Takata agrees to expansion of recalls to cover all non-desiccated frontal airbag inflators in U.S.

Auburn Hills, MI and Tokyo – May 4, 2016 – Takata Corporation, a leading global supplier of automotive safety systems, today announced that TK HOLDINGS INC. (“Takata”), a subsidiary of Takata Corporation, has agreed to initiate future expanded recalls covering all non-desiccated frontal airbag inflators containing phase-stabilized ammonium nitrate (“PSAN”) in the United States that are not covered by previous recalls. The details of Takata’s action are set out in an amendment to the November 3, 2015 Consent Order with the National Highway Traffic Safety Administration (NHTSA).

Takata is not aware of any ruptures, in the field or in testing, in the inflator products in vehicles that would be covered by this new order, nor is Takata aware of any new data or scientific analysis that suggests any substantial risk with respect to such vehicles. Nonetheless, the company has agreed to accept and support the expanded recalls respecting Takata’s and NHTSA’s shared interest towards future safety and restoring public confidence. All vehicles in which field or testing ruptures have occurred are already subject to previous recalls in the U.S.

As noted in the Consent Order amendment, research and analysis by several independent engineering organizations has supported Takata’s previously reported findings that certain inflator ruptures are caused by a combination of long-term exposure to high heat, absolute humidity and temperature cycling. With these expanded recalls, all non-desiccated frontal inflators will be under recall in the U.S. The vast majority of the frontal inflators Takata produces today contain desiccant, a drying agent that acts as a mitigant against these environmental effects. Manufacturing variability may also play a role in the inflator failures, and certain vehicle models have been shown to have a much higher incident rate than others.

Shigehisa Takada, Chairman & CEO of Takata, said, “This agreement with NHTSA is consistent with our desire to work with regulators and our automaker customers to develop long-term, orderly solutions to these important safety issues, and we are gratified that the NHTSA Administrator has recognized the company’s cooperation. Our actions, including the expansion of product recalls to cover all non-desiccated frontal inflator models, demonstrate our total commitment to safety and our intention to be part of the solution and to restore the confidence of the driving public.”

Mr. Takada continued: “We will continue to dedicate significant resources to maximize recall completion rates, including through our ‘Get the Word Out’ campaign and by working closely with NHTSA and our automaker customers on new and innovative solutions to reach consumers. Takata is committed to supporting all actions that advance vehicle safety.”

Based on the terms of the Consent Order amendment, Takata will be filing Defect Information Reports (DIRs) for all non-desiccated frontal airbag inflators not currently under recall in five stages, according to model years and the geographic regions where the vehicles are registered, focusing first on older vehicles in regions of high heat and absolute humidity. All non-desiccated frontal passenger PSAN inflators will be under recall by December 31,
2019. Takata estimates that there will be approximately 35-40 million airbag inflators covered by these new DIRs, primarily passenger-side inflators. Almost all driver-side non-desiccated frontal airbag inflators are already under recall. The first DIR, which will be filed on May 16, 2016, will cover approximately 14 million inflators. The expanded recalls also include certain non-desiccated frontal airbag inflators which have been provided as replacement parts in the past.

Takata has been in close consultation with NHTSA regarding the severe challenges it will face in supplying replacement parts for the expanded recalls. It has been determined that such issues will be further discussed and resolved through the Coordinated Remedy Program together with NHTSA and the vehicle manufacturers. Takata will continue to offer its best effort and cooperation towards the smooth implementation of the expanded recalls.

To date, Takata has produced more than 14 million airbag replacement kits in North America alone, significantly more than the approximately 8 million inflators that have been returned to Takata as part of current U.S. safety campaigns. Takata strongly urges all consumers to check NHTSA’S www.safercar.gov website regularly and contact their dealers immediately if their vehicle is subject to a recall.

About Takata
Takata Corporation is a leading global innovator and supplier of automotive safety systems; including airbag systems, seat belts, steering wheels, electronics, sensors, and child restraint systems, and supplies all major automotive manufacturers in the world. Headquartered in Tokyo, Japan, it operates 58 facilities in 21 countries with more than 48,775 global employees worldwide.

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