■ IMPORTANT UPDATE ▶

The attached Dealer Letter has been updated. Refer to the details below.

DATE	TOPIC
8/20/2019	Dealer Reimbursement Op Codes have been updated.

The most recent update in the attached Dealer Letter will be highlighted with a red box.

Please review this notification with your staff to assure that all relevant personnel have been briefed regarding this subject.

Thank you for your cooperation.

Toyota Motor Sales, USA, Inc.

6565 Headquarters Drive Plano, TX 75024 (469) 292-4000

Original Publication Date: August 14, 2019

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

SAFETY RECALL KOK (Remedy Notice)

Certain 2018-2019 Model Year Prius C Vehicles Potential Loss of Motive Power While Driving NHTSA Recall No. 19V-491

Model / Years	Production Period	Approximate Total Vehicles	Approximate Stop Sale Dealer Inventory
2018 – 2019 Prius C	Early February 2018 – Early October 2018	500	8



STOP! DO NOT SELL NEW VEHICLES IN DEALER INVENTORY.



Refer to Dealer Inventory Procedures section for more details.

On June 26, 2019, 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 on 2018 – 2019 model year Prius C vehicles.

Condition

Due to a manufacturing issue, a component may stop performing its function of converting power from the hybrid vehicle battery for use by certain vehicle systems. If this occurs, warning lights will illuminate, audible chimes will sound, and messages will be displayed on the instrument panel. If the vehicle continues to be operated, it could lose motive power. Loss of motive power while driving at higher speeds could increase the risk of a crash.

<u>Remedy</u>

Based on the vehicle identification number (VIN) or an inspection, any authorized Toyota dealer will replace the affected DC-DC converter with a new one, if necessary, *FREE OF CHARGE*.

Check Each VIN in TIS

Some involved vehicles have been identified as requiring a replacement of the DC-DC converter based on its VIN. Other involved vehicles will require an inspection first to determine replacement of the DC-DC converter is necessary. To determine if the vehicle requires inspection, please search each VIN using TIS and be sure to check the TIS Memo field (see below images for more detail). Only perform the repair that is required for the specific VIN. If replacement of the DC-DC Converter is performed on a vehicle that doesn't require the repair, the claim will be subject to debit.

Phase 1 - No Inspection is Required for DC-DC Converter Replacement

Campaign Description: Safety Recall KOK - Remedy Notice - Certain 2018 - 2019 Prius C - Potential Loss of Motive Power While Driving Campaign Status: Remedy Available

Completion Status: Not Completed

Memo: Replace DC-DC Converter

[Show Documents]

This vehicle requires the DC-DC Converter to be replaced based on VIN. No inspection should be performed.

Phase 2 - Inspection is Required for DC-DC Converter Replacement

Campaign Description: Safety Recall KOK - Remedy Notice - Certain 2018 - 2019 Prius C - Potential Loss of Motive Power While Driving Campaign Status: Remedy Available

Completion Status: Not Completed

Memo: Inspect and, if necessary, Replace DC-DC Converter.

[Show Documents]

This vehicle requires inspection first to determine if DC-DC Converter Replacement is necessary.

Note: For more details and information regarding the inspection and repair procedure, please refer to the technical instructions.

Covered Vehicles

There are approximately 500 vehicles covered by this Safety Recall. Approximately 10 vehicles involved in this Safety Recall were distributed to Puerto Rico.

Owner Letter Mailing Date

Toyota will notify owners by mid-August 2019.

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.

Please note that only owners of the covered vehicles will be notified. If you are contacted by an owner who has not yet received a notification, please *verify eligibility by confirming through TIS prior to performing repairs*. Dealers should perform the repair as outlined in the Technical Instructions found on TIS.

Dealer Inventory Procedures

New Vehicles in Dealership Inventory

There are approximately 8 vehicles in new dealer inventory as of June 25, 2019.



Under Title 49, Section 30112 of the United States Code, a dealer cannot sell, offer for sale, or introduce or deliver for introduction in interstate commerce a new motor vehicle when it is aware that the vehicle does not comply with an applicable Federal Motor Vehicle Safety Standard or contains a defect related to motor vehicle safety. Further, 49 Code of Federal Regulations §577.13 requires us to provide the following advisory: It is a violation of Federal law for a dealer to deliver a new motor vehicle or any new or used item of motor vehicle equipment (including a tire) covered by this notification under a sale or lease until the defect or noncompliance is remedied.

