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

Subject: Safety Recall J0B - Remedy Notice

Certain 2003-2008 Model Year Matrix Vehicles

Non-Desiccated Front Passenger Airbag Inflator – "Like for Like" Replacement (**Zone B**)

On January 30, 2018, Toyota filed a Information Report (IR) with the National Highway Traffic Safety Administration (NHTSA) identifying certain vehicles involved in the <u>fifth phase</u> of the Takata recall (due to begin in 2019) and informing the agency of our intent to pull ahead the remedy on the vehicles described below because parts are now available:

2003-2008 Matrix

Condition

The subject vehicles are equipped with front passenger airbag inflators produced by Takata. The propellant in these inflators may degrade after prolonged exposure to high absolute humidity and fluctuating high temperatures. Degraded propellant can cause inflator rupture during airbag deployment. In the event of an inflator rupture, metal fragments could pass through the airbag cushion material, striking the vehicle occupants, and result in serious injury or death.

Background

Toyota previously recalled these vehicles under Safety Recalls D0F, DSF, and E04 due to this condition. During the remedy for these Safety Recalls, some Matrix vehicles were repaired with a Phase Stabilized Ammonium Nitrate (PSAN) inflator manufactured by Takata *without* a drying agent called desiccant. Matrix vehicles that were repaired using PSAN inflators *without* desiccant are now involved in Safety Recall J0B.

While Takata has not yet declared the airbag inflators in these vehicles defective based on the schedule specified in a Consent Order between NHTSA and Takata, Toyota is conducting this field action ahead of schedule due to the availability of parts and sufficient dealer capacity to repair these vehicles.

Note: Some vehicles repaired under Safety Recalls DSF and E04 *ARE NOT* included in Safety Recall J0B, because they were repaired with components made by other suppliers, and the recall is closed.

Remedy

The remedy will consist of the replacement of the front passenger airbag assembly at **NO CHARGE** to the vehicle owner.

Covered Vehicles

There are approximately 26,000 Matrix vehicles covered by this Safety Recall.

Zone	Model Name	Model Year	Approximate UIO
В	Matrix	2003-2008	26,000

Zone Descriptions

Time, temperature, and humidity have been found by NHTSA and multiple independent investigations to contribute to significant propellant degradation that can lead to an unreasonable risk of inflator rupture. Based on this information, NHTSA has identified the specific states and U.S. territories for each of the three Zones.

ZONE A - *JOA*: Zone A vehicles are identified as having been originally sold, currently registered, or previously registered in a Zone A state or US territory: AL, CA, FL, GA, HI, LA, MS, SC, TX, American Samoa, Guam, Puerto Rico, Saipan, and the US Virgin Islands. These states and U.S. territories have been identified as having high temperature cycling and humidity. Time in service until significant propellant degradation may occur is projected at between 6-9 years.

ZONE B - *JOB*: Zone B vehicles are identified as having been originally sold, currently registered, or previously registered in a Zone B states: AZ, AR, DE, IL, IN, KS, KY, MD, MO, NE, NV, NJ, NM, NC, OH, OK, PA, TN, VA, WV, and the District of Columbia. These states have been identified as having moderate temperature cycling and humidity. Time in service until significant propellant degradation may occur is projected at between 10-15 years.

ZONE C – *JOC*: Zone C vehicles are identified as having not been originally sold in zone A or B, not currently registered in Zone A or B, and never previously registered in Zone A or B. Zone C states are: AK, CO, CT, ID, IA, ME, MA, MI, MN, MT, NH, NY, ND, OR, RI, SD, UT, VT, WA, WI, and WY. These states have been identified as having lower temperature cycling and humidity. Time in service until significant propellant degradation may occur is projected at between 15-20 years.

Owner Letter Mailing Date

Toyota will begin to notify owners of vehicles open for remedy approximately one week after the remedy is made available.

Toyota makes significant effort to obtain current customer name and address information from each state through industry resources 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.

If a dealer is contacted by an owner who has not yet received the notification, please instruct the dealer to **verify coverage by confirming through TIS.** Dealers should perform the procedure as outlined in the Technical Instructions located on TIS.

Pre-Owned Vehicles in Dealer Inventory

To ensure customer satisfaction, Toyota requests that dealers complete this Safety Recall on any used vehicles currently in dealer inventory that are covered by this Safety Recall prior to customer delivery. However, if the campaign cannot be completed (for example, due to remedy parts availability), delivery of a covered vehicle is acceptable if disclosed to the customer that the vehicle is involved in a Safety Recall.

