

TOYOTA CUSTOMER SERVICES

INTEROFFICE MEMORANDUM

To: Region/Private Distributor General Managers & Vice Presidents

July 8, 2004
TMS-NTC-04099

From: Dave Zellers *Dave*
Vice President Product Quality & Service Support

Subject: 2002 Through Early 2004 Model Year North American Produced Toyota Camry Curtain Shield Airbag

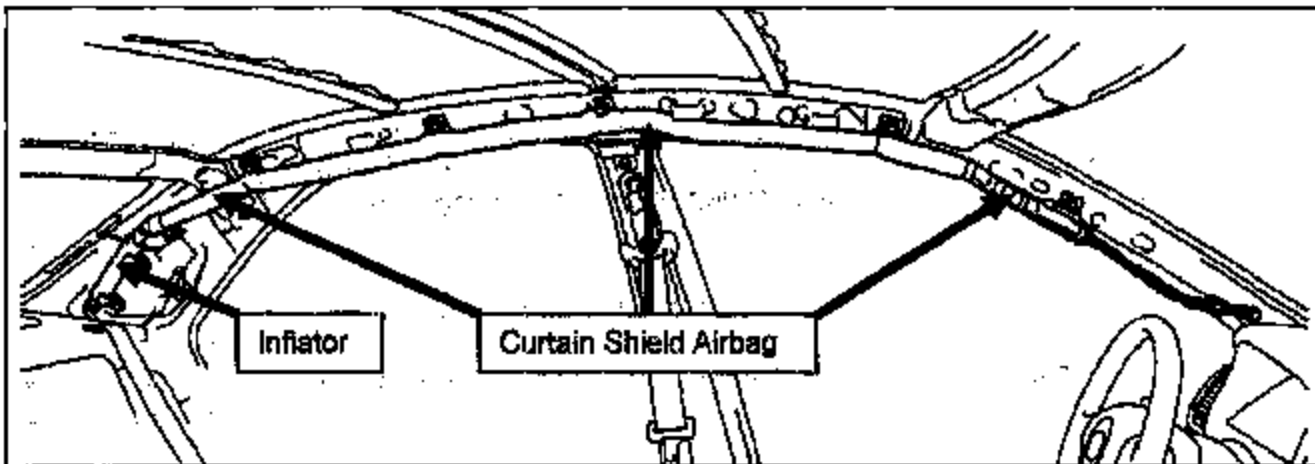
In early July 2004, Toyota will initiate a voluntary Special Service Campaign (SSC) to inspect and if necessary replace the curtain shield airbags on certain 2002 to early 2004 Model Year (MY) North American Produced (NAP) Toyota Camry vehicles.

BACKGROUND

- On July 08, 2004, Toyota filed a Defect Information Report (DIR) with the National Highway Traffic Safety Administration (NHTSA) regarding the curtain shield airbags on approximately 128,000 NAP built Camry vehicles, with the intent to initiate an SSC.

CONDITION

- Certain 2002 to early 2004 Model Year Toyota Camry vehicles built in North America are equipped with a Curtain Shield Airbag (CSA) as an option. During the manufacture of the CSA, it may have been twisted near the inflator due to improper assembly. If the CSA is twisted, the gas supplied by the inflator may be inadequate for proper inflation of the airbag. In the worst case, this will cause the incomplete inflation of the CSA in the event of a collision.



STATUS

- An SSC to inspect the driver's and passenger's side CSAs and, if necessary, replace them will be launched in late-July 2004. Owner notifications will commence in late-July 2004.
- The attached Dealer Daily message will be sent to all dealers informing them of the issue and SSC launch timing.
- As required by Federal Regulation, dealers are not to deliver any vehicle acquired in their inventory, which is involved in a safety recall, until the necessary inspections/replacements have been performed.
- Dealers with affected dealer stock vehicles will be contacted by Quality Compliance.
- If your staff should receive any contacts from owners experiencing issues with the curtain shield airbag, please direct the owner to their local Toyota dealer for diagnosis and/or replacement.
- A Q&A has been attached for your reference.

Please review this preliminary notification with your staff to assure that all relevant personnel have been briefed regarding this subject.

Thank you for your cooperation.

