

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

Subject: **Safety Recall - C0T Remedy Notification**
2004 to certain 2009 Model Year Prius Vehicles
Steering Intermediate Extension Shaft

Updated 1/15/2013: The remedy for Phase 2 vehicles is now available; updates have been highlighted in yellow for your convenience.

As previously announced, on November 14, 2012, Toyota filed a Defect Information Report (DIR), with the National Highway Traffic Safety Administration (NHTSA) informing the agency of our intent to conduct a voluntary Safety Recall of 2004 to certain 2009 Model Year Prius vehicles.

This communication is to inform you the Remedy for Phase 2* vehicles is now available, and Toyota will begin mailing remedy owner letters to Phase 2 vehicle owners. Phase 2 covers vehicles involved in both C0T and C0U (Prius Hybrid Electric Water Pump). Please refer to Safety Recall Launch Timing for further information.

***Phase 1 Remedy was launched in December, 2012**

Condition for C0T

The steering shaft system of the subject vehicles consists of a steering intermediate shaft assembly, steering sliding yoke sub assembly, and steering intermediate extension shaft assembly. Due to insufficient hardness of the extension shaft supplied by a specific supplier, the splines which connect the extension shaft to the steering gear box may deform if the steering wheel is frequently and forcefully turned to the full-lock position while driving at a slow speed. This may create an increased backlash, and splines may eventually wear out over time, which could result in loss of steering ability, increasing the risk of a crash.

Remedy for C0T

Toyota dealers are requested to perform an inspection of the steering intermediate extension shaft. Based upon the inspection results, the extension shaft may be replaced. The inspection, and, if necessary, replacement of the steering intermediate extension shaft will be performed at **NO CHARGE** to the customer.

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

Safety Recall Remedy Launch Timing:

Phase	Campaign Designation and Current Status	Remedy Start Date	Applicable Campaigns	
			C0T	C0U
1	C0T - Remedy Available	12/11/2012	✓	
2	C0T* - Remedy Available	January, 2013	✓	✓

***VINs previously identified under (C2T Interim Phase) are now identified under (C0T Remedy Phase).**

1. Owner Notification Mailing Date

Phase	Designation	Applicable Campaigns	Interim Owner Letter	Remedy Owner Letter
1	C0T	C0T	N/A	Mid-December, 2012
2		C0T and C0U	Mid-December, 2012	Mid-January, 2013

Note: Only owners of the covered vehicles will be notified. If dealers are contacted by owners who have not yet received a notification, please instruct them to **verify eligibility by confirming through Dealer Daily/TIS prior to performing repairs**. Dealers should perform the repair as outlined in the Technical Instructions found on TIS.

Phase 1 – Vehicles covered by C0T only

- Phase 1 owner notification letters started in mid-December, 2012.

Phase 2 – Vehicles covered by both C0T and C0U

- Toyota has completed remedy preparations for Phase 2 vehicles and will begin mailing the remedy Phase 2 owner notification letter in Mid-January, 2013. Please refer to the table above for overall campaign mailing information timing.

Toyota tries very hard 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.

2. Used Vehicles in Dealership Inventory (In-Stock Vehicles and Toyota Rent-A-Car (TRAC))

Toyota requests dealers to conduct the remedy on any pre-owned vehicles currently in dealer inventory that are covered by this Safety Recall prior to delivery to the customer.

3. Dealer Summary Reports

C0T Phase 2 Summary Reports, containing the number of covered vehicles in your dealership’s primary marketing area, have been enclosed in the dealer package. (Please verify eligibility by confirming through Dealer Daily or TIS prior to performing repairs.)

4. Number and Identification of Covered Vehicles

There are approximately 670,000 Prius (2004 to certain 2009 MY) vehicles covered by Safety Recall C0T for the Steering Intermediate Extension Shaft.

Phase	Campaign Designation and Current Status	Remedy Start Date	Model	Model Year	Production Period	Appx. UIO
1	C0T- Remedy Phase	12/11/2012	Prius	2004-2009	Early August, 2003 through Late March, 2009	320,000
2	C0T* - Remedy Phase	January, 2013				350,000

***VINs previously identified under (C2T Interim Phase) are now identified under (C0T Remedy Phase).**

(Number and Identification of Covered Vehicles Continued. . .)

The following VDS breakdown is representative of **Phase 1 and Phase 2** vehicles.

