

CustomerServicesDivision

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

TO: ALL TOYOTA DEALER PRINCIPALS, SERVICE MANAGERS, PARTS MANAGERS

SUBJECT: SPECIAL SERVICE CAMPAIGN (SSC) – 40G (REVISED) (2001 TO MID-2003 MY PRIUS HV BATTERY MODIFICATION)

Toyota will initiate a Special Service Campaign (SSC) to modify the HV Battery on certain 2001 through mid-2003 Model Year (MY) Toyota Prius vehicles.

On certain 2001 through mid-2003 Model Year Prius vehicles, there is a possibility that a very small amount of electrolyte may seep from the HV Battery around one or more of the positive HV battery terminals. If this should occur under high humidity conditions, the HV Battery Computer will detect a drop in the resistance and illuminate the Master Warning Light and Hybrid System Malfunction Warning Light.

The following vital information is provided to inform you and your staff of the campaign notification schedule and your degree of involvement.

1. Owner Notification Letter Mailing Date

The owner notification will commence in early August, 2004.

Please note that not all vehicles in the VIN range are affected by this SSC. If you are contacted by an owner of an involved vehicle, who has not yet received a notification, please *verify eligibility by confirming through Dealer Daily/TIS prior to performing repairs*. Dealers should perform the inspection and/or repair as outlined in the attached Technical Instructions.

2. Identification of Involved Vehicles

Nationally, there are approximately 48,000 Prius vehicles (2001 to mid-2003 Model Year) which are involved in this campaign.

| Model | Year | VIN Range | | | |
|-------|--------------|-----------|-------------------|--|--|
| MODEI | real | VDS | Ranges | | |
| | 2001 | BK12U | 0002009 - 0038684 | | |
| | 2001 | BK18U | 0002001 - 0038005 | | |
| Prius | 2002 2003 | BK12U | 0038687 - 0070195 | | |
| Flius | | BK18U | 0038685 - 0070196 | | |
| | | BK12U | 0070198 - 0082299 | | |
| | | BK18U | 0069295 – 0082310 | | |

Not all Prius vehicles in the VIN ranges are involved. As always, consult Dealer Daily/TIS to confirm VIN eligibility and to assure the SSC is applicable. This will verify the vehicle is affected and has not already been completed prior to dealer shipment or by another dealer.

SSC 40G Page 2

3. Vehicles in Dealer Stock

Dealerships are requested to perform any applicable campaigns prior to the sale or lease of the vehicle.

4. Dealer/Owner Lists

Affected vehicle VIN lists (VIN only due to changes in State Privacy Laws) for SSC 40G have been distributed to each dealership's Service and Parts Managers. These lists are based upon the dealership's Primary Marketing Area (PMA) where applicable. If there is no PMA for a vehicle, it reverts to the selling dealership. Based upon our records, a dealership which does not have an affected vehicle in their PMA will receive a report indicating so.

5. <u>Repair Procedures</u>

Refer to the attached Technical Instructions. Only certified Prius technicians that have taken course 071 and course 02OCT0734 (Hybrid Battery Service) are permitted to conduct this repair. Please contact your local Region/PD for information on either of these courses.

The following additional items have been included in the Service Managers SSC 40G launch material:

- Training video outlining the repair
- Special 48 in Ib T-Handle Torque wrench
- Vinyl Mat rated for 1,000 volts
- Litmus paper
- Special tool label for tool cabinet

6. Parts Ordering

The Replacement Parts Kit can be ordered through the dealer's facing PDC. Please refer to the table below and the Technical Instructions for part number information.

| Part Number | Part Description | Qty/Vehicle | | |
|-------------|-----------------------|-------------|--|--|
| 04003-35147 | HV Battery Busbar Kit | 1 | | |

HV batteries in PDC inventory do not require this repair.

