

Toyota Motor Sales, U.S.A., Inc. 19001 South Western Avenue Torrance, CA 90501 (310) 468-4000

To: All Toyota Dealer Principals, Service Managers, and Parts Managers

Subject: Safety Recall **DSF Remedy Update**

Certain 2003-2008 Model Year Corolla and Corolla Matrix Vehicles

Certain 2003-2006 Model Year Tundra Vehicles Certain 2002-2007 Model Year Sequoia Vehicles

Front Passenger Airbag Inflator Module

Background

The original remedy for Safety Recall D0F launched in early April, 2013, included an inspection and, if necessary, replacement of the airbag inflator module.

- In early June, 2014, supplemental Safety Recall DSF was announced with a revised remedy which involved replacement of the passenger inflator module regardless of inspection results.
- In early May, 2015, Toyota expanded Safety Recall DSF to include certain 2003-2004 model year Tundra vehicles and 2004 model year Sequoia vehicles.
- In mid-June, 2015, Toyota expanded Safety Recall DSF to include certain 2005-2007 model year Corolla, Corolla Matrix, Sequoia, and 2005-2006 model year Tundra vehicles.

Toyota has completed the remedy and owner mailing preparations for <u>Phases 1-9</u>. Owners of vehicles covered by the March 2016 expansion (Phase 10) will be mailed an <u>interim</u> owner letter beginning in mid-March, 2016. Toyota will then mail a <u>remedy</u> owner letter to these owners beginning in early June, 2016. All affected vehicles are eligible for an inflator replacement.

Condition

The subject vehicles are equipped with front passenger airbag inflators which may have been manufactured in such a way as to have a potential for the intrusion of moisture over time. Depending on the circumstances, this could create excessive internal pressure when the airbag is deployed and cause the inflator to rupture. In the event of an inflator rupture, metal fragments could pass through the airbag cushion material, striking the vehicle occupants and potentially resulting in serious injury or death.

Remedy

The remedy has been launched in phases due to limited parts availability.

Phase	Model	Location	Launch Date
1	03-04MY Corolla	Vehicles registered in Florida, Hawaii, Puerto Rico and U.S. Virgin Islands.	Late June, 2014
2	03-04MY Corolla	Vehicles registered in Gulf States Toyota (GST) and Southeast Toyota (SET). States: AL, AR, FL, LA, GA, MS, NC, OK, SC, and TX	Mid-February, 2015
3	Matrix	Vehicles registered in Central Atlantic Toyota (CAT) States: DE, MD, PA, VA, and WV	Late March, 2015
4	03-04MY Tundra 02-04MY Seguoia	Vehicles registered in San Francisco and Los Angeles Regions State: CA	Early April, 2015
5	02-04IVIT Sequola	Vehicles registered in Boston and New York Regions States: CT, MA, ME, NH, NJ, NY, RI, and VT	Late April, 2015
6	03-04MY Corolla 03-04MY Corolla Matrix	Vehicles registered in Chicago, Cincinnati, Denver, Kansas City, and Portland Regions	Late September, 2015
7	03-04MY Tundra 02-04MY Sequoia	States: AK, AZ, CO, IA, ID, IL, IN, KS, KY, MI, MN, MO, MT, ND, NE, NM, NV, OH, OR, SD, TN, UT, WA, WI, and WY	Late October, 2015
8	05-07MY Corolla 05-07MY Corolla	Vehicles registered in Gulf States Toyota (GST) and Southeast Toyota (SET). States: AR, NC, and OK (GST/SET states not listed are involved in Safety Recall E04 – For Areas of High Absolute Humidity)	Mid-November, 2015
9	Matrix 05-06MY Tundra 05-07MY Sequoia	Vehicles registered in Boston, Central Atlantic Toyota (CAT), Chicago, Cincinnati, Denver, Kansas City, Los Angeles, New York, Portland, and San Francisco Regions States: AK, AZ, CA, CO, CT, DE, IA, ID, IL, IN, KS, KY, MA, MD, ME, MI, MN, MO, MT, ND, NE, NH, NJ, NM, NV, NY, OH, OR, PA, RI, SD, TN, UT, VA, VT, WA, WI, WV, and WY	Mid-December 2015
10	08MY Corolla 08MY Corolla Matrix	All Locations Note: Vehicles originally sold in, or currently/previously registered in, areas of High Absolute Humidity are included in Safety Recall E04.	Early March, 2016

Toyota dealers are requested to replace the front passenger airbag inflator at **no charge** to the vehicle owner. (For certain models, the front passenger airbag assembly may be replaced.)

