Original Publication Date: July 12, 2023

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

SAFETY (NONCOMPLIANCE) RECALL 23TA08 (Interim Notice 23TB08)

Certain 2023 Model Year Corolla, Corolla Cross, Corolla Cross HV, Highlander, Highlander HV and Tacoma Driver Airbag May Not Deploy

Model / Years	Production Period	Approximate Total Vehicles	Approximate Stop Sale Dealer Inventory
2023 Corolla	Late February 2023 – Late May 2023	26,700	20
2023 Corolla Cross	Late February 2023 – Early June 2023	14,200	60
2023 Corolla Cross HV	Late February 2023 – Early June 2023	150	0
2023 Highlander	Mid-March 2023 – Mid-May 2023	21,600	190
2023 Highlander HV	Mid-March 2023 – Mid-May 2023	4,600	40
2023 Tacoma	Late March 2023 – Late June 2023	38,600	1,200

STOP

STOP! DO NOT SELL NEW VEHICLES IN DEALER INVENTORY. *Refer to Dealer Inventory Procedures section for more details.* STOP

On July 12, 2023, Toyota filed a Noncompliance Information Report (NCIR) with the National Highway Traffic Safety Administration (NHTSA) informing the agency of our intent to conduct a voluntary Safety (Noncompliance) Recall on 2023 model year Corolla, Corolla Cross, Corolla Cross HV, Highlander, Highlander HV and Tacoma vehicles.

Condition

In the affected vehicles, the spiral cable assembly in the steering column may lose its electrical connection on the circuit controlling the driver's airbag. If this occurs, the airbag warning light will illuminate, and the driver's airbag may not deploy in a crash. As a result, the vehicle will not comply with certain federal motor vehicle safety requirements and may increase the risk of injury to the driver in the event of a crash.

Remedy

Toyota is currently preparing the remedy for this issue. When the remedy is available, Toyota dealers will inspect the serial number of the spiral cable and, if necessary, replace it with a new cable *FREE OF CHARGE*. At this time, Toyota estimates the remedy can be made available in the next couple months. However, this is subject to change.

Covered Vehicles

There are approximately 105,850 vehicles covered by this Safety (Noncompliance) Recall. Approximately 1,800 vehicles involved in this Safety (Noncompliance) Recall were distributed to Puerto Rico.

Owner Letter Mailing Date

Toyota will notify owners by early September 2023.

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 (Noncompliance) 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 1,510 vehicles in new dealer inventory as of July 10, 2023.



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 (Non SET and GST dealers: 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 (Noncompliance) 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

Toyota typically requests that dealers **NOT** deliver any pre-owned vehicles in dealer inventory that are covered by a Safety (Noncompliance) 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 (Noncompliance) 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 23TA08/23TB08" 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 (**Non SET and GST dealers:** <u>https://dealerdaily.toyota.com/</u>). 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 (Noncompliance) 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 Brand Engagement Center (1-888-270-9371) - Monday through Friday, 8:00 am to 8:00 pm, Saturday 9:00 am to 7:00 pm Eastern Time.

Head Unit Notifications

Head unit notifications are electronic messages that are displayed in the vehicle's audio system screen. Customers who receive head unit notification regarding this Safety (Noncompliance) Recall are requested to schedule an appointment with their authorized dealer to have this Safety Recall completed.

When these messages are received by the vehicle's Data Communication Module, the head unit will display a pop-up prompt stating that the vehicle has a new Safety (Noncompliance) Recall. The prompt will contain options to 'Snooze' or to 'View' the message. If a customer chooses 'Snooze', the message will continue to reappear every 20 minutes until the customer chooses 'View'. If a customer views and then closes the message, the message will be available in the Notification App if the customer chooses to review it again. If the vehicle's completion status remains incomplete for a period of 90 days from the message being viewed, the head unit may display a renotification pop-up prompt as an additional reminder to the customer to have this Safety (Noncompliance) Recall completed.

The message will completely clear from the vehicle once the following conditions are met: The Safety (Noncompliance) Recall is completed, the dealer has filed a claim, and the claim is approved by Toyota. Then the message will be cleared at the next clearing cycle, which currently happens daily.

Owners who receive a head unit notification after having this Safety (Noncompliance) Recall completed can be advised to ignore the message. Owners with additional concerns can be directed to the Toyota Brand Engagement Center (1-888-270-9371) - Monday through Friday, 8:00 am to 8:00 pm, Saturday 9:00 am to 7:00 pm Eastern Time.

Salvage Title Vehicles

Every attempt should be made to complete an open Safety Recall when circumstances permit, unless noted otherwise in the Safety Recall dealer letter.

For complete details on this policy, refer to Toyota Warranty Policy <u>4.17</u>, "What Is Not Covered by The Toyota New Vehicle Limited Warranty".

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 Joshua Burns (469) 292-6449 in Toyota Corporate Communications. Please do not provide this number to customers. Please provide this contact only to media.

Warranty Reimbursement Procedures

Loaner Vehicle or Alternative Transportation Reimbursement Procedure

• If an owner is uncomfortable driving their vehicle while the remedy is prepared, a loaner vehicle or alternative transportation can be provided through Toyota Rent-A-CAR (TRAC).