Toyota reimburses dealers for flooring costs associated with new vehicles held in dealership inventory until the recall remedy becomes available. Toyota provides these flooring reimbursements at 60-day intervals. Toyota reserves the right to withhold or charge-back any flooring reimbursement funds that may have been paid to the dealer if it determines that a new vehicle subject to a safety recall was sold without first being remedied.

Vehicle Safety Recall completion should always be verified through TIS. We request your assistance to ensure involved vehicles are identified and not delivered prior to performing the remedy.

NOTE:

- New vehicles in dealer inventory subject to a Safety Recall must be remedied before delivery into commerce under a sale or lease. Dealer-to-dealer trades as well as vehicle sales between dealers should not be made until a vehicle is remedied.
- 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/). The Vehicle Inventory Summary may take up to 4 hours to populate information for newly launched campaigns.

Inspection Reminder Mirror Hang Tags for Covered Vehicles in New Dealer Stock

To easily recognize vehicles involved in this Safety Recall, each dealership should utilize Inspection Reminder Hang Tags. Inside the vehicle's glove box are stickers containing the VIN. Apply one of these stickers to the hang tag and install the hang tag in the vehicle. A sample copy of the Inspection Reminder Hang Tag has been included for your reference.



NOTE: Dealerships can order hang tags from the Material Distribution Center (MDC).

Part Number	Description	Quantity
00411-140003	Inspection Mirror Hang Tag	25 Per Pack

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 K0K/K1K" 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/). The Vehicle Inventory Summary may take up to 4 hours to populate information for newly launched campaigns.

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.

Customer Handling, Parts Ordering, and Remedy Procedures

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.

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 Tania Saldana (859) 815-9968 in Toyota Corporate Communications. Please do not provide this number to customers. Please provide this contact only to media.

Parts Ordering Process - Non SET and GST Parts Ordering Process

It is possible that parts for this campaign are either required to be ordered in Campaign Part Order Request (CPOR) on Service Lane, or have been placed on Manual Allocation Control (MAC) due to potential limited part availability. Please check the CPOR/MAC report on Dealer Daily for the most up-to-date parts ordering information.

All Safety Recall, Service Campaign (SSC/LSC) 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 for additional details.

Part Number	Description	Quantity
04009-08152	CONVERTER KIT, HYBRID VEHICLE	1
08826-00100	SEAL PACKING	(See Sublet)
08887-02809	THERMAL GREASE	2

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 are required to currently hold at least one of the following certification levels:

- Expert Technician (Hybrid)
- Master Technician
- Master Diagnostic Technician

Always check which technicians can perform the repair 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.

TRAINING VIDEO REQUIRED:

If a replacement of the Hybrid Vehicle Converter is required, it will be necessary for each technician to compete watching a training video that will detail some key points of this replacement.

Remedy Procedures

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

Campaign Special Service Tools

The following tools will be provided to each dealership for this campaign:

Desktop Anti-Static Mat Set	Inverter Separator Tool	Squeegee

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 Recovery Procedures

All parts replaced as part of this Safety Recall must be turned over to the parts department until appropriate disposition is determined. The parts department must retain these parts until notification via the Parts Recovery System (PRS) is received indicating whether to ship or scrap the parts. These parts are utilized by various departments for defect analysis, quality control analysis, product evaluation, as well as other purposes.

To help minimize dealer storage challenges, Toyota recommends that dealers:

- File the campaign claim accurately and promptly. The time a dealer is required to hold parts is based on when the campaign claim is paid by Toyota.
- Monitor the Warranty Parts Recovery Notifications and Part Scrap Report regularly.

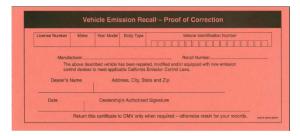
Refer to Warranty Policies 9.3 and 9.6 for additional details.

