■ IMPORTANT UPDATE ►

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

DATE	TOPIC		
0/10/2010	The condition statement has been updated.		
9/19/2019	Loaner Vehicle Reimbursement Procedure has been updated.		
	The NHTSA Recall No. has been added		
9/13/2019	• The warranty claim filing op-codes for the remedy, rental vehicle reimbursement,		
	and pickup and delivery has been added to the dealer letter.		

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 28, 2019

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

SAFETY RECALL KOQ (Interim Notice K1Q)- Remedy Notice

Certain 2003 – 2008 Model Year Corolla Vehicles Certain 2005 – 2008 Model Year Matrix Vehicles Passenger Airbag May Not Inflate Properly NHTSA Recall No. 19V-627

Model / Years	Production Period	Approximate Total Vehicles	Approximate Stop Sale Dealer Inventory
2003 – 2008 Corolla	Early January 2002 – Late July 2007	14,400	0
2005 – 2008 Matrix	Late April 2004 – Mid- December 2007	120,300	0

On August 28, 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 certain 2003 – 2008 Corolla vehicles and certain 2005 – 2008 Matrix vehicles.

Condition

The subject vehicles were repaired under a prior recall by replacing the front passenger airbag assembly or airbag inflator. If this airbag deploys, there is a possibility that the passenger airbag could be damaged. Such damage could cause the airbag to not properly inflate, and this could increase the risk of occupant injury in the event of a crash.

Remedy

Toyota has sufficient parts to begin a phased implementation of the remedy. The remedy, when available, will consist of replacement of the front passenger airbag assembly with an improved one *FREE OF CHARGE*. Refer to the table below to determine the remedy status of vehicles involved in KOQ (K1Q Interim).

Model Name	Model Year	K0Q Remedy Status
Matrix	2005 - 2008	Remedy <i>NOT</i> Available
Cavalla	2003 - 2004	Remedy Available
Corolla	2005 - 2008	Remedy Available

Covered Vehicles

There are approximately 134,700 vehicles covered by this Safety Recall. Approximately 4,000 vehicles involved in this Safety Recall were distributed to Puerto Rico.

Campaign Phase Interpretation

Campaigns may be launched in phases due to many factors, such as: the nature of the repair, parts availability, etc. It is critical that each VIN is confirmed using TIS to determine if the vehicle is in the remedy or interim phase. Only perform the repair that is available for the specific VIN. *If a remedy repair is performed on an interim phase vehicle, the claim will be subject to debit.*





This issue affects the remedy parts used in certain Takata Airbag recalls. The remedy status for all campaign codes that require the remedy parts affected by this condition is shown below for your reference. Please refer to the individual Takata Airbag recall dealer letters for more details.

Model Name	Model Year	DSF/E04	J0A/J0B/J0C	K0Q Remedy Status
Matrix	2005 - 2008	Remedy <i>NOT</i> Available	Remedy <i>NOT</i> Available	Remedy <i>NOT</i> Available
Corollo	2003 - 2004	Remedy Available	Remedy Available	Remedy Available
Corolla	2005 - 2008	Remedy Available	Remedy Available	Remedy Available

First Takata Recall Repair (Toyota Designation D0F/E04/DSF)	Second Takata Recall Repair (Toyota Designation J0A/J0B/J0C)	This Recall (Toyota Designation K0Q)
Certain vehicles were repaired with an inflator containing Phased Stabilized Ammonium Nitrate without desiccant. This is known as a "Like for Like" replacement	Vehicles repaired with a Like for Like replacement were recalled again and repaired with a non- Takata inflator under this phase.	Certain models repaired under earlier recalls with a non-Takata inflator are under recall and will be repaired with an improved airbag assembly.

Owner Letter Mailing Date

Toyota will begin to notify Corolla vehicle owners in late September. Matrix vehicle owners will be notified by late October.

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 - Reminder

Toyota has not identified any new vehicles in dealership inventory that are covered by this Safety Recall. However, below is a reminder of the dealer's obligations pertaining to Safety Recalls if there are new vehicles in dealership inventory:

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.

