HLA.**

NOTE: L/Certified policy prohibits the certification of any vehicle with an outstanding Special Service Campaign or Safety Recall. Thus, no affected units should be sold or delivered as an L/Certified vehicle until the Safety Recall has been completed on that vehicle. If the remedy parts are available, dealers can apply the recall remedy, so no form is needed and the vehicle may be certified as L/Certified if applicable. If the pre-owned vehicle will be sold and recall remedy parts are not available, dealers MUST use the **Pre-Owned Safety Recall Customer Contact and Vehicle Disclosure Form**, as instructed in section 1 below.

2. **Pre-owned vehicles not currently under Safety Recalls GLG, GLH or HLA but which will be recalled under a future phase.**

NOTE: These cars can be certified and sold as L/Certified if applicable. Dealers MUST install an advisory label and the **Future Phase – Customer Contact & Vehicle Disclosure Form** must be completed as instructed in sections 2a and 2b below.

(1) CURRENT RECALL PHASE

WHAT TO DO WITH PRE-OWNED VEHICLES IN INVENTORY SUBJECT TO A CURRENT TAKATA RECALL (GLG, GLH OR HLA) WHERE PARTS ARE NOT YET AVAILABLE

Typically, Lexus expects that dealers do not deliver any pre-owned vehicles in dealer inventory that are covered by a **current** Safety Recall unless the defect has been remedied. What is different in this case is that, until remedy parts are available, delivery of a pre-owned vehicle is acceptable with the Pre-Owned - Safety Recall Customer Contact & Vehicle Disclosure Form informing the customer that the vehicle is involved in a current Safety Recall and that the remedy is currently being prepared by Lexus.

As part of our Customer First commitment, Lexus expects dealers to use the Pre-Owned Safety Recall Customer Contact & Vehicle Disclosure Form (Refer to your GSM or find it in the GLG/GLH/HLA Package on TIS) to obtain vehicle buyer preferred contact information and advise the customer of the fact that the vehicle is subject to a current recall related to the Takata front passenger airbag inflator. Specifically, the form:

1. **Helps ensure that Lexus has preferred contact information so Lexus or the dealer can contact the customer when the remedy becomes available, as appropriate.**
2. **Advises the customer that:**
 - a. **The vehicle listed below is equipped with a Takata-produced front passenger airbag inflator.**
 - b. **The passenger airbag inflator in this pre-owned vehicle is subject to a current recall but will be remedied as soon as remedy parts become available.**
 - c. **More information can be obtained on Lexus' website (www.lexus.com/recall).**

Pre-Owned -
Safety Recall
Customer
Contact &
Vehicle
Disclosure
Form

After explaining the above points, Lexus expects dealers to:

1. **Obtain vehicle buyer information by having the customer complete the form.**
2. **Create and provide a copy of the completed form to the vehicle buyer. Retain original for step 4.**
3. **Provide vehicle buyer with a current copy of the Lexus Q&A for the Takata Recall (Q&A found on www.lexus.com/recall).**
4. **Keep the completed form on file at the dealer and send a copy to quality_compliance@toyota.com.**
5. **Encourage buyers to register on www.lexus.com/drivers to ensure timely communication on important recall matters.**

PRE-OWNED VEHICLE INVENTORY (CONT.)

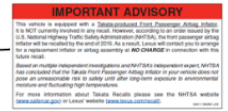
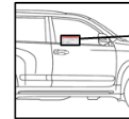
Sections 2a and 2b apply to pre-owned vehicles not currently under Safety Recalls GLG, GLH, and HLA but will be recalled under a future phase, as referenced on Page 4.

(2a) FUTURE RECALL PHASE

WHAT TO DO WITH PRE-OWNED VEHICLES IN INVENTORY SUBJECT TO A FUTURE TAKATA RECALL PHASE (GLG, GLH, AND HLA)

For **pre-owned vehicles** in dealer inventory that will be subject to a future Takata recall phase, Lexus expects dealers to apply an advisory label to the passenger front window prior to making it available for sale. Based on the number of pre-owned vehicles in your inventory at your dealership, Lexus has already provided an initial quantity of advisory labels to support this process.