WMI	MY	VDS	START	FINISH	
JTD	2004	KB20U	0001086	0116870	
		KB22U	0001142	0116845	
	2005	KB20U		0116874	0133248
				3000000	3128076
				7003414	7057937
		KB22U		0116872	0133240
				3000008	3128067
				7004342	7057888
	2006	KB20U		3099688	3202428
				7057941	7545074
		KB22U		3128082	3202418
				7056471	7544598
	2007	KB20U		3201067	3296439
				7083497	7694891
	2008	KB20U		3291973	3462539
				7690436	7818544
	2009	KB20U		3458507	3546425
				7815791	7894047

Please note that **not all vehicles in the VIN range are covered** by this Safety Recall. If a dealer is contacted by an owner who has not yet received the notification, please **verify coverage by confirming through Dealer Daily/TIS**. Dealers should perform the procedure as outlined in the Technical Instructions located on TIS.

5. Parts Ordering (Dealer Ordering Solutions)

Orders can be placed through your dealership’s facing PDC. The parts will be placed on Dealer Ordering Solutions and will be systematically released daily based on dealer ordering criteria.

Please refer to the table below and the Technical Instructions for part number ordering information.

Campaign	Part Number	Part Description	Quantity
C0T	04001-41212	Extension Shaft Kit**	1
**The kit above includes the following parts.			
	-	Intermediate Extension Shaft	1
	90119-08560	Bolt	3

Approximately 50% of vehicles are expected to require shaft replacement.

Campaign	Part Number	Part Description	Quantity
C0T	04002-52112	Bolt Kit***	1
***The kit above includes the following parts.			
	90119-08560	Bolt	10

Approximately 50% of vehicles are expected to require the replacement of one bolt ONLY. Note that this kit includes 10 bolts and will therefore remedy 10 vehicles.

Each dealer will receive specific dealer ordering criteria in an email from their facing PDC Manager based on Repair Order Volume x 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. A sample of the Parts Allocation Report has been attached below for your reference.

(Parts Ordering (Dealer Ordering Solutions) Continued . . .)

A UIO matrix by state is provided to inform your dealership of the number of covered vehicles in your state. The state breakdown represents *Phase 1 and Phase 2* vehicles covered by C0T

STATE	UIO	STATE	UIO	STATE	UIO	STATE	UIO	STATE	UIO
AK	1,107	HI	3,689	MI	10,699	NV	5,122	UT	5,309
AL	4,515	IA	5,061	MN	12,355	NY	29,301	VA	23,705
AR	3,652	ID	2,966	MO	8,549	OH	15,397	VT	3,094
AZ	17,201	IL	22,622	MS	1,895	OK	4,013	WA	27,035
CA	175,545	IN	9,249	MT	2,107	OR	17,082	WI	12,439
CO	14,708	KS	4,520	NC	17,762	PA	21,583	WV	1,794
CT	10,018	KY	4,591	ND	573	RI	2,376	WY	905
DC	2,381	LA	3,331	NE	2,221	SC	5,513		
DE	1,925	MA	20,554	NH	4,461	SD	984		
FL	31,430	MD	16,529	NJ	14,901	TN	7,438		
GA	11,451	ME	4,307	NM	4,859	TX	32,883		

TOYOTA

Parts Allocation Report

99999
SAMPLE TOYOTA of NOWHERE

The below matrix provides information for parts managed by NAPO Dealer Ordering Solution (DOS) and illustrates updates to your current daily allocation quantities. Parts shipments, arrivals and inventory quantities at your local PDC will change daily as parts are received and shipped from NAPO Suppliers. Therefore, your daily allocation quantity is subject to change based on the parts in-stock availability as well as in-transit inventory to your facing PDC. This report is provided as needed when daily allocation changes for DOS parts.

Parts with recent changes will be illustrated from top to bottom with the most recent effective date.

If you have any questions or concerns, please contact your facing PDC Customer Support Leader, John Q Sample at (999) 999-9999.

Part Number	Total Allocation Quantity	Allocation Quantity	Allocation Frequency	Total Allocation Shipped	Total Allocation Remaining	Effective Date

IMPORTANT PARTS ORDERING UPDATE

All Safety Recall, Service Campaign (SSC/LSC) and Customer Support Program (CSP) parts will be 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.

