

◀ IMPORTANT UPDATE ▶

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

| DATE | TOPIC |
|----------|---------------------------------------|
| 6/7/2023 | Updated Salvage Vehicle Applicability |

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.

Original Publication Date: February 16, 2023

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

CUSTOMER CONFIDENCE PROGRAM 23TE02

Certain 2012 – 2017 Model Year Prius V and 2010 - 2015 Model Year Prius Extension of Coverage to the Intelligent Power Module (IPM)

| Model / Years | Production Period | Approximate Total Vehicles |
|------------------------------|---|----------------------------|
| 2010-2015 Model Year Prius | Late January, 2009 – Early November, 2015 | 918,000 |
| 2012-2017 Model Year Prius V | Late August, 2011– Late November 2017 | 170,000 |

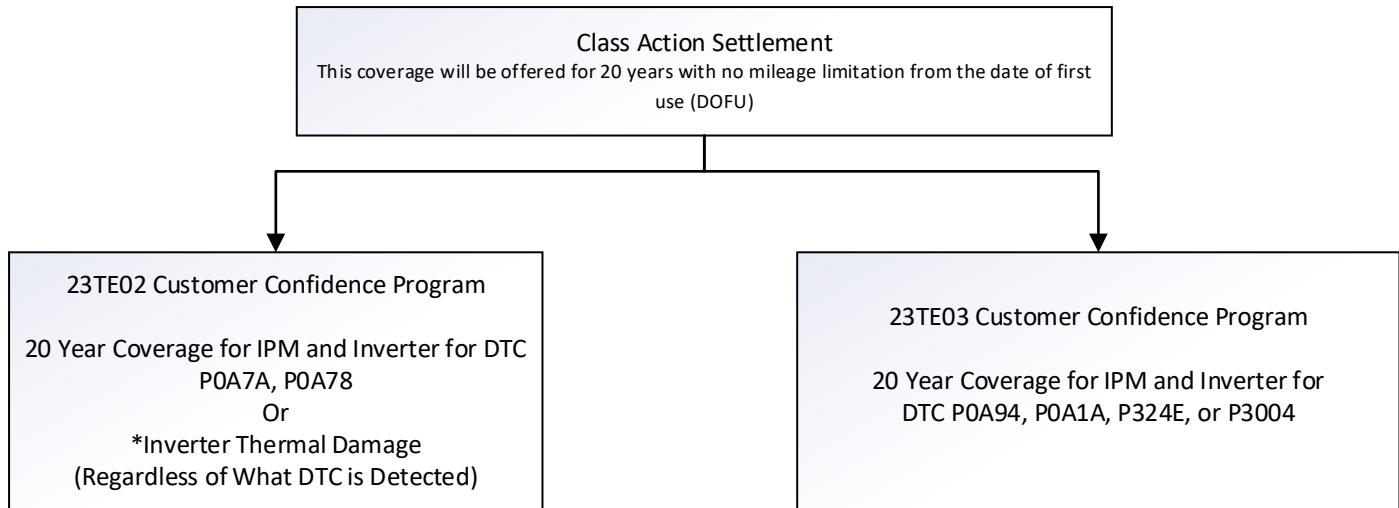
Prius Inverter Class Action Settlement

The Customer Confidence Program is a component of a class action settlement that includes several elements of coverage. The Customer Confidence Program provides coverage as it applies to the intelligent power module (IPM). The specific condition covered by this Customer Confidence Program 23TE02 is failure of the IPM located inside the inverter assembly of the hybrid system indicated by DTCs P0A7A and/or P0A78. If either of these DTCs are detected, various warning lamps on the instrument panel will also illuminate and the vehicle will enter Fail Safe Mode. Toyota will also provide coverage if the IPM has failed due to a thermal event regardless of what DTC is detected, or if the IPM has failed and the failure cannot be demonstrated to be due to anything other than a thermal event.

Direct Mail Notice to Members of the Class

Direct mail notices (in addition to other components of class notice) were sent to customers by the 3rd party court appointed administrator in the summer of 2022 to inform current and former Subject Vehicle owners and lessees of the settlement. If you receive any questions regarding this notice, or about the settlement, please refer them to the Settlement website and toll-free number:

- www.ToyotaPriusInverterSettlement.com
- 1-833-942-3997



*Toyota will provide coverage for the repair/replacement of the IPM, if the IPM has failed due to a thermal event regardless of what DTC is detected, or if the IPM has failed and the failure cannot be demonstrated to be due to anything other than a thermal event.

