CONFIDENTIAL DRAFT

TOYOTA CAUTIONS OF POTENTIAL ACCELERATOR PEDAL INTERFERENCE BY OPTIONAL ALL WEATHER FLOOR MATS ON CERTAIN LEXUS ES 350, IS 250/350, TOYOTA AVALON, CAMRY AND PRIUS VEHICLES

TORRANCE, Calif., September __, 2007 - Toyota Motor Sales (TMS), U.S.A., Inc., is providing vehicle drivers with information regarding the optional Toyota and Lexus All Weather Floor Mat (floor mat constructed from heavy duty rubber). If the mat is not properly secured by the retaining clips in the driver's seating position and the mats move forward, they may wedge the accelerator pedal on the top surface of the All Weather Floor Mat.

Toyota and Lexus are providing the information regarding the optional All Weather Floor Mats specific to the following Toyota and Lexus vehicles:

- Certain 2007 model year ES 350, ____ vehicles
- Certain 2006 – 2007 model year IS 250, IS 250 AWD and IS 350 ____ vehicles
- Certain 2005 – 2007 model year Avalon ____ vehicles
- Certain 2004 – 2007 model year Prius vehicles ____ vehicles

Toyota and Lexus will mail an owner notification in late September to notify owners of this concern as well as steps owners can take if the All Weather Floor Mat interferes with the accelerator pedal. This will include information instructions to pull the mat away from the pedal and in the worst case, depressing the "START" button for more than three seconds to turn off the engine. However, turning off the engine will decrease power brake assist as well as eliminate power steering assist. Toyota and Lexus are providing this important information as we work with the National Highway Traffic Safety Administration ("NHTSA") to further examine several consumer complaints which have resulted in a NHTSA investigation called an Engineering Analysis on the 2007 model year ES 350 vehicles. Once the investigation is completed, Toyota and Lexus will take the appropriate action to assure complete customer satisfaction.

For further information about floor mat and accelerator pedal interference in general, visit Transport Canada's website at:
http://www.tc.gc.ca/roadsafety/tp/tp14665/v200701/menu.htm

Customers with questions or concerns should contact the Toyota Customer Experience Center at 1-800-331-4331.

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Background

Earlier this year, the National Highway Traffic Safety Administration ("NHTSA") opened an investigation called a Preliminary Evaluation on certain 2007 model year Lexus ES 350 vehicles. In the Preliminary Evaluation, NHTSA was concerned that if the Lexus All Weather Floor Mat (floor mat constructed from heavy duty rubber) is placed on top of the existing Lexus Carpeted Floor Mats in the driver's position, the All Weather Floor Mats would not be secured by the retaining hooks (clips) and if they are moved forward, the mats may possibly wedge the accelerator pedal on the top surface of the All Weather Floor Mat. In August, 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 is currently cooperating fully with the agency to investigate these allegations.

We at Lexus care greatly about our customers and are continuing to take proactive steps to keep them informed of the investigation. During the initial stages of our investigation, we became aware that if the Lexus All Weather Floor Mat is placed on top of the existing Lexus Carpeted Floor Mats in the driver's position, the All Weather Floor Mats would not be secured by the retaining hooks (clips) and if they are moved forward, the mats may interfere with the accelerator pedal. In late April, 2007, Lexus proactively began mailing owner notifications to ES 350 owners making them aware of this condition and providing a caution label to be installed on the back of the Lexus All Weather Floor Mat. Lexus dealerships were made available to both inspect and if necessary correct the installation condition of the floor mats, as well as to assist owners in the installation of the caution label. To minimize customer inconvenience, Lexus also provided owners with an information sheet so owners did not have to take time out of their busy schedule.

Lexus is continuing to fully cooperate with NHTSA in its efforts to investigate the allegations, but have been made aware of an unusual condition which may wedge the accelerator pedal on the top surface of the All Weather Floor Mat. To make sure that our customers are made aware of this condition, Toyota and Lexus will mail an owner notification in late September to notify owners of this concern as well as steps owners can take if the All Weather Floor Mat interferes with the accelerator pedal. This will include information instructions to pull the mat away from the pedal and in the worst case, depressing the "START" button for more than three seconds to turn off the engine. However, turning off the engine will decrease power brake assist as well as eliminate power steering assist.

