



February 11, 2013

To: All Lexus Dealer Principals

Subject: UPDATE REGARDING CUSTOMER NOTIFICATION OF SETTLEMENT AGREEMENT IN ECONOMIC LOSS LITIGATION RELATED TO PAST RECALLS

In December 2012, Toyota announced that it had entered into an agreement to resolve certain economic loss class action litigation in the U.S. This update offers additional information to help you and your staff answer inquiries from customers and dealership associates.

Background

As announced at the end of last year, Toyota has entered into a proposed settlement to resolve certain class action litigation filed against the company in the wake of the 2009/2010 recalls. On February 11, 2013, the next phase of the settlement process will begin. During this phase, the court-appointed Administrator will mail notifications to certain current and former customers alerting them to the settlement. Approximately 20 million notices will be mailed by March 29, 2013.

In addition, beginning in March notice of the settlement will run in select U.S. publications and banner ads will be posted on the internet in order to alert consumers to the settlement. The broad reach of the notification process could generate inquiries from customers, who may contact Lexus dealers for more information.

The text of the mailed and published notices is available on the settlement website, www.ToyotaELsettlement.com.

The Court has instructed that all inquiries regarding the settlement should be directed to a court-appointed administrator, Gilardi & Company. For more information, customers can visit the settlement website or call 877-283-0507. A copy of the proposed settlement agreement is also available on the website; it includes a list of affected vehicles, a description of the settlement and estimated dates and deadlines.

Please note that the Court must grant final approval of the settlement before eligible participants are determined and any benefits are made available. Because the settlement is contingent on Court approval, we will provide you with further updates and additional information if the settlement is approved. You can also check the settlement website for status updates.

The attached FAQ is included to help you respond to any questions that you may receive from customers, as well as to address any additional questions that you or your staff may have.

Owner Notification

The Court has instructed that all inquiries regarding the settlement should be directed to a court-appointed administrator, Gilardi & Company. Customers with questions about the settlement should be directed to the settlement website, www.ToyotaELsettlement.com, or asked to call 877-283-0507.

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Please review all of the attached materials with the appropriate associates so that they may provide the necessary support to maximize our combined customer satisfaction efforts.

Thank you for your cooperation,

Lexus Service and Parts Operations Department

Enclosures:

FAQ for Customers and Dealers

CC: Service Managers
Parts Managers
General Managers
Customer Relations Managers

FREQUENTLY ASKED QUESTIONS

As announced at the end of last year, Toyota has entered into a proposed settlement to resolve certain class action litigation filed against the company in the wake of the 2009/2010 recalls, which claimed that Toyota/Lexus/Scion vehicles had lost value because of the Company's actions, the negative publicity surrounding the recalls, and an alleged defect in Toyota's electronic throttle control systems (ETCS) that could cause acceleration unintended by the driver.

Though reliable scientific evidence and multiple independent evaluations have confirmed the safety of Toyota's electronic throttle control systems, the company has concluded that turning the page on this legacy legal issue is in the best interests of the company and its employees, dealers and customers.

In keeping with its core principles, Toyota has structured this agreement in ways that work to put customers first and demonstrate that they can count on the company to stand behind its vehicles.

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The following FAQ includes answers to address likely questions among both customers and dealers.

FOR CUSTOMERS

1. Why am I receiving this notification? / Why am I seeing advertisements for this settlement agreement?
 - At this stage of the settlement process, the Court requires that class members be notified of the agreement by mail and/or by the publication of notice in various print and online media to help make those potentially eligible to participate in the settlement aware of how they can receive more information.

2. How do I know if my vehicle is involved in this settlement?

- The Court has instructed that all inquiries regarding the settlement should be directed to a court-appointed administrator, Gilardi & Company. For more information, you can visit the settlement website, at www.ToyotaELsettlement.com, or call 877-283-0507.
- A copy of the proposed settlement agreement is available on the website; it includes a list of affected vehicles, a description of the settlement and estimated dates and deadlines.
- Please note that the Court must grant final approval of the settlement and any appeals must be resolved in favor of the settlement before eligible participants are determined and any benefits are made available.

