Kathy Wachs / Service and Parts Operations Lexus Customer Services October 20, 2014 Approved by: Don Fordiani 10-01-15: 2007 model year part numbers identified

07-01-15: Update to Rental Information, Warranty Sublet, and Return Parts Shipping

06-15-15: Additional vehicles added as a result of geographic expansion

05-12-15: Additional model year SC 430 vehicles included in coverage

02-24-15: Update: Airbag disablement discontinued

11-25-14 Update: Glove Box hang tag material numbers added 11-13-14 Update: Service Consultant Reference Guide Added

11-13-14 Update: UIO information updated 10-27-14 Update: Operation codes added

10-22-14 Update: Part number for U.S. territories and Hawaii added

Safety Recall ELG - For Areas of High Absolute Humidity - UPDATE Certain 2002 through 2007 Model Year SC 430 Vehicles Front Passenger Airbag Inflator Module

This Safety Recall applies to owners of vehicles originally sold in, or currently/previously registered in, areas of High Absolute Humidity, encompassing the following states: Texas, Alabama, Mississippi, Georgia, South Carolina, Florida, Hawaii, and Louisiana. In addition it includes Puerto Rico, Guam, Saipan, American Samoa, and the U.S. Virgin Islands.

On October 20, 2014, Lexus filed 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 2002 through 2005 model year SC 430 vehicles.

On May 13, 2015, Lexus filed an amended Defect Information Report (DIR) with the National Highway Traffic Safety Administration (NHTSA) informing the agency of our intent to expand this voluntary Safety Recall to cover additional 2005 through 2007 Model Year SC 430 vehicles.

On June 16, 2015 Lexus filed an amended Defect Information Report (DIR) with the National Highway Traffic Safety Administration (NHTSA) informing the agency of our intent to expand this voluntary Safety Recall to cover additional 2002 - 2007 Model Year SC 430 vehicles. The high absolute humidity area is no longer limited to coastal areas of the specific states listed, and will also now include the state of South Carolina.

Condition

The subject vehicles are equipped with front passenger air bag inflators which may have been manufactured in such a way as to have a potential for the intrusion of moisture over time. Depending on the circumstances, this could create excessive internal pressure when the air bag is deployed and cause the inflator to rupture. In the event of an inflator rupture, metal fragments could pass through the air bag cushion material, striking and potentially seriously injuring the vehicle occupants.

Remedy

Dealers are requested to replace the front passenger airbag inflator module at no charge to the vehicle owner.

Involved Vehicles

There are approximately 26,000 vehicles covered by this Safety Recall in the United States.

Model	Model Year	Production Period	Approx. UIO
SC 430	2002 through 2007	Early January, 2001 through Early August, 2007	26,000

If a dealer is contacted by an owner who has not yet received the notification, please instruct the verify coverage by confirming through TIS. Dealers should perform the procedure as outlined in the Technical Instructions located on TIS.

Owner Letter Mailing

Lexus began mailing to all customers whose vehicle is covered by this Safety Recall in late October, 2014.

Lexus began mailing to customers covered by the May, 2015 expansion of Safety Recall ELG beginning late May, 2015.

Lexus began mailing to customers covered by the geographical expansion of Safety Recall ELG beginning in early July, 2015. Customers of 2007 Model Year SC 430 vehicles who received an interim notification letter will receive a letter advising them of the availability of the remedy beginning in October, 2015.

Lexus makes significant effort to obtain current customer name and address information 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.

If your dealership is contacted by an owner who has not yet received the notification, please verify coverage by confirming through TIS. Dealers should perform the procedure as outlined in the Technical Instructions located on TIS.

Pre-Owned Vehicles in Dealer Inventory

All vehicles in dealership stock that are covered by this Safety Recall must have the passenger airbag inflator replaced before customer delivery.

Campaign Special Service Tools

Your dealership was sent a package containing special service tools (SSTs) for Safety Recall DLC in July, 2013. These tools will also be used for this campaign.

