

INTEROFFICE MEMORANDUM

To: All Toyota Region General Managers/Vice Presidents
From: Bob Waltz,
Group Vice President, Product Quality and Service Support
Subject: Limited Service Campaign (LSC) D0N
Certain 2011 – 2012 Model Year Highlander Hybrid Vehicles
Rear Driveshaft Assembly Replacement

In our continuing efforts to ensure the best in customer satisfaction, Toyota is launching a Limited Service Campaign (LSC) on certain 2011 – 2012 Model Year Highlander Hybrid Vehicles. This LSC will cover approximately 4,000 vehicles.

Background

Due to an assembly error during manufacturing, the Rear Driveshaft in certain 2011-2012 Model Year Highlander Hybrid vehicles can disengage from its inboard joint assembly. If this occurs, the driveshaft could vibrate and rattle inside the inboard joint, causing a loud noise from the rear of the vehicle while driving. Continuing to drive the vehicle can damage the housing of the Rear Differential Motor. If the housing is damaged, the entire differential motor would also require replacement.

Limited Service Campaign (LSC) Remedy

Authorized Toyota dealerships are requested to inspect and replace the rear Driveshaft Assemblies (both right and left) at **NO CHARGE** to the vehicle's owner. If the dealership determines that the driveshaft has disengaged from the inboard joint assembly, the Rear Differential Motor assembly will be replaced at **NO CHARGE** to the vehicle's owner.

This LSC will be available until **October 31, 2016**, and will only be available at an authorized Toyota Dealer.

1. Dealer Letter Mailing Date

The attached Dealer Letter will be sent to all Toyota dealers in early October, 2013.

2. Owner Notification Mailing Date

The owner notification will commence in early October, 2013, approximately one week after the Dealer Letter.

Please note that only owners of the covered vehicles will be notified. If a dealer is contacted by an owner who has not yet received a notification, please instruct them to **verify eligibility by confirming through TIS prior to performing repairs**. Dealers should perform the repair as outlined in the Technical Instructions found on TIS.

3. New and Used Vehicles in Dealership Inventory (In-Stock Vehicles)

To ensure customer satisfaction Toyota requests that dealers conduct this LSC remedy on any new or used vehicles currently in dealer inventory that are covered by this LSC prior to customer delivery.

4. Number and Identification of Covered Vehicles

There are approximately 4,000 Highlander Hybrid Vehicles covered under this LSC

5. Parts Ordering Process (Dealer Ordering Solutions)

Orders can be placed through the dealership’s facing PDC. The Rear Driveshaft Assembly kits have been placed on Dealer Ordering Solutions and will be systematically released daily based on dealer ordering criteria. Each dealer has received specific dealer ordering criteria in an email from their facing PDC Manager based on Repair Order Volume * PDC Affected UIO. Therefore, it is vital that each dealership work with both Parts and Service to immediately file claims and coordinate appropriate kit orders.

Additional Part Ordering information can be found in the dealer communication.

6. Region/District Summary Reports

We have enclosed the following LSC D0N Summary Reports in the Region/Private Distributor (PD) Service Manager/Customer Service Operations Manager/Director of Service package:

- Region/PD Summary Report that provides an overview of the entire Region/PD for this LSC.
- A District Summary Report that indicates the number of covered vehicles per dealership in each district for this LSC.

The attached Dealer Notification Letter contains additional details.

Please review this 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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| J. Bracken | N. Fein | M. King | R. Pflughaupt | P. Uribe |
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