

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

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

Subject: Interim Notification – Safety Recall for Engine Control Module (ECM)

Certain 2005 through 2008 Toyota Corolla & Corolla Matrix 2WD Vehicles Equipped with a 1ZZ-FE Engine

The purpose of this communication is to inform you that Toyota will be mailing an <u>interim</u> notice to owners of vehicles covered by this Safety Recall.

Interim Owner Notification

As communicated in the Preliminary Notification on August 26th, Toyota is currently preparing replacement parts for this Safety Recall. In the meantime, we are communicating the recall status and current actions:

- To assure transparency with owners, Toyota will mail an *interim* owner notification beginning in early October 2010 advising owners of this Safety Recall and the fact that they will receive a second notice when parts become available.
- Customers will also be provided instructions for how to request reimbursement consideration if they have paid for ECM replacement prior to this campaign.

Timing of Safety Recall (second) Notification

- A second mailing, anticipated to begin in November, 2010, will be scheduled when replacement parts are available in sufficient quantities. The second notification will be phased over several months consistent with dealer capacity and parts availability.
- Additional information (such as: TI, Parts Ordering Info., etc.) will be provided once the remedy parts are available.

Interim Customer Handling

- Customers that receive the Interim Owner Notification may contact you with additional questions. The attached Q&A should be utilized to answer any questions they may have. Please thank them for their patience and advise them to return when they receive the second notification from Toyota informing them that replacement parts are available. Again, we anticipate that the second mailing will begin in November, 2010.
- For a customer who has not experienced this condition but does not feel comfortable driving the vehicle, please work with the customer to address any concerns he/she may have. In the event the customer's concerns are not alleviated, please contact your DSPM. The customer may also contact the Toyota Customer Experience Center (800-331-4331).

Reimbursement for ECM Inspection

- Some vehicles that have had the ECM replaced with a new ECM in the past, will not need to have the ECM replaced
 as part of this Safety Recall. A customer that has had an ECM replaced in the past may request your assistance in
 determining if their ECM needs to be replaced under this Safety Recall. Please assist the customer by verifying on
 TIS that the vehicle is covered by the recall, performing the Preliminary Inspection as described on TIS and advising
 the customer of the results. Use the following Operation Codes (Op. Codes) for reimbursement in these situations.
- These Op. Codes should not be used unless a customer has requested an inspection based upon a prior ECM replacement. The usage of these Op. Codes will be closely monitored. Inappropriate usage will result in a claim debit.

Safety Recall	Op. Code	Description	Flat Rate Hour
A1J	A1J051	Inspect ECM Part Number and Lot Number - Part Number and/or Lot Number OK	0.2 hr/vehicle
A1J	A1J053	Inspect ECM Part Number and Lot Number - Part Number and/or Lot Number NG	0.2 hr/vehicle

The flat rate times include 0.1 hours for administrative cost per unit for the dealership.

Customers that have experienced an ECM Failure

• If your dealership is contacted by a customer who believes his/her vehicle has experienced an ECM failure, please conduct the appropriate diagnosis. If the condition is confirmed, dealerships are requested to conduct the repair at NO CHARGE to the vehicle owner. Use the following Op. Codes for reimbursement in these situations:

Safety Recall	Op. Code	Description	Flat Rate Hour
A1J	A1J052	Inspect ECM Part Number & Lot Number, ECM Failure Confirmed, Replace E	ECM 0.7 hr/vehicle

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. Please direct all media contacts to Brian Lyons (310) 468-2552 or John Hanson (310) 468-4718, 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 representatives.)

Certain 2005 through 2008 Corolla and Matrix Vehicles Engine Control Module (ECM) SAFETY RECALL NOTICE (*Interim Notice*)

[VIN]

Dear Toyota Customer:

At Toyota, we are dedicated to providing vehicles of outstanding quality and value. Part of our commitment is to provide important information to you whenever a specific concern or problem may affect your vehicle.

Recently, Toyota informed the National Highway Traffic Safety Administration (NHTSA) that a Safety Recall will be conducted on the Engine Control Module (ECM) for certain 2005 through 2008 Toyota Corolla and Corolla Matrix models equipped with the 1ZZ-FE engine and two-wheel drive. We are currently making preparations to implement the Safety Recall remedy.

The purpose of this letter is to explain what the recall is about and to keep you informed of Toyota's implementation plan.

What is the condition?

