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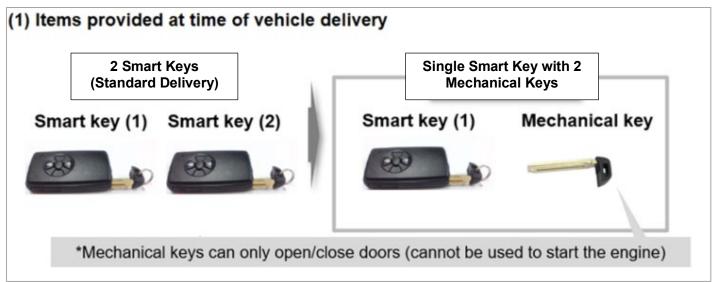
Updated on: May 04, 2023

 Updated to include schedule of second key delivery, refer to page 2 for details.

To: All Lexus Dealer Principals, General Managers, Sales Managers, Service Managers, Parts Managers, and Warranty Administrators

UPDATE Lexus Smart Key - New Vehicle Production

Lexus has been temporarily limiting Smart Keys to one (1) on select models since November 2022 due to global semiconductor shortages impacting certain microchips. Affected vehicles have been delivered with only one Smart Key and a second mechanical key.



^{*}The Smart Key shown above is an example and may be a different design depending on the model of vehicle.

This adjustment is temporary, and some models have begun to return to production with two (2) Smart Keys. Other models currently remain in production with only one (1) Smart Key.:

Lexus is preparing a Second Key Delivery Program to provide guests with a second key as the supply of semiconductors improves this year. We expect this Delivery Program to launch in phases beginning in June 2023.

Refer to the chart on the page below for more detail

The table below describes the phases currently planned for the Second Key Delivery Program and the estimated timing of announcement. This table will be updated over time as more details become available.

Phase	Announcement Timing Estimate*	# of Vehicles							
Phase 1	June 2023	18,487							
Phase 2	August 2023	TBD							
Phase 3	4th Quarter 2023	TBD							
Phase 4	4th Quarter 2023	TBD							
Phase 5	1st Quarter 2024	TBD							
Phase 6	1st Quarter 2024	TBD							
Phase 7	2nd Quarter 2024	TBD							

^{*}Timing subject to change

Dealers can identify which models were produced with one (1) Smart Key and which phase a vehicle belongs to using the chart below.

Example: Guest has an LC produced in December 2022. Confirm the production date of the vehicle against the Start and End Production Dates in the table below to confirm if the vehicle was produced with one (1) Smart Key. If so, check the color of the box corresponding to the model and production month in the table below, and compare to the Phase summary table to the left. The box for LC produced in December has a dark green color which means it is part of Phase 1, which is currently estimated to be announced in June 2023.

Production Location	Кеу Туре	Model	Production <u>Start</u> w/ F 1 Smart Key	/ Production <u>End</u> w/ 1 Smart Key	Vehicle Volume	Production Year / Month																
						2022		2023														
						Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec		
Japan		LC	11/7/2022	12/28/2022	357																	
		LS	11/8/2022	1/10/2023	292																	
	Type #2	GX	11/7/2022	1/10/2023	5227																	
	(15CY)	IS	11/7/2022	1/10/2023	4178																	
	ΙΓ	RC-F	11/7/2022	12/23/2022	219																	
		UX	11/1/2022	1/10/2023	2742																	
	Type #3/#4 (19CY)	NX	11/7/2022	Ongoing	TBD													Return to 2 keys in Production in 4th				
		RX	11/15/2022	Ongoing	TBD																	
		LX	11/8/2022	Ongoing	TBD																	
		RZ	1/23/2023	Ongoing	TBD													Qu	Quarter 2023			
NA	Type #2	ES	10/10/2022	1/3/2023	TBD																	
	Type #3/#4 (19CY)	NX	10/13/2022	Ongoing	TBD														n to 2 k	•		
		RX	10/20/2022	Ongoing	TBD														uction i arter 2			

As an option for guest satisfaction and/or escalated cases, dealers may goodwill a replacement key. Dealers can order up to one smart key part number per dealer per day with a valid VIN (ex: 1NX smart key, 1RX smart key, etc.). If dealers require any additional support, they should reach out to their DSPM. This limit is in place to allow Lexus to build sufficient stock to provide a 2nd key to our guests, as well as wholesale future vehicles with 2 Smart Keys.

Additionally, we can consider goodwill assistance beyond providing a 2nd key for escalated cases.

Until the Second Key Delivery Program is launched, dealers can use the FAQ below to answer questions for guests. Thank you for your continued support.

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

Frequently Asked Questions

Q1. What is causing this shortage?

