

Fukunori Ito/E/TMC0@TMC0
04/23/2007 11:00 PM

To William de Manincor/TMS/Toyota@Toyota@TMCE, Michael
Collinsworth/TMS/Toyota@TOYOTA@TMCE
cc Shigeyuki Tomizuka/TMS/Toyota@Toyota@TMCE,
Kenzo_Nishiwaki@toyota.com, Yutaka
Atsumi/E/TMC0@TMC0, Takashi Yoshie/E/TMC0@TMC0,
bcc
Subject Fw: ES350 All Weather Floor Mats CSC

Hello Bill-san

Thank you for Video quality conference of April.

Regarding the captioned matter,
OSFOD has issued a CSC letter for ES350 all weather floor mats to TMS.

Attached sheet is,
And the letter has operation codes.

Best Regards,

Frank <Fukunori> Ito Quality Group
TMC CADD Engineering Administration Dept
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TOYOTA MOTOR CORPORATION

Overseas Service Field Operations Division
NAGOYA OFFICE

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FAX: +81-52-552-3950

To: Mr. R. Daly, Group Vice President, TMS/LA
cc: Ms. J. Beseda, TMS/LA Mr. D. Zellers, TMS/LA Mr. G. Morino, TMS/LA
 Mr. S. Brand, TMS/LA Mr. M. Kubota, TMS/LA Mr. R. Jung, TMS/LA
 Mr. H. Sunakawa, TMS/LA Mr. K. Aoki, TMS/LA Mr. K. Yamamoto, TMS/LA
 Mr. E. Hirata, CQE-LA Quality Div., TMC The Americas Gr., OPAD, TMC
 KAW, OSFOD, TMC

April 24, 2007

Dear Sir:

CUSTOMER SATISFACTION CAMPAIGN

Subject: 2007 Lexus ES350 All Weather Floor Mats

This is to inform you that Toyota has decided to initiate a Customer Satisfaction Campaign to inform the customers a product usage caution regarding the placement of more than one floor mat in the driver's seating position of ES350 vehicles.

In order to fulfill Toyota's commitment to customer satisfaction, we kindly ask for your cooperation in implementing this Service Campaign in your country, as soon as the necessary labels become available at your end.

For your convenience, we have enclosed detailed procedures to smoothly implement this campaign. Please thoroughly review the enclosed information and familiarize your staff with the procedures.

We would greatly appreciate your utmost cooperation and assistance in seeing that this service campaign is carried out efficiently to cause the least possible inconvenience to our customers.

Very truly yours,

TOYOTA MOTOR CORPORATION



Katsutada Masumoto
General Manager

Overseas Service Field Operations Division

- Enclosures: 1) Sample of Owners Notification Letter
 2) Questions and Answers
 3) Warranty Claim Preparation Procedures

1. Affected Vehicle VIN Ranges:

Vehicle Model	WMI	VIN Range		Production Period
		VDS	VIS	
ES350	JTH	BJ46G*	72000129 - 72120612	March 6, 2006 through April 5, 2007

Note: Although the involved vehicles are within the above VIN ranges, not all vehicles in these ranges were sold in your country.

Total number of affected vehicles in your country: 96,227 units
including Hawaii, Puerto Rico and Guam

As for the affected vehicles shipped to your country, please refer to the VIN list that has been sent separately.

2. Description of Concerns:

In recent months, the National Highway Traffic Safety Administration (NHTSA) has received consumer concerns regarding the Lexus All Weather Floor Mat (floor mat constructed from heavy duty rubber) slipping forward and interfering with the movement of the accelerator pedal. It was possible in these cases, the Lexus All Weather Floor Mat was placed on top of the Carpeted Floor Mat, and therefore the All Weather Floor Mat was not properly secured to the floor by the two plastic retention hooks protruding from the vehicle floor. ***The ES 350 driver's seating position is designed to accommodate only one floor mat.***

Note: Enclosed are "Questions and Answers" sheets for possible inquiries from customers, mass media and the authorities.

3. Notification to Owners:

Please notify all owners of affected vehicles in the U.S.A. by first-class mail enclosed with a caution label for installation on the Lexus All Weather Floor Mat if the customer has purchased this accessory.

For your reference, we are enclosing a sample owners notification letter.

We would also like to request you to prepare the owners notification letters for customers in Hawaii, Puerto Rico and Guam.