Coverage Denial Procedure:

Before coverage under this program is denied, Toyota dealers must contact quality_compliance@toyota.com to confirm if coverage, loaner or towing should be denied. If it is confirmed that the vehicle should be denied coverage, the dealer must provide a copy of the repair order to the vehicle owner/lessee with the following verbiage:

“To appeal the denial of a loaner, tow or repair related to the Inverter and/or IPM, you must submit an Appeal Form, which can be found at www.toyotapriusinvertersettlement.com. Your appeal must be submitted within 45 days from the date on this document.”

Customer Confidence Program Details

The Customer Confidence Program provides coverage as it applies to the IPM on certain 2010-2015 Model year Prius and 2012 – 2017 Model Year Prius V. The specific conditions covered by this Customer Confidence Program 23TE02 are: (i) Failure of the IPM located inside the inverter assembly of the hybrid system indicated by hybrid system diagnostic trouble codes (DTCs): P0A7A and/or P0A78 that your dealer can find by the use of Techstream. If either of these DTCs are detected, various warning lamps on the instrument panel will also illuminate and the vehicle will enter Fail Safe Mode. (ii) Toyota will also provide coverage if the IPM has failed due to a thermal event regardless of what DTCs are detected, or if the IPM has failed and the failure cannot be demonstrated to be due to anything other than a thermal event. If any of these conditions are verified, an appropriate remedy will be performed under the terms of this Customer Confidence Program.**

- ***This coverage will be offered for 20 years with no mileage limitation from the date of first use (DOFU)***

This coverage is for work performed at an authorized Toyota dealer only. It is subject to the same terms and conditions set forth in the New Vehicle Limited Warranty Section of the Owner's Warranty Information booklet. For example, damage from abuse, an accident, theft and/or vandalism is not covered.

Covered Vehicles

There are approximately 1,088,000 vehicles covered by this Customer Confidence Program. There are approximately 1,500 vehicles involved in this Customer Confidence Program were distributed to Puerto Rico.

Customer Handling, Parts Ordering, and Remedy Procedures

Customer Contacts

Customers may contact your dealership with questions regarding the letter and/or the Customer Confidence Program. 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.

Salvage Title Vehicles

- This CSP **IS** emission related; therefore, vehicles branded as salvage, total loss, true mileage unknown, or similar title **ARE ELIGIBLE** for coverage under this CSP.

For complete details on this policy, refer to Toyota Warranty Policy [4.17](#), “What Is Not Covered by The Toyota New Vehicle Limited Warranty”.

Customer Marketing

Direct marketing of this Customer Confidence Program is strictly prohibited pursuant to the Toyota Warranty Policy [5.22](#), “Warranty Solicitation.” Non-compliance of this policy may result in a claim debit.

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 Aaron Fowles (469) 292-1097 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. Dealers can identify which parts ordering method to use by reviewing the parts information section of Dealer Daily and checking for a MAC code on the part numbers below. For MAC code C, order through CPOR. For MAC code D, refer to the MAC report for further instructions.

As this is a Customer Confidence Program, the condition **MUST** be verified by inspecting the vehicle. Therefore, dealers **SHOULD NOT** increase their stock of related repair parts. **Dealers are requested to only order parts for vehicles experiencing this condition only. DO NOT ORDER FOR STOCK.** As always, if a customer experiences the condition described, dealers should conduct appropriate diagnosis and order the applicable parts.

Inverter component or assembly replacement MAY BE necessary based on the vehicle condition and diagnosis as per T-SB-0011-23. ONLY ORDER the necessary parts based on the vehicle’s diagnosed condition. These parts can be found in T-SB-0011-23.

All Customer Confidence 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 for additional details.

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:

- Hybrid Expert Technician
- 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.

NOTE: Claims for repairs that were performed by non-qualified technicians are subject to debit.

Remedy Procedures

Technical instructions for this Customer Confidence Program can be found in [T-SB-0011-23](#)

Parts Recovery Procedures

All parts replaced as part of this Customer Confidence Program 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.

