CLEXUS

July 5, 2017

Subject: Safety Recall HLC - *Remedy Notice* 2017 Model Year ES 350 Tie Rod Lock Nut Torque

On June 29, 2017, Lexus will file 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 2017 model year ES 350 vehicles.

<u>Condition</u>

The right-hand side tie rod assembly in the involved vehicles may not have been installed properly. In some cases, over time, the driver may experience noise, the vehicle can drift to the left or right while driving, or the vehicle can experience a loss of steering control. This can increase the risk of a crash.

<u>Remedy</u>

For all involved vehicles, Lexus dealers will confirm that the right-hand side tie rod lock nut is properly tightened. If the lock nut is loose, the dealer will replace the lock nut, the steering gear assembly, and the tie rod assembly with new ones at no cost to customers

Covered Vehicles

There are approximately 1,760 vehicles covered by this Safety Recall.

Model Name	Model Year	Production Period
ES 350	2017	Early December 2016 - Early March 2017

Note: Not all vehicles within Production Period are affected.

Owner Letter Mailing Date

Lexus will begin to notify owners in mid July 2017. A sample of the owner notification letter has been included for your reference.

Lexus makes significant effort to obtain current customer name and address information from each state through industry resources 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.

Please note that only owners of the covered vehicles will be notified. If you are contacted by an owner who has not yet received a notification, please *verify eligibility by confirming through TIS prior to performing repairs*. Dealers should perform the repair as outlined in the Technical Instructions found on TIS.

New Vehicles in Dealership Inventory

There are approximately 660 vehicles in new dealer inventory as of June 28, 2017.

Under Title 49, Section 30112 of the United States Code, a dealer cannot sell, offer for sale, or introduce or deliver for introduction in interstate commerce a new motor vehicle when it is aware that the vehicle does not comply with an applicable Federal Motor Vehicle Safety Standard or contains a defect related to motor vehicle safety. In addition, 49 Code of Federal Regulations §577.13 requires us to provide the following advisory: It is a violation of Federal law for a dealer to deliver a new motor vehicle or any new or used item of motor vehicle equipment (including a tire) covered by this notification under a sale or lease until the defect or noncompliance is remedied.

Vehicle Safety Recall completion should always be verified through TIS. We request your assistance to ensure involved vehicles are identified and not delivered prior to performing the remedy.

Inspection Reminder Mirror Hang Tags for Covered Vehicles in New Dealer Stock

To easily recognize vehicles involved in this Safety Recall, each dealership should utilize Inspection Reminder Hang Tags. Inside the vehicle's glove box are stickers containing the VIN. Apply one of these stickers to the hang tag and install the hang tag in the vehicle. A sample copy of the Inspection Reminder Hang Tag has been included for your reference.



NOTE: Dealerships can order hang tags from the Material Distribution Center (MDC).

Part Number	Description	Quantity
00241-INSPT	Inspection Mirror Hang Tag	25 Per Pack

Pre-Owned Vehicles in Dealer Inventory

Lexus requests that dealers do not deliver any pre-owned vehicles in dealer inventory that are covered by a Safety Recall unless the defect has been remedied.

Lexus Certified Pre-Owned Vehicle (L-Certified)

L-Certified policy prohibits the certification of any vehicle with an outstanding Safety Recall, Special Service Campaign, or Limited Service Campaign. Thus, no affected units are to be designated, sold, or delivered as an L-Certified vehicle until all applicable Safety Recalls, Special Service Campaigns, and Limited Service Campaigns have been completed on that vehicle.

LCCS Service Loaner Vehicles

Lexus requests that dealers remove all service loaner vehicles from service that are covered by a Safety Recall unless the defect has been remedied.

Technician Training Requirements

The repair quality of covered vehicles is extremely important to Lexus. All dealership technicians performing this repair are required to successfully complete the most current version of the E-Learning course "Safety Recall and Service Campaign Essentials". To ensure that all vehicles have the repair performed correctly; technicians performing this repair are required to currently hold at least one of the following certification levels:

- Lexus Senior Certified Technician & Completion of L453 Steering and Suspension Class
- Master Certified

Always check which technicians can perform the recall remedy by logging on to <u>https://www.uotdealerreports.com</u>. It is the dealership's responsibility to select technicians with the above certification level or greater to perform this 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.

