



DEALER LETTER

Date: May 18, 2009
To: Lexus Southern Area Dealership Principals, General Managers, and Sales Managers
Subject: 2010 MY RX 450h Launch Announcement



In 2005 Lexus shook up the Luxury industry with the launch of the 06MY RX 400h, the world's 1st ever Luxury Hybrid! NOW, Lexus will build upon the tremendous success of the 10MY RX 350 Launch and offer the 2nd generation of the RX Hybrid. The RX Hybrid now benefits from the adoption of the GR-series V6 engine, also applying unique Atkinson-cycle combustion technology for substantially improved power and fuel economy without compromising the driving experience. Not only does this vehicle accelerate more quickly than its predecessor but it has achieved EPA fuel economy ratings of 32/29/30 for FWD models and 30/28/29 (city/hwy/combined) for AWD models. Features include an ECO driving mode for enhanced fuel economy, unique blue badging and blue-tinted headlights, exclusive grille, and model-specific 19" wheels.

The all new RX 450h is sure to build excitement in your showrooms and further enhance the Lexus Brand as the leader in Luxury Hybrid technology. Production for the all new RX 450h began on 5/6/09 with dealer arrivals by July 3rd.

I am very excited to share with you some preliminary information and build strategy for the all new RX h. Please understand that in the spirit of sharing details with you at an early stage, some information or dates may change.

2009 Wholesale/Sales Forecast:

The national forecast for 2009 YTD wholesale is roughly 10,000. The Southern Area estimates Area 10MY RX h wholesale to equal roughly 2,000 units YTD / 285 monthly. As a result, the Southern Area sales plan for RX h is roughly 1,800 units YTD/ 260 monthly. Clearly, this vehicle will provide you with an opportunity for incremental sales growth.

Allocation Methodology:

We have elected to use a special launch methodology to allocate the first 3 months of production. Current 08MY RX 400h Dealer Stock will be excluded from your Max Days Supply calculation and we will utilize a 6 month sales history. After the initial launch period, the Area will reevaluate the continued need for this methodology and communicate any changes to you at that time.

Methodology: 50% Sales Plan (Total Series) + 50% 6 Month Rolling Sales History for RX h
08MY RX 350 Dealer Stock excluded from Max Days Supply Calculation

Allocation Timing:

We plan to begin allocating RX h on the 2nd allocation of June, 2009. Every dealer will receive a minimum of one (1) launch RX h on this initial allocation. You can plan for allocated vehicles to begin arriving at your dealership by July 3rd.

Build Strategy:

The Southern Area's build strategy for 9440 for both ports will consist of one option combination. The intent is to ensure that we maintain a simple build strategy and offer a vehicle that will be competitively priced, offer the options we know our current customers want and test the response of the new technologies offered on this vehicle. Additionally, please note that 9440 will come without Roof Rails. *Price includes \$875 Destination

- Mid-Level w/ Nav: CP, EK, FT, HL, NV, PM, PA, WU MSRP: \$50,975*

CP = Comfort Pkg (Heated Seats, Rain Sensing Wipers), EK = Nav Audio System, FT = 19" Aluminum Wheels, HL = HID AFS Headlamps, NV = Navigation, PM = Premium Pkg (Leather, moonroof, power back door, RR Seat Armrest wood, Rr Armrest Storage with lid, Memory seat, pwr steering, mirrors, EC Outside Mirror), PA = Park Assist, WU = Wood Steering Wheel

The Southern Area's build strategy for 9444 for both ports will consist of one option combination. The intent is to ensure that we maintain a simple build strategy and offer a vehicle that will be competitively priced, offer the options we know our current customers want and test the response of the new technologies offered on this vehicle. Additionally, please note that 9444 will come with standard Roof Rails. *Price includes \$875 Destination

- Mid-Level w/ Nav: CP, EK, FT, GF, HL, NV, PM, PA, WU, TO MSRP: \$54,003*

CP = Comfort Pkg (Heated Seats, Rain Sensing Wipers), EK = Nav Audio System, FT = 19" Aluminum Wheels, GF = Heads Up Display, HL = HID AFS Headlamps, NV = Navigation, PM = Premium Pkg (Leather, moonroof, power back door, RR Seat Armrest wood, Rr Armrest Storage with lid, Memory seat, pwr steering, mirrors, EC Outside Mirror), PA = Park Assist, WU = Wood Steering Wheel, TO = Tow Prep Pkg

Please note that these build scenarios do not include port installed options. This build strategy was reviewed with our Production Council Members at the 2009 1st Quarter Production Council Meeting in Atlanta on March 13, 2009.

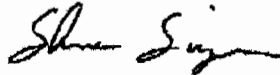
Sales and Product Training:

The Lexus Southern Area will support the Launch of this fantastic new vehicle through in-dealership training during late June and July. Additionally, we will have Launch units available at each of our training centers by early June and will work to support any Tier 3 Launch Events or Preview Parties that you are planning. Please contact your DSM to request the use of a Launch unit to support any Tier 3 events that you have scheduled after June 1st and we will work to ensure one is available. All Tier 2 LDA event requests will continue to go through Team One.

The all new RX 450h will further enhance the already successful 10MY RX lineup and continue to establish Lexus as the Luxury Hybrid Leader. Thank you in advance for your role in making the launch of the all new RX 450h a huge success.

As more details on the upcoming launch of the all new RX h come available, we will continue to share information with you. Should you have any questions or comments, please don't hesitate to contact your District Sales Manager or myself.

Great Selling,



Shane Sizemore
Vehicle Supply Manager