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: 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.

Pre-Owned Vehicles in Dealer Inventory for Vehicles in Interim

Toyota typically requests that dealers *NOT* deliver any pre-owned vehicles in dealer inventory that are covered by a Safety Recall unless the defect has been remedied. In this case, until remedy parts are available, delivery of a pre-owned vehicle is acceptable if disclosed to the customer that the vehicle is involved in this Safety Recall and that the remedy is currently being prepared by Toyota.

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 K0Q/K1Q" 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.

Pre-Owned Vehicles in Dealer Inventory for Vehicles in Remedy

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 K0Q/K1Q" 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.

Model/Model Year	Part Number	Description	Quantity
Corolla 2003 - 2008	04008-10212	AIR BAG ASSY KIT, INSTR PNL PASS	1

IMPORTANT PARTS ORDERING INFORMATION

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.

Part Recovery

Dealers should discontinue the installation of the parts listed below for the recalls, customer pay repairs AND over-the-counter sales (if applicable) <u>unless they have a mark on the label</u>.

Mark Present = OK Part

Do NOT Return



Model	Model Year	Location	Part Number	Part Description
Corolla	2003-2004	All States and USTT	04008-10212	AIR BAG ASSY KIT, INSTR PNL PASS
Makein	2005 2000	48 States in Continental U.S.	04005-22901	AIRBAG ASSEMBLY W/
Matrix	2005-2008	USTT, Hawaii & AK	04005-22801	INFLATOR

Toyota requires all dealers to return any parts listed above that do NOT have a mark on the label that remain in dealer inventory by utilizing the Hazmat Part Return Program available. Dealers will be issued a refund for all part returns. This part return program is outlined in *PANT Bulletin 2014–042*.

Important Note:

In order to return the inflator, packages must **NOT** be opened/tampered with.

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:

- Toyota Certified (Electrical)
- Toyota Expert (Any Specialty)
- Master
- Master Diagnostic Technicians

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.

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 DOF – 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.

Campaign Special Service Tools

Your dealership was sent a package containing special service tools for Safety Recall D0F which will also be used for this campaign.

This tool is needed when performing the front passenger airbag inflator module campaign. This tool *IS 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
Barcode Scanner Models: Datalogic QD2300 (Only Barcode) QD2430 (Barcode and QR Code)		1

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.

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 - 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.

Warranty Reimbursement Procedures

Loaner Vehicle or Alternative Transportation Reimbursement Procedure

Interim Op Codes – Matrix ONLY

To minimize risk, Toyota recommends that no passengers sit in the front passenger seat. If this recommendation is not feasible for the customer's personal or business needs, alternative transportation may be made available. A loaner vehicle or alternative transportation through Toyota Rent-A-CAR (TRAC) can be claimed for \$35 per day.

Op Code	Description
K1Q001	Vehicle Rental 1-30 Days
K1Q002	Vehicle Rental 31-60 Days

Remedy Op Codes - Corolla ONLY

For customer convenience while the repair is performed, one of the following alternative transportation options can be claimed for \$35 per day:

- Loaner vehicle through Toyota Rent-A-CAR (TRAC)
- Rental vehicle
- Other alternative transportation such as Uber, Lyft or a taxi

Op. Code	Description
RNTK0Q	Vehicle Rental 1 Day

If alternative transportation exceeds 1 day, due to part availability issues such as a backorder, then alternative transportation can be claimed as sublet type "RT" under the rental Op. Code RNTKOQ.