7. <u>Chemical Ordering</u>

The chemicals can be ordered through the parts system on Dealer Daily. They will be shipped directly from AMREP. Please refer to the table below and the Technical Instructions for part number information.

| Part Number | Part Description | Qty/Vehicle | | |
|----------------|-----------------------|-------------|--|--|
| 04003-36147-DS | Terminal Sealing Kit* | 1 | | |
| 09999-00020-DS | Boric Acid Solution* | 1 | | |

*For the two chemical part numbers, the following guidelines must be followed to ensure proper delivery of the chemical to your dealership.

- A. Due to the perishable nature of these chemicals, do not order more than your immediate needs. These chemicals are not returnable and non-refundable. Ensure that the sealant is stored at a temperature range between 41°F to 95°F (5°C to 35°C).
- B. These two chemical part numbers will be drop-shipped from AMREP, not your local PDC. Please note that overnight deliveries are only scheduled on business days. Saturday deliveries are not available. Also, dealer's orders to TMS are transmitted to AMREP on the next business day, so please note the following delivery times:
 - Dealer orders received by TMS on Monday, Tuesday, and/or Wednesday will be delivered within 2 days.
 - Dealer orders received by TMS on Thursday or Friday will be delivered by the following Tuesday.

Please keep this in mind when scheduling customer appointments.

C. Orders for the Prius chemicals should be placed separately from orders of other drop-ship chemicals.

To prevent parts shortages and excess parts stock at dealerships, the "Suggested Initial Parts Order Quantity" has been provided in each Dealer/Owner List (sent to each dealer's Service and Parts Managers) as a guide. This will assure an adequate and balanced parts inventory for this SSC. A UIO by state matrix is listed below to inform dealers of the number of vehicles in their area.

| | | 1 | | | 1 | | | 1 | | | 1 | | |
|-------|-------|---|-------|------|---|-------|-----|---|-------|------|---|-------|------|
| STATE | UIO | | STATE | UIO | | STATE | UIO | | STATE | UIO | | STATE | UIO |
| AK | 77 | | GA | 666 | | ME | 309 | | NJ | 940 | | SD | 56 |
| AL | 219 | | IA | 239 | | MI | 767 | | NM | 373 | | TN | 313 |
| AR | 121 | | ID | 168 | | MN | 789 | | NV | 413 | | ΤX | 2000 |
| AZ | 984 | | IL | 1506 | | MO | 558 | | NY | 2048 | | UT | 282 |
| CA | 14537 | | IN | 595 | | MS | 57 | | ОН | 1067 | | VA | 2325 |
| CO | 1430 | | KS | 278 | | MT | 57 | | OK | 202 | | VT | 238 |
| СТ | 592 | | KY | 276 | | NC | 884 | | OR | 1472 | | WA | 2450 |
| DC | 188 | | LA | 137 | | ND | 26 | | PA | 1073 | | WI | 963 |
| DE | 71 | | MA | 1746 | | NE | 115 | | RI | 173 | | WV | 88 |
| FL | 1796 | | MD | 1442 |] | NH | 307 | | SC | 187 | | WY | 31 |

8. <u>Reimbursement Procedures</u>

| SSC# | Model | Operation Code | Description | Flat Rate Hour |
|------|-------|-------------------|--|-------------------|
| 40G | Prius | 4601C3 | Inspect the Serial Number and modify the HV Battery | 4.4 Hr/Veh |

NOTE:

- The above flat rate time includes 0.1 hour of administrative cost per unit.
- If a HV Battery is replaced under normal warranty, the warranty claim will mark SSC 40G as completed.

For hazmat disposal costs, submit a second claim as a 'regular' claim. Include hazmat disposal fees in the sublet column only. The operation code is 4601CD. Use OPN G9510-47020, which is the HV battery assembly. Use "99" for T1 and T2 codes. Use the VIN from the last 40G repair performed, to submit this claim. No labor is allowed on this regular claim. The following chart summarizes the hazmat disposal fee claim:

| Operation Code | OPN | Description | T1 Code & T2 Code | Sublet Type | Sublet Amount | |
|-------------------|-------------|---------------------------|----------------------|----------------|---------------|--|
| 4601CD | G9510-47020 | Disposal of HazMat Fee | "99" | "ZZ" | Actual Cost | |

NOTE: Reference the hazmat disposal invoice number in the sublet description of the claim along with the name of the disposal company used. Each hazmat drum or bucket used for this repair can hold hazmat materials for more than one repair. **Do not submit a hazmat disposal fee claim for each repair performed.**

Hazmat disposal reimbursement is normally excluded under Policy and is specific to this SSC only as a one-time exception.