Toyota expects dealers to use the attached Customer Contact and Vehicle Disclosure Form to obtain vehicle buyer information. Dealers are expected to provide a copy of the completed form, along with the most current FAQ, to the vehicle buyer. Toyota and the dealer may use this information to contact the customer when the remedy becomes available.

Keep the completed form on file at the dealership and send a copy to quality_compliance@toyota.com. In the subject line of the email state "Disclosure Form J0B" and include the VIN.

NOTE: Dealers can identify if any of their new and used inventory has any open campaigns in the Vehicle Inventory Summary available in Dealer Daily (https://dealerdaily.toyota.com/).

Toyota Certified Used Vehicle (TCUV)

The TCUV policy prohibits the certification of any vehicle with an outstanding Safety Recall, Special Service Campaign, or Limited Service Campaign. Thus, no affected units are to be designated, sold, or delivered as a TCUV until all applicable Safety Recalls, Special Service Campaigns, and Limited Service Campaigns have been completed on that vehicle.

Toyota Rent-A-Car (TRAC) & Service Loaners

Toyota requests that dealers remove all TRAC and Service Loaner vehicles from service that are covered by a Safety Recall unless the defect has been remedied.

Campaign Special Service Tools

In a shipment which was scheduled to arrive on July 31, 2013, your dealership was sent a package containing special service tools for Safety Recall D0F which will also be used for this campaign.

These tools are needed when performing the front passenger airbag inflator module campaign. These tools *ARE NOT* available through normal parts or tools channels. There is a very limited supply of tools, but if additional tools are needed, contact your regional representative.

Name	Sample Image	Qty
Airbag Mounting Bracket & hardware	Albag Mounting Herdware Support Barr Hardware	1
Barcode Scanner Models: Datalogic QD2300 (Only Barcode) QD2430 (Barcode and QR Code)		1

Technician Training Requirements

The repair quality of covered vehicles is extremely important to Toyota. All dealership technicians performing this repair are required to successfully complete the most current version of the E-Learning course "Safety Recall and Service Campaign Essentials". To ensure that all vehicles have the repair performed correctly; technicians performing this repair must also complete SC13B and be certified to one or more of the following levels:

- Toyota Expert (Electrical)
- Master Technician
- Master Diagnostic Technician (MDT)

Always check which technicians can perform the recall remedy by logging on to https://www.uotdealerreports.com. It is the dealership's responsibility to select technicians with the above certification level or greater to perform this repair. Carefully review your resources, the technician skill level, and ability before assigning technicians to this repair. It is important to consider technician days off and vacation schedules to ensure there are properly trained technicians available to perform this repair at all times.

Campaign Specific Part Associate E- Learning Training Requirement

The Airbag Inflator Assembly being replaced during this campaign is a Class 9 Hazmat part. Therefore Parts Associates involved in this recall are required to complete E-Learning Module (E2140 "Safety Recall D0F – Front Passenger Airbag Inflator" found on www.uotdealer.com) This E-Learning module will explain the proper procedure for documenting and returning the Airbag Inflator Assembly to TK Holdings Incorporated.

Shipping Information for Removed Inflators and Airbag Assemblies

This parts return procedure is applicable to removed airbag inflators, airbag modules, and airbag assemblies. With this process, each dealer will be required to perform the following:

- Apply a return address label to the outside of each inflator/module/assembly box (label provided by Takata in the new part box).
- Store the old parts on a pallet until 100 are accumulated or whatever amount is collected after 30 days.
- Keep a running log of how many of each type of inflator/module/assembly are on the pallet.
- Secure the parts on the pallet with shrink wrap.
- Contact Takata at 1-877-650-9409 to arrange LTL pick-up.
- Place an over-pack label on the palletized load and provide the LTL driver with the pre-filled out documentation that will be sent to the dealer by Takata.

This process will not require the dealer to fill out any paperwork. All documents will be filled out by Takata and returned to the dealer.

Refer to the Job Aid available on TIS for more details on this process and how to get more labels.

In addition, to compensate dealers for purchasing pallets and shrink wrap, a sublet claim of 0.20 cents per vehicle may be applied to each inflator replacement warranty claim.

