



Toyota Motor Sales, U.S.A., Inc.  
19001 South Western Avenue, S207  
Torrance, CA 90509-2991

TMS-NTC-12272  
November 16, 2012

Recall Management Division  
National Highway Traffic Safety Administration  
1200 New Jersey Avenue, SE  
Washington, DC 20590

Re: Toyota Safety Recall 12V-537 – Preliminary Dealer Notification

To whom it may concern,

Please find attached the Preliminary Dealer Notification Letter for Toyota Safety Recall 12V-537 on the following Toyota vehicles:

- 2004 to certain 2009 Model Year Prius

If you have any questions regarding this matter, please contact me at (310) 468-5316.

Sincerely,

A handwritten signature in black ink, appearing to read "M. J. K.", is written over a thin horizontal line.

Quality Compliance Assistant Manager

Attachments:

- Toyota 12V-537 (COT) Dealer Notification (Prelim)

Lonnie Peterson / TMS Toyota Customer Services  
Product Quality and Service Support, Quality Compliance  
November 14, 2012  
Approved By: Bob Waltz

To: All Toyota Dealers  
From: Product Support Division

***Preliminary Notification***

**Safety Recall on 2004 to certain 2009 Model Year Prius Vehicles**

C0T (pre-remedy: C1T (phase 1) and C2T (phase 2)) - Steering Intermediate Extension Shaft

C0U (pre-remedy: C1U) - Hybrid Electric Water Pump

\*\*\*\*\*URGENT\*\*\*\*\*

**On November 14, 2012, Toyota will file two separate Defect Information Reports (DIR's) with the National Highway Traffic Safety Administration (NHTSA) informing the agency of our intent to conduct two voluntary Safety Recalls on 2004 to Certain 2009 Model Year Prius vehicles.**

This preliminary information is being provided to keep you informed of the filing. Toyota is currently working on preparing the remedies and additional information will be provided at a later date.

**C0T - Steering Intermediate Extension Shaft (All 2004 to certain 2009 model year Prius)**

- The steering shaft system of the subject vehicles consists of a steering intermediate shaft assembly, steering sliding yoke sub assembly, and steering intermediate extension shaft assembly. Due to insufficient hardness of the extension shaft supplied by a specific supplier, the splines which connect the extension shaft to the steering gear box may deform if the steering wheel is frequently and forcefully turned to the full-lock position while driving at a slow speed. This may create an increased backlash, and splines may eventually wear out over time, which could result in loss of steering ability.
- C0T will be launched in two phases.
- **There are approximately 670,000 vehicles covered by this Safety Recall in the U.S.**

**C0U - Hybrid Electric Water Pump (Only certain vehicles are covered. Always verify TIS)**

- There is a possibility that the coil wire of the electric motor installed in the Water Pump for the Hybrid System may have been scratched during the coiling manufacturing process at the supplier. In this condition, the coil wire may corrode at the scratched portion and in some cases break. If this occurs, the water pump could stop, leading to the illumination of various warning lights in the instrument panel. In limited instances, a short circuit can occur between adjacent coil wires, resulting in an open fuse for the electric power supply circuit. If the fuse is open, the hybrid system will stop while the vehicle is being driven, which may increase the risk of an accident.
- Toyota is currently preparing parts for C0U. It is anticipated that parts preparation will be sufficient starting in January, 2013. Until the remedy is launched vehicles will be designated "C1U".
- **There are approximately 350,000 vehicles covered by this Safety Recall in the U.S.**

**Status**

- Preliminary Notification documents will be posted on TIS starting the morning of Wednesday, November 14, 2012. **For reference purposes only**, VINs covered by this Safety Recall will be searchable on TIS starting Wednesday morning, November 14, 2012 (Pacific Time).
- C0T will entail inspecting the steering intermediate extension shaft. Based upon the inspection results the steering intermediate extension shaft will be replaced. Toyota anticipates approximately 50% of the steering intermediate extension shafts will require replacement.
- C0T Phase 2 will be launched concurrently with C0U Remedy. When available the C0U remedy will involve replacing the vehicles Hybrid Electric Water Pump.