3. Am I eligible for a cash payment?

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4. If I am eligible, when will I be notified about how to collect?

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- Please note that the Court must grant final approval of the settlement and any appeals must be resolved in favor of the settlement before eligible participants are determined and any benefits are made available.

5. Am I eligible to get Brake Override?

- The Court has instructed that all inquiries regarding the settlement should be directed to a court-appointed administrator, Gilardi & Company. For more information, you can visit the settlement website, at www.ToyotaELsettlement.com, or call 877-283-0507. A copy of the proposed settlement agreement is available on the website; it includes a list of affected vehicles, a description of the settlement and estimated dates and deadlines.
- Please note that the Court must grant final approval of the settlement and any appeals must be resolved in favor of the settlement before eligible participants are determined and any benefits are made available.

6. If I am eligible, when will I be told to bring my vehicle in for retrofitting?

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7. What should I do if I received a notice but no longer own the vehicle/have never owned the vehicle?

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8. Why aren't you giving brake override systems to everyone?

- Lexus vehicles are safe, with or without brake override.
- We have agreed to add BOS to non-hybrid vehicles subject to the floor mat recall in order to give customers an added measure of confidence in the safety of their vehicles.

9. Are vehicles that will not get brake override unsafe?

- No. Lexus vehicles are safe, with or without brake override.

10. Does this settlement mean that there is a defect in Toyota vehicles?

- Absolutely not. This agreement relates strictly to economic claims, not to product safety.
- We believe that this agreement demonstrates that Toyota stands behind the quality and safety of its products and is committed to providing value to its customers.
- Reliable scientific evidence - including the comprehensive NHTSA-NASA studies as well as other independent evaluations - confirms that Toyota's electronic throttle control system is safe.

11. When does the customer support program start?

- The Court has instructed that all inquiries regarding the settlement should be directed to a court-appointed administrator, Gilardi & Company. For more information, you can visit the settlement website, at www.ToyotaELsettlement.com, or call 877-283-0507. A copy of the proposed settlement agreement is available on the website; it includes a list of affected vehicles, a description of the settlement and estimated dates and deadlines.
- Please note that the Court must grant final approval of the settlement and any appeals must be resolved in favor of the settlement before eligible participants are determined and any benefits are made available.

12. Do I give up anything under the settlement?

- The Court has instructed that all inquiries regarding the settlement should be directed to a court-appointed administrator, Gilardi & Company. For more information, you can visit the settlement website, at www.ToyotaELsettlement.com, or call 877-283-0507.

13. What do I do if I experience a problem with my vehicle?

- As always, if you have any concerns with your vehicle, please take it to your local Lexus dealer.

14. What is a brake override system?

- A brake override system will cut engine power under certain circumstances when the vehicle detects that both the accelerator pedal and the brake pedal are being depressed at the same time, helping bring the vehicle to a stop.
- For more information, please visit Lexus.com, under Smart Stop Technology.

15. When will brake override be available for my vehicle?

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FOR DEALERS

1. When do you expect the programs in this settlement agreement to begin? How will I be notified?

- The settlement is only effective if and when the Court approves it. If the Court grants final approval of the settlement, we will contact you again with information about how the programs will be put into effect.
- In the meantime, please refer to the settlement website www.ToyotaELsettlement.com for additional information about the settlement, including timing and the programs that will be offered if the Court grants final approval.

2. Where should I direct customers who may have questions about this settlement agreement?

- The Court has instructed that all inquiries regarding the settlement should be directed to a court-appointed administrator, Gilardi & Company. For more information, you can visit the settlement website, at www.ToyotaELsettlement.com, or call 877-283-0507. A copy of the proposed settlement agreement is available on the website; it includes a list of affected vehicles, a description of the settlement and estimated dates and deadlines.
- Please remind customers that the Court must grant final approval of the settlement and any appeals must be resolved in favor of the settlement before eligible participants are determined and any benefits are made available.