NOTE: This updated inflator recovery program only applies to the continental 48 states. Alaska, Hawaii and the US Territories must contact the following Takata USA representative directly for shipping instructions: Miguel Prigadaa – Tel #: 210-250-5078 or e-mail: MLGTakataRestraints International@menloworldwide.com.

Remedy Procedures

Refer to TIS for Technical Instructions repair. Conduct all applicable, non-completed Safety Recall and Service Campaigns on the vehicle during the time of appointment.

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.

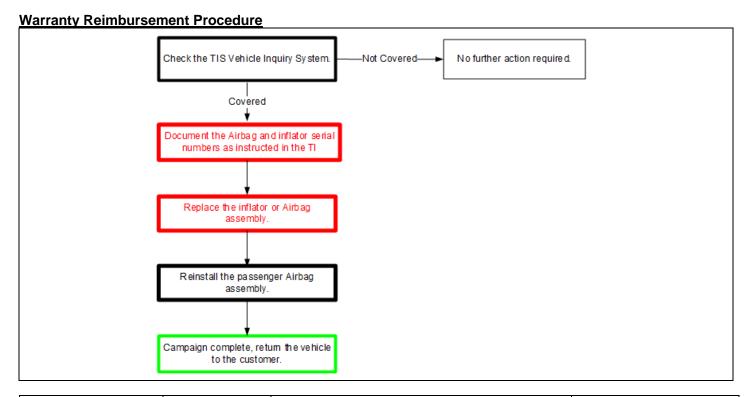
Parts Ordering Process - Non SET and GST Parts Ordering Process

Due to limited availability, the parts have been placed on either Manual Allocation Control (MAC) or Dealer Ordering Solutions (DOS). As the parts inventory improves, the ordering process may change. Please check the Toyota Special Activities MAC/DOS report on Dealer Daily for the most up-to-date parts ordering information.

Model	Model Year	Location	Part Number	Part Description	Qty	
	2003-2004	48 States in Continental U.S.	04005-22601			
Matrix	2003-2004	USTT, Hawaii & AK	04005-22501	AIRBAG ASSEMBLY	4	
IVIALITX	2005-2008	48 States in Continental U.S.	04005-22901	W/ INFLATOR	ı	
	2005-2006	USTT, Hawaii & AK	04005-22801			
- AND -						
Matrix	ALL	ALL	04005-28112	AIRBAG CONNECTOR	1	

IMPORTANT PARTS ORDERING UPDATE

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



Model	Op. Code	Description	Flat Rate Hour
Matrix	TBD	Replace Airbag Assembly	0.9 hr/vehicle

- The flat rate times include 0.1 hours for administrative cost per unit for the dealership.
- Dealers may claim the cost for materials needed for inflator return shipping under opcodes TBD at a maximum rate of \$0.20 per vehicle as sublet type "ZZ."
- A loaner vehicle or alternative transportation through the Toyota Rent-A-Car (TRAC) can be claimed up to a
 maximum of XX days as a sublet type "RT" under Op. Code TBD)
 - Rentals greater than 4 days or \$35.00 per day requires DSPM authorization as per the Toyota Transportation Assistance Policy (TTAP).
 - Rental invoice MUST be attached to all rental claims. These claims may be subject to debit if rental invoice is not attached.
- Towing can be claimed under Op. Code TBD for a maximum of \$250 as sublet type "TW" in the event the customer requested vehicle pick up.
- Warranty claim filling will be available within 10 days at which time the Dealer Letter will be updated with an Opcode.

Claim Filing Accuracy and Correction Requests

It is the dealer's responsibility to file claims correctly for this Safety Recall. This claim filing information is used by Toyota for various government reporting activities; therefore, claim filing accuracy is crucial. If it has been identified that a claim has been filed using an incorrect opcode or a claim has been filed for an incorrect VIN, refer to Warranty Procedure Bulletin PRO17-03 to correct the claim.

Media Contacts

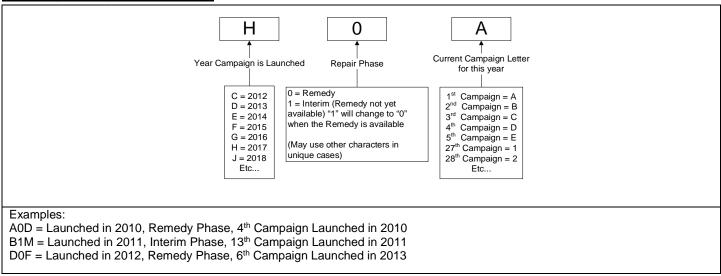
It is imperative that all media contacts (local and national) receive a consistent message. In this regard, all media contacts must be directed to Victor Vanov (469) 292-1318 in Toyota Corporate Communications. Please do not provide this number to customers. Please provide this contact only to media associates.