NOTE:

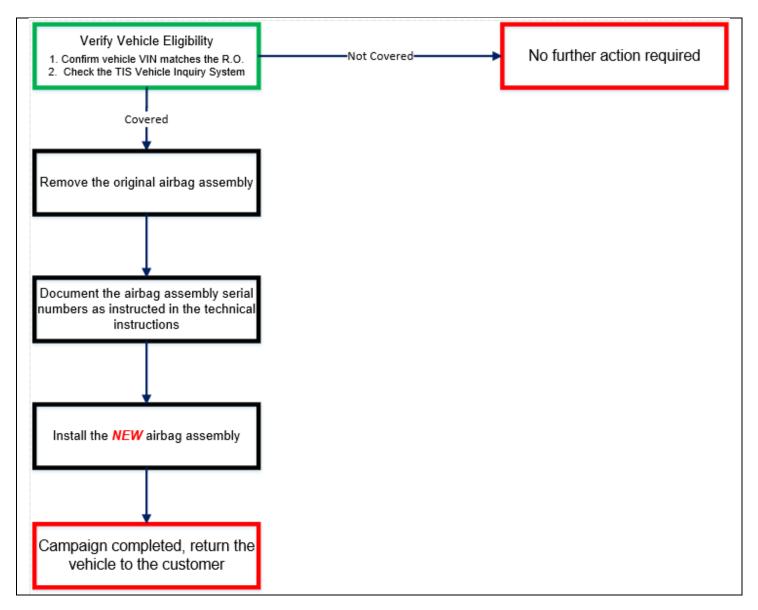
- Rental invoice *MUST* be attached to all rental claims. These claims may be subject to debit if rental invoice is not attached.
- Rentals that exceed the maximum allowable daily rate will require DSPM authorization per the Toyota Transportation Assistance Policy (TTAP).

<u>Dealer Transportation - Customer Vehicle Pickup and Delivery</u>

- Dealer Transportation Opcode is only to be used if the customer's vehicle was delivered to and from the
 dealer. Transportation sublet is not to exceed \$120. These claims may be subject to debit if it is determined
 that the vehicle was not picked up or delivered.
- Dealers will determine the transportation cost, which they are allowed to claim as sublet "DE", under the Dealer Transportation op code by multiplying their dealer labor rate by 0.7 hours (ex. \$100 x 0.7 = \$70 Dealer Transportation).

Model	Dealer Transportation Op Code	Sublet	\$ Amount to be Included on Claim for Dealer Transportation Cost
Matrix			0.75
Corolla	K0Q100	DE	0.7hr x Dealer Labor Rate
Tundra & Sequoia			(ex: \$100 x 0.7 = \$70)

Warranty Reimbursement Procedure



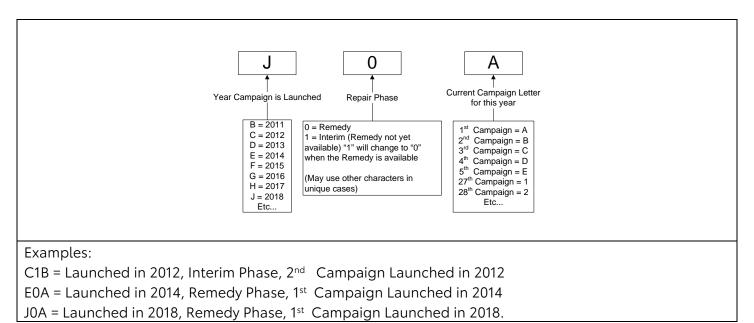
Model	Op. Code	Description	Flat Rate Hour
Corolla	K0Q001	Replace Airbag Assembly	0.9 hr/vehicle

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

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 <u>PRO17-03</u> 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 KOQ (Interim Notice K1Q)- Remedy Notice

Certain 2003 – 2008 Model Year Corolla Vehicles Certain 2005 – 2008 Model Year Matrix Vehicles Passenger Airbag May Not Inflate Properly

Frequently Asked Questions
Original Publication Date: August 28, 2019

NHTSA Recall No. 19V-627

◄ IN	1PORTANT UPDATE ►
DATE	TOPIC
9/19/2019	The condition statement has been updated in A1.

Q1: What is the condition?

A1: The subject vehicles were repaired under a prior recall by replacing the front passenger airbag assembly or airbag inflator. If this airbag deploys, there is a possibility that the passenger airbag could be damaged. Such damage could cause the airbag to not properly inflate, and this could increase the risk of occupant injury in the event of a crash.