Warranty Reimbursement Procedures

Reimbursement Procedure

Reimbursement Items

- 1. Parts and Labor Costs will be reimbursed for vehicles on a customer concern basis.**

Prius Vehicles ONLY

Description

1. Replace the IPM Transistor
2. Replace the MG ECU
3. Replace the inverter current sensor sub-assembly
4. Replace the inverter wire sub-assembly
5. Replace the inverter assembly

| Op Codes | Description (Reference Chart Above) | | | | | Dealer Flat Rate Time |
|----------|-------------------------------------|---|---|---|---|-----------------------|
| | 1 | 2 | 3 | 4 | 5 | |
| 23TE02RA | ✓ | | | | | 2.9 |
| 23TE02RB | ✓ | ✓ | | | | 2.9 |
| 23TE02RC | ✓ | ✓ | ✓ | | | 3.0 |
| 23TE02RD | ✓ | ✓ | ✓ | ✓ | | 3.0 |
| 23TE02RE | | | | | ✓ | 2.0 |

Prius V Vehicles ONLY

Description

1. Replace the IPM Transistor
2. Replace the MG ECU
3. Replace the inverter current sensor sub-assembly
4. Replace the inverter wire sub-assembly
5. Replace the inverter assembly

| Op Codes | Description (Reference Chart Above) | | | | | Dealer Flat Rate Time |
|----------|-------------------------------------|---|---|---|---|-----------------------|
| | 1 | 2 | 3 | 4 | 5 | |
| 23TE02RF | ✓ | | | | | 2.9 |
| 23TE02RG | ✓ | ✓ | | | | 2.9 |
| 23TE02RH | ✓ | ✓ | ✓ | | | 3.2 |
| 23TE02RJ | ✓ | ✓ | ✓ | ✓ | | 3.2 |
| 23TE02RK | | | | | ✓ | 1.6 |

- A complimentary loaner vehicle or alternative transportation through the Toyota Rent-A-Car (TRAC) can be claimed for repairs and/or replacements that exceed 4 hours or if the vehicle must stay overnight as a sublet type “RT” under Op Code 23TE02RA, 23TE02RB, 23TE02RC, 23TE02RD, 23TE02RE, 23TE02RF, 23TE02RG, 23TE02RH, 23TE02RJ and 23TE02RK
 - **For rentals please 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 Code 23TE02RA, 23TE02RB, 23TE02RC, 23TE02RD, 23TE02RE, 23TE02RF, 23TE02RG, 23TE02RH, 23TE02RJ and 23TE02RK for a maximum of \$250 as sublet type “TW”.
 - **Towing invoice *MUST* be attached to all towing claims. These claims may be subject to debit if towing invoice is not attached.**
 - **Dealers can reimburse customers who paid for towing out-of-pocket (up to \$250). The customer must provide supporting documentation for the expense, and the dealer must include the expense on the repair claim, as instructed above.**