The following information is provided to inform you of the owner notification timing and your degree of involvement.

1. Owner Letter Mailing

Toyota notified all owners of vehicles covered by Phases 1-8. The notification start and end dates vary based on the launch date of each phase. The owner letter notifications for these customers has been completed.

Toyota began notifying owners of vehicles covered by Phase 9 in early January, 2016. The owner letters will be mailed in quantities consistent with parts availability and dealer repair capacity, and is expected to complete by June 1, 2016.

Toyota will mail an <u>interim</u> letter to owners of vehicles covered by the March 2016 expansion (Phase 10) beginning in mid-March, 2016. Toyota will then mail a <u>remedy</u> letter to these owners beginning in early June, 2016.

Toyota makes significant effort to obtain current customer name and address information when mailing owner letters. In the event your dealership receives a notice for a vehicle that was sold prior to the Safety Recall announcement, it is the dealership's responsibility to forward the owner letter to the customer who purchased the vehicle.

If a dealer is contacted by an owner who has not yet received the notification, please instruct the dealer to **verify coverage by confirming through TIS.** Dealers should perform the procedure as outlined in the Technical Instructions located on TIS.

2. Pre-Owned Vehicles in Dealer Stock

All vehicles in dealership stock that are covered by this Safety Recall must have the passenger airbag inflator replaced before customer delivery.

3. Number and Identification of Covered Vehicles

There are approximately 1,874,000 Toyota vehicles covered by this Safety Recall. Vehicles covered by Safety Recall D0F that previously received a replacement airbag inflator module are not included in either action.

Model	Model Year	Appx. UIO	Production Range
Corolla	2003-2008	1,150,000	Mid-December, 2001 - Late December, 2007
Corolla Matrix	2003-2008	242,000	Mid-December, 2001 - Mid-December, 2007
Tundra	2003-2006	309,000	Late May, 2002 - Late December, 2006
Sequoia	2002-2007	173,000	Early April, 2002 - Early November, 2007

4. Campaign Special Service Tools

In a shipment which was scheduled to arrive on July 31, 2013, your dealership was sent a package containing special service tools for Safety Recall D0F which will also be used for this campaign.

These tools are needed when performing the front passenger airbag inflator module campaign. These tools **ARE NOT** available through normal parts or tools channels. There is a very limited supply of tools, but if additional tools are needed, contact your regional representative.

Name	Sample Image	Qty
Airbag Mounting Bracket & hardware	Breset Support Bars Airbag Mounting Hardware	1
Barcode Scanner		1

5. Technician Training Requirements

The repair quality of covered vehicles is extremely important to Toyota. All dealership technicians performing this repair are required to successfully complete the most current version of the E-Learning course "Safety Recall and Service Campaign Essentials". To ensure that all vehicles have the repair performed correctly; technicians performing this repair must also complete SC13B and be certified to one or more of the following levels:

- Toyota Expert Electrical
- Master Technician
- Master Diagnostic Technician (MDT)

It is the dealership's responsibility to select technicians with the above certification level or greater to perform this Safety Recall repair. Carefully review your resources, the technician skill level, and ability before assigning technicians to this repair. It is important to consider technician days off and vacation schedules to ensure there are properly trained technicians available to perform this repair at all times.

6. Campaign Specific Part Associate E- Learning Training Requirement

The Airbag Inflator Assembly being replaced during this campaign is a Class 9 Hazmat part. Therefore Parts Associates involved in this recall are required to complete E-Learning Module (E2140 "Safety Recall DOF – Front Passenger Airbag Inflator" found on www.uotdealer.com) This E-Learning module will explain the proper procedure for documenting and returning the Airbag Inflator Assembly to TK Holdings Incorporated.

7. Shipping Information for Removed Inflators and Airbag Assemblies

<u>Important</u>: For the Continental 48 states, airbag assemblies are now included in the return shipping process. Refer to the updated Shipment Preparation Job Aid on TIS. <u>Updated</u>: 3/10/2016

New Parts Return Shipping Process – Effective July 1, 2015

NOTE: This updated inflator recovery program only applies to the Continental 48 States. Alaska, Hawaii, and the US Territories will continue to use the current program.