3. What should I tell customers who ask for Brake Override to be installed before the agreement has been finalized?

- The Court has instructed that all inquiries regarding the settlement should be directed to a court-appointed administrator, Gilardi & Company. For more information, you can visit the settlement website, at www.ToyotaELsettlement.com, or call 877-283-0507.
- A copy of the proposed settlement agreement is available on the website; it includes a list of affected vehicles, a description of the settlement and estimated dates and deadlines.
- Please remind customers that the Court must grant final approval of the settlement and any appeals must be resolved in favor of the settlement before eligible participants are determined and any benefits are made available.

4. What, if any, impact do you predict this agreement will have on the sale of Lexus vehicles?

- We do not believe these settlements will affect our ability to compete aggressively in the US market.
- TMC is financially strong, with substantial cash reserves and a strong balance sheet.
- Lexus' sales were also very strong in 2012, and our goal is to continue that momentum into 2013.
- Putting these legal issues behind us will allow us to put more of our energy, time and resources into Lexus' central focus: making the best vehicles we can for our customers and doing everything we can to meet their needs.

Important Legal Notice from the United States District Court for the Central District of California
PLEASE PLACE THIS CUSTOMER SUPPORT PROGRAM IN YOUR SUBJECT VEHICLE'S GLOVE BOX. THIS IS AN IMPORTANT DOCUMENT THAT YOU SHOULD KEEP IN YOUR VEHICLE WITH YOUR WARRANTY DOCUMENTS.

If the Court grants final approval of the settlement, Toyota is offering a Customer Support Program to all Class Members who still own or lease their Subject Vehicles as of the date of final approval by the Court. The Customer Support Program will provide future coverage for repairs and adjustments needed to correct defects in materials or workmanship, if any, in any of the following components in your Subject Vehicle following the date of final approval by the Court: (i) engine control module, (ii) cruise control switch, (iii) accelerator pedal assembly, (iv) stop lamp switch, and (v) throttle body assembly. The duration of future coverage will begin following the date of final approval by the Court and will be calculated based on 10 years from the expiration of the existing warranty for each of these parts, with a maximum limit of 150,000 miles from the vehicle's in-service date. The in-service date is the first date the vehicle is either delivered to an ultimate purchaser, leased, or used as a company car or demonstrator. Regardless of mileage or warranty expiration, each eligible Subject Vehicle will receive at least 3 years of coverage from the date of final approval by the Court. This Customer Support Program will not cover the cost for past repairs.

If You Currently Own or Lease a Toyota, Lexus, or Scion Vehicle, You Could Get Benefits from a Class Action Settlement.

Toyota Economic Loss
Settlement Administrator
c/o Gillardi & Co. LLC
P.O. Box 808012
Petaluma CA 94975-8012

TMUA1

2D



Postal Service: Please Do Not Mark Barcode

TMUA1-**<<Claim8>>**-**<<CkDig>>**

<<FName>> **<<LName>>**

<<Addr1>> **<<Addr2>>**

<<City>>, **<<State>>** **<<Zip>>**

Claim ID: <<Claim 8>>
PIN: <<Last4ofVin>>

2D

There is a proposed settlement in a class action lawsuit against Toyota Motor Corp. and Toyota Motor Sales, U.S.A., Inc. ("Toyota"), concerning certain vehicles with electronic throttle control systems ("ETCS"). The lawsuit alleges that certain Toyota, Lexus, and Scion vehicles equipped with ETCS are defective and can experience unintended acceleration. Toyota denies that it has violated any *Et. x.*, denies that it engaged in any and all wrongdoing, and denies that its ETCS is defective. The parties agreed to resolve these matters before these issues were decided by the Court.

Am I included in the proposed settlement? Records available to Toyota indicate that you may be a class member for a vehicle for which the last four digits of the Vehicle Identification Number (VIN) is [last4ofvin]. If you are a class member, your rights may be affected, even if you take no action. You may be required to take action in order to get money and/or to protect your rights. This settlement does not involve claims of personal injury or property damage.

