Regulatory Activity/Legal

2007 MY ES 350 All Weather Floor Mat *(Engineering Analysis)*

- TMA-DC and TMC (Yokoyama-san, JCQE General Manager and M. Kato, JCQE) will meet with NHTSA on Thursday, Sept. 13th.
- In preparation for the meeting, TMC, TMA and TMS have been working feverishly to collect as much data as possible regarding Toyota/Lexus floor mats and vehicles, as well as trying to get information on peer vehicles.
- Compliance purchased OEM all weather type floor mats and rented a 2007 Ford Mustang and 2008 Mercury Grand Marque. (Both of these vehicles had some consumer complaints into NHTSA.) This was to determine if the mats can wedge the accelerator pedal similar to our ES 350 All Weather Floor Mat. Although there are differences in the distances between the floor mat and accelerator pedal, ignition system (the Mustang and Grand Marquis are key ignition), Compliance was able to replicate the floor mat wedging the accelerator in the wide open throttle position. However, in the Mustang that we test drove, we were able to turn off the engine with the key.
- Compliance also ordered several aftermarket all weather type floor mats and initially believed that it would not impact the accelerator pedal. However, Corporate Accessories (CAD) was able to show us how easy it is to wedge the accelerator pedal with any floor mat in any vehicle.
- CAD and Compliance worked together to collect as many measurements and photos as possible and CAD sent them to TMC today (09/07/07). CAD confirmed (as they had been stating) that the Prius is more difficult for the All Weather Floor Mat to wedge the accelerator pedal due to the design of the foot rest on the left-hand side.
- TMC also provided TMS with a DRAFT copy of the most recent meeting plan this morning (sent to you under separate cover):
  - Press release by Toyota to inform customers on the proper installation and usage of the mat and warn them of the possible risks if they are not secured.
  - Send a dealer letter to all dealers to instruct them on the proper installation of the mat if they install the mat during PDS. (TMS note: PDS instructions, in the form of a TSB, for mat installation are currently being routed already)
  - Send an owner letter to the customers of the *other* subject vehicles (TMC included ES 350 at the Wednesday morning telecom) that NHTSA has expressed concern regarding the proper installation and usage of the mat and warn them of the possible risks if they are not secured.
  - Present NHTSA with our investigation plan and promise to have another meeting with them to provide the results of our investigation.
- Compliance has also developed a DRAFT Press Release based upon the information about floor mats we have learned from the TMS investigation. We are currently seeking TMC's ***initial*** opinion before routing it internally at TMS.
- There were no new ES 350 AWFM stories this week (09/07/07).

No new information on the following NHTSA Investigation (09/07/07):

- 2004 through 2006 MY Sienna Rear Hatch Strut *(Engineering Analysis)*

Special Service Campaign/Limited Service Campaign/Customer Support Programs

SSC (Safety Recall) 70B – Front Suspension Lower Ball Joints Safety Recall

- TMS continues to experience a national back order on the Ball Joints. The national (TMS and PD) back order quantities are currently at 79 (as of 09/07/07). The back order quantities decreased by 381 ball joint sets compared to last Friday (08/31/07).
- To-date, TMS has received approximately 353,259 (67.3% of TMS UIO) parts from TMC.
  - 7,776 parts are in-transit from NAPO-Ontario to the PDCs.
  - An additional 17,056 parts are in-transit from TMC or have just arrived at NAPO-Ontario.
  - 303,042 completion claims have been received. This represents an approximate 57.7% completion rate.

Pre-Delivery Correction (Port Modification) Activity

- No new port modifications this week.

Quality Compliance [AD]