~~Kirk Forsht/Toyota Motor Sales~~
~~Quality Compliance~~
~~08/16/2007~~
~~Approved By: Dave Zellers~~

To: All Lexus Dealers
From: Lexus Customer Services

NHTSA Engineering Analysis Investigation
2007 Lexus ES 350
All Weather Floor Mat Accessory
********URGENT********

The National Highway Traffic Safety Administration ("NHTSA") opened an investigation called a Preliminary Evaluation on certain 2007 model year Lexus ES 350 vehicles in March, 2007. In the Preliminary Evaluation, NHTSA was concerned that 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, possibly interfering with the accelerator pedal. Based upon the information provided by Lexus during the Preliminary Evaluation, additional consumer complaints received by NHTSA and to further investigate the allegations, the agency has decided to move the investigation to the Engineering Analysis stage. This is not a recall and Lexus is cooperating fully with the agency.

- **All customer inquires should be directed to the Lexus Customer Experience Center at 1-800-255-3987.**
- If you are a dealership associate and have any questions, please contact your Area Office.
- For ***News media inquiries only***, they should be directed to Greg Thome (310) 468-3279 in Lexus Corporate Communications. (Please do not provide these numbers to customers or call if you are a dealer associate.)

The following Q&A has been provided for your reference.

Q1: When did NHTSA begin its investigation of the reported cases?
A1: NHTSA opened the Preliminary Evaluation on March 29, 2007. Based upon the information provided by Lexus during the Preliminary Evaluation, additional consumer complaints received by NHTSA and to further investigate the allegations, the agency has decided to move the investigation to the Engineering Analysis stage. Lexus has not yet received the Engineering Analysis inquiry letter from NHTSA.

Q2: What prompted NHTSA to investigate these issues?
A2: When NHTSA opened the Preliminary Evaluation, NHTSA had received five consumer complaints where the All Weather Floor Mat may have interfered with the accelerator pedal operation. Based upon consumer interviews, the agency believes that the accessory Lexus All Weather Floor Mat, if not properly installed, may interfere with the accelerator pedal on certain 2007 model year Lexus ES 350 vehicles. Based upon the information provided by Lexus during the Preliminary Evaluation stage, additional consumer complaints received by NHTSA and to further investigate the allegations, the agency has decided to move the investigation to the Engineering Analysis stage.

Q3: What seems to be the source of the problem?
A3: Both Lexus and NHTSA are in the midst of the investigation. It is premature to comment on the cause until the investigation is completed.

Q3a: NHTSA's Preliminary Evaluation Opening Resume indicates the caution statement on the Lexus All Weather Floor Mat may not be discernable to consumers. What is the Lexus All Weather Floor Mat and its relationship to this investigation?
A3a: 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. In some cases, NHTSA found the All Weather Floor Mat installed on top of the existing Lexus Carpeted Floor Mat in the driver's seating position. In these cases, the retaining hooks on the floor would not be long enough to hold both the Lexus Carpeted and All Weather Floor Mats in place.

In terms of the relation to this Engineering Analysis, Lexus is in the midst of its own investigation. It is premature to comment further until the investigation is completed.

Q3b: What does the caution statement on the Lexus All Weather Floor Mat state?
A3b: The caution on the front Driver's and Passenger's Lexus All Weather Floor Mat states "DO NOT PLACE ON TOP OF EXISITING FLOOR MATS".

Q4: Are these five complaints the only vehicles you are aware of that have experienced this problem?
A4: In addition to the five complaints initially reported by NHTSA when NHTSA opened the Preliminary Evaluation, Lexus reported 34 additional allegations that may be related to the investigation during the Preliminary Evaluation stage. Since opening the Preliminary Evaluation, NHTSA has received an additional 12 consumer complaints that may be related to this allegation, for a total of 17 complaints.

Q5: Did Lexus conduct a recall?
A5: No, Lexus did not conduct a recall. An Engineering Analysis is an investigation to determine if a recall is warranted. However, in late April, 2007, Lexus mailed a letter to all 2007 Model Year ES 350 owners providing them with a reminder to not use more than one floor mat at a time in the driver's seating position, confirm the floor mat is properly placed and does not slip forward to interfere with the movement of the pedals, and assure the floor mats are properly secured utilizing the retaining hooks as indicated in the owner's manual. To stress this for future owners as well, a bright orange caution label was provided with the owner communication requesting owners to install the label on a specified semi-smooth location on the underside of the Lexus ES350 AWFM. Owners were also informed that should they require assistance in verifying their floor mat installation condition or applying the caution label, dealership associates would be made available to aid them.

Q5a: If Lexus conducted an owner notification program, isn't that a recall? If so, why is NHTSA upgrading the investigation to an Engineering Analysis?
A5a: Although Lexus believes that the ES 350 All Weather Floor Mat does not contain a defect, to address NHTSA's potential concerns, Lexus mailed the owner letters in April, 2007. However, since we do not believe a defect exists, Lexus did not file a Defect Information Report ("DIR") with NHTSA.

Q6: What if customers have questions or safety concerns regarding this issue, should they go to their dealer?
A6: We remain confident in the safety of the Lexus All Weather Floor Mats and our vehicles, but if customers have any concerns at all they should feel free to contact our Lexus Customer Experience Center at 1-800-255-3987.

Q7: Have there been any cases of deaths or injuries?
A7: There are no reported deaths among the 17 consumer allegations received by NHTSA. However, there were allegations of five crashes among the 17 complaints where 10 injuries were reported to NHTSA.

Q8: How many ES 350 vehicles has Lexus sold that are being investigated?
A8: There were approximately 123,000 model year 2007 ES 350 vehicles manufactured for sale in the United States.

> **Q8a: Did Lexus incorporate any changes or improvements to the Lexus All Weather Floor Mats to improve this condition?**
> A8a: Although Lexus believes that the ES 350 All Weather Floor Mat does not contain a defect, to address NHTSA's potential concerns, some enhancements were incorporated into the caution statements both on the All Weather Floor Mat and the packaging.
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> **Q8b: How many ES 350 All Weather Floor Mats has Lexus sold that are being investigated?**
> A8b: There were approximately 24,000 Lexus All Weather Floor Mats sold for the 2007 model year ES 350 vehicles prior to the enhancements.

Q9: Didn't NHTSA open several other Defect Investigations regarding the Camry and ES for unintended throttle application or engine surging? Is this new case related to those past investigations?
A9: The one previous formal investigation (Preliminary Evaluation) concerned 2002 – 2003 model year Camry, Camry Solara and ES 300 vehicles. NHTSA opened a Preliminary Evaluation on March 3, 2004 to investigate 12 consumer complaints alleging that the throttle system did not properly control engine speed on 2002 through 2003 model year Toyota Camry, Solara and ES 300 vehicles. NHTSA closed the Preliminary Evaluation on July 22, 2004 because there was no defect trend indicating that an Electronic Throttle Control failure occurred and NHTSA found nothing abnormal in the control pedal configuration of the subject vehicles.

Q10: According to the NHTSA website, there seems to be two other investigations. Doesn't that make three investigations?
A10: NHTSA opened two Defect Petitions in 2005 and 2006. A Defect Petition is the process in which a private citizen or organization can petition the agency to open a Preliminary Evaluation. The Defect Petition process allows the agency to consider the merit of the case and determine whether a formalized Defect Investigation (Preliminary Evaluation) needs to be opened or not. In both the 2005 and 2006 calendar year cases, NHTSA closed the Defect Petition without opening a Preliminary Evaluation.