



Retention and Satisfaction - Fixed Operations
Published May 4, 2016
Approved By: Chuck Yaeger

Lexus, A Division of Toyota Motor Sales, USA
19001 South Western Avenue
Torrance, CA 90501
(310) 468-4000

To: All Lexus Dealers
From: Lexus Fixed Operations

Takata Inflator Recall Expansion Announced by the National Highway Traffic Safety Administration (NHTSA)

On May 4, 2016, the National Highway Traffic Safety Administration (NHTSA) announced an expansion of the Takata Inflator Recalls. This announcement explains that Takata will, over time, recall additional specific front airbag inflators manufactured with non-desiccated, phase-stabilized ammonium nitrate (PSAN) propellant.

This expansion impacts Lexus and all other involved automotive manufacturers. At this time Lexus is working with NHTSA and Takata to fully understand the details of the expansion and how it affects Lexus vehicles and customers.

Key Points:

- Affected vehicle populations have not been specified at this time.
- Preliminary indications are that **NO** front Driver airbags in Lexus vehicles are affected--only front Passenger airbags.
- NHTSA has explained that this expansion is based on independent research concluding that, over time, long-term exposure to heat and humidity creates an unreasonable risk of inflator rupture during airbag deployment.
- NHTSA and Takata are prioritizing future recalls based on when inflators are likely to pose an unreasonable risk to safety, considering time, temperature, and environmental moisture.
- Customers can sign up for NHTSA's Recall Alerts at <http://www-odi.nhtsa.dot.gov/subscriptions/> to be notified if their vehicle is recalled. Note that vehicles affected by this expansion are still being identified and therefore not yet listed on NHTSA's website.
- Applicable VINs are not yet loaded in TIS or www.toyota.com/recall. VINs will be loaded to Lexus' systems as recalls are filed.

NHTSA has published a fact sheet that contains additional details. The fact sheet is attached to this document. Additional information can be found in the NHTSA press release located on www.safercar.gov.

This introductory announcement is being provided to inform you and your staff of this situation. Additional information will be provided as soon as it becomes available.

Thank you for your cooperation.

LEXUS, A DIVISION OF TOYOTA MOTOR SALES, U.S.A., INC.

Fact Sheet: May 2016 Takata Recall Expansion

FINDINGS

- NHTSA determined the root cause of defective Takata-made air bag inflators based on investigations by three independent research organizations. The findings were verified by NHTSA's independent expert.
- All investigations and NHTSA's independent expert concluded that even in the absence of manufacturing defects, the ammonium nitrate propellant in non-desiccated frontal Takata air bag inflators degrades over time, after long-term exposure to environmental moisture and fluctuating high temperatures.
- The exposure time and rate at which the propellant degrades is accelerated in warmer climates with high absolute humidity.
- When the propellant degrades substantially or was not properly manufactured, the inflators can become over-pressurized and rupture during air bag deployment. Such ruptures have resulted in 10 deaths and more than 100 serious injuries to vehicle occupants.
- With the exception of certain inflators built with manufacturing defects, NHTSA has concluded that the non-desiccated frontal Takata air bag inflators do not pose an unreasonable risk to safety until they reach a certain level of propellant degradation. This degradation is a function of time, temperature and environmental moisture.
- NHTSA has further concluded that at some point in the future, all non-desiccated frontal Takata PSAN inflators will need to be replaced before they have reached a certain level of propellant degradation that creates a risk of inflator rupture.

DEFECT INFORMATION REPORT SCHEDULE

- Under the Amended Consent Order, Takata will file Defect Information Reports covering all non-desiccated frontal Takata PSAN inflators by Dec. 31, 2019.
- Takata will submit DIRs on a rolling basis prioritized by risk as set forth in the schedule in the Amended Consent Order.
- The Amended Consent Order schedule addresses the most at risk vehicles first and is divided into three geographic zones based on temperature fluctuations and humidity and the exposure time required under those environmental conditions to degrade the propellant to the point where it poses an unreasonable risk to safety.
 - Zone A covers states with high temperature cycling and humidity. Time until unsafe propellant degradation may occur is projected at between six and nine years.
 - Zone B includes states that have moderate temperature cycling and humidity. Time until unsafe propellant degradation may occur is projected at between 10 and 15 years.

- Zone C includes states with lower temperature cycling and humidity. Time until unsafe propellant degradation may occur is projected at between 15 and 20 years.
- NHTSA may alter the schedule at any time to protect the public from an unreasonable risk to safety.

FURTHER TESTING AND EVALUATION OF AMMONIUM NITRATE INFLATORS

- In the Amended Consent Order, NHTSA has ordered Takata to shift the focus of its testing to PSAN inflators with desiccant now that the root cause of the rupturing frontal non-desiccated PSAN inflators has been established.
- Takata must continue its testing of non-desiccated PSAN side inflators.
- Takata is required to provide a testing plan for desiccated PSAN inflators to agency no later than 60 days from the date of the Amended Consent Order.
- Takata must demonstrate to NHTSA's satisfaction that its desiccated PSAN inflators are safe by Dec. 31, 2019, or else Takata will be required to recall those inflators as well.
- NHTSA may order additional recalls based on future field ruptures, test data or other credible evidence.

NHTSA Document 2016
Published May 4