These tools are needed when performing the front passenger airbag inflator module campaign. These tools ARE NOT available through normal parts or tool channels. There is a limited supply of tools, but if additional tools are needed, contact your Area representative.

Name	Sample Image	Qty
Airbag Mounting Bracket	Mounting Bracket Support Bars	
& Hardware	Airbag Mounting Hardware Airbag Mounting Support Bar Hardware	1
Barcode Scanner		1

Technician Training Requirements

The repair quality of covered vehicles is extremely important to Lexus. All dealership associates involved in the recall process are required to successfully complete E-Learning course <u>LSC13A</u>. To ensure that all vehicles have the repair performed correctly, technicians performing this repair must also complete <u>LSC13B</u> and be certified to one or more of the following levels:

Master Service Technicians Master Diagnostic Specialists

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

It is the dealership's responsibility to select technicians with the above certification level or greater to perform this Safety Recall 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 (<u>LSC13F</u> "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 Inflator Assemblies

New Parts Return Shipping Process

NOTE: This updated inflator recovery program only applies to the Continental 48 States. Alaska, Hawaii and the US Territories will continue to use the current program.

IMPORTANT: Effective July 1, 2015, the current inflator part return process, using Fed-Ex as the shipper will be discontinued. A new procedure using a third party coordinator (Stericycle Solutions) has been developed. With this new process, each dealer will be required to perform the following:

- Apply a return address label to the outside of each returned inflator box (Label provided by Takata in the new part box).
- Store the old inflators on a pallet until they accumulate 100 inflators or whatever amount is collected after 30 days.
- Keep a running log of how many inflators are on the pallet.
- Secure the inflators on the pallet with shrink wrap.
- Contact Stericycle 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 Stericycle.

The new process will not require the dealer to fill out any paperwork. All documents will be filled out by Stericycle and returned to the dealer.

Starting June 2015, during part production, Takata started replacing the current FedEx documentation in the inflator box with the new return labels and updated instructions. To support this new process, in late June 2015, each dealer will receive:

- 4 laminated Job Aids to help you understand the new process.
- 1 roll (125) of the new return labels to use until the new inflators start to arrive with the correct labels in the box. More labels will be available from Takata if needed.

Refer to the Job Aid available on TIS for more details on the new 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 starting July 1, 2015.

Glove Box Reminder Hang Tags

Your dealership will be sent a package of Glove Box Reminder Hang Tags; a sample is shown below for your reference.



Please ensure these are applied to any vehicle where the passage in the distribution of the passage in the pass

MDC#	Description	Package Qty.
00241-INFTAG-ENG	Safety Recall ELG Glove Box Hang Tags - English	25
00241-INFTAG-SPN	Safety Recall ELG Glove Box Hang Tags - Spanish	25

Parts Ordering Process

Orders can be placed through each dealer's facing PDC. The kit for 2007MY vehicles is expected to be available in mid-Summer 2015. When available, these parts will be placed on DDMAX and will be systematically released once a day based on established order criteria. Parts and service managers should work together to schedule appointments based on parts availability. (Note: the part for the U.S. territories and Hawaii is on DOS.)

Model Year	Part Number	Description	Quantity/Vehicle
2002 - 2006	04003-28124	49 Continental United States -Inflator Assy Kit, Instr Pln Air	1
2002 - 2006	04003-11124	U.S. Territories and Hawaii: Inflator Assy Kit, Instr. Pln Air	1
2007	04005-09524	49 Continental United States - Inflator Assy Kit, Instr Pln	1
2007	04005-09424	U.S. Territories and Hawaii - Inflator Assy Kit, Instr Pln	1

In the limited cases, where the serial number is illegible, the airbag assembly will require replacement. <u>Please</u> contact your Area representative for further direction on vehicle repair and claim filing procedures.