Vehicles Emission Recall Proof of Correction Form (California only)

As this Safety Recall includes emission related parts, California dealers are requested to fill out the Vehicle Emissions Recall – Proof of Correction form after repairs have been completed. The vehicle owner may require this form for vehicle registration renewal. *It is important to note that the forms are an official state document*

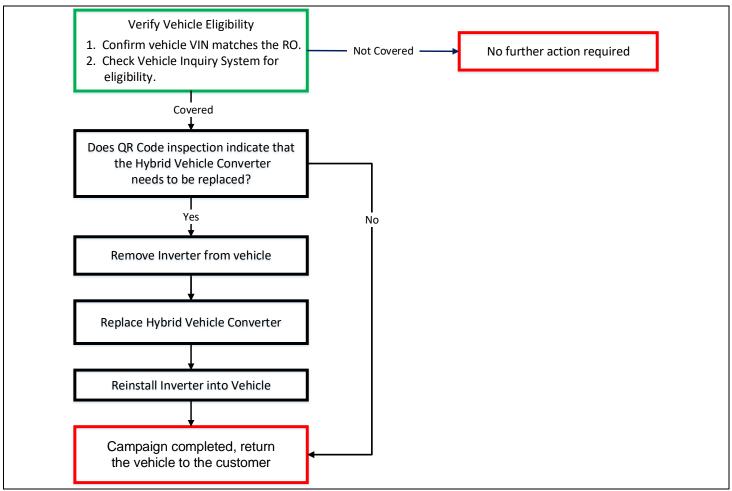
and blank forms must be secured to prevent misuse. Booklets can be ordered from the MDC (material number 00410-92007).

Please complete the form and provide it to the owner. The first non-completed VINs will be submitted to the California state DMV by March 31, 2020. If the vehicle owner's warranty claim will not be processed and paid prior to this date, please be sure to complete a form and provide it to a California owner.



Warranty Reimbursement Procedures

Warranty Reimbursement Procedure



Op Code	Description	Flat Rate Hours
K0K001	Replace DC-DC Converter ONLY	3.4 hrs/vehicle
K0K002	Serial Number Inspection ONLY	0.3 hrs/vehicle
KOKOOS	Serial Number Inspection +	2 6 h no / volhi al a
K0K003	Replace DC-DC Converter	3.6 hrs/vehicle

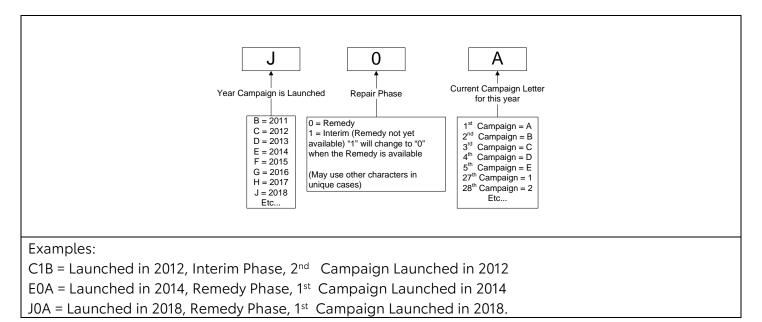
- The flat rate times include 0.1 hours for administrative cost per unit for the dealership.
- Dealers may claim the cost of 08826-00100 (Toyota Genuine Seal Packing 1282B, Three Bond 1282B or equivalent) under Op Code K0K001 and K0K003 as sublet type "ZZ." Please note, the entire tube of seal packing is not necessary for one repair.
- Dealers may claim the cost of Super Long Life Coolant (1.6L per vehicle Undiluted) under Op Code K0K002 and K0K003 as sublet type "OF."
- A loaner vehicle or alternative transportation through the Toyota Rent-A-Car (TRAC) can be claimed up to a maximum of 30 days as a sublet type "RT" under Op Codes K0K001, K0K002 or K0K003.
 - o For rentals that exceed the maximum number of allowable days and/or dollars per day, refer to the Toyota Transportation Assistance Policy (TTAP) for DSPM authorization requirements.
 - 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 Codes K0K001, K0K002 or K0K003 for a maximum of \$250 as sublet type "TW" in the event the customer requests vehicle pickup.

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 Op Code or a claim has been filed for an incorrect VIN, refer to Warranty Procedure Bulletin PRO17-03 to correct the claim.

Campaign Designation / Phase Decoder



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

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



SAFETY RECALL KOK (Remedy Notice)

Certain 2018-2019 Model Year Prius C Vehicles Potential Loss of Motive Power While Driving

NHTSA Recall No. 19V-491

Frequently Asked Questions

Original Publication Date: August 14, 2019

Q1: What is the condition?

A1: Due to a manufacturing issue, a component may stop performing its function of converting power from the hybrid vehicle battery for use by certain vehicle systems. If this occurs, warning lights will illuminate, audible chimes will sound, and messages will be displayed on the instrument panel. If the vehicle continues to be operated, it could lose motive power. Loss of motive power while driving at higher speeds could increase the risk of a crash.