Op Code	Description
TBD	Vehicle Rental 1-30 Days

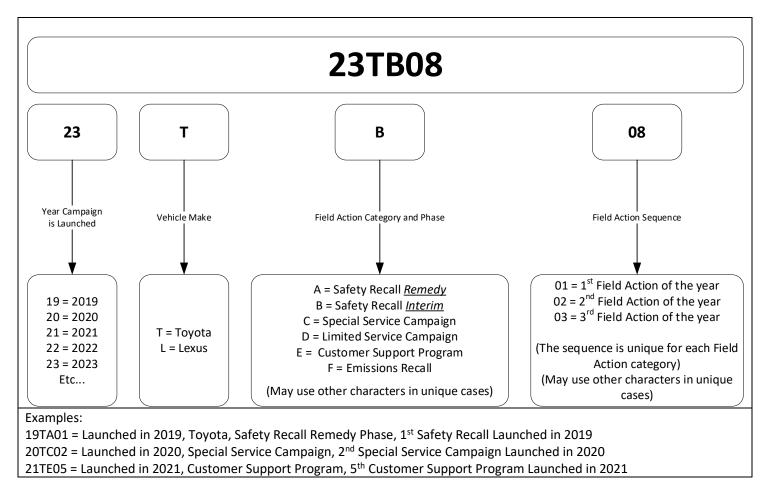
NOTE:

- 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).
- Dealers will be allowed to file these Op Codes up to 90 days after the final phase has launched into remedy. After that time, no claims for alternative transportation reimbursement will be accepted.

Customer Reimbursement

Reimbursement consideration instructions will be included in the owner letter.

Campaign Designation / Phase Decoder



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 (Noncompliance) Recall.

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



SAFETY (NONCOMPLIANCE) RECALL 23TA08 (Interim Notice 23TB08)

Certain 2023 Model Year Corolla, Corolla Cross, Corolla Cross HV, Highlander, Highlander HV and Tacoma Driver Airbag May Not Deploy

Frequently Asked Questions Original Publication Date: July 12, 2023

Q1: What is the condition?

A1: In the affected vehicles, the spiral cable assembly in the steering column may lose its electrical connection on the circuit controlling the driver's airbag. If this occurs, the airbag warning light will illuminate, and the driver's airbag may not deploy in a crash. As a result, the vehicle will not comply with certain federal motor vehicle safety requirements and may increase the risk of injury to the driver in the event of a crash.

Q2: Are there any symptoms/warnings if the condition occurs?

A2: If the condition is present, the airbag warning light will illuminate and electrical controls on the steering wheel may not operate. An example of the airbag warning light is shown below.



Note: The airbag warning light may vary from the image above; refer to the owner's manual to confirm the applicable airbag warning light image. The airbag warning light may illuminate for other reasons than the condition described above.

Q3: What is Toyota going to do?

A3: Toyota is currently preparing the remedy for this issue. When the remedy is available, Toyota dealers will inspect the serial number of the spiral cable and, if necessary, replace it with a new cable *FREE OF CHARGE*.

Q4: When will the remedy become available?

A4: At this time, Toyota estimates that the remedy can be made available in the next few months. However, this is subject to change.

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

A5: There are approximately 105,850 vehicles covered by this Safety (Noncompliance) Recall.

Model / Years	Production Period	Approximate Total Vehicles
2023 Corolla	Late February 2023 – Late May 2023	26,700
2023 Corolla Cross	Late February 2023 – Early June 2023	14,200
2023 Corolla Cross HV	Late February 2023 – Early June 2023	150
2023 Highlander	Mid-March 2023 – Mid-May 2023	21,600
2023 Highlander HV	Mid-March 2023 – Mid-May 2023	4,600
2023 Tacoma	Late March 2023 – Late June 2023	38,600

- Q5a: Are there any other Lexus/Toyota/Scion vehicles covered by this Safety (Noncompliance) Recall in the U.S.?
- A5a: Yes, there are certain 2023-2024 Lexus NX, and 2023 Lexus RX vehicles covered by this Safety (Noncompliance) Recall.

Q6: What if I previously paid for repairs related to this Safety (Noncompliance) Recall?

A6: Reimbursement consideration instructions will be provided in the owner letter.

Q7: How does Toyota obtain my mailing information?

A7: 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.

Q8: What if I have additional questions or concerns?

A8: If you have additional questions or concerns, please contact the Toyota Brand Engagement Center at 1-888-270-9371 Monday through Friday, 8:00 am to 8:00 pm, Saturday 9:00 am to 7:00 pm Eastern Time. ΤΟΥΟΤΑ

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 <u>http://www.toyota.com/owners/</u> and regularly check recall applicability using <u>www.toyota.com/recall</u> or <u>www.safercar.gov</u>. You will need to input your 17-digit Vehicle Identification Number (VIN).

VIN		Campaign Code
Model	Model Year	
Customer Information		
Customer Name		Customer Email
Customer Address		Home Phone #
		Mobile Phone #
		Date
information will only be		an notify you when the remedy becomes available. This you'd like to update your preferred contact information s at 1-888-270-9371.

Dealer Information

Dealer Name/Address	Dealer Code	
	Dealer Phone Number	
	Dealer Staff Name	
	Dealer Staff Signature	