IMPORTANT: Effective July 1, 2015, the current inflator part return process, using Fed-Ex as the shipper will be discontinued. A procedure has been developed by Takata. This part return procedure also includes removed airbag assembly. With this process, each dealer will be required to perform the following:

- Apply a return address label to the outside of each returned airbag/inflator box (Label provided by Takata in the new part box).
- Store the old inflators on a pallet until they accumulate 100 inflators/airbag assemblies or whatever amount is collected after 30 days.
- Keep a running log of how many of each type (Driver or Passenger) inflators and airbag assemblies are on the pallet.
- Secure the inflators on the pallet with shrink wrap.
- Contact Takata at 1-877-650-9409 to arrange LTL pick-up.
- Place an over-pack label on the palletized load and provide the LTL driver with the pre-filled out documentation that will be sent to the dealer by Takata.

The process will not require the dealer to fill out any paperwork. All documents will be filled out by Takata and returned to the dealer.

Starting June 2015, during part production, Takata started replacing the current FedEx documentation in the airbag/inflator box with the new return labels and updated instructions. To support this new process, in late June 2015, each dealer will receive:

- 4 laminated Job Aids to help you understand the new process.
- 1 roll (125) of the new return labels to use until the new inflators start to arrive with the correct labels in the box. More labels will be available from Takata if needed.

Refer to the Job Aid available on TIS for more details on the new process and how to get more labels.

In addition, to compensate dealers for purchasing pallets and shrink wrap, a sublet claim of 0.20 cents per vehicle may be applied to each inflator replacement warranty claim starting July 1, 2015.

8. Parts Ordering Process

An additional airbag inflator Part Number is now available for 2005-2008 Model Year Corolla vehicles.

Updated: 5/09/2016

Non SET and GST Parts Ordering Process

Due to limited availability, the parts have been placed on either Manual Allocation Control (MAC) or Dealer Ordering Solutions (DOS). As the parts inventory improves, the ordering process may change. Please check the Toyota Special Activities MAC/DOS report on Dealer Daily for the most up-to-date parts ordering information.

Model	Model Year	Part Number	Part Description	Qty.
Corolla Matrix	2003-2004	04003-28101	INFLATOR ASSY KIT, AIR BAG	1
Corolla Matrix	2005-2008	04004-75201	INFLATOR ASSY KIT, AIR BAG	1
	2003-2004	04003-28102	INFLATOR ASSY KIT, AIR BAG	1
Corolla	2005-2008	04004-75202 Or 04006-06102	INFLATOR ASSY KIT, AIR BAG	1
Seguoia	2002-2004	04003-2810C	INFLATOR ASSY KIT, AIR BAG	1
Sequoia	2005-2007	04004-7520C	INFLATOR ASSY KIT, AIR BAG	1
Tundra	2003-2004	04003-2810C	INFLATOR ASSY KIT, AIR BAG	1
Tullula	2005-2006	04004-7520C	INFLATOR ASSY KIT, AIR BAG	1

Important Note: The current airbag inflator for 2005-2008 Model Year Corolla vehicles, part number 04004-75202, is still available. Please continue to order and utilize this Airbag Inflator until your facing PDC and dealer inventory is out of stock. Orders placed for 04004-75202 will substitute to 04006-06102 once inventory at your facing PDC has been depleted.

An additional repair procedure to replace the airbag assembly is now available for Corolla Matrix vehicles.

Important Note: The current repair to replace the inflator is still available. If the vehicle is repaired with an airbag assembly and connector listed below, the inflator DOES NOT need to be replaced.

Model	Model Year	Part Number	Part Description	Qty.	
Corolla Matrix	2003-2004	04005-22601	AIRBAG ASSEMBLY W/ INFLATOR	1	
COTOIIA MAITIX	2005-2008	04005-22901	AIRBAG ASSEMBLY W/ INFLATOR	1	
- AND -					
Corolla Matrix	ALL	04005-28112	AIRBAG CONNECTOR	1	

In the limited cases where the serial number is illegible, the Airbag Assembly will require replacement. Please contact your regional representative for further direction on vehicle repair and claim filing procedures.