The ECM for certain 2005 through 2008 Toyota Corolla and Corolla Matrix models equipped with the 1ZZ-FE engine and two-wheel drive may have been improperly manufactured. There is a possibility that a crack may develop at certain solder points or on varistors on the circuit board. In most cases, if a crack occurs at certain points or on certain varistors, the engine warning lamp could be illuminated*, harsh shifting could result, or the engine may not start. In limited instances, if cracking occurs on particular solder points or varistors, the engine could stop while the vehicle is being driven which may increase the risk of a crash *Please note the engine warning lamp may illuminate for reasons unrelated to this condition.

What should you do?

Toyota will send another owner notification when the replacement part is ready. We anticipate that we will begin mailing the second owner letter in late November. These letters will be mailed over several months consistent with parts availability.

In the meantime, if your vehicle exhibits the condition described above, please contact any Toyota dealer for diagnosis and appropriate repair. The repair for this condition will be performed at **no charge** to you.

If you would like to update your vehicle ownership or contact information, please go to www.tovota.com/ownersupdate. You will need your full 17-digit Vehicle Identification Number (VIN) to input the new information.

What if you have other questions?

Your local Toyota dealer will be more than happy to answer any of your questions. If you require further assistance, you may contact the Toyota Customer Experience Center at 1-888-270-9371 Monday through Friday, 5:00 am to 6:00 pm, Saturday 7:00 am through 4:00 pm Pacific Time.

What if you have previously paid for repairs to your vehicle for this specific condition?

If you have previously paid for repair to your vehicle for this specific condition prior to receiving this letter, please mail a copy of your repair order, proof-of-payment and proof-of-ownership to the following address for reimbursement consideration:

Toyota Motor Sales, U.S.A., Inc Toyota Customer Experience, WC 10 19001 South Western Avenue Torrance, CA 90509

If you are a vehicle lessor, please forward a copy of this notice to the lessee within ten days.

We have sent this notice in the interest of your continued satisfaction with our products, and we sincerely regret any inconvenience this condition may have caused you.

Thank you for driving a Toyota. Sincerely,

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



Voluntary Safety Recall Campaign

Certain 2005 through 2008 Toyota Corolla and Corolla Matrix 2WD Vehicles Equipped with a 1ZZ-FE Engine Engine Control Module (ECM) – Q&A for *Interim Notice*

Q1: What is the condition?

A1: The Engine Control Module (ECM) for certain 2005 through 2008 Toyota Corolla and Corolla Matrix models equipped with the 1ZZ-FE engine and two-wheel drive may have been improperly manufactured. There is a possibility that a crack may develop at certain solder points or on varistors on the circuit board. In most cases, if a crack occurs at certain points or on certain varistors, the engine warning lamp could be illuminated, harsh shifting could result, or the engine may not start. In limited instances, if cracking occurs on particular solder points or varistors, the engine could stop while the vehicle is being driven.

Q1a: What is a varistor?

A1a: A varistor is an electronic component used to protect circuits against excessive voltage.

Q1b: Are Corolla Matrix AWD vehicles covered by this Safety Recall?

A1b: No. A different ECM is installed in Corolla Matrix AWD vehicles.

Q1c: Are Corolla or Corolla Matrix vehicles equipped with a 2ZZ-FE engine covered by this Safety Recall?

A1c: No. A different ECM is installed in Corolla and Corolla Matrix vehicles equipped with a 2ZZ-FE engine.

Q2: What is the cause of this condition?

A2: The ECM in the covered vehicles may have been improperly manufactured.

Q3: Are there any warnings that this condition has occurred?

A3: If this condition occurs, in most of the cases, the check engine light will illuminate. Harsh shifting may also occur. However, there may be some cases where the check engine light does not illuminate or harsh shifting will not occur.

Q4: What is Toyota going to do?

A4: Toyota is currently preparing replacement parts. We anticipate that preparations will be completed in November, 2010. In the meantime, Toyota will mail an interim owner notification beginning in the middle of September 2010 to advise owners of this recall and the fact that they will receive a future notice when parts become available to complete repairs. They will also be advised of Toyota's reimbursement plan for those who may have paid for ECM replacement prior to this campaign.

The second mailing will be scheduled when replacement parts are available.

Q4a: When does Toyota anticipate the second mailing to begin?

A4a: Toyota will begin mailing the second owner notification in November 2010, advising owners that the replacement parts are available.