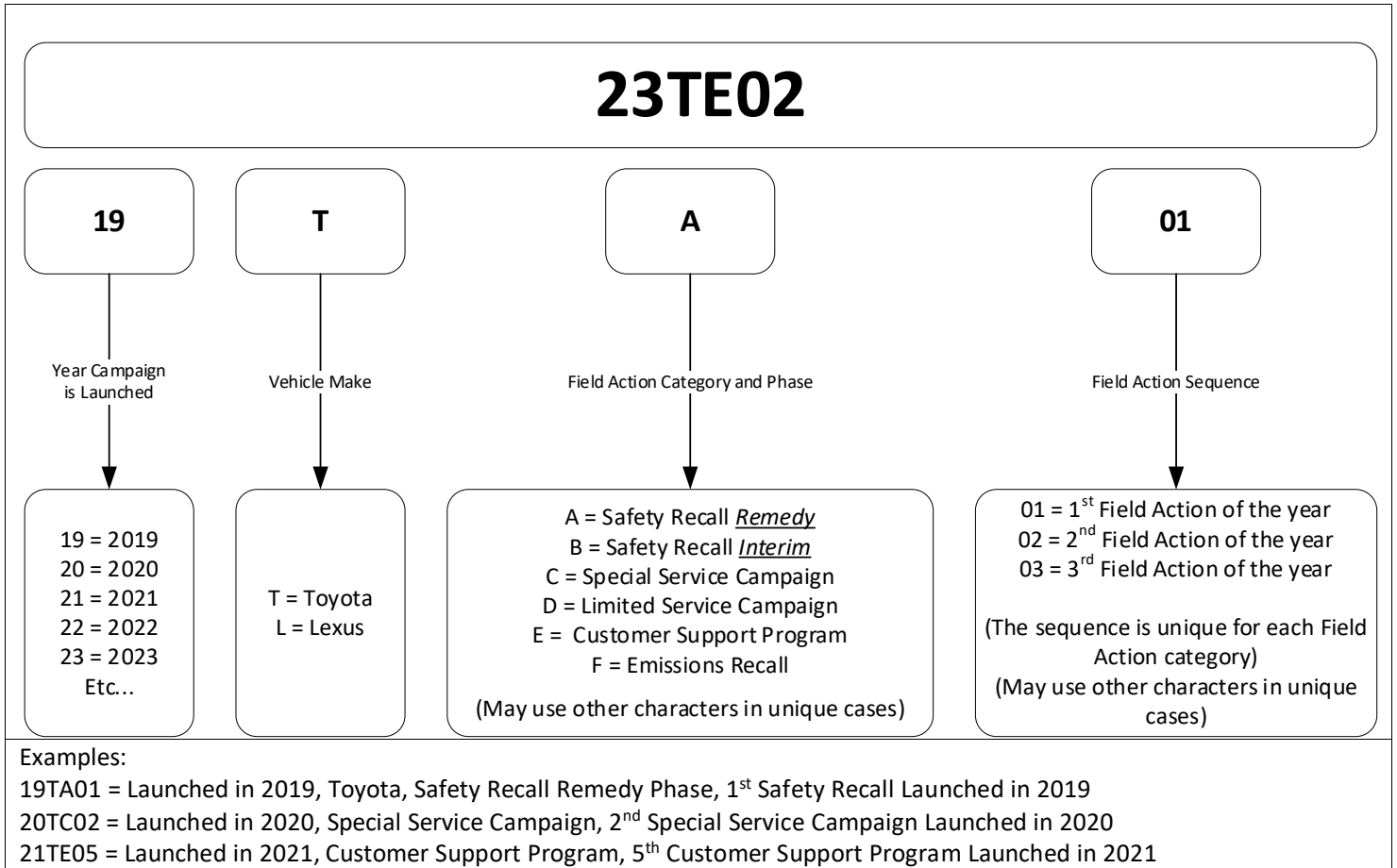
Claim Filing Accuracy and Correction Requests

It is the dealer’s responsibility to file claims correctly for this Customer Confidence Program. 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.

Customer Reimbursement

Reimbursement consideration instructions were included in the class action settlement notice which was sent to vehicle owners/lessees in the summer of 2022.

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 Customer Confidence Program.