Customer Contacts

Customers who receive the owner letter may contact your dealership with questions regarding the letter and/or the Safety Recall. Please welcome them to your dealership and answer any questions that they may have. A Q&A is provided to assure a consistent message is communicated.

Customers with additional questions or concerns are asked to please contact the Toyota Customer Experience Center (1-888-270-9371) - Monday through Friday, 7:00 am to 7:00 pm, Saturday 7:00 am to 4:30 pm Central Time.

Campaign Designation Decoder



Please review this entire package with your Service and Parts staff to familiarize them with the proper stepby-step procedures required to implement this Safety Recall.

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



Safety Recall J0A, J0B, and J0C – Remedy Notice
Certain 2003-2008 Model Year Matrix Vehicles
Non-Desiccated Takata Front Passenger Airbag Inflator – "Like for Like" Replacement (Zone A, B, and C)

Frequently Asked Questions

Original Publication Date: January 30, 2018

Q1: What is the condition?

A1: The subject vehicles are equipped with front passenger airbag inflators produced by Takata. The propellant in these inflators may degrade after prolonged exposure to high absolute humidity and fluctuating high temperatures. Degraded propellant can cause inflator rupture during airbag deployment. In the event of an inflator rupture, metal fragments could pass through the airbag cushion material, striking the vehicle occupants, and result in serious injury or death.

Q2: Why is Takata recalling all frontal airbag inflators manufactured with propellant that do not also include a desiccant?

A2: Multiple independent investigations and NHTSA's independent expert concluded that the propellant in nondesiccated, frontal Takata airbag inflators degrades over time. The degradation is the result of various factors existing in the location where the vehicle containing the inflators is principally operated, including long-term exposure to environmental moisture and fluctuating high temperatures.

Q2a: What is the Inflator?

A2a: The inflator is a device contained within the airbag assembly. It contains solid propellant wafers which are ignited in the event airbag deployment is triggered. When ignited, the wafers expand into an inert gas, inflating the airbag.

Q2b: What happens when the non-desiccated propellant degrades?

A2b: If the propellant degrades substantially, the inflators can become over-pressurized and rupture during airbag deployment.

Q2c: What is a desiccant?

A2c: A desiccant is a material that acts as a drying agent. Desiccants collect moisture present in their immediate environment, helping to limit moisture absorption by other nearby materials, such as propellant in an airbag inflator.

Q2d: What is absolute humidity?

A2d: The measure of the water vapor content in the air is known as absolute humidity, and it is displayed in grams of water vapor per cubic meter of air. Higher temperature, southern coastal climates consistently experience the greatest concentrations of water vapor in the air, as warmer ambient air can hold more water.

Note: relative humidity is simply a percentage value and is related to current or measured temperature; therefore, areas with high relative humidity do not necessarily have high absolute humidity.

Q2e: How is humidity related to the condition?

A2e: The specific relationship of humidity to the operation of the inflator and the cause of improper airbag inflator performance and rupture is still under investigation.

Q3: I already had my recall repair completed under a previous recall of the passenger airbag inflator. Why is my vehicle being recalled again?

A3: All vehicles repaired under a previous recall with a remedy part containing Phase Stabilized Ammonium Nitrate (PSAN) without desiccant are scheduled for recall under the Takata Coordinated Remedy Program administered by the National Highway Traffic Safety Administration (NHTSA) beginning December 31, 2019. Vehicles repaired using a PSAN inflator without desiccant are sometimes referred to as "Like for Like" vehicles.

Q3a: If these "Like" vehicles are not scheduled for recall until December 2019, why is Toyota recalling certain 2003-2008 Matrix vehicles now?

A3a: Due to sufficient supply of remedy parts and dealer capacity for certain vehicles, Toyota was able to pull ahead the launch of the remedy phase for these vehicles involved in advance of Takata's determination that these inflators are defective.

Q3b: When is Toyota planning to recall other vehicles that may be involved in this "Like for Like" phase?

A3b: At this time, Toyota is planning to follow NHTSA's Coordinated Remedy Program timing beginning December 31, 2019 for all other vehicles that may be involved in the "Like for Like" phase, but will consider pulling ahead other models if it is appropriate to do so.