A. The global semiconductor shortage is limiting the supply of Smart Keys for new Lexus vehicles. In order to provide vehicles as soon as possible to our guests, we are temporarily reducing the number of Smart Keys provided from two to one. We will provide the second Smart Key to guests as they become available.

Q2. Why does this only apply to certain vehicle models?

A. Some vehicles have a different Smart Key that is not being impacted at this time.

Q3. Which models are currently being produced with only one (1) Smart Key?

A. NX, RX, RZ450E, LX

Q4. How long will this shortage last?

A. We continue to work diligently to minimize the impact to our guests. At this time, we estimate that all models will return to production with two (2) Smart Keys in the fourth quarter of 2023. Depending on the parts supply situation, we are currently aiming to begin providing affected guests with their second Smart Key in phases beginning in June 2023. Refer to the chart on page 2 for additional details.

Q5. How is Lexus informing guests about this situation?

A. First, Lexus will send a letter to guests to formally advise them that this is not a dealer issue but rather a global Lexus issue. We will apologize for the delay and provide them with rough timing of when they can expect to receive their second key (see attached letter).

For guests whose vehicle was RDR'd on or before March 31, 2023, Lexus will be sending letters out in April. For all other guests taking delivery of their vehicle with only one key on April 1st or later, Lexus will send the letter within 30 days of delivery. We currently plan to send these letters in monthly batches at the end of the month.

Q6. How will Lexus notify guests when their second Smart Key is available?

A. We plan to notify affected guests by first class mail when second keys are available and ask guests to return to a Lexus dealer with their vehicle and original Smart Key so dealers can program a new second key and provide it to the guest. The mailing will also occur in phases, and the timing will be approximately one week after the announcement of each phase.

Q7. Does a guest need to make an appointment with their dealer to get their second Smart Key?

A. Owners will be encouraged to make an appointment in advance to receive their second key so that the dealer can order the appropriate key for the guest in advance. However, an appointment is not required if the dealership has the necessary parts for the guest should they arrive without an appointment.

Q8. Do guests need to bring anything with them to their appointment to receive their second Smart Key?

A. Yes. Guests will need to bring the vehicle and original Smart Key equipped with their vehicle to their appointment. The original key will be used to program the new Smart Key to the vehicle.

Q9. What if a guest has lost their original key?

A. If a guest has lost their only Smart Key, please provide them with a second key as a goodwill gesture. For other extenuating circumstances, please have the guest contact the Lexus Brand Engagement Center for further assistance.

Q10. What if a guest has additional questions or concerns?

A. If a guest has additional questions or concerns, please have them contact the Lexus Brand Engagement Center at 1-888-255-3987 Monday through Friday, 8:00 am to 8:00 pm, Saturday 9:00 am to 7:00 pm Eastern Time.

Q11. How will my dealership receive the parts to provide a second key to the guest?

A. As the number of models involved in this issue is large, there are over 30 different part numbers of Smart Keys involved in this activity. To make ordering easier for dealers, your dealership will order parts through Campaign Parts Order Request (CPOR) by VIN. The CPOR system will identify the exact part numbers and quantities that you need for each VIN input, and you will be able to order in bulk with up to 20 VINs at one time.

Q12. Will Lexus be pre-deploying a stock of parts for my dealership in advance?

A. Lexus will strive to pre-deploy inventory of Smart Keys to each dealership to handle walk-in guests as much as possible, consistent with parts availability. Please remember that there are many part numbers involved in this activity and some part numbers have a very small number of affected vehicles associated with them. While it may not be possible to pre-deploy inventory of every part number, Lexus will do our best to provide you with a pre-deployment of parts as much as possible.

Q13. How will the second key be priced?

A. A nominal price of \$0.01 has been set for the second key given that the guest already paid for the value of the second Smart Key when they purchased their vehicle.

Q14. Is the second Smart Key delivery part of Lexus' New Vehicle Limited Warranty?

A. No. The second key delivery is not considered part of Lexus' New Vehicle Limited Warranty. This is simply the delivery of the second Smart Key that the guest already paid for, but which was unavailable at the time of the vehicle delivery due to the ongoing chip shortage situation.

Q15. What is the difference between a Type #2 (15CY) and Type #3/#4 (19CY) Smart Key?

A. The Type #2 (15CY) and Type #3/Type #4 (19CY) Smart Keys have a different design and use different semiconductors. The models that use these different types of Smart Keys are explained in the chart above. Due to differences in the supply of the semiconductors used, the timeline for each type is different.

Q16. A guest recently had a new Smart Key registered to their vehicle and now there is a message on the Multi-Information Display (MID) about a new key being registered. Is this normal?

A. Yes. Depending on the model, a message may display for up to 10 days. This message is displayed to inform the owner that a new key has been registered and help prevent the vehicle from being stolen if the registration was unauthorized. Refer to the Repair Manual or Owner's Manual for more information.