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4. Correction Parts:

Part No.	Part Name	Model Application	Qty/Unit
-	Caution Label	ES350	1

Please prepare this Caution Label at TMS side.

5. Reimbursement:

Since this service campaign is performed at no cost to the customer, the costs and/or expenses incurred in implementing the campaign will be reimbursed as per the "Warranty Claim Preparation Procedures" enclosed.

6. Collection of Information:

If news or article concerning this campaign is found in your country, please furnish us with such information.

7. Inquiry:

Should any matter require clarification, please do not hesitate to contact our Field Operations Department No.1.

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2007 Lexus ES 350 All Weather Floor Mat

Dear Lexus Customer:

Lexus is dedicated to the "Pursuit of Perfection."

As part of our constant efforts to provide you with the best in customer satisfaction and vehicle quality, Lexus would like to inform you of a product usage caution regarding the placement of more than one floor mat in the driver's seating position of your ES 350 vehicle.

To help protect the interior of your ES 350, your vehicle is factory-equipped with genuine Lexus Carpeted Floor Mats. **As an option**, you may have also purchased genuine Lexus All Weather Floor Mats (floor mats constructed from heavy duty rubber).

What is the concern?

In recent months, the National Highway Traffic Safety Administration (NHTSA) has received consumer concerns regarding the Lexus All Weather Floor Mat (floor mat constructed from heavy duty rubber) slipping forward and interfering with the movement of the accelerator pedal. It was possible in these cases that the Lexus All Weather Floor Mat was placed on top of the Carpeted Floor Mat, and therefore the All Weather Floor Mat was not properly secured to the floor by the two plastic retention hooks protruding from the vehicle floor. ***The ES 350 driver's seating position is designed to accommodate only one floor mat.***

As our customer, your safety and satisfaction are very important to us and we apologize for any inconvenience this may have caused you.

What should you do?

In order to address this possible condition, Lexus is providing the following information to consumers:

- Never use more than one floor mat at a time in the driver's seating position.
- Please confirm the floor mat is properly placed on the vehicle carpet. If the floor mat slips and interferes with the movement of the pedals during driving, it may cause an accident.
- Confirm the driver's floor mat is secured using the hooks provided on the floor. (*Please refer to the attachment enclosed with this letter or your Owner's Manual for a diagram*)
- A Caution Label is enclosed with this owner letter for installation on the back of your All Weather Floor Mat. If you do not own Lexus All Weather Floor Mats (or any other rubberized floor mats), please insert the Caution Label in your Owner's Manual for possible future use.

We sincerely apologize for this inconvenience, and if you prefer, your local Lexus dealer will be more than happy to assist you in verifying the installation condition of your driver's seating position floor mat. If you choose to have the Lexus dealer inspect your vehicle, **please present this notice and the enclosed Caution Label to the dealer at the time of your appointment.**

What if you have other questions?

Please contact any Lexus dealer or call the Lexus Customer Assistance Center at 1-800-255-3987 Monday through Friday, 5:00 am to 6:00 pm and Saturday, 7:00 am through 4:00 pm Pacific Standard Time.

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.

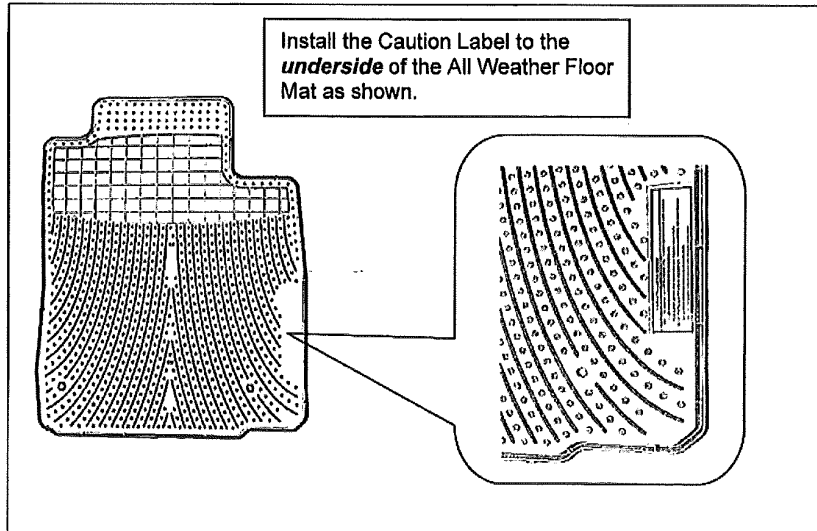
Thank you for driving a Lexus.