Q4b: If a vehicle is repaired prior to November 2010 will it need to be returned for the remedy?

A4b: If the vehicle is repaired between now and November 2010, it will be repaired with the ECM that will be used as the recall remedy, which is currently available in limited quantities, so the vehicle will not need to be returned.

Q5: Which and how many vehicles are involved?

A5: There are approximately 1.13 million Corolla and Corolla Matrix (2005 through 2008 model year) vehicles covered by this voluntary Safety Recall.

	2005 MY	2006 MY	2007 MY	2008 MY	Total
Corolla 2WD	330,755	257,453	230,356	166,330	984,894
Corolla Matrix 2WD	54,639	34,978	30,763	23,385	143,765

Q6: What is the production period of the affected vehicles?

A6: The vehicles covered by this Safety Recall were produced from April, 2004 to January, 2008.

Q7: When will the replacement parts become available for this Safety Recall?

A7: Toyota anticipates replacement parts will become available in greater volume for this Safety Recall beginning in November 2010.

Q7a: What if a customer requests to have a previously-replaced ECM inspected before November 2010 to determine if it needs to be replaced under the recall?

A7a: A replacement ECM that was installed after March 1, 2010, does not need to be replaced under this recall. If a customer has had his/her ECM replaced prior to March 1, 2010, any Authorized Toyota dealer will inspect the ECM at no charge to determine if it will need to be replaced.

Q7b: What will the inspection entail?

A7b: Dealers will be instructed to inspect the part number and, if applicable, the lot number located on the ECM. Based upon the inspection results, the dealer will be able to determine if the ECM will need to be replaced under the recall once parts are available in greater volume.

Q7c: What will the remedy entail?

A7c: The ECMs in all vehicles covered by the recall will be inspected. The ECM's part number and/or lot number will be confirmed. If the ECM is covered by the recall it will be replaced.

The inspection and replacement will be conducted at **NO CHARGE** to the owner.

Q7d: If the dealer confirms that the ECM needs to be replaced, can a customer get the ECM replaced before November 2010?

Q7d: Unfortunately, until parts preparation is complete, Toyota will not have sufficient parts inventory to repair vehicles that have not experienced ECM failure for this condition (i.e. MIL "ON", harsh shifting, engine hard start, etc.). Toyota will renotify customers by first class mail after parts become available.

Q7e: What if a customer has concerns about driving the vehicle until the remedy is available?

A7e: If a customer is concerned about driving the vehicle, he/she is asked to please contact an authorized Toyota dealer or 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.

Q7f: What if the vehicle has experienced an ECM failure (as evidenced by MIL "ON", harsh shifting, engine hard start, etc.)?

A7f: An authorized Toyota dealer will need to diagnose this condition. If this condition is confirmed, the ECM will be replaced at **NO CHARGE** to the vehicle owner.

Q7g: If the dealer confirms that the ECM does not need to be replaced, will the customer need to return to the dealership once part preparation is completed?

A7g: No. There is no need for customer to do so.

Once the dealer has determined that the ECM does not need to be replaced, the Safety Recall is complete for that vehicle.

Q7h: What if a customer is concerned about driving his/her vehicle until the remedy is complete?

A7h: If a customer has concerns about driving his/her vehicle prior to receiving a replacement ECM, he or she should contact an authorized Toyota dealer. A dealer representative will have a personal consultation with the customer to address any questions and concerns the they may have.

Q7i: What if a customer is still concerned, after the dealer consultation, about driving his/her vehicle until the remedy is complete?

A7i: If a customer's concerns about driving his/her vehicle prior to the remedy being performed are not alleviated after the dealer consultation, he or she should contact the Customer Experience Center for additional assistance.

Q8: Are there any other Toyota or Lexus vehicles covered by this Safety Recall?

A8: No. Only certain 2005 through 2008 Toyota Corolla & Corolla Matrix 2WD vehicles equipped with a 1ZZ-FE engine.

Q8a: What are the various trim levels for Corolla and Corolla Matrix?