What does the settlement provide? If you are a class member, you may be entitled to: (1) receive a cash payment for alleged loss upon certain disposition of a Subject Vehicle during the period from September 1, 2009 through December 31, 2010 or upon early lease termination following an alleged unintended acceleration event that you reported; (2) have installed a brake override system in certain Subject Vehicles at no charge; (3) receive a cash payment if you are not eligible for a brake override system in the Subject Vehicle; (4) participate in a Customer Support Program; and/or (5) other settlement benefits.

What are my options? If you do nothing, you will remain in the class and will not be able to sue Toyota about the issues in the lawsuit, but if you do not submit a claim form, you may not receive certain cash benefits for which you may be eligible. You can exclude yourself by May 13, 2013, if you don't want to be part of the settlement. If you exclude yourself, you won't get any settlement benefits, but you keep the right to sue Toyota about the issues in the lawsuit. You can file a claim until July 29, 2013, if you don't exclude yourself, for any benefits for which you are eligible and which require a claim form. You can object to all or part of the settlement by May 13, 2013, if you don't exclude yourself. To see the full range of options available and to file a claim, go to www.ToyotaELSettlement.com. You may also call toll-free (877) 283-0507.

The Court will hold a fairness hearing on June 14, 2013 at 9:00 am to (a) consider whether the proposed settlement is fair, reasonable, and adequate and (b) decide the plaintiffs' lawyers' request for fees and other awards for Named Plaintiffs and Class Representatives. You may appear at the hearing, but you are not required to and you may hire an attorney to appear for you, at your own expense. Please check the website for more detailed information and to review the settlement-related documents. The website will be periodically updated.

For more information or to file a claim, go to www.ToyotaELSettlement.com
Para vereste aviso en espanol, visita www.ToyotaELSettlement.com.

Media Schedule

In re Toyota Litigation - 90% Option with Territories

1/16/2013



Paid Media Components

Print Media

| Magazine(s) | Issue Date | Mail/On-sale Date |
|---------------------------------|----------------|-------------------|
| <i>Better Homes and Gardens</i> | April | March 19, 2013 |
| <i>ESPN The Magazine</i> | March 18, 2013 | March 8, 2013 |
| <i>Good Housekeeping</i> | April | March 12, 2013 |
| <i>National Geographic</i> | April | March 27, 2013 |
| <i>Parents</i> | April | March 12, 2013 |
| <i>People (1)</i> | March 18, 2013 | March 8, 2013 |
| <i>People (2)</i> | March 25, 2013 | March 15, 2013 |
| <i>People en Espanol</i> | April | March 8, 2013 |
| <i>Popular Science</i> | April | March 12, 2013 |
| <i>Reader's Digest</i> | April | March 12, 2013 |
| <i>Time</i> | March 11, 2013 | March 1, 2013 |

U.S. Territories

| | Issue Date | Mail/On-sale Date |
|----------------------------------|-----------------|-------------------|
| <i>El Nuevo Dia</i> | week of March 4 | week of March 4 |
| <i>El Vocero</i> | week of March 4 | week of March 4 |
| <i>Pacific Daily News (Guam)</i> | week of March 4 | week of March 4 |
| <i>Primera Hora</i> | week of March 4 | week of March 4 |
| <i>Puerto Rico Daily Sun</i> | week of March 4 | week of March 4 |
| <i>Saipan Tribune</i> | week of March 4 | week of March 4 |
| <i>Samoa News</i> | week of March 4 | week of March 4 |
| <i>St. Croix Avis</i> | week of March 4 | week of March 4 |
| <i>St. Johns Trade Winds</i> | week of March 4 | week of March 4 |
| <i>Virgin Islands Daily News</i> | week of March 4 | week of March 4 |

Newspaper Supplement(s)

| | Issue Date | Mail/On-sale Date |
|------------------------|----------------|-------------------|
| <i>Parade (1)</i> | March 3, 2013 | March 3, 2013 |
| <i>Parade (2)</i> | March 10, 2013 | March 10, 2013 |
| <i>USA Weekend (1)</i> | March 3, 2013 | March 3, 2013 |
| <i>USA Weekend (2)</i> | March 10, 2013 | March 10, 2013 |

