Alex Gross / TMS Toyota Customer Services Product Quality and Service Support, Quality Compliance August 14, 2014 Approved By: Bob Waltz

To: All Toyota Dealers From: Product Support Division

Warranty Enhancement Program – ZE3

Certain 2010 – 2014 Model Year Prius Vehicles Extension of Warranty Coverage to the Intelligent Power Module (IPM)

In our continuing efforts to ensure the best in customer satisfaction, Toyota is announcing a Warranty Enhancement Program to extend the warranty coverage for repairs related to failure of the Intelligent Power Module (IPM). The vehicles covered under this Warranty Enhancement must first have Safety Recall E0E (launched in mid-February, 2014) performed (if applicable).

- A Dealer Letter containing additional information has been posted on TIS
- Please refer to TIS for vehicle applicability and additional information
- An FAQ has been attached for your reference

Customer and Media Contacts

- A FAQ has been attached for your use in the event you receive a customer contact. If a customer has further questions, please direct the inquiry to the Toyota Customer Experience Center at 1-800-270-9371.
- 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. Please direct all media contacts to Cindy Knight (310) 468-2170, in Toyota Corporate Communications. (Please do not provide these numbers to customers or call if you are a dealer associate. Please provide these contacts to only media associates.)



Warranty Enhancement Program – ZE3
Certain 2010 – 2014 Model Year Prius Vehicles
Extension of Warranty Coverage to the Intelligent Power Module (IPM)

BACKGROUND

In our continuing efforts to ensure the best in customer satisfaction, Toyota is announcing a Warranty Enhancement Program to extend the warranty coverage for repairs related to internal malfunctions of the Intelligent Power Module (IPM). The vehicles covered under this Warranty Enhancement must first have Safety Recall E0E (launched in mid-February, 2014) performed (if applicable).

Q1: What is the condition?

A1: In these vehicles, Toyota has received some reports where the Intelligent Power Module (IPM) located inside the inverter assembly of the hybrid system may fail. This condition is indicated by hybrid system diagnostic trouble codes (DTCs): P0A94, P324E, P3004, and/or P0A1A that your dealer can find by use of a special diagnostic tool. If one or more of these DTCs are detected, various warning lamps on the instrument panel will also illuminate and the vehicle will enter fail safe mode.

Q1a: What is the Hybrid System Inverter?

A1a: The hybrid system inverter converts high-voltage direct current (DC), stored in the HV battery, into high-voltage alternating current (AC) for the motor generator. It also converts AC into DC during regenerative braking for storage in the HV battery.

Q1b: What is Fail-Safe Mode?

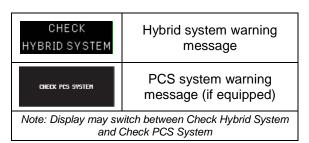
A1b: Fail-Safe Mode is a form of vehicle self-protection (also known as Limp-Home Mode). When the vehicle's self-diagnostic system determines a possible malfunction, the hybrid control system may reduce vehicle power to minimize potential component damage. The vehicle is still drivable, but you will notice a reduction in available vehicle power and speed. If this condition occurs, the vehicle should be immediately taken to an authorized Toyota Dealer for appropriate diagnosis and repair.

Q2: Which Warning Lamps are illuminated on the instrument panel when the vehicle experiences this condition and enters fail-safe driving mode?

A2: The various warning lamps shown below will illuminate on the instrument panel if the Intelligent Power Module (IPM) fails. The vehicle will also enter a fail safe mode.

| | Master Warning Light |
|----------|-------------------------|
| 1 | Slip Indicator Light |

| CHECK | Check Engine Warning Light |
|--------------------|---|
| (yellow indicator) | Electronically Controlled Brake System Warning Light |



Please note: It is possible for the lights above to be illuminated and the condition not be related to this warranty enhancement program.

Q3:What is Toyota going to do?

A3: Owners of certain 2010 - 2014 Model Year Prius vehicles covered by this Warranty Enhancement Program will receive an Owner Letter via first class mail starting in late August, 2014.