Sincerely,

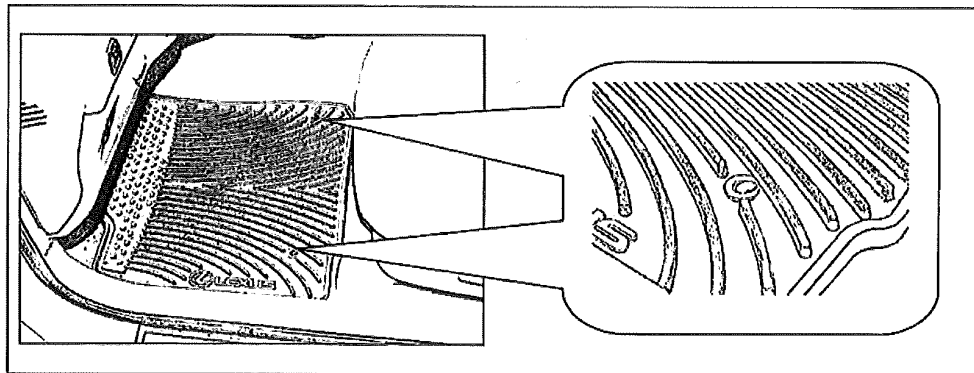
Lexus Division,
TOYOTA MOTOR SALES, U.S.A., INC.

Caution Label Installation Instructions
(If your vehicle has the Lexus All Weather Floor Mat)

1. Remove the Driver's side Lexus All Weather Floor Mat from the vehicle.
2. Wipe the area where the Caution label will be affixed with a clean, dry cloth to remove any dust or dirt.
3. Affix the Caution Label at the indicated location while smoothing out any air bubbles in the new label.
 - Caution label installation location, see illustration below.



4. If the Carpet Floor Mat has been placed underneath, please remove it. (The ES 350 driver's side seating position is designed to accommodate only one floor mat at a time.)
5. Position the All Weather Floor Mat on the floor and secure the floor mat to the two hooks as shown.



If you prefer, your local Lexus dealer will be more than happy to assist you in installing the label. If you choose to have the Lexus dealer affix the Caution label, **please present this notice, the enclosed Caution Label, and the All Weather Floor Mat to the dealer at the time of your appointment.**

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2007 Lexus ES 350 All Weather Floor Mat Q&A

Q1: What is the condition?

A1: On certain 2007 model year Lexus ES 350 vehicles, if the Lexus All Weather Floor Mat is placed on top of the existing Lexus Carpeted Floor Mats, the All Weather Floor Mats would not be secured by the retaining hooks (clips) and may slip forward interfering with the accelerator pedal.

Q2: What is the Lexus All Weather Floor Mat?

Q2: The 2007 model year ES 350 vehicle is equipped with the genuine Lexus Carpeted Floor Mats as a factory standard accessory. **As an option**, consumers may purchase the genuine Lexus All Weather Floor Mats (floor mats constructed from heavy duty rubber). Either the Lexus Carpeted Floor Mat or the All Weather Floor Mat for the driver's seating position must be secured to the vehicle by the retaining hooks which hold the mat in place through special grommet holes in the mat.

Q3: What is the cause of this condition?

A3: If the Lexus All Weather Floor Mat is placed on top of the existing Lexus Carpeted Floor Mats, the All Weather Floor Mats would not be secured by the retaining hooks (clips) and may slip forward interfering with the accelerator pedal.

Q4: Can customers confirm themselves if this condition exists?

A4: Yes. Please confirm only one floor mat is installed in the vehicle and is properly placed on the vehicle's carpet. If the floor mat slips and interferes with the movement of the pedals during driving, it may cause an accident. Customers should also confirm the driver's floor mat is secured using the hooks provided on the floor.

If the customer prefers, their local Lexus dealer will be more than happy to assist them in verifying the proper placement of their driver's seating position floor mat.

Q5: Which and how many vehicles are involved in this notification program?

A5: There are approximately 96,000 2007 model year Lexus ES 350 vehicles involved in the U.S. for this notification program.

Q6: Is this owner notification program a recall?

A6: No, this is not recall. Lexus is simply providing information to our owners.