Online Media

| Web | Start Date | End Date |
|--------------------------------|---------------|---------------|
| <i>24/7 Network</i> | March 3, 2013 | April 6, 2013 |
| <i>AOL Advertising Network</i> | March 3, 2013 | April 6, 2013 |
| <i>Facebook</i> | March 3, 2013 | April 6, 2013 |
| <i>Microsoft Media Network</i> | March 3, 2013 | April 6, 2013 |
| <i>RMM Network</i> | March 3, 2013 | April 6, 2013 |
| <i>Specific Media</i> | March 3, 2013 | April 6, 2013 |
| <i>Yahoo!</i> | March 3, 2013 | April 6, 2013 |
| <i>Batangá</i> | March 3, 2013 | April 6, 2013 |
| <i>Komli</i> | March 3, 2013 | April 6, 2013 |

Approval Timing

KM requires formal engagement and payment in order to reserve any advertising space.

In order to comply with this schedule, KM must receive approval by the following dates:

- (1) Publication Notice must be approved by **January 14, 2013**
- (2) Web ad must be approved by **February 15, 2013**

**If You Currently or Previously Owned, Purchased,
or Leased Certain Toyota, Lexus, or Scion Vehicles,
You Could Get Benefits from a Class Action Settlement.**

There is a proposed settlement in a class action lawsuit against Toyota Motor Corp. and Toyota Motor Sales, U.S.A., Inc. ("Toyota") concerning certain vehicles with electronic throttle control systems ("ETCS"). Those included in the settlement have legal rights and options and deadlines by which they must exercise them.

What is the lawsuit about?

The lawsuit alleges that certain Toyota, Lexus, and Scion vehicles equipped with ETCS are defective and can experience unintended acceleration. Toyota denies that it has violated any law, denies that it engaged in any and all wrongdoing, and denies that its ETCS is defective. The Court did not decide which side was right. Instead, the parties decided to settle.

Am I included in the proposed settlement?

Subject to certain limited exclusions, you are included if as of December 28, 2012,

- You own or owned, purchase(d), and/or lease(d) a "Subject Vehicle" that was
- Distributed for sale or lease in any of the fifty States, the District of Columbia, Puerto Rico and all other United States territories and/or possessions or
- Were a company that insured Subject Vehicles for residual value.

The Subject Vehicles are identified at the settlement website and in the full settlement notice available on the website or through the toll-free number below. The class includes persons, entities and/or organizations.

This settlement does not involve claims of personal injury or property damage.

What does the settlement provide?

The proposed settlement provides for: (a) cash payments from two funds totaling \$500 million for certain eligible class members; (b) free installation of a brake override system on

certain Subject Vehicles; (c) a customer support program to correct any defect in materials or workmanship of certain vehicle parts for other eligible class members; and (d) at least \$30 million toward automobile safety research and education. Some of these benefits require action by class members by or before certain deadlines.

Payments will vary depending upon several factors such as the number of claims submitted, the amounts claimed, and other adjustments and deductions.

What are my options?

If you do nothing, you will remain in the class and will not be able to sue Toyota about the issues in the lawsuit, but you may not receive certain cash benefits for which you may be eligible.

You can exclude yourself by May 13, 2013, if you don't want to be part of the settlement. You won't get any settlement benefits, but you keep the right to sue Toyota about the issues in the lawsuit.

You can submit a claim form by July 29, 2013, if you don't exclude yourself, for any cash benefits for which you are eligible and which require a claim form.

You can object to all or part of the settlement by May 13, 2013, if you don't exclude yourself.

The full settlement notice describes how to exclude yourself, submit a claim form and/or object.

The Court will hold a fairness hearing on June 14, 2013 at 9:00 a.m. to (a) consider whether the proposed settlement is fair, reasonable, and adequate and (b) decide the plaintiffs' lawyers' request for fees up to \$200 million and expenses up to \$27 million and other awards for Named Plaintiffs and Class Representatives. You may appear at the hearing, but you are not required to and you may hire an attorney to appear for you, at your own expense.

**For more information or a claim form: 1-877-283-0507
www.toyotaelssettlement.com**