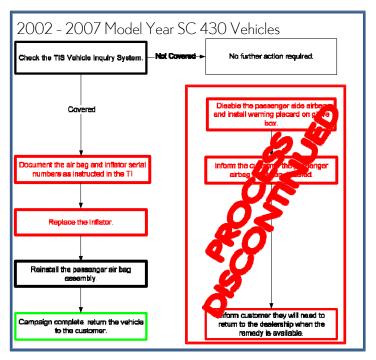
IMPORTANT PARTS ORDERING UPDATF

All Safety Recall, Service Campaign (SSC/LSC) and Customer Support Program (CSP) parts are eligible for the Monthly Parts Return Program. Please refer to Service and Parts Operations Communication 2011-20 for campaign parts that are currently returnable under the Monthly Parts Return Program and additional details.

Remedy Procedures

Please refer to TIS for Technical Instructions on inspection and repair.

Warranty Reimbursement Procedure



Model	Operation Code	Description	Flat Rate Time*
SC 430	AGGC7F	Replace Airbag Inflator Assembly	5.5 hours/vehicle
	AGGC9B	Disable Airbag Inflator Assembly and Install Clove Box Reminder Hang Tag	0.3 hr/vehicle

- Dealers are requested to immediately stop disabling passenger airbag assemblies. All repair orders must be closed no later than February 27, 2015, and claims filed as soon as possible.
- 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 at a maximum rate of \$0.20 per vehicle as sublet type "ZZ."
- If parts are not available due to back order, a customer loaner vehicle can be claimed under opcode AGGC7F. If a customer contacts your dealership and does not feel comfortable driving his/her vehicle, please accommodate the customer by providing a loaner vehicle. Loaner vehicles are available for \$45/day for a maximum of 4 days under sublet type "RT." Per day expense exceeding \$45/day or loaners exceeding 4 days, requires DSPM authorization. For additional information, reference the Lexus Customer Convenience System (LCCS) Service Loaner Program guidelines.
- Towing can be claimed under opcode AGGC7F or ACC9B for a maximum of \$250 as sublet "TW" in the event the customer requested vehicle pick up.

Lexus' usual customer care amenities of car wash, rental or pick-up and redelivery, and fuel tank fill apply.

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.

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 Cindy Knight, (310) 468-2170 in Toyota Corporate Communications. (Please do not provide this number to customers. Please provide this contact to only media associates.)

Customer Handling

A Q&A is attached to assist you in responding to any dealer questions or customer concerns. If the customer has any further questions they are requested to contact the Lexus Customer Assistance Center at 1-800-255-3987 Monday through Friday, 5:00 am to 6:00 pm PST, or Saturday, 7:00 am to 4:00 pm PST.

Please review this notification with your staff to familiarize them with the proper step-by-step procedures required to implement this Safety Recall.

Thank you for your understanding and cooperation.

Lexus

A Division of Toyota Motor Sales, USA, INC.

Attachments

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



Safety Recall ELG - For Areas of High Absolute Humidity - UPDATE

Certain 2002 - 2007 Model Year SC Vehicles 430 Front Passenger Airbag Inflator Module

This Safety Recall applies to owners of vehicles originally sold in or currently/previously registered in areas of High Absolute Humidity, encompassing the following states: Texas, Alabama, Mississippi, Georgia, South Carolina, Florida, Hawaii and Louisiana. In addition it will include Puerto Rico, Guam, Saipan, American Samoa, and the U.S. Virgin Islands.

On June 16, 2015 Lexus filed an amended Defect Information Report (DIR) with the National Highway Traffic Safety Administration (NHTSA) informing the agency of our intent to expand this voluntary Safety Recall to cover additional 2002 - 2007 Model Year SC 430 vehicles. The high absolute humidity area is no longer limited to coastal areas of the specific states listed, and will also now include the state of South Carolina.

Q1: What is the condition?

A1: The subject vehicles are equipped with front passenger air bag inflators which may have been manufactured in such a way as to have a potential for the intrusion of moisture over time. Depending on the circumstances, this could create excessive internal pressure when the air bag is deployed and cause the inflator to rupture. In the event of an inflator rupture, metal fragments could pass through the air bag cushion material, striking and potentially seriously injuring the vehicle occupants.

Q1a: What is the Inflator?