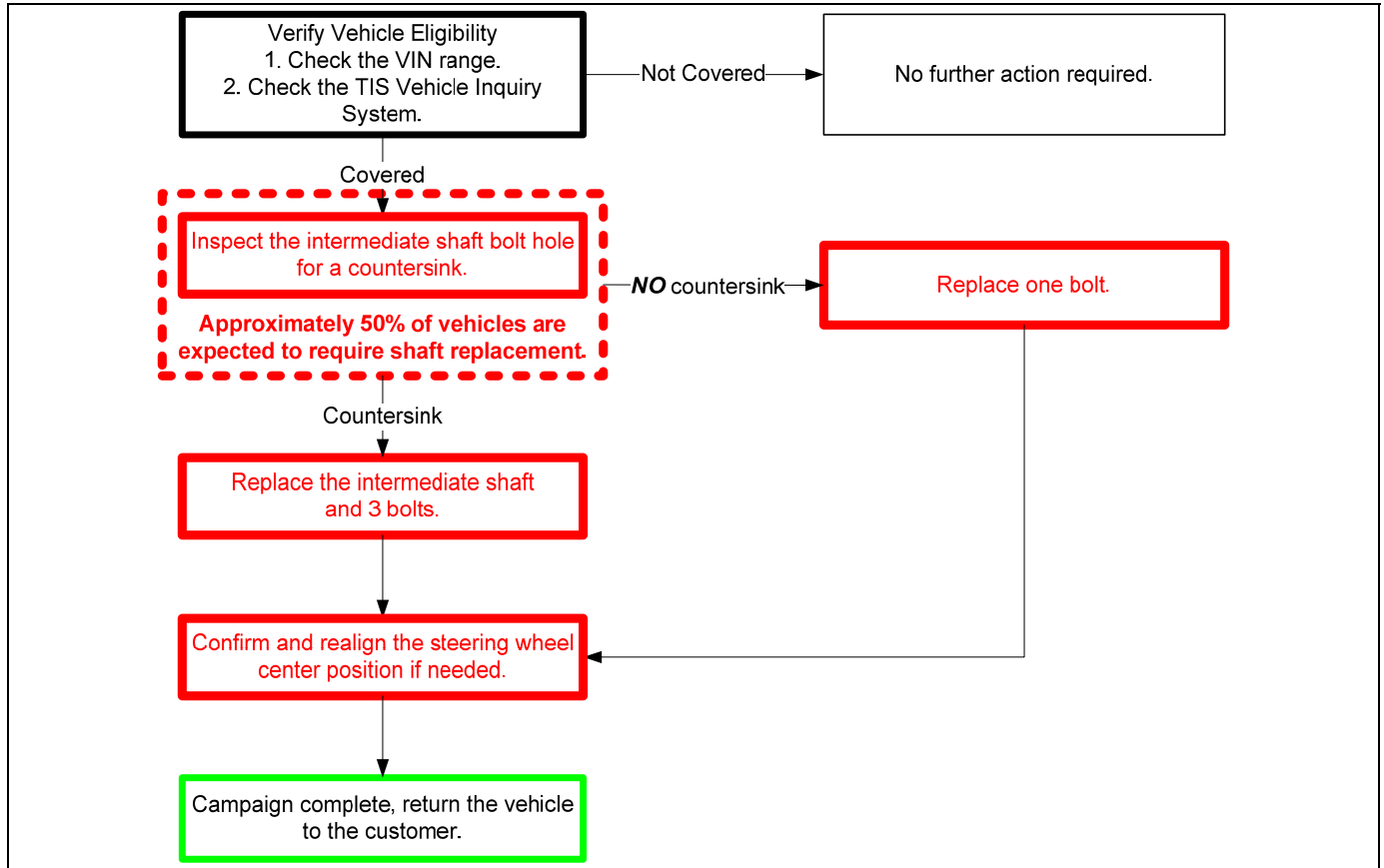
Note: Chemicals, such as Grease, are not eligible for the Monthly Parts Return Program.

6. Remedy Procedures

Please refer to TIS for Technical Instructions on vehicle repair.

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

7. Warranty Reimbursement Procedure

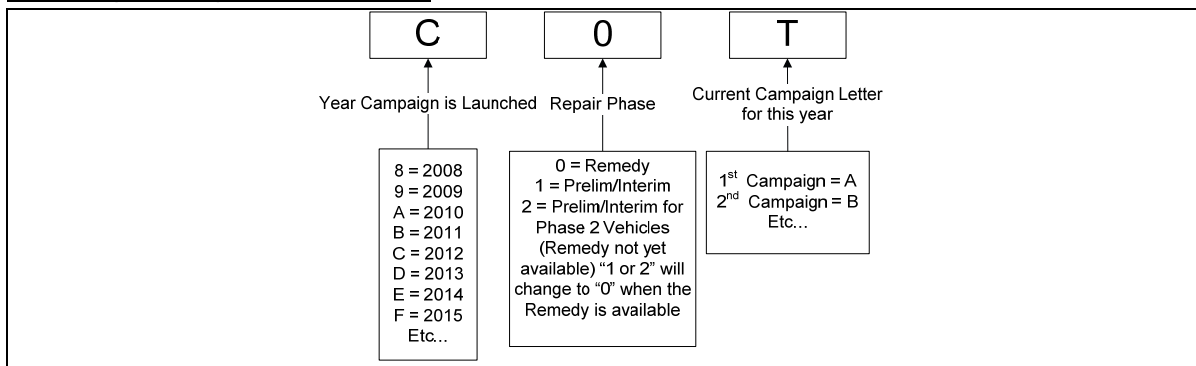


The operation codes to be used for this campaign are:

