TOYOTA

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

Subject: Warranty Enhancement Program– ZE3
Certain 2010 – 2014 Model Year Prius Vehicles
Extension of Warranty Coverage to the Intelligent Power Module (IPM)

In our continuing efforts to ensure the best in customer satisfaction, Toyota is announcing a Warranty Enhancement Program to extend the warranty coverage for repairs related failure of the Intelligent Power Module (IPM). The vehicles covered under this Warranty Enhancement must first have Safety Recall E0E (launched in mid-February, 2014) performed (if applicable).

In these vehicles, Toyota has received some reports where the Intelligent Power Module (IPM) located inside the inverter assembly of the hybrid system may fail. This condition is indicated by hybrid system diagnostic trouble codes (DTCs): P0A94, P324E, P3004, **and/or** P0A1A. 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.

Although the Hybrid Inverter assembly is covered by Toyota's New Vehicle Limited Warranty for 8 years or 100,000 miles (whichever occurs first), we at Toyota care about the customers' ownership experience. Toyota is now extending the warranty coverage for repairs related to failure of the Intelligent Power Module (IPM). Please see the Warranty Enhancement Program Details for additional information.

Note: *For California-certified vehicles sold, registered, and normally operated in Arizona (12MY only), California, Connecticut, Maine, Maryland (beginning with 11MY), Massachusetts, New Jersey, New Mexico (10MY-11MY only), New York, Oregon, Rhode Island, and Vermont, the Toyota New Vehicles Limited Warranty coverage is 15 years from the date of first use, or 150,000 miles (whichever occurs first).*

The following information is provided to inform you and your staff of the program notification schedule and your degree of involvement.

1. Owner Notification Letter Mailing Date

The owner notification will commence in Late August, 2014 and will be mailed over several months. We have attached a sample owner letter for your reference.

2. Warranty Enhancement Program Details

This Warranty Enhancement Program provides an extension to the vehicle's "New Vehicle Limited Warranty" for repairs related to certain internal malfunctions of Intelligent Power Module (IPM). The vehicles covered under this Warranty Enhancement must first have Safety Recall E0E performed (if applicable). If the condition is verified, an appropriate remedy will be performed under the terms of this Warranty Enhancement Program*. This Warranty Enhancement covers failure of the IPM and other internal inverter components potentially damaged by IPM failure.

This warranty enhancement provides coverage for ***15 years with no mileage limitation from the date of first use***.

**This coverage is for warranty 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 your Owner's Warranty & Maintenance Guide. For example, damage from abuse, an accident, theft and/or vandalism is not covered by the New Vehicle Limited Warranty or this warranty enhancement.*

3. Number and Identification of covered Vehicles

There are approximately 711,000 (certain 2010 - 2014 Model Year) Prius vehicles covered by this Warranty Extension.

Model	Model Year	Production Period	Appx. UIO
Prius	Certain 2010 – 2014	Late March, 2009 through Early February, 2014	711,000

4. Warranty Claim Processing Instructions

Please refer to the Warranty Policy Bulletin (Bulletin No. POL14-05) for warranty claim processing instructions. *All parts replaced for this repair are subject to warranty parts recovery.*

5. Technical Instructions (Repair Procedures)

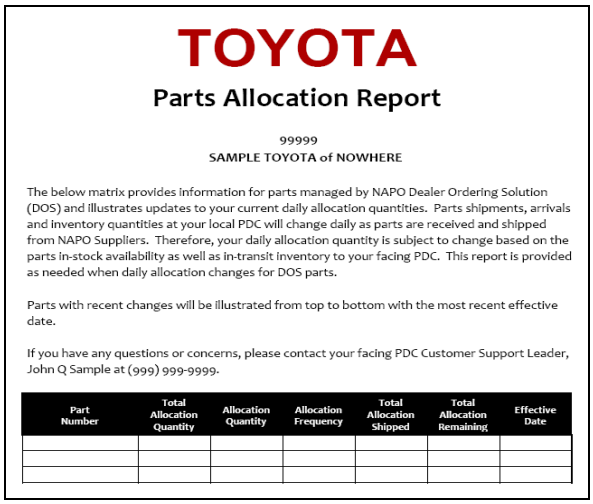
- For technical instructions of replacement of the Intelligent Power Module (IPM) please refer to the repair manual on TIS.

6. Parts Ordering

As this is an extension of the warranty, most customers will only request reimbursement from TMS for past replacements. Dealers should not increase parts stock for this Warranty Enhancement. As always, if a customer experiences one of the conditions described, dealers should conduct appropriate diagnosis and order the applicable parts.

Refer to Warranty Policy Bulletin POL14-05 for detailed parts ordering information.

Dealers are requested to only order parts for vehicles experiencing this condition. ***DO NOT ORDER FOR STOCK.*** The parts have been placed on Dealer Ordering Solutions and will be systematically released daily. Please see the weekly manual allocation report for additional details.



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Parts Allocation Report

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SAMPLE TOYOTA of NOWHERE

The below matrix provides information for parts managed by NAPO Dealer Ordering Solution (DOS) and illustrates updates to your current daily allocation quantities. Parts shipments, arrivals and inventory quantities at your local PDC will change daily as parts are received and shipped from NAPO Suppliers. Therefore, your daily allocation quantity is subject to change based on the parts in-stock availability as well as in-transit inventory to your facing PDC. This report is provided as needed when daily allocation changes for DOS parts.

Parts with recent changes will be illustrated from top to bottom with the most recent effective date.

If you have any questions or concerns, please contact your facing PDC Customer Support Leader, John Q Sample at (999) 999-9999.

Part Number	Total Allocation Quantity	Allocation Quantity	Allocation Frequency	Total Allocation Shipped	Total Allocation Remaining	Effective Date

7. Customer Reimbursement

Please refer to the attached owner letter for reimbursement consideration instructions.

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 Warranty Extension.

As part of our dedication to continuous improvement, changes have been incorporated in the production process to ensure the highest quality products are provided to our customers.

Thank you for your cooperation.

TOYOTA MOTOR SALES, U.S.A., INC.