Toyota and Lexus All Weather Floor Mat Equipped on Avalon, Camry, Prius, Lexus ES 350, IS 250, IS 250 AWD and IS 350 Q&A

Q1: What is the condition?

A1: Toyota and Lexus are providing vehicle drivers with information involving the optional Toyota and Lexus optional All Weather Floor Mat (floor mat constructed from heavy duty rubber). If the mat is not properly secured by the retaining clips in the driver's seating position and if they are moved forward, the mats may wedge the accelerator pedal on the top surface of the All Weather Floor Mat.

Q2: What is the Toyota/Lexus All Weather Floor Mat?

A2: ***As an option***, consumers may purchase the genuine Toyota or Lexus All Weather Floor Mats (floor mats constructed from heavy duty rubber) specific to their model. Either the 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. The vehicles are designed to accommodate only one floor mat at a time.

Q3: What is the cause of this condition?

A3: If the mat is not properly secured by the retaining clips in the driver's seating position and if they are moved forward, the mats may wedge the accelerator pedal on the top surface of the All Weather Floor Mat. The vehicles are designed to accommodate only one floor mat at a time.

Q4: Can customers confirm themselves if this condition exists?

A4: Yes. They may inspect their vehicle to confirm only one floor mat is installed in the vehicle and is properly placed on the vehicle's carpet. The floor mat (either carpet or All Weather Floor Mat) must be secured using the retaining hooks (clips) provided on the floor. If the floor mat moves forward, it may wedge the accelerator pedal on the top surface of the All Weather Floor Mat.

If the customer prefers, their local Toyota or 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: This caution involves the Toyota or Lexus optional All Weather Floor Mats equipped in the following vehicles:

- Certain 2007 model year ES 350, _____ vehicles
- Certain 2006 – 2007 model year IS 250, IS 250 AWD and IS 350 _____ vehicles
- Certain 2005 – 2007 model year Avalon _____ vehicles
- Certain 2004 – 2007 model year Prius vehicles _____ vehicles

Q6: Recently, the National Highway Traffic Safety Administration (NHTSA) upgraded an investigation to an Engineering Analysis, on certain 2007 model year Lexus ES 350 vehicles. Is this owner notification program related to the investigation?

A6: Lexus is currently cooperating fully with the agency in its efforts to investigate the allegations. 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.

The ES 350 driver's seating position is designed to accommodate only one floor mat at a time. However according to the NHTSA, in many of these cases, it was found 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. In other cases, a single Lexus All Weather Floor Mat was found not to be secured utilizing the retaining hooks. We at Lexus care greatly about our customers and are taking proactive steps to inform them of these findings as well as proactive precautions we can all make.

Q7: If the investigation is not completed, why is Toyota and Lexus notifying owners of Avalon, Camry, Prius and Lexus ES 350, IS 250, IS 250 AWD, IS 350 vehicles?

A7: During our investigation, it was discovered that if the Toyota or Lexus All Weather Floor Mat in the driver's seating position of these vehicles are not secured by the retaining clips and if they are moved forward, the mats may wedge the accelerator pedal on the top surface of the All Weather Floor Mat.

Q8: Why doesn't Toyota and Lexus simply recall the genuine All Weather Floor Mats?

A8: The Lexus investigation is not complete. We want to be absolutely sure of the primary cause prior to conducting any action. We are also concerned that if we request customers to return the floor mats without offering an improved one, consumers may purchase aftermarket rubber floor mats which may not be designed specifically for their vehicle or include the proper retaining hook holes.

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

A9: According to NHTSA, there have been __ 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 __ 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 __ 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: Toyota and Lexus will mail an owner notification in late September to notify owners of the concerns as well as steps owners can take if the All Weather Floor Mat interferes with the accelerator pedal including depressing the "START" button for more than three seconds to turn off the engine. However, turning off the engine will gradually decrease power brake assist as well as power steering assist.

Q14: What if customers have questions or safety concerns regarding this issue, should they go to their dealer?

A14: 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.