Model	Op. Code	Description	Flat Rate Hour
Prius	2510LA	Perform Inspection, Steering Extension Shaft OK, Replace Bolt	0.7 hr/vehicle
	2510LB	Perform Inspection, Replace Steering Extension Shaft and 3 Bolts	0.9 hr/vehicle
	2510LC	Perform Inspection, Replace Steering Extension Shaft and 3 Bolts, and Adjust Steering Wheel Off Center Condition	1.2 hr/vehicle

- The above operation codes include 0.1 hour for administrative cost per unit for the dealership.
- The cost of the non-reusable bolt can be claimed under Op. Code 2510LA under sublet type “ZZ” at a maximum amount of \$1.02 per vehicle.

Campaign Designation Decoder



Examples:
 A0D = Launched in 2010, Remedy Phase, 4th Campaign Launched in 2010
 B1E = Launched in 2011, Interim Phase, 5th Campaign Launched in 2011
 C0F = Launched in 2012, Remedy Phase, 6th Campaign Launched in 2012

8. 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.

9. Media Contacts

It is imperative that all media contacts (local and national) receive a consistent message. In this regard, all media contacts must be directed to Brian Lyons (310) 468-2552 in Toyota Corporate Communications. (Please do not provide this number to customers. Please provide this contact to only media associates.)

10. Customer Contacts

A Q&A is attached to help dealerships 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 through 4:00 pm Pacific Time.

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 Safety Recall.

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



Safety Recall C0T **Remedy**
Certain 2004 through 2009 Model Year Prius Vehicles
Steering Intermediate Extension Shaft

Q1: What is the condition?

A1: The steering shaft system of the subject vehicles consists of a steering intermediate shaft assembly, steering sliding yoke sub assembly, and steering intermediate extension shaft assembly. Due to insufficient hardness of the extension shaft supplied by a specific supplier, the splines which connect the extension shaft to the steering gear box may deform if the steering wheel is frequently and forcefully turned to the full-lock position while driving at a slow speed. This may create an increased backlash, and splines may eventually wear out over time, which could result in loss of steering ability, increasing the risk of a crash.

Q2: What is the Steering Intermediate Extension Shaft?

A2: The Steering Intermediate Extension Shaft is a mechanical link between the steering wheel and steering gear box.

Q3: Are there any warnings that this condition exists?

A3: No. There are no warnings that this condition exists.

Q4: What is Toyota going to do?

A4: Any authorized Toyota dealer will perform the remedy, which will entail an inspection of the steering intermediate extension shaft. Based upon the inspection results, the extension shaft may be replaced. The inspection and, if necessary, replacement will be performed at **NO CHARGE** to the vehicle owner.

This Safety Recall has been separated into two phases. Phase 1 covers vehicles only involved in Safety Recall C0T on the Prius Steering Intermediate Extension Shaft. Phase 2 covers vehicles involved in both C0T and C0U (Prius Hybrid Electric Water Pump).

Q4a: What are the details of the different phase?

Phase	Designation	Applicable Campaigns	Interim Owner Letter	Remedy Owner Letter
1	C0T	C0T	N/A	Mid-December, 2012
2		C0T and C0U	Mid-December, 2012	Mid-January, 2013

Phase 1 – Vehicles covered by C0T only

- Phase 1 owner notification letters started in mid-December, 2012.

Phase 2 – Vehicles covered by both C0T and C0U

- Toyota has completed remedy preparations for Phase 2 vehicles and will begin mailing the remedy Phase 2 owner notification letter in Mid-January, 2013. Please refer to the table above for overall campaign mailing information timing.

Q4b: Will all of the Steering Intermediate Extension Shafts require replacement?

A4b: No. Only the extension shafts from one supplier will require replacement. Therefore, approximately one half of the vehicles will require the extension shaft to be replaced.

Q5: Which and how many vehicles are covered by this Safety Recall?

A5: There are approximately 670,000 Prius (2004 through certain 2009 Model Year) vehicles covered by this Safety Recall.