Enclosures

- cc: Region/Private Distributor Assistant General Managers
Region/Private Distributor Customer Service Operations Managers
Region/Private Distributor Service Managers/Directors/VPs
Region/Private Distributor Parts Managers/Directors/VPs
Region/Private Distributor Customer Services Field Managers
Region/Private Distributor Technical Services and Training Managers
Region/Private Distributor District Service and/or Parts Managers
Region/Private Distributor Customer Relations Managers
Region/Private Distributor PDC Managers
Region/Private Distributor Field Technical Specialists
Region/Private Distributor Service Training Specialists
Region/Private Distributor Vehicle Operations Managers
All NAPC General Managers
All TMS Sales Administration Managers
All TMS Product Quality & Service Support Managers
All Field Product Engineers

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|--------------|-------------|---------------|
| E. Bastien | G. Fogg | D. Pettitt |
| J. Beseda | Y. Funo | J. Press |
| R. Broughman | J. Hanson | D. Schuttee |
| G. Bryan | N. Kawakami | D. Stephenson |
| D. Camden | J. Lang | E. Taira |
| B. Carter | K. Masumoto | T. Takada |
| D. Cecconi | E. Matsuda | J. Tetherow |
| D. Cleveland | M. Michels | M. Tomozoe |
| R. Daly | I. Miller | A. Vaish |
| C. Davis | T. Nagata | M. Yamaguchi |
| B. Ertmann | D. Oglvie | |
| D. Esmond | J. Olson | |



Special Service Campaign (SSC) Q&A

2002 Through Early 2004 Model Year North American Produced Toyota Camry Curtain Shield Airbag

Q1: What is the condition?

A1: Certain 2002 to early 2004 Model Year Toyota Camry vehicles built in North America are equipped with a Curtain Shield Airbag (CSA) as an option. During the manufacture of the CSA, it may have been twisted near the inflator due to improper assembly. If the CSA is twisted, the gas supplied by the inflator may be inadequate for proper inflation of the airbag. In the worst case, this will cause the incomplete inflation of the CSA in the event of a collision.

Q2: What is the cause of this condition?

A2: During the manufacture of the CSA, it may have been twisted near the inflator due to improper assembly.

Q3: Are there any warnings that this condition exists?

A3: No, there are no specific warnings that this condition exists.

Q4: Which and how many vehicles are involved?

A4: Only certain 2002 to early 2004 Model Year North American Produced (NAP) Camry vehicles equipped with Curtain Shield Airbags are involved. There are approximately 128,000 vehicles in the U.S.

Q5: What is the production period of the affected vehicles?

A5: The affected NAP Toyota Camry vehicles were produced from October, 2001 to early February, 2004.

Q6: Are there any other Toyota or Lexus vehicles involved?

A6: No, this condition only affects 2002 through early 2004 Model Year NAP Camry vehicles equipped with a Curtain Shield Airbag.

Q7: How many incidents of this condition have been reported?

A7: There have been no reported cases of this condition in the affected NAP Camry vehicles.

Q8: Have there been any accidents reported?

A8: There have been no reported cases of accidents related to this condition.

Q9: What is Toyota going to do?

A9: Owners of the involved vehicles will receive a Special Service Campaign notification by first class mail beginning in late July, 2004. Toyota dealers will inspect and, if necessary, replace the Curtain Shield Airbag at NO COST to the vehicle owners.

Q10: How long will the repair take?

A10: The inspection/repair will take approximately three hours. However, depending upon the dealer's work schedule, it may be necessary to make the vehicle available for a longer period of time.

Q11: What should an owner do if they experience the condition?

A11: Owners are requested to contact their local Toyota dealer for diagnosis and repair.

Shaun Yzquiardo/ TMS Customer Services Division

July 8, 2004

Approved By: David Zellers

To: All Toyota Dealers
From: Toyota Customer Services

2002 Through Early 2004 Model Year North American Produced (NAP) Toyota Camry Curtain Shield Airbag

*******URGENT*******

On July 08, 2004, Toyota filed a Defect Information Report (DIR) with the National Highway Traffic Safety Administration (NHTSA) regarding the curtain shield airbags on approximately 128,000 NAP built Camry vehicles, with the intent to initiate an SSC.

Certain 2002 to early 2004 Model Year Toyota Camry vehicles built in North America are equipped with a Curtain Shield Airbag (CSA) as an option. During the manufacture of the CSA, it may have been twisted near the inflator due to improper assembly. If the CSA is twisted, the gas supplied by the inflator may be inadequate for proper inflation of the airbag. In the worst case, this will cause the incomplete inflation of the CSA in the event of a collision.

This new SSC involves the inspection of the driver's and passenger's side CSAs and, if necessary, replacement of them. A dealer package including technical instructions and reimbursement procedures will be mailed to dealers in late July. Owner notifications will commence in late July, 2004.

As required by Federal Regulation, dealers are not to deliver any vehicle acquired in their inventory, which is involved in a safety recall, until the necessary repairs have been performed. Any dealer with affected dealer stock vehicles will be contacted by TMS.

The following Q&A has been provided for your reference. All media inquiries should be directed to Julie Alfonso at (310) 468-4625, Sam Butto at (310) 468-7728 or Allison Takahashi at (310) 468-5315 in Toyota Corporate Communications.

Please contact your District Service/Parts Manager if you have any further questions.