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

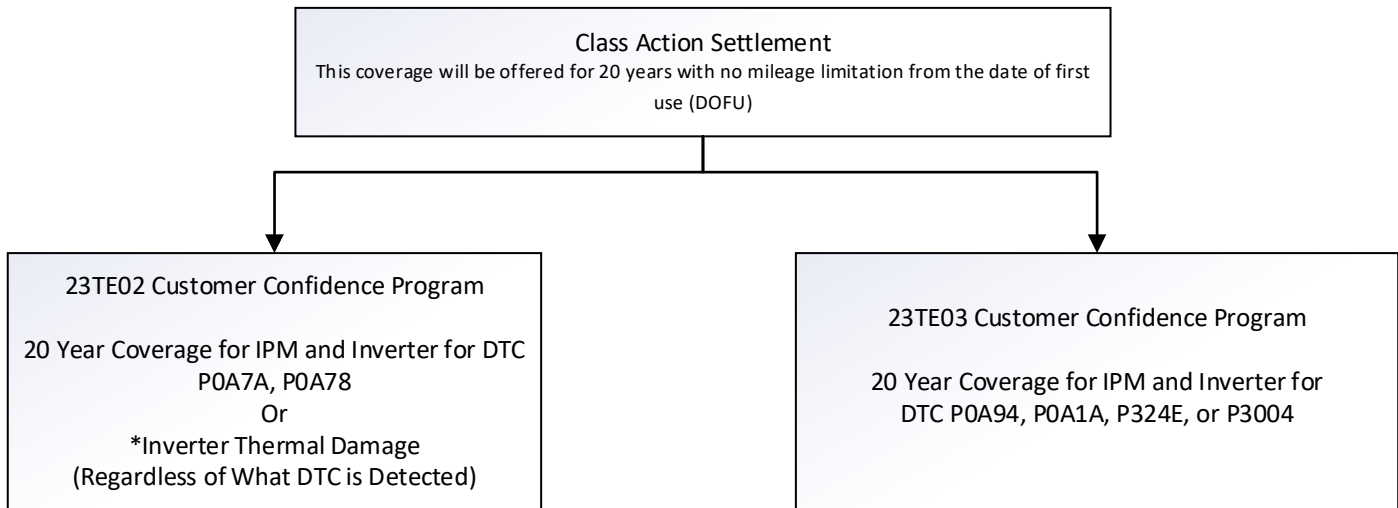
CUSTOMER CONFIDENCE PROGRAM 23TE02

Certain 2012 – 2017 Model Year Prius V
 Certain 2010-2015 Model Year Prius
 Extension of Coverage to the Intelligent Power Module (IPM)

Frequently Asked Questions
 Original Publication Date: February 16, 2023

BACKGROUND

The Customer Confidence Program is a component of a class action settlement that includes several elements of coverage. The Customer Confidence Program provides coverage as it applies to the Intelligent Power Module (IPM).



***Toyota will provide coverage for the repair/replacement of the IPM, if the IPM has failed due to a thermal event regardless of what DTC is detected, or if the IPM has failed and the failure cannot be demonstrated to be due to anything other than a thermal event.**

Q1: What is the condition?

The specific condition covered by this program is failure of the IPM located inside the inverter assembly of the hybrid system indicated by hybrid system diagnostic trouble codes (DTCs): P0A7A and/or P0A78 that your dealer can find by use of a special diagnostic tool. If one or more of these DTCs are detected, various warning lamps on the instrument panel will also illuminate and the vehicle will enter Fail Safe Mode. Toyota will also provide coverage if the IPM has failed due to a thermal event regardless of what DTCs are detected, or if the IPM has failed and the failure cannot be demonstrated to be due to anything other than a thermal event. Please see the above chart for additional coverage conditions.

Q1a: What is the Hybrid System Inverter?





A1a: The hybrid system inverter converts high-voltage direct current (DC), stored in the HV battery, into high-voltage alternating current (AC) for the motor generator. It also converts AC into DC during the regenerative braking for storage in the HV battery.





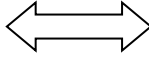




Q1b: What is Fail-Safe Mode?

A1b: Fail-Safe Mode is a form of vehicle self-protection (also known as Limp-Home Mode). When the vehicle’s self-diagnostic system determines a possible malfunction, the hybrid control system may reduce vehicle power to minimize potential component damage. The vehicle is still drivable, but you will notice a reduction in available vehicle power and speed. If this condition occurs, the vehicle should be immediately taken to an authorized Toyota Dealer for appropriate diagnosis and repair.

Q1c: **Which Warning Lamps are illuminated on the instrument panel when the vehicle enters Fail-Safe Mode?**

A1c: The various warning lamps shown below will illuminate on the instrument panel if the IPM fails. The vehicle will also enter a **Fail-Safe Mode, described above.**

| Warning Lights Prius V Without Multi-Information Display (MID) | |
|---|---|
|  | Hybrid system warning |
|  | Slip Indicator |
|  | Check Engine Warning Light |
|  | Electronically Controlled Brake System Warning Light |

| Warning Lights Prius V With Multi-Information Display (MID) and Prius | |
|---|---|
|  | Master Warning Light |
|  | Hybrid system warning message |
|  | PCS system warning message (if equipped) |
| NOTE: If PCS equipped.  |   Display switches |
|  | Slip Indicator |
|  | Check Engine Warning Light |
|  | Electronically Controlled Brake System Warning Light |

Q2: What is Toyota going to do?