Q4: Which airbags in Toyota vehicles are affected by this field action?

A4: This field action only includes certain Toyota vehicles repaired under a previous recall with Takata-produced front <u>Passenger</u> airbag inflators that do not include a desiccant. No front Driver airbags in Toyota vehicles are included in Safety Recalls J0A, J0B, and J0C.

Q5: Are there concerns with other airbags in the vehicle?

A5: No. This recall only applies to certain front <u>Passenger</u> airbag inflators manufactured and installed in certain Toyota vehicles. Other airbags in the vehicle will not be affected by this announcement or subsequent Safety Recalls involving Toyota and Scion vehicles.

Q6: Which vehicles are affected by this Safety Recall?

A6: There are approximately 98,400 Toyota vehicles covered by these Safety Recalls.

Model	Model Year	Appx. UIO	Production Range
Matrix	2003 – 2008	98,400	Early January, 2002 - Mid-December, 2007

Q6a: How are the zones identified, and which zone am I located in?

A6a: These Safety Recalls have been structured with multiple phases across three geographic zones. Time, Temperature, and Humidity have been found by NHTSA and multiple independent investigations to contribute to significant Takata airbag inflator propellant degradation that can lead to an unreasonable risk of inflator rupture.

ZONE A (J0A): Includes states with high temperature cycling and humidity. Time in service until significant propellant degradation may occur is projected at 6-9 years.

Zone	Model Name	Model Year	Approximate UIO
Α	Matrix	2003-2008	57,900

ZONE B (J0B): Includes states with moderate temperature cycling and humidity. Time in service until significant propellant degradation may occur is projected at 10-15 years.

Zone	Model Name	Model Year	Approximate UIO
В	Matrix	2003-2008	26,000

ZONE C (J0C): Includes states with lower temperature cycling and humidity. Time in service until significant propellant degradation may occur is projected at 15-20 years.

Zone	Model Name	Model Year	Approximate UIO
С	Matrix	2003-2008	14,300

Q6b: Are there any other Toyota/Lexus/Scion vehicles covered by this Safety Recall in the U.S.?

A6b: No. There are no other Toyota/Lexus/Scion vehicles covered by this Safety recall in the U.S.

Q7: What is Toyota going to do?

A7: Toyota dealers will replace the front passenger airbag inflator with a new airbag assembly at **no charge** to the vehicle owner. Toyota will begin notifying owners of vehicles beginning in early-February 2018.

Q2c: Will the new airbag assembly contain Phase Stabilized Ammonium Nitrate?

A2c: No. Toyota will be replacing the airbag assembly with a new assembly containing an inflator not manufactured by Takata.

Q8: Are there any warnings that this condition exists?

A8: No. There are no warnings that this condition exists. However, the condition **does not cause the front Passenger airbag to activate when it should not.** Also, the front passenger airbag is designed to inflate only in certain moderate to severe crashes. Further, NHTSA has concluded that the non-desiccated frontal Takata airbag inflators do not pose an unreasonable risk to safety until they reach a certain level of propellant degradation, which is the result of time, temperature and environmental moisture, which depends on the vehicle's location. Takata will determine that these airbag inflators pose an unreasonable risk to safety in December 2019.

Q9: What should you do?

A9: Toyota strongly recommends that you have this Safety Recall remedy performed immediately. Please contact any authorized Toyota dealer to schedule an appointment to have your front passenger airbag inflator replaced free of charge. When taking your vehicle to the dealership for your service appointment, it is recommended that only the driver occupy the vehicle. If you are uncomfortable driving the vehicle to the dealership, please contact your local authorized Toyota dealer who will arrange for vehicle pick up.

Q10: Are all vehicles involved in the previous Takata Front Passenger Inflator Recall Actions covered by this Safety Recall?

A10: No. This Safety Recall applies to owners who originally had their vehicles repaired under Safety Recalls E04 or DSF and received a new inflator or airbag assembly that did not contain desiccant.

Q11: How does Toyota obtain my mailing information?

A11: 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.

Q12: Do I need my owner letter to have the remedy performed?

A12: 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.

Q13: What if I have additional questions or concerns?

A13: If you have additional questions or concerns go to www.toyota.com/recall, or please contact the Toyota Customer Experience Center at 1-888-270-9371 Monday through Friday, 7:00 am to 7:00 pm, Saturday 7:00 am to 4:30 pm Central Time.