A1a: The inflator is a device contained within the airbag assembly. It contains solid propellant wafers which is ignited are the event airbag deployment is necessary. When ignited, the wafers expand into an inert gas, inflating the airbag.

Q1b: What is the cause of this condition?

A1b: The cause of the potential ruptured inflators and influence of high absolute humidity are under investigation.

Q1c: What is absolute humidity?

A1c: The measure of the water vapor content in the air is known as absolute humidity, and it is displayed in grams of water vapor per cubic meter of air. Warm, southern coastal climates consistently experience the highest concentrations of water vapor in the air, as warm ambient air can hold more water.

Note: relative humidity is simply a percentage value and is related to current or measured temperature; therefore, areas with high relative humidity do not necessarily have high absolute humidity.

Q1d: How is humidity related to the performance of the airbag inflator?

Ald: The specific relationship of humidity to the operation of the inflator and the cause of improper airbag inflator performance and rupture is still under investigation.

Q2: What is Lexus going to do?

A2: Owners of vehicles covered by this Safety Recall began receiving notification by first class mail in late October, 2014.

Lexus began mailing to customers covered by the May, 2015 expansion of Safety Recall ELG beginning late May, 2015.

Lexus began mailing to customers covered by the geographic expansion of Safety Recall ELG in early July, 2015. Customers of 2007 Model Year SC 430 vehicles who received an interim notification letter will receive a letter advising them of the availability of the remedy beginning in October, 2015.

Lexus dealers are requested to replace the front passenger airbag inflator module at **no charge** to the vehicle owner.

Q3: Are there any warnings that this condition exists?

A3: No. There are no warnings that this condition exists. However, the condition does not cause the airbag to activate when it should not. Also, the front passenger airbag is designed to inflate only in certain moderate to severe crashes.

Q4: What should you do?

A4: Lexus strongly recommends that you have this Safety Recall remedy performed immediately. Please contact any authorized Lexus dealer to schedule an appointment. When taking your vehicle to the dealership for your service appointment it is recommended that only the driver occupy the vehicle. If you are uncomfortable driving the vehicle to the dealership, please contact your local authorized Lexus dealer who will arrange for vehicle pick up. Until the remedy is performed, the front passenger seat should NOT be occupied.

If you do not follow the instructions in the owner letter, you should not drive your vehicle.

Q5: Are there concerns with other airbags in the vehicle?

A5: No, this condition only applies to the front passenger airbag inflator module. Other airbags in the vehicle are not affected by this condition.

Q6: How is this Safety Recall related to other actions Lexus has taken regarding Takata Front Passenger Airbag Inflator modules?

A6: Lexus has two separate recalls applicable to Takata front passenger airbag inflators. Safety Recall ELG is applicable only to vehicles originally sold in or currently/previously registered in areas of high absolute humidity. The second Safety Recall, DSC, involves the same model and model year vehicles in all other areas of the United States. The remedy is the same for both campaigns. The separate recall activities allow for priority parts allocation in the areas of elevated risk.

Q7: Are all vehicles involved in the previous Takata Front Passenger Inflator Module Recall Actions covered by this Safety Recall?

A7: No, this Safety Recall applies to owners of vehicles originally sold in, or currently/previously registered in, areas of High Absolute Humidity, encompassing the following states: Texas, Alabama, Mississippi, Georgia, South Carolina, Florida, Hawaii, and Louisiana. In addition, it will include Puerto Rico, Guam, Saipan, American Samoa, and the U.S. Virgin Islands.

Q8: Which and how many vehicles are covered by this Safety Recall?

A8: There are approximately 26,000 Lexus SC 430 vehicles covered by this Safety Recall. Many of the vehicles covered by this superseding Safety Recall were previously part of Safety Recall DSC or Limited Regional Safety Recall ELC.

Model	Model Year	Appx. UIO	Production Range
SC 430	2002 - 2007	26,000	Early January, 2001 through Early August, 2007

Q8a: Are there any other Lexus/Toyota/Scion vehicles covered by this Safety Recall in the U.S.?

