

**Toyota Motor Engineering &
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Steve St. Angelo
Chief Quality Officer
Executive Vice President

Mr. Subbaiah Malladi
Chief Technical Officer
Exponent/Failure Analysis Associates
149 Commonwealth Drive
Menlo Park CA 94025

Dear Mr. Malladi:

Thank you for the rigorous and valuable scientific analysis that Exponent is conducting to evaluate the Electronic Throttle Control System with Intelligence ("ETCS-i") in Toyota and Lexus vehicles.

As you know, Toyota has conducted extensive testing of ETCS-i and has not found a single case of unintended acceleration attributable to a defect in the system. We are nonetheless committed to undertaking a major scientific effort to validate the safety of the system and provide our customers with the utmost confidence in the safety and reliability of our vehicles. Exponent's work is of fundamental importance to this effort and Toyota intends to publish Exponent's findings irrespective of Exponent's conclusions.

Since you were retained in December 2009, Toyota has taken major steps to strengthen our quality assurance operations in North America and around the world, including the appointments of Chief Quality Officers in each region who are working directly with President Akio Toyoda on safety improvements. In addition, we have enlisted the support of a Quality Advisory Panel of respected independent safety and quality experts led by former Secretary of Transportation Rodney Slater. This panel is conducting its own evaluation of Toyota's ETCS-i and will review Exponent's findings as well. Further, Toyota is cooperating with the NHTSA and NASA in their evaluations of the ETCS-i, and we anticipate being part of the industry review by the National Academy of Sciences.

In my new role as Chief Quality Officer for North America and chair of our North American Quality Task Force, I am involved in all of these quality assurance activities. In this capacity, I hereby assume the role of the senior Toyota officer responsible for the Exponent relationship. Accordingly and effective immediately, Exponent will be retained directly by Toyota Motor Engineering & Manufacturing, North America, Inc.



("TEMA") with regard to its analysis of whether the ETCS-i is the root cause of unintended acceleration.

As is already the case, Toyota will not limit the scope or budget of Exponent's evaluation. Toyota remains committed to the proposition that Exponent be allowed to conduct its own independent analysis of the ETCS-i. I will do my best to make sure you continue to have unfettered access to the information and resources that Exponent's scientists and engineers require from the company. Please let me know if I can be of assistance in this regard.

In light of our new working relationship, I would be grateful if you would update me on the status of the work Exponent is doing for Toyota and your plans moving forward.

I look forward to speaking with you at your earliest convenience and thank you again for Exponent's dedication to the highest professional standards of engineering and science.

Sincerely,


Steve St. Angelo

SS/rgl

cc: Yoshi Inaba

Tetsuo Agata

Shigeki Terashi

Ray Tanguay

Jim Lentz

Dino Triantafyllos

Chris Reynolds

Ted Hester