- **Q2**: I already had my recall repair completed under a previous recall involving the passenger airbag. Why is my vehicle being recalled again?
- A2: Certain models repaired under earlier recalls are affected by this condition and will be repaired with an improved airbag assembly.
 - Q2b: I own a 2005 2008 Matrix or a 2003 2008 Corolla but my vehicle is not involved. Why?
 - A2b: This Safety Recall only applies to certain vehicles repaired under a prior recall. Toyota is currently finalizing the list of affected vehicles. If your vehicle is involved in this Safety Recall, you will be sent an owner notification informing you of your involvement no later than the end of October. You may also check your recall status at www.Toyota.com/recall.
- **Q3**: Which airbags in Toyota vehicles are affected by this Safety Recall?
- A3: This Safety Recall only includes certain Toyota vehicles repaired under previous recalls involving front passenger airbags. No front driver airbags in Toyota vehicles are included in this recall.

Q4: Are there concerns with other airbags in the vehicle?

A4: No. Only the front passenger airbag is affected by this condition.

Q5: What is Toyota going to do?

A5: Toyota will begin to notify Corolla vehicle owners in late September. Matrix vehicle owners will be notified by late October.

Toyota has sufficient parts to begin the remedy for certain vehicles. Refer to the table below to determine the remedy status of vehicles involved.

Model Name	Model Year	K0Q Remedy Availability	
Matrix	2005 - 2008	Remedy <i>NOT</i> Available at this time	
Caralla	2003 - 2004	Remedy Available	
Corolla	2005 - 2008	Remedy Available	

Q6: Are there any warnings that this condition exists?

A6: No. There are no warnings that this condition exists.

Q7: Which and how many vehicles are covered by this Safety Recall?

A7: There are approximately 134,700 vehicles covered by this Safety Recall.

	Model Name	Model Name Model Year Production Period	
	Corolla	2003 - 2008	Early January 2002 – Late July 2007
Ī	Matrix	2005 - 2008	Late April 2004 – Mid-December 2007

Q7a: Are there any other Toyota/Lexus/Scion vehicles covered by this Safety Recall in the U.S.?

A7a: No. There are no other Toyota/Lexus/Scion vehicles covered by this Safety recall in the U.S.

Q8: What should you do if the remedy is available for your vehicle?

A8: 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 assembly replaced *FREE OF CHARGE*. Until this Safety Recall repair is completed, it is recommended that a passenger not occupy the front passenger seat. If you are uncomfortable driving the vehicle to the dealership, please contact your local authorized Toyota dealer who will arrange for vehicle pick up.

Q9: What should you do if the remedy is NOT available for your vehicle?

A9: To minimize risk, Toyota recommends that no passengers sit in the front passenger seat. If this recommendation is not feasible for the customer's personal or business needs, alternative transportation may be made available.

Q10: How long will the repair take?

A10: The repair takes approximately one hour. However, depending upon the dealer's work schedule, it may be necessary to make the vehicle available for a longer period of time.

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: What if I have additional questions or concerns?

A12: 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 Sabeen performed. I understanthe remedy performed at <i>NC</i>	d that the vehicle will need	d to be returned to an auth		
Customer Signature				
Toyota recommends that you and regularly check recall a input your 17-digit Vehicle Ic	oplicability using <u>www.toy</u>	<u>vota.com/recall</u> or <u>www.sa</u>	<u>afercar.gov</u> . You will need to	
Model	Model Year			
Customer Information				
Customer Name	Customer Name Customer Email			
Customer Address				
		Mobile Phone #		
		Date		
available. This information	will only be used for cam	paign communications. It	when the remedy becomes fyou'd like to update your ate or contact us at 1-888-	
Dealer Information				
Dealer Name/Address		Dealer Code _		
		Dealer Phone Number		
		Dealer Staff Name		
		Dealer Staff Signature		