If the owner/lessee experiences the Warning Lights and Warning Messages (shown above) and the vehicle enters Fail-Safe Mode, the driver should contact an authorized Toyota dealership for diagnosis and repair. If the condition is covered by the terms of the Customer Confidence Program (i.e., 23TE02 and/or 23TE03), an appropriate remedy will be performed at no charge to the vehicle's owner **or lessee**. The Customer Confidence Program covers failure of the IPM and other internal inverter components potentially damaged by IPM failure. Please see your local authorized Toyota dealer for additional details.

Q3: Which and how many vehicles are covered by the Customer Confidence Program?

A3: There are approximately 1,088,000 vehicles covered by the Customer Confidence Program. There are approximately 1500 vehicles involved in this Customer Confidence Program were distributed to Puerto Rico.

| Model Name | Model Year | Production Period | UIO |
|------------|-------------|---|---------|
| Prius | 2010 - 2015 | Late January, 2009 – Early November, 2015 | 918,00 |
| Prius V | 2012-2017 | Late August, 2011– Late November 2017 | 170,000 |

Q4: What are the details of this program?

A4: This program provides coverage as it applies to failure of the IPM. If the condition is verified, an appropriate remedy will be performed under the terms of this Customer Confidence Program 23TE02.

- The coverage will be offered for **20 years with no mileage limitation from the date of first use (DOFU)**.
- **For towing and/or loaner questions please refer to the Dealer Letter.**

This coverage is for work performed at an authorized Toyota dealer only. It is subject to the same terms and conditions set forth in the New Vehicle Limited Warranty Section of the Owner's Warranty Information booklet. For example, damage from abuse, an accident, theft and/or vandalism is not covered.

Q5: Which part(s) are covered by this Customer Confidence Program 23TE02?

A5: The specific conditions covered by this Customer Confidence Program 23TE02 are: (i) Failure of the IPM located inside the inverter assembly of the hybrid system indicated by hybrid system diagnostic trouble codes (DTCs): POA7A and/or POA78 that your dealer can find by the use of Techstream. If either of these DTCs are detected, various warning lamps on the instrument panel will also illuminate and the vehicle will enter Fail Safe Mode. (ii) Toyota will also provide coverage if the IPM has failed due to a thermal event regardless of what DTCs are detected, or if the IPM has failed and the failure cannot be demonstrated to be due to anything other than a thermal event.

Q6: What should an owner/lessee do if experiencing a condition described in this Customer Confidence Program 23TE02?

A6: If an owner/lessee thinks that they have experienced a condition described in this Customer Confidence Program 23TE02, a local Toyota dealer should be contacted for appropriate diagnosis and repair. If the condition is verified as being in accordance with the terms of the program, the repair will be performed **FREE OF CHARGE** to the owner/lessee.

Q6a: What if the diagnosis is performed and my vehicle is not covered by the Customer Confidence Program?

A6a: Please be aware that, if the condition is not covered by the Customer Confidence Program, you may be responsible for the initial diagnostic fees and any other repairs you may decide to have performed. Any authorized Toyota Dealership can determine if a condition is covered by the Customer Confidence Program.

Q7: What if an owner/lessee HAS NOT experienced the condition but would like to have the repair completed?

A7: This Customer Confidence Program 23TE02 only applies to vehicles that have exhibited the condition described above.

Q8: How long will the repair take?

A8: Replacement of the IPM and other internal inverter components potentially damaged by IPM failure will take approximately 3 hours. However, depending upon the dealer's work schedule, it may be necessary to make the vehicle available for a longer period of time. **For loaner questions please refer to the Dealer Letter.**

Q9: What if I previously paid for repairs related to this Customer Confidence Program?

A9: Reimbursement consideration instructions were included in the class action settlement notice which was sent to vehicle owners/lessees in the summer of 2022. Please refer to the settlement website for more details: **www.ToyotaPriusInverterSettlement.com**

Q10: What if I have additional questions or concerns?

A10: 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. Customers with questions about the settlement should refer to the Settlement website and toll-free number:

- **www.ToyotaPriusInverterSettlement.com**
- **1-833-942-3997**

Q11: What if the media contacts me?

A11: It is imperative that all media contacts (local and national) receive a consistent message. In this regard, all media contacts must be directed to Aaron Fowles (469) 292-1097 in Toyota Corporate Communications. Please do not provide this number to customers. Please provide this contact only to media.