Q7: Are there any other Toyota or Lexus vehicles involved?

A7: No, this owner notification program only affects certain 2007 model year Lexus ES 350 vehicles equipped with the Lexus All Weather Floor Mat.

Q8: Recently, the National Highway Traffic Safety Administration (NHTSA) opened a Preliminary Evaluation investigation on certain 2007 model year Lexus ES 350 vehicles. Is this owner notification program related to the investigation?

A8: Lexus is currently cooperating fully with the agency in its efforts to investigate the allegations. In terms of the relation to this Preliminary Evaluation, Lexus is in the midst of its own investigation. It is premature to comment further until the investigation is completed.

The ES 350 driver's seating position is designed to accommodate only one floor mat at a time. However in some of these cases, it is possible that the Lexus All Weather Floor Mat was placed on top of the Carpeted Floor Mat, and therefore the All Weather Floor Mat was not properly secured to the floor by the two plastic retention hooks protruding from the vehicle floor. We at Lexus care greatly about our customers and are taking proactive steps to inform them as soon as possible.

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Q9: How many incidents of this condition have been reported?

A9: According to NHTSA, there have been 5 cases of this condition reported in the U.S. market.

Q10: How many incidents is Lexus aware of?

A10: Lexus is currently cooperating fully with the agency to study each of these complaints. Our investigation will tell us if there are more vehicles involved.

Q11: Have there been any accidents reported?

A11: There have been 3 accidents reported by NHTSA which are possibly related to this condition in the U.S. market.

Q12: Have there been any reports of deaths or injuries?

A12: There have been 7 injuries and no deaths reported by NHTSA which are possibly related to this condition in the U.S. market.

Q13: What is Lexus going to do?

A13: Owners of the involved vehicles will receive an owner notification by first class mail beginning late April, 2007. Owners will be sent a label and requested to place the label on the driver's side Lexus All Weather Floor Mat, if so equipped.

Q14: How long will the label installation take?

A14: Installing the label may take less than five minutes.

Customer Satisfaction Campaign
Warranty Claim Preparation Procedures
for 2007 Lexus ES350 All Weather Floor Mats

In accordance with the following coverage and procedures, the costs will be reimbursed by means of TWC.

1. Labor Costs:

These costs will be reimbursed for corrected vehicles at the following rate:

<u>Op. No.</u>	<u>Operation</u>	<u>Flat Rate Time</u>
7619D1	Affix Caution Label by dealership based on customer requests.	0.2 hr/vehicle

Notes : The flat rate time for Op. No. 7619D1 includes 0.1 hour of administrative cost per unit for the dealership.

2. Administrative Cost for Distributor:

Administrative cost for distributor in bulk will be reimbursed under the sublet cost column for corrected vehicles.

<u>Op. No.</u>	<u>Operation</u>	<u>Flat Rate Time</u>
7619D9	Administrative cost in sending Owner Letter together with Caution Label to the Owners by the distributor.	0.2 hr/vehicle

Note: Enter calculation formula [number of vehicles x hourly labor rate x administrative cost (0.2 hour) = claim amount] in the comment column to show its amount.

3. Caution Label printing fee:

The costs in bulk will be reimbursed under the sublet column.

<u>Op. No.</u>	<u>Reimbursable Amount</u>
7619D6	Actual expenses incurred

4. Registration Information Fee:

Should you obtain any information of owner addresses for vehicles within the affected frame number range from certain authorities and the like, registration information fees in bulk will be reimbursed under the sublet cost column at one time.

<u>Op. No.</u>	<u>Reimbursable Amount</u>
7619D7	Actual expenses incurred

5. Owner's Letter Preparation Fee and Postage Fee:

The postage fee including caution label, printing and miscellaneous expenses in bulk will be reimbursed under the sublet column.

<u>Op. No.</u>	<u>Reimbursable Amount</u>
7619D8	Actual expenses incurred

6. When processing TWCs, please note;

- a) Any invoices for all the items are not necessary to attach to TWCs. However, please file them at your end and submit them if so required by TMC.
- b) For distributors who use computer readable media, assign the Type & Classification Code 31 to the TWC.
- c) If the claim amount for one TWC exceeds US\$50,000.00 or equivalent to US\$50,000.00, please divide and limit the amount for one TWC to US\$50,000.00 or equivalent to US\$50,000.00 or less. In this case, allocate the different TWC number to each claim.