**Safety Recall Remedy Launch Timing:**

December 2012	January 2013
C0T Phase 1 (C0T only vehicles) Approx. 320,000 vehicles	C0T Phase 2 <b>and</b> C0U (vehicles covered by both C0T and C0U) Approx. 350,000 vehicles

Please note that approximately half of the vehicles in C0T will also be covered by C0U. Therefore, Toyota will launch C0T in two phases:

- C0T **Phase 1** will be launched in Dec. 2012. This phase will cover **vehicles covered by C0T only.** C0U does not apply to Phase 1 vehicles.
- C0T **Phase 2** will be launched in Jan. 2013. C0T Phase 2 will include vehicles covered by **both C0T and C0U.**

**Covered Vehicles**

Phase	Prelim/Interim Designation	Anticipated Remedy Date	Model	Model Year	Component	Production Period	Appx. UIO
1	C1T *	December, 2012	Prius	2004-2009	Steering Intermediate Extension Shaft	Early August, 2003 through Late March, 2009	320,000
2	C2T**	January, 2013					350,000

\*C1T will change to C0T in Phase 1 when the remedy is launched.

\*\*C2T will change to C0T in Phase 2 when the remedy is launched.

Prelim/Interim Designation	Anticipated Remedy Date	Model	Model Year	Component	Production Period	Appx. UIO
C1U	January, 2013	Prius	2004-2009	Hybrid Electric Water Pump	Early August, 2003 through Late March, 2009	350,000

\*C1U will change to C0U when the remedy is launched.

**Pre-Owned Vehicles in Dealer Inventory**

Toyota generally requests that dealers do not deliver any pre-owned vehicles in dealer inventory that are covered by a Safety Recall until the vehicle has been remedied. However, in this case, until the remedy is available dealers can deliver pre-owned vehicles if they disclose to the customer that the vehicle is subject to a Safety Recall and Toyota will send them a notification when the remedy is available.

**Customer Handling**

A Q&A is attached to help dealerships respond to any customer concerns. If the customer has any further questions, they are requested to contact the Toyota Customer Experience Center. The Toyota Customer Experience Center can be reached at 1-888-270-9371 Monday through Friday, 5:00 am to 6:00 pm, or Saturday 7:00 am through 4:00 pm Pacific Time.

**Handling of Vehicles Exhibiting this Condition**

If a customer contacts a dealership and has experienced the condition described, dealerships are requested to assist them by setting up an appointment to diagnose the condition.

If the condition is verified, please assist the customer by repairing the vehicle at **no charge**. The necessary parts can be ordered through your facing PDC. ***At this time Toyota has a very limited number of parts available to support vehicle repairs. Only order parts for vehicles currently experiencing the condition described.***

The Hybrid Electric Water Pump has been placed on dealer ordering solutions; please see the weekly manual allocation report for maximum allowed order quantities.

The steering intermediate extension shaft has been placed on Manual Allocation Control (MAC). If you require this part, please send an email to [Quality\\_Compliance@Toyota.com](mailto:Quality_Compliance@Toyota.com) with the following information:

- **Subject Line: C1T MAC Release Request (Dealer Code)**
- **Dealer Code**
- **VIN Number**
- **Part Number and Qty Ordered**
- **Order Reference Number**
- **Order Date**
- **Contact Person**

Once a representative confirms the information provided, the part will be released. If there is a concern regarding the information provided, a representative will contact your dealership. Please allow 2-3 days for part release after providing the requested information.

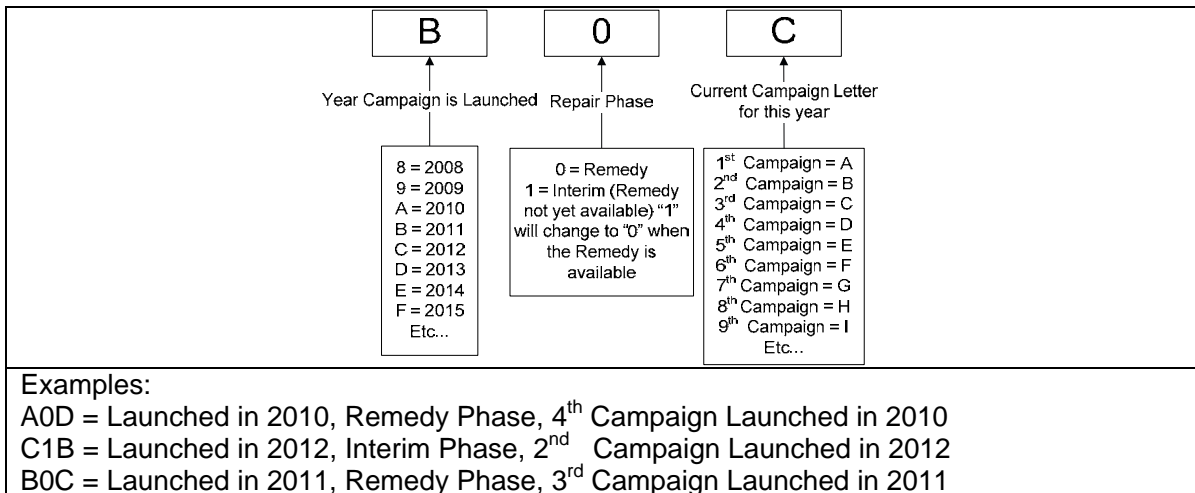
**Important Notes:**

- **Once you have placed your order DO NOT upgrade or change your order status.**
- **Dealerships must provide the above listed information within 48 hours of order placement, failure to provide the information above will result in an order cancellation.**

**Media Contacts**

It is imperative that all media contacts (local and national) receive a consistent message. In this regard, all media contacts must be directed to Brian Lyons (310) 468-2552 in Toyota Corporate Communications. (Please do not provide this number to customers. Please provide this contact to only media associates.)