IMPORTANT PARTS ORDERING UPDATE

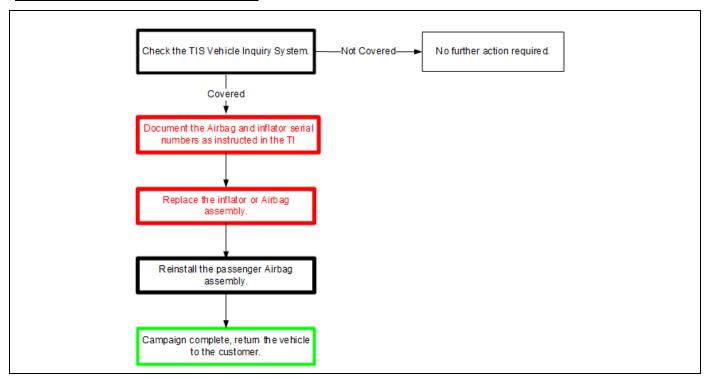
All Safety Recall, Service Campaign (SSC/LSC) and Customer Support Program (CSP) parts are eligible for the Monthly Parts Return Program. Please refer to PANT Bulletin 2011-087 for campaign parts that are currently returnable under the Monthly Parts Return Program and additional details.

9. Remedy Procedures

Please refer to TIS for Technical Instructions on inspection and repair.

Conduct all applicable, non-completed Safety Recall and Service Campaigns on the vehicle during the time of appointment.

10. Warranty Reimbursement Procedure



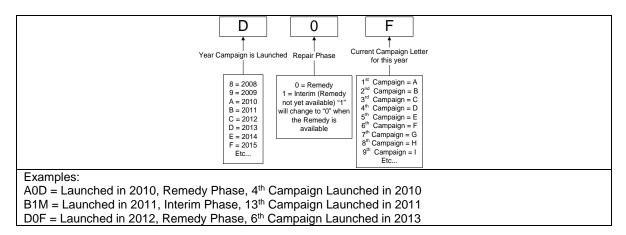
Model	Op. Code	Description	Flat Rate Hour	
Tundra & Sequoia	AGG48B	Replace Airbag Inflator	1.2 hr/vehicle	
Corolla	AGG48G	Replace Airbag Inflator	0.9 hr/vehicle	
Matrix	AGG46G	Replace Airbag Assembly or Inflator	0.9 Hr/Verlicie	

- The flat rate times include 0.1 hours for administrative cost per unit for the dealership.
- Dealers may claim the cost for materials needed for inflator return shipping under opcodes AGG48B and AGG48G at a maximum rate of \$0.20 per vehicle as sublet type "ZZ."
- If parts are not available due to back order, a loaner vehicle or alternative transportation through the Toyota Rent-A-CAR (TRAC) can be claimed for \$35 per day for a maximum of 4 days. Per day expense exceeding \$35 or loaners exceeding 4 days, requires DSPM authorization. For additional information, reference the Toyota Transportation Assistance Program (TTAP) guidelines.
- Towing can be claimed under Op. Code AGG48B, AGG48G, and AGG48W for a maximum of \$250 as sublet type "TW" in the event the customer requested vehicle pick up.

In limited instances, a Sequoia vehicle may have an inflator utilizing a large retaining hex nut on the right side. These vehicles are not involved in this Safety Recall. *Refer to the Sequoia Technical Instructions Section VIII-2 for additional details*.

Model	Op. Code	Description	Flat Rate Hour
Sequoia (<i>ONLY</i>)	AGG48W	Large Retaining Hex Nut Found Vehicle not Involved Under this Safety Recall (Refer to the Sequoia Technical Instructions Section VIII-2)	0.3 hr/vehicle

11. Campaign Designation Decoder



12. Repair Quality Confirmation

The repair quality of covered vehicles is extremely important to Toyota. To help ensure that all vehicles have the repair performed correctly, please designate at least one associate (someone other than the individual who performed the repair) to verify the repair quality of every vehicle prior to customer delivery.

13. Media Contacts

If you are a dealership associate and have any questions, please contact your District Service/Parts Manager. *In the event you are contacted by the News media*, it is imperative that all media contacts (local and national) receive a consistent message. In this regard, all media contacts must be directed to Cindy Knight, (310) 468-2170 in Toyota Corporate Communications. (Please do not provide this number to customers.)

14. Customer Contacts

A FAQ is attached to help 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 to 4:00 pm Pacific Time.

Please note the attached FAQ is published on the www.Toyota.com website for customer viewing.

Please review this entire package with your Service and Parts staff to familiarize them with the proper stepby-step procedures required to implement this Safety Recall.

Thank you for your cooperation.

TOYOTA MOTOR SALES, U.S.A., INC.