If the owner experiences the Warning Lights and Warning Messages (shown above) and the vehicle enters fail safe mode, he/she should contact his/her local authorized Toyota dealership for diagnosis and repair. Safety Recall E0E must first be completed on the vehicle before this Warranty Enhancement is performed (if applicable). If the condition is covered by the terms of this warranty enhancement program, an appropriate remedy will be performed at no charge to the vehicle's owner. This Warranty Enhancement covers failure of the IPM and other internal inverter components potentially damaged by IPM failure.

Please see your local authorized Toyota dealer for additional details.

Q3a: How does Toyota obtain my mailing information?

A3a: Toyota uses an industry provider who works with each state's Department of Motor Vehicles (DMV) to receive registration or title information, based upon the DMV records. Please make sure your registration or title information is correct.

Q4: Which vehicles are covered by this Warranty Enhancement Program?

A4: There are approximately 711,000 (certain 2010 - 2014 Model Year) Prius vehicles covered by this Warranty Extension.

| Model | Model Year | Production Period | Appx. UIO |
|-------|---------------------|---|-----------|
| Prius | Certain 2010 – 2014 | Late March, 2009 through Early February, 2014 | 711,000 |

Q4a: Are there any other Toyota, Lexus or Scion vehicles covered by this Warranty Enhancement Program?

A4a: There are no other Toyota, Lexus or Scion vehicles covered by this Warranty Enhancement Program.

Q5: What are the details of this coverage?

A5: This Warranty Enhancement Program provides an extension to the vehicle's "New Vehicle Limited Warranty" for repairs related to failure of Intelligent Power Module (IPM). The vehicles covered under this Warranty Enhancement must first have Safety Recall E0E performed (if applicable). If the condition is verified, an appropriate remedy will be performed under the terms of this Warranty Enhancement Program.

This warranty enhancement is available for <u>15 years with no mileage limitation from the date of first use</u>.

This coverage is for warranty work performed at an authorized Toyota dealer only. It is subject to the same terms and conditions set forth in the New Vehicle Limited Warranty Section of your Owner's Warranty & Maintenance Guide. For example, damage from abuse, an accident, theft and/or vandalism is not covered by the New Vehicle Limited Warranty or this warranty enhancement.

Q6: Which parts are covered by this warranty enhancement program?

A6: This Warranty Enhancement covers failure of the IPM and other internal inverter components potentially damaged by IPM failure. This condition is indicated by hybrid system diagnostic trouble codes (DTCs): P0A94, P324E, P3004, and/or P0A1A

Q7: What if an owner experiences the condition described above?

A7: If the owner experience the condition described above, he/she is requested to contact an authorized Toyota dealer for diagnosis and repair. If the condition is covered by the terms of this warranty enhancement program, the repair will be performed at **no charge** to the vehicle owner.

Q8: What if the dealer performs diagnosis and determines that the vehicle does not have the conditions covered by this Warranty Enhancement Program?

A8: The warning lights and stored hybrid system DTCs can be triggered due to conditions detected not specific to the inverter assembly and its internal components. These additional conditions may require diagnosis or repairs not specifically covered by this Warranty Enhancement. Please be aware that if the condition does not relate to the DTCs or warning lights, vehicle owners may be responsible for the initial diagnostic fees and any other repairs they decide to have performed. Any authorized Toyota Dealership can determine if a condition is covered by this Warranty Enhancement.

Q9: What if an owner has NOT experienced this condition but would like to have the repair completed?

A9: This Warranty Enhancement Program only applies to vehicles that have exhibited the condition described above. If an owner has not experienced this condition, he/she is asked to apply the warranty enhancement notification sticker to the Owners Warranty & Maintenance Guide for future reference. However, Toyota requests owners who have not yet had Safety Recall E0E performed on their vehicle to contact an authorized Toyota Dealership and have Safety Recall E0E completed as soon as possible (if applicable).

Q10: How long will the repair take?

A10: Replacement of the IPM and other internal inverter components potentially damaged by IPM failure will take approximately 3 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 if a customer previously paid for repairs to his/her vehicle for this condition?

A11: Owners that have previously paid for repairs to address this specific condition should refer to the owner letter for reimbursement consideration instructions.

Q12: What if a customer has additional questions or concerns?

A12: If a customer has additional questions or concerns, he/she should 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 Time.