Phase	Campaign Designation and Current Status	Remedy Start Date	Model	Model Year	Production Period	Appx. UIO
1	C0T- Remedy Phase	12/11/2012	Prius	2004-2009	Early August, 2003 through Late March, 2009	320,000
2	C0T* - Remedy Phase	January, 2013				350,000

***VINs previously identified under (C2T Interim Phase) are now identified under (C0T Remedy Phase).**

Q5a: Are there any other Toyota or Lexus models covered by this Safety Recall?

A5a: No, this condition only affects some 2004 through certain 2009 model year Prius vehicles.

Q5b: Why are other vehicles not covered by this Safety Recall?

A5b: Other vehicles have an extension shaft of sufficient hardness.

Q6: How long will the repair take?

A6: The repair will take approximately 1 hour. However, it may be necessary to make the vehicle available for a longer period of time depending upon the dealer's work schedule.

Q7: What is the difference between this Safety Recall and Safety Recall 60C which was previously announced?

A7: The previous Safety Recall 60C addressed concerns with weld quality of the intermediate shaft as well as an inspection to verify correct installation of the extension shaft during the manufacturing process.

The new Safety Recall C0T is due to insufficient hardness of the extension shaft supplied by a specific supplier.

Q7a: If the vehicle had Safety Recall (60C) previously performed, will the customer need to have Safety Recall C0T performed as well?

A7a: Yes. The dealer will still need to perform the inspection to determine if the extension shaft requires replacement under Safety Recall C0T. We apologize for any inconvenience, but once the remedy is available, the owner should contact his/her authorized Toyota dealer to have the extension shaft inspected and if necessary replaced at **NO CHARGE**.

Q8: What if an owner has previously paid for repairs for this condition?

A8: Owner reimbursement instructions will be provided in the remedy owner letter.

Q9: What if an owner has additional questions or concerns?

A9: Owners with 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 Standard Time.



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

URGENT SAFETY RECALL

This is an important Safety Recall.
The remedy will be performed at
NO CHARGE to you.

**2004 to certain 2009 Model Year Prius Vehicles
COT – Steering Intermediate Extension Shaft
SAFETY RECALL NOTICE (Remedy Available)**

[VIN]

Dear Toyota Customer:

This notice is being sent to you in accordance with the requirements of the National Traffic and Motor Vehicle Safety Act. Toyota has decided that a defect, which relates to motor vehicle safety, exists in some 2004 to certain 2009 Model Year Prius vehicles.

What is the condition?

The steering intermediate extension shaft (“extension shaft”) is a component of the steering assembly and connects the steering column to the steering rack. Due to insufficient hardness of the extension shaft supplied by a specific supplier, the splines which connect the extension shaft to the steering gear box could deform if the steering wheel is frequently and forcefully turned to the full-lock position while driving at a slow speed, such as parking in a tight parking space. The splines could eventually wear out over time, which could result in loss of steering ability, increasing the risk of a crash.

What will Toyota do?

The remedy for your vehicle is available. Any authorized Toyota dealer will perform an inspection of the steering intermediate extension shaft. If the shaft is one supplied with insufficient hardness, it will be replaced. The inspection and, if necessary, replacement of the steering intermediate extension shaft will be performed at **NO CHARGE** to you.

What should you do?

This is an important Safety Recall

Please contact any authorized Toyota dealer and make an appointment to have the remedy performed as soon as possible.

The inspection and, if necessary, replacement of the steering intermediate extension shaft will take approximately 1 hour. However, depending upon the dealer’s work schedule, it may be necessary to make your vehicle available for a longer period of time.

You do not need an owner letter to have this recall completed; however, to assist the dealer in confirming vehicle eligibility, we request that you present this notice at the time of your service appointment.

If you would like to update your vehicle ownership or contact information, you may do so by registering at www.toyota.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 and set up an appointment to perform the repair.
- You can find additional information and locate a Toyota dealer in your area by going online and visiting www.toyota.com/recall.
- Additional information is also available by contacting 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.

If you believe that the dealer or Toyota has failed or is unable to remedy the defect within a reasonable time, you may submit a complaint to the Administrator, National Highway Traffic Safety Administration, 1200 New Jersey Avenue S.E., Washington, D.C. 20590, or call the toll free Vehicle Safety Hot Line at 1-888-327-4236 (TTY: 1-800-424-9153), or go to www.safercar.gov.

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, WC10, 19001 South Western Avenue, Torrance, CA 90509

Include your name, address, and telephone number(s) in your request. Please allow us 6-8 weeks to process your request.

If you are a vehicle lessor, Federal law requires that any vehicle lessor receiving this recall notice must 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.

COT Remedy

Spanish translation on back side
Traducción en español en el reverso