Additional quantities are available at the Materials Distribution Center (MDC) in packs of 20 (1 pack = 20 advisory labels) at no cost. As with many MDC items, shipping charges do apply and expedited shipping is available at an additional cost. To order online visit <https://portal.toyotamdc.com> or call (800) 622-2033, referencing MDC #: 00411-TAKINF-LEX.



LABEL APPLICATION INSTRUCTIONS:
Please apply the label to the inside of the passenger's front window as illustrated.

(2b) FUTURE RECALL PHASE

WHAT TO COMMUNICATE AND COMPLETE WITH BUYERS OF PRE-OWNED VEHICLES LINKED TO A FUTURE RECALL PHASE

Some **pre-owned vehicles** in dealership inventory are affected by the May 2016 announcement made by NHTSA and Takata, but will be involved in a future phase and recalled by the end of 2019. Please refer to Page 1 for vehicles and timing.

As part of our Customer First commitment, Lexus expects dealers to use the Future Phase – Customer Contact & Vehicle Disclosure Form to obtain preferred contact information from the vehicle buyer and advise them of the fact that the vehicle will be subject to a recall related to the Takata front passenger airbag inflator by the end of 2019. Specifically, the form:

1. Helps ensure that Lexus has preferred contact information so Lexus or the dealer can contact the customer when the future recall occurs and the remedy becomes available, as appropriate.
2. Advises the customer that:
 - a. The vehicle listed below is equipped with a Takata-produced front passenger airbag inflator.
 - b. The passenger airbag inflator in this new vehicle is NOT subject to a current recall but will be in the future.
 - c. 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.
 - d. NHTSA and Takata are prioritizing the Takata airbag inflator recalls based on when affected inflators are likely to pose an unreasonable risk to safety, considering several factors, including time, temperature and environmental moisture in the operating location.
 - e. More information can be obtained on Lexus' website (www.lexus.com/recall).

Future Phase –
Customer Contact &
Vehicle Disclosure Form

After explaining the above points, Lexus expects dealers to:

1. Obtain vehicle buyer information by having the customer complete the form.
2. Create and provide a copy of the completed form to the vehicle buyer. Retain original for step 4.
3. Provide vehicle buyer with a current copy of the Lexus Q&A for the Takata Recall (Q&A found on www.lexus.com/recall).
4. Keep the completed form on file at the dealer and send a copy to quality_compliance@toyota.com.

COMPETITORS ARE ALSO AFFECTED

The Takata front airbag inflator recall impacts Lexus and multiple other automotive manufacturers. For consumers that may be cross-shopping Lexus, we encourage you to discuss this information with them to compare affected Lexus vehicles with related vehicles from other automotive manufacturers. For additional information on the Takata Safety Recall and affected vehicles by other manufacturers, consumers can visit safercar.gov.

WHAT TO DO IF CUSTOMERS OR MEDIA HAVE QUESTIONS

MEDIA CONTACTS

It is imperative that all media contacts (local and national) receive a consistent message. If any media contact your dealer, please direct them to the Toyota Motor Sales Media Line at (310) 468-5297.

CUSTOMER CONTACTS

Customers who receive the owner letters in July 2016 or hear about this condition on the news 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. Always refer to the Lexus Customer Frequently Asked Questions for the Takata Safety Recall found on www.lexus.com/recall to assure a consistent message is communicated.

Customers with additional questions or concerns are asked to please go to www.lexus.com/recall or contact the Lexus Customer Assistance Center (1-800-255-3987) - Monday through Friday, 8:00 a.m. to 9:00 p.m., Saturday 9:00 a.m. to 6:00 p.m. Eastern Time.

Lexus would also like dealers to encourage customers to register their vehicle on www.lexus.com/drivers to ensure timely communication on important recall matters. This is one way Lexus ensures up-to-date contact information for consumers and vehicles by VIN. Lexus also recommends that you suggest customers regularly check recall applicability using www.lexus.com/recall. Customers will need to input their 17-digit Vehicle Identification Number (VIN).

For additional information on the Takata Safety Recall, consumers can also visit safercar.gov for Takata resources available from NHTSA.

For information about vehicles subject to the Takata inflator recalls announced before May 2016, please refer to prior Dealer Communications and/or www.lexus.com/recall.