Remedy Procedures

Refer to TIS for Technical Instructions on this repair. Conduct all non-completed Safety Recalls and Service Campaigns on the vehicle during the time of appointment.

Repair Quality Confirmation

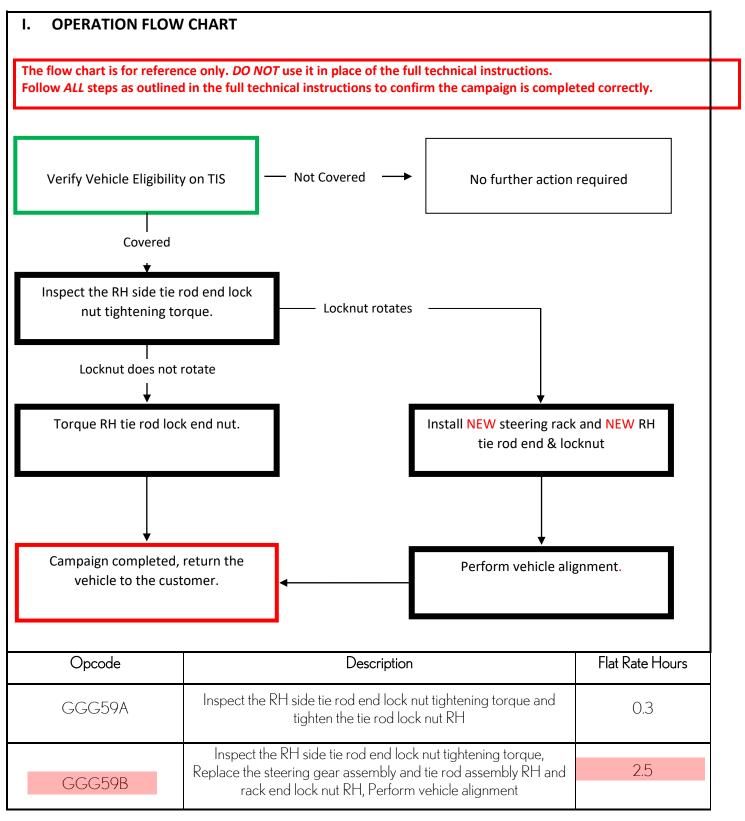
The repair quality of covered vehicles is extremely important to Lexus. To help ensure that all vehicles have the repair performed correctly, please designate at least one associate (someone other than the individual who performed the repair) to verify the repair quality of every vehicle prior to customer delivery.

Parts Ordering Process

Due to potentially limited availability, the parts may have been placed on either Manual Allocation Control (MAC) or Dealer Ordering Solutions (DOS). As the parts inventory changes, the ordering process may change. Please check the Lexus Special Activities MAC/DOS report on Dealer Daily for the most up-to-date parts ordering information.

Part Number	Description	Quantity
45510-33050	Steering Gear Assembly	1
45460-80005	Tie Rod Assy., RH	1
90178-15003	Rack End Lock Nut	1
95381-03025	Cotter Pin	1
90080-11555	Steering Shaft Bolt	1

Warranty Reimbursement Procedure



[•] The flat rate times include 0.1 hours for administrative cost per unit for the dealership.

Claim Filing Accuracy and Correction Requests

It is the dealer's responsibility to file claims correctly for this Safety Recall. This claim filing information is used by Lexus for various government reporting activities; therefore, claim filing accuracy is crucial. If it has been identified that a claim has been filed using an incorrect opcode or a claim has been filed for an incorrect VIN, refer to Warranty Procedure Bulletin PRO17-03 to correct the claim.

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 Victor Vanov (469) 292-1318 in Toyota Corporate Communications. Please do not provide this number to customers. Please provide this contact only to media.

Customer Contacts

Customers who receive the owner letter may contact your dealership with questions regarding the letter and/or the Safety Recall. Please welcome them to your dealership and answer any questions that they may have. A Q&A is provided to assure a consistent message is communicated.

If owners have additional questions or concerns, they may contact the Lexus Customer Assistance Center (1-800-255-3987) - Monday through Friday, 8:00 am to 9:00 pm, Saturday 9:00 am to 6:00 pm Eastern Time.

Please review this entire package with your Service and Parts staff to familiarize them with the proper step-by-step procedures required to implement this Safety Recall.

Lexus, a Division of Toyota Motor Sales, USA, Inc.

Attachment

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