A8a:

Vehicles Covered by the Safety Recall

Model Trim		Engine	Trans
	4-Door Sedan CE	4 Cylinder 1ZZ-FE	4AT / 5MT
Corolla '05 – '08	4-Door Sedan LE	4 Cylinder 1ZZ-FE	4AT / 5MT
	4-Door Sedan S	4 Cylinder 1ZZ-FE	4AT / 5MT
Matrix '05 – '08	4-Door Wagon (Base)	4 Cylinder 1ZZ-FE	4AT / 5MT
Wallix 05 - 06	4-Door Wagon XR	4 Cylinder 1ZZ-FE	4AT / 5MT

Vehicles Not Covered

Model	Trim	Engine	Trans
Corolla '05 – '06	4-Door Sedan XRS	4 Cylinder 2ZZ-GE	6MT
	4-Door Wagon Base AWD	4 Cylinder 1ZZ-FE	4AT
Matrix '05 - '06	4-Door Wagon XR AWD	4 Cylinder 1ZZ-FE	4AT
	4-Door Wagon XRS	4 Cylinder 2ZZ-GE	6MT

Q9: What if the customer believes that the vehicle has experienced ECM failure before the remedy is available.

A9: If a customer believes the vehicle has experienced an ECM failure, he or she should contact an authorized Toyota dealer for diagnosis and, if applicable, repair. If the ECM needs to be replaced, the replacement will be performed at **NO CHARGE** to the vehicle owner.

Q10: What if an owner has previously paid for the replacement of the ECM to address this specific condition?

A10: Owners that have previously paid for replacement of the ECM to address this specific condition should refer to the owner letter for reimbursement consideration instructions.

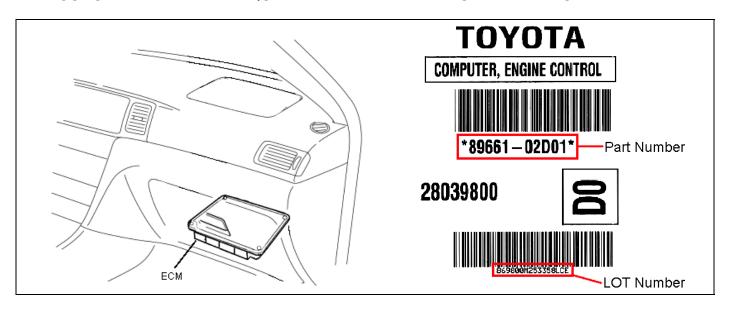
Q11: Have there been any accidents reported?

A11: There are three unconfirmed accidents alleged to be related to this condition. One of the accidents involved a reported minor injury.

Q12: What if an owner has additional questions or concerns?

A12: Owners with additional 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 Time.

ECM PART NUMBER AND/OR LOT NUMBER INSPECTION FOR 2005 THROUGH 2008 COROLLA AND MATRIX EQUIPPED WITH A 1ZZ-FE ENGINE AND TWO WHEEL DRIVE



- 1. Locate the ECM under the glove box compartment.
- 2. Confirm the ECM part number to determine the required action.

Part Number	Action
89661-0112#	Replace the ECM
89661-0113#	Replace the ECM
89661-02C0#	Replace the ECM
89661-02C1#	Replace the ECM
89661-02C9#	Replace the ECM
89661-02D0#	Replace the ECM
89661-02D1#	Replace the ECM
89661-02D4#	Replace the ECM
89661-02D5#	Replace the ECM
89661-02K10	Replace the ECM
89661-02K11	Confirm the LOT Number
89661-02K12	No further action required
89661-02K20	Replace the ECM
89661-02K21	Confirm the LOT Number
89661-02K22	No further action required
89661-02K30	Replace the ECM
89661-02K31	Confirm the LOT Number
89661-02K32	No further action required

Part Number	Action
89661-02K40	Replace the ECM
89661-02K41	Confirm the LOT Number
89661-02K42	No further action required
89661-02K50	Replace the ECM
89661-02K51	Confirm the LOT Number
89661-02K52	No further action required
89661-02Q90	Confirm the LOT Number
89661-02Q91	No further action required
89661-02R00	Confirm the LOT Number
89661-02R01	No further action required
89661-02R10	Confirm the LOT Number
89661-02R11	No further action required
89661-02R40	Confirm the LOT Number
89661-02R41	No further action required
89661-02R50	Confirm the LOT Number
89661-02R51	No further action required
89661-0Z04#	Replace the ECM

- Can be any number

3. Confirm the LOT number (if required)

Use the 9th through 12th digits as highlighted in the example shown, 869800M2 5335 8LCE.

For **OK** LOT Numbers **7227** and higher: - No further action required.

For NG LOT Numbers 7226 and lower:

Replace the ECM.