The following allowance is available upon customer request:

• Rental car through the Toyota Rent-A-Car (TRAC) Program. Follow the Toyota Transportation Assistance Program (TTAP) guidelines. DSPM authorization will be required for vehicle rentals exceeding 3 days or if a customer has a special need.

SSC 40G Page 5

9. Disposal of waste parts, materials, and chemicals

The chemicals used to perform this repair are considered Hazmat and fall outside the disposal of other normal waste produced during a repair. The following must be disposed of in accordance with Federal, State and local regulations and stored in a separate container:

- The sealant tubes
- The Boric Acid container
- Any remaining liquid Boric Acid
- Any rags that have come into contact with boric acid, electrolyte, or sealant.
- Any old parts removed from the battery (i.e. the original busbars, retaining nuts, etc.)
- The white chemical protective gloves supplied in the repair kit

The waste generated during this repair can be handled by a disposal company such as Safety-Kleen. All waste (rags, old parts, gloves, chemical containers, excess chemicals, etc.) from this repair must be disposed of in the receptacle provided by Safety-Kleen or a similar company.

Please review this entire package with your Service and Parts staff to familiarize them with the proper step-by-step procedures required to implement this Special Service Campaign. If you have any questions, please immediately contact your Region/Private Distributor staff.

Thank you for your cooperation. TOYOTA MOTOR SALES, U.S.A., INC.

ΤΟΥΟΤΑ

Special Service Campaign (SSC) 40G 2001 through Mid-2003 Model Year Toyota Prius Hybrid Vehicle (HV) Battery Modification Q&A

Q1: What is the condition and its cause?

A1: There is a possibility that a very small amount of electrolyte may seep from the HV Battery around one or more of the positive HV battery terminals. If this should occur in high humidity conditions, the HV battery computer then detects a drop in the insulation resistance and illuminates the Master Warning Light and the Hybrid System Malfunction Warning Light.

Q2: Which and how many vehicles are involved?

A2: Certain 2001 through mid-2003 Model Year Prius vehicles are involved. There are approximately 48,700 Prius vehicles involved in the U.S. market.

Q3: What is the production period of the affected vehicles?

A3: The affected vehicles were produced from May 2000 to December 2002.

Q4: Are there any other Toyota or Lexus vehicles involved?

A4: No, this condition only affects certain 2001 through mid-2003 Model Year Prius vehicles.

Q5: What is Toyota going to do?

A5: Owners of the involved vehicles will receive a Special Service Campaign notification by first class mail. Toyota dealers will inspect and repair the HV Battery in your vehicle by opening, cleaning and re-sealing the positive HV battery terminals at **NO COST** to the vehicle owners. Please note, however, that the re-sealant must be applied while the outside temperature is higher than 40° F. If the ambient temperature is lower, the dealer may not be able to perform the repair at that time and thus may have to make other arrangements to ensure that the vehicle does not experience the above condition.

Q6: How many incidents of this condition have been reported?

A6: There have been **7** reported cases of this condition on the affected Prius vehicles.

Q7: Have there been any accidents reported?

A7: There have been **NO** reported cases of accidents related to this condition.

Q8: How long will the repair take?

A8: The HV battery modification will take approximately five hours. However, depending upon the dealer's work schedule, it may be necessary to make the vehicle available for a longer period of time.

Q9: What should an owner do if they have this condition?

A9: Owners are requested to contact their local Toyota dealer for modification of the HV Battery.