Q2: Are there any symptoms/warnings when this condition occurs in the vehicle?

A2: If the condition occurs, warning lights for the hybrid system will illuminate, audible chimes will sound, and messages will appear on the instrument panel.

Warning/Indicator Lights	Details/Actions
	Indicates a malfunction in the hybrid system.
HYBRID SYSTEM MALFUNCTION. STOP IN A SAFE PLACE. SEE OWNER'S MANUAL.	A buzzer sounds in accordance with the warning message that is displayed.
	Please stop your vehicle in a safe place and contact any authorized Toyota dealer for vehicle pickup.
<u></u>	Indicates a malfunction in the vehicle's charging system.
CHARGING SYSTEM MALFUNCTION. STOP IN A SAFE PLACE. SEE OWNER'S MANUAL.	A buzzer sounds in accordance with the warning message that is displayed.
	Please stop your vehicle in a safe place and contact any authorized Toyota dealer for vehicle pickup.

Q2a: After the multiple warning lights, chimes, and messages appear, how soon could the hybrid system shut down and lose motive power?

A2a: The amount of time this takes will vary depending on the auxiliary battery's state of charge.

Q2b: If the hybrid system shuts down, will the brakes and power steering remain operational?

A2b: Yes, the brakes, power steering, and auxiliary systems such as turn signals will be operational as usual. The length of time that these systems will be available will vary based on the auxiliary battery's state of charge and the amount of operation of these systems.

Q3: What is Toyota going to do?

A3: All known owners of the subject vehicles will be notified by first class mail to return their vehicles to an authorized Toyota dealer. Based on the vehicle identification number (VIN) or an inspection, any authorized Toyota dealer will replace the affected DC-DC converter with a new one, if necessary, *FREE OF CHARGE*.

Q4: How long will the repair take?

A4: The inspection, if necessary, will take approximately thirty minutes. If the DC-DC converter needs to be replaced, it will take approximately three additional hours. However, depending upon the dealer's work schedule, it may be necessary to make the vehicle available for a longer period of time.

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

A5: There are approximately 500 vehicles covered by this Safety Recall.

Model Name	Model Year	Production Period
Prius C	2018 - 2019	Early February 2018 – Early October 2018

Q3a: Are there any other Lexus/Toyota/Scion vehicles covered by this Safety Recall in the U.S.?

A3a: No, there are no other Lexus/Toyota/Scion vehicles covered by this Safety Recall in the U.S.

Q6: How does Toyota obtain my mailing information?

A6: 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.

Q7: What if I have additional questions or concerns?

A7: If you have additional questions or concerns, 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.



Toyota Motor Sales, USA, Inc. 6565 Headquarters Drive Plano, TX 75024 (469) 292-4000

CUSTOMER CONTACT & VEHICLE DISCLOSURE FORM

This form is not applicable for new vehicles in dealership inventory and TCUV units.

This vehicle is involved in a Safety Recall. At this time, <u>remedy parts are not available</u> and the remedy has **NOT** been performed. I understand that the vehicle will need to be returned to an authorized Toyota dealer to have the remedy performed at **NO CHARGE** when the remedy is available. Customer Signature Toyota recommends that you register with the Toyota Owners Community at http://www.toyota.com/owners/ and regularly check recall applicability using www.toyota.com/recall or www.safercar.gov. You will need to input your 17-digit Vehicle Identification Number (VIN). VIN Campaign Code Model Year Customer Information Customer Name Customer Email _____ Home Phone # _____ Customer Address ____ Mobile Phone # _____ Date ____ Please provide this information so that Toyota or your dealer can notify you when the remedy becomes available. This information will only be used for campaign communications. If you'd like to update your preferred contact information in the future, visit www.toyota.com/ownersupdate or contact us at 1-888-*270-9371.* Dealer Information Dealer Name/Address Dealer Code ____ Dealer Phone Number _____ Dealer Staff Name Dealer Staff Signature _____

TOYOTA

This notice applies to your vehicle: [VIN]

URGENT SAFETY RECALL

This is an important Safety Recall. The remedy will be performed <u>FREE</u> OF CHARGE to you.