**Campaign Designation Decoder**



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.



**Safety Recall C0T**  
**Certain 2004 through 2009 Model Year Prius Vehicles**  
**Steering Intermediate Extension Shaft**

**Q1: What is the condition?**

A1: The steering shaft system of the subject vehicles consists of a steering intermediate shaft assembly, steering sliding yoke sub assembly, and steering intermediate extension shaft assembly. Due to insufficient hardness of the extension shaft supplied by a specific supplier, the splines which connect the extension shaft to the steering gear box may deform if the steering wheel is frequently and forcefully turned to the full-lock position while driving at a slow speed. This may create an increased backlash, and splines may eventually wear out over time, which could result in loss of steering ability.

**Q2: What is the Steering Intermediate Extension Shaft?**

A2: The Steering Intermediate Extension Shaft is a mechanical link between the steering wheel and steering gear box.

**Q3: Are there any warnings that this condition exists?**

A3: No. There are no warnings that this condition exists.

**Q4: What is Toyota going to do?**

A4: Owners of the covered vehicles will receive a Safety Recall Notification by first class mail starting in December, 2012. Any authorized Toyota dealer will inspect the extension shaft. Based upon the inspection results, the extension shaft may be replaced. The inspection and, if necessary, replacement will be performed at **NO CHARGE** to the vehicle owner.

**Q4a: Will all of the Steering Intermediate Extension Shafts require replacement?**

A4a: No. Only the extension shafts from one supplier will require replacement. Therefore, approximately one half of the vehicles will require the extension shaft to be replaced.

**Q5: Which and how many vehicles are covered by this Safety Recall?**

A5: There are approximately 670,000 Prius (2004 through certain 2009 Model Year) vehicles covered by this Safety Recall.

Model	Model Year	Production Period	Number of Vehicles
Toyota Prius	2004 through certain 2009	Early August, 2003 through Late March, 2009	Approximately 670,000

**Q5a: Are there any other Toyota or Lexus models covered by this Safety Recall?**

A5a: No, this condition only affects some 2004 through certain 2009 model year Prius vehicles.

**Q5b: Why are other vehicles not covered by this Safety Recall?**

A5b: Other vehicles have an extension shaft of sufficient hardness.

**Q6: How long will the repair take?**

A6: The repair will take approximately 1 hour. However, it may be necessary to make the vehicle available for a longer period of time depending upon the dealer's work schedule.

**Q7: What is the difference between this Safety Recall and Safety Recall 60C which was previously announced?**

A7: The previous Safety Recall 60C addressed concerns with weld quality of the intermediate shaft as well as an inspection to verify correct installation of the extension shaft during the manufacturing process.

The new Safety Recall C0T is due to insufficient hardness of the extension shaft supplied by a specific supplier.

**Q7a: If the vehicle had Safety Recall (60C) previously performed, will the customer need to have Safety Recall C0T performed as well?**

A7a: Yes. The dealer will still need to perform the inspection to determine if the extension shaft requires replacement under Safety Recall C0T. We apologize for any inconvenience, but once the remedy is available, the owner should contact his/her authorized Toyota dealer to have the extension shaft inspected and if necessary replaced at **NO CHARGE**.

**Q8: What if an owner has previously paid for repairs for this condition?**

A8: Owner reimbursement instructions will be provided in the remedy owner letter.

**Q9: What if an owner has additional questions or concerns?**

A9: Owners with questions or concerns are asked to please contact the Toyota Customer Experience Center at 1-888-270-9371 Monday through Friday, 5:00 am to 6:00 pm, or Saturday 7:00 am through 4:00 pm Pacific Standard Time.

November 13, 2012

*Toyota Fast Facts* is an update on Toyota and industry news. Please feel free to share this information with family and friends. For more news, visit [www.toyotaneewsroom.com](http://www.toyotaneewsroom.com).