A8a: Yes. There are approximately 953,000 certain 2003 - 2007 MY Corolla, Corolla Matrix, 2003 - 2006 MY Tundra and certain 2002 - 2007 MY Sequoia vehicles covered by this Safety Recall in the US.

Q9: How does Lexus obtain my mailing information?

A9: 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.

Q10: Do I need my owner letter to have the remedy performed?

A10: You do not need an owner letter to have this recall completed; however, to assist the dealer in confirming vehicle eligibility, we request that you present this notice at the time of your service appointment.

Q11: What if I previously paid for repairs to my vehicle for this condition?

A11: Reimbursement consideration instruction will be provided in the remedy owner letter.

Q12: What if I have additional questions or concerns?

A12: If you have additional questions or concerns, please contact the Lexus Customer Assistance Center at 1-800-255-3987 Monday through Friday, 5:00 am to 6:00 pm, or Saturday 7:00 am through 4:00 pm Pacific Time.

Certain 2002-2007 Model Year SC 430 Vehicles Front Passenger Airbag Inflator Module

SAFETY RECALL NOTICE (Remedy Notice)

This notice applies to your vehicle [VIN]

URGENT SAFETY RECALL

This is an important Safety Recall Notification. The remedy will be performed at NO CHARGE to you.

Dear Lexus Owner:

Lexus strongly recommends that you have this Safety Recall remedy performed immediately. If you do not follow the instructions in this letter, you should not drive your vehicle.

This notice is being 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 certain 2002-2007 Model Year SC 430 vehicles.

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

What is the Condition?

The subject vehicles are equipped with front passenger air bag inflators which may have been manufactured in such a way as to have a potential for the intrusion of moisture over time. Depending on the circumstances, this could create excessive internal pressure when the air bag is deployed and cause the inflator to rupture. In the event of an inflator rupture, metal fragments could pass through the air bag cushion material, striking the vehicle occupants potentially resulting in serious injury or death.

What will Lexus do?

Any authorized Lexus dealer will replace the front passenger inflator assembly at no charge to you.

What should you do?

This is an important Safety Recall

Lexus strongly recommends that you have this remedy performed immediately. Please contact any authorized Lexus dealer to schedule an appointment. When taking your vehicle to the dealership for your service appointment, it is recommended that only the driver occupy the vehicle. If you are uncomfortable driving the vehicle to the dealership, please contact your local authorized Lexus dealer who will arrange for vehicle pick up. Until the remedy is performed, the front passenger seat should NOT be occupied.

The repair will take approximately 6 hours. However, depending on the dealer's work schedule, it may be necessary to make your vehicle available for a longer period of time.

You do not need an owner letter to have this recall completed; however, to assist the dealer in confirming vehicle eligibility, we request that you present this notice at the time of your service appointment.

If you would like to update your vehicle ownership or contact information, you may do so by registering at www.lexusdrivers.com. You will need your user name, password, and full 17-digit Vehicle Identification Number (VIN).

What if you have other questions?

- Your local Lexus dealer will be more than happy to answer any of your questions and set up an appointment to perform the repair.
- You can find additional information and locate a Lexus dealer in your area by going online and visiting www.lexus.com.
- If you require further assistance, you may contact the Lexus Customer Assistance Center at 1-800-255-3987, Monday through Friday, 5:00 am to 6:00 pm, Saturday 7:00 am to 4:00 pm Pacific Time.

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.

What if you have previously paid for repairs to your vehicle for this specific condition?

If you have previously paid for repair to your vehicle for this specific condition prior to receiving this letter, please mail a copy of your repair order, proof-of-payment and proof-of-ownership to the following address for reimbursement consideration:

Lexus, a Division of Toyota Motor Sales, U.S.A., Inc. Lexus Customer Assistance Center L201 19001 South Western Avenue Torrance, CA 90509

*Please refer to the attached Reimbursement Checklist for required paperwork details.

Please note that the dealer must complete the Safety Recall remedy before reimbursement consideration requests can be processed.

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 condition may have caused you

Thank you for driving a Lexus.

Sincerely, Lexus, A Division of Toyota Motor Sales, USA, INC.