IMPORTANT SAFETY RECALL (Remedy Notice)

Certain 2018-2019 Model Year Prius C Vehicles
Potential Loss of Drive Power While Driving
NHTSA Recall No. 19V-491

Dear (customer's First/Last name)

This notice is sent to you in accordance with the National Traffic and Motor Vehicle Safety Act. Toyota has decided that a defect, which relates to motor vehicle safety, exists in certain 2018-2019 model year Prius C vehicles.

You received this notice because our records, which are based primarily on state registration and title data, indicate that you are the current owner.

What is the condition?

Due to a manufacturing issue, a component may stop performing its function of converting power from the hybrid vehicle battery for use by certain vehicle systems. If this occurs, warning lights will illuminate, audible chimes will sound, and messages will be displayed on the instrument panel. If the vehicle continues to be operated, it could lose drive power. Loss of drive power could increase the risk of a crash.

What should you do?

Please contact any authorized Toyota dealer to schedule an appointment to have the remedy performed as soon as possible. Your local Toyota dealer will be more than happy to answer any of your questions.

- To find a dealer near you, visit www.toyota.com/dealers.
- For more information on this and other Safety Recalls, including Frequently Asked Questions, visit www.toyota.com/recall. Input your full 17-digit Vehicle Identification Number (VIN) noted above to review information specific to your vehicle.
- ✓ If you require further assistance, you may 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.

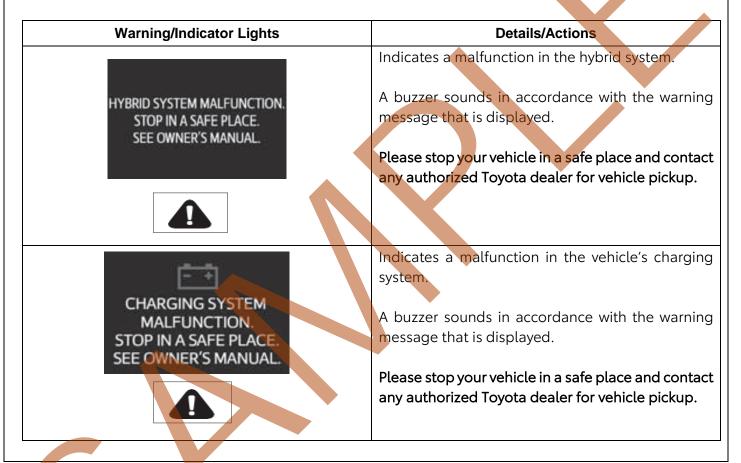
What will Toyota do?

Any authorized Toyota dealer will perform an inspection and replace the affected DC-DC converter with a new one, if necessary, *FREE OF CHARGE*.

This is an important Safety Recall

The inspection, if necessary, will take approximately thirty minutes. If the DC-DC converter needs to be replaced, it will take approximately three additional hours. However, depending on the dealer's work schedule, it may be necessary to make your vehicle available for a longer period of time.

If the condition occurs, warning lights for the hybrid system will illuminate, audible chimes will sound, and messages will appear on the instrument panel. If the vehicle continues to be operated, it could lose drive power. If you see these warning lights or messages or hear the audible chimes, please stop your vehicle in a safe place and contact any authorized Toyota dealer for vehicle pickup.



What if you live in California and do not have this Safety Recall Campaign performed?

The state of California requires the completion of Safety Recalls / Service Campaigns on emission related parts prior to vehicle registration renewal. In addition, the State requires that every vehicle must pass an emission test (SMOG Check) every two years and before it is sold. Without the completion of this <u>FREE</u> Safety Recall Campaign the California Air Resources Board (CARB) will not allow your vehicle to be registered. State of California Regulations require Toyota to provide the Department of Motor Vehicles with a record of all vehicles that have not had the Safety Recall Campaign completed.

Your Toyota dealer will provide you with a Vehicle Emissions Recall Proof of Correction Form after the campaign has been completed. Please ensure you retain this form, because the DMV may require that you supply proof that the campaign has been completed during your vehicle registration renewal process.

What if you are not the owner or operator of this vehicle?

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.

If you know the current owner or operator, please forward this letter to them.

If you would like to update your vehicle ownership or contact information, you may do so by registering at www.toyota.com/owners. You will need your full 17-digit Vehicle Identification Number (VIN) to input the new information.

If you believe that the dealer or Toyota has failed or is unable to remedy the defect within a reasonable time or without charge, 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 http://www.safercar.gov.

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

Thank you for driving a Toyota.

Sincerely,

Toyota Motor Sales, USA