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## 1. Toyota Announces Voluntary Safety Recall of Certain 2004 to 2009 Model-Year Prius Vehicles

Toyota Motor Sales, USA, Inc. (TMS), will conduct two safety recalls involving Prius vehicles as part of the recall announced today by Toyota Motor Corporation.

Approximately 670,000 Prius vehicles are being recalled in the United States to inspect and in some cases replace the steering intermediate extension shaft.

Due to insufficient hardness treatment of some of the extension shafts, the splines that connect the extension shaft to the steering gear box may deform if the steering wheel is frequently and forcefully turned to the full left or full right position while driving at slow speeds. This deformation may create increased internal clearance and the splines may eventually, over time, wear out.

Toyota dealers will inspect the extension shaft to determine if it needs to be replaced and, if confirmed, will replace it. The inspection and repair will take approximately one hour depending on the dealer's work schedule.

Approximately 350,000 of these same Prius vehicles are also being recalled to replace the electric water pump for the hybrid system.

In the hybrid system, there is an electrically driven water pump that circulates coolant through the hybrid components to provide cooling. There is a possibility that the electric motor installed in the water pump may stop functioning, leading to illumination of various warning lights in the instrument panel. In limited instances, the electric power supply circuit fuse may open, causing the hybrid system to stop while the vehicle is being driven.

Toyota dealers will replace the electric water pump for the hybrid system. The repair will take approximately two hours depending on the dealer's work schedule.

There have been no crashes or injuries reported for these two conditions. Owners of vehicles covered by these safety recalls will receive an owner notification letter via first class mail starting in December, 2012. Any authorized Toyota dealer will perform these recalls at no charge to the vehicle owner.

Detailed information is available to customers at [www.toyota.com/recall](http://www.toyota.com/recall) and the Toyota Customer Experience Center at 1-800-331-4331.

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## 2. Toyota Settles Securities Litigation

Toyota has reached a settlement of a shareholder class action lawsuit relating to the 2009/2010 recalls. This settlement will have a total cost to Toyota of \$25.5 million, most of which will go to holders of Toyota's American Depositary Shares (ADS) who file claims.

In response to this settlement, Toyota released the following statement:

- “Toyota has agreed to resolve shareholder claims related to previous recalls, with no admission of wrongdoing, in order to avoid the expense, distraction and uncertainty of further proceedings. We are pleased to be turning the page on this legacy legal issue, pending Court approval, and believe this is a reasonable outcome.”

This litigation, which was filed in February 2010, focused on allegations about certain Toyota statements and the movement of Toyota’s stock – not on claims of a defect in the ETCS-i systems of Toyota vehicles.

Christopher Reynolds, Group Vice President and General Counsel, provided further background:

“This outcome should not imply that Toyota did not fight hard or have a strong defense. In fact, last year we won the dismissal of approximately 97 percent of this case and convinced another judge to dismiss similar claims filed by bondholders. Nonetheless, successfully resolving this securities case helps put Toyota’s previous recalls more firmly in the past and also allows us to focus more fully on our products and customers – which is in the best interest of the company and everyone at Toyota.”

“Toyota still faces other recall-related lawsuits and investigations, and while we have won some important victories, there are always new challenges each day. However, we will continue to defend vigorously the integrity of our people and our vehicles, particularly wherever an ETCS-i defect is alleged.”

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### **3. Toyota No. 1 Again in Annual Index of Lowest Check Engine Repair Incidents and Costs**

For the second straight year, Toyota is the No. 1-ranked manufacturer on the annual CarMD® Vehicle Health Index™. The Toyota and Lexus brands accounted for three of the top 10 and 18 of the top 100 vehicles (16 Toyota and two Lexus vehicles).

The 2010 Toyota Corolla was the top ranked vehicle in the index, with the lowest combined repair incidents and lowest average repair costs per number of registered vehicles. Others in the top 25 were the 2008 Toyota Yaris (2<sup>nd</sup>), 2007 Lexus ES 350 (7<sup>th</sup>), 2009 Toyota Camry (13<sup>th</sup>), 2007 Toyota 4Runner (18<sup>th</sup>) and 2009 Toyota Matrix (25<sup>th</sup>).

The data for the 2012 index's Manufacturer & Vehicle Reliability Rankings was procured from CarMD's network of thousands of certified automotive technicians and database of more than 3 million verified repairs. The November 2012 Index statistically analyzes repairs that apply to roughly 136 million model year 2002 to 2012 vehicles, taking place in the U.S. from Sept. 1, 2011 through Sept. 1, 2012. In determining the top 10 manufacturers, CarMD included those whose makes and models account for at least 1 percent of the U.S. vehicle population according to R.L. Polk data, and 1 percent of CarMD's data.

To read CarMD’s press release, please click on <http://s.tt/1tdg8>