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Ms. Jennifer T. Timian
Chief, Recall Management Division
Office of Defects Investigation
National Highway Traffic Safety Administration
1200 New Jersey Avenue, SE
Washington, DC 20590
Re: Response to Information Request in EQ12-002

Dear Ms. Timian:

TK Holdings, Inc. (“TKH” or “Takata”), hereby responds to your Information Request in this proceeding dated February 28, 2012. We appreciate your grant of Takata’s request to extend the due date for this response until March 19, 2012.

BACKGROUND:

This equipment query (EQ12-002) relates to air bag inflators manufactured by Autoliv ASP, Inc. (“Autoliv”), for use in side curtain air bag assemblies. Four vehicle manufacturers have determined that certain vehicles equipped with side curtain air bags containing Autoliv inflators contain a safety-related defect: Recall 12V-029 (Toyota), 12V-030 (Honda), 12V-047 (Subaru), and 12V-055 (Nissan).

As you know, by letter dated February 17, 2012, Autoliv informed the Office of Defects Investigation (ODI) that certain inflators it manufactured during 2011 had been built with propellant that had not been prepared properly. Specifically, Autoliv explained that the size of particles of titanium hydroxide used in the propellant in four different designs of its inflators was incorrect. Autoliv has designated those four designs as: ACH2.1, ACH2.1B, ACH 2.4, and ACH2.0B. Autoliv stated that although it had attempted to quarantine all inflators that had been manufactured with the improper propellant, it discovered in early 2012 that some of those inflators had been shipped to a number of customers, including Takata. Autoliv has acknowledged that the incorrect particle size can cause a performance problem in the ACH2.1 inflators. However, Autoliv also asserted that the other inflator designs will perform properly even with the incorrect propellant.

REQUESTS AND RESPONSES

With that as background, TKH will now respond to each of your specific requests. We have reprinted the requests prior to each response.

1. Provide a list of all customers that received the same or similarly affected Autoliv air bag inflators from your company, whether directly or as part of an air bag assembly, and provide their company name, line of business (i.e., vehicle manufacturer, equipment manufacturer, distributor, etc.), address, phone number, contact person, quantity sold to each, and sale date.

Response 1:

In its February 17, 2012 letter, Autoliv stated that it provided 3,483 potentially suspect inflators to “Takata Holdings, Inc.” In fact, Autoliv provided 3,107 such inflators to TKH (of which four were scrapped), and provided 380 such inflators to Takata Shanghai Automotive Components

Co., LDT (“TSAC”). Both TK Holdings and TSAC are subsidiaries of TK Americas, Inc., but they operate independently of one another. Moreover, none of the air bag assemblies manufactured by TSAC were used in vehicles that were sold in the United States. Nevertheless, for the sake of completeness, we will provide information regarding the inflators shipped to TSAC as well. In view of the statements made by Autoliv in its February 17, 2012 letter to ODI regarding possible performance differences among the four different designs of its inflators, we have specified the particular design of inflator included in the air bag modules shipped to each customer.

A. 648 ACH2.1 inflators were used in finished air bag assemblies that were sold to Honda of America Mfg., Inc. (“Honda”). 537 assemblies were shipped to Honda’s Marysville, Ohio assembly plant, 24000 Honda Parkway, Marysville, OH 43040 (contact Mark Sislowksi at (937) 578-0790) for use in Honda Accord vehicles, and 111 were shipped to Honda’s East Liberty assembly plant, 11000 State Route 347, East Liberty, OH 43319-9407 (contact Andy Brady at (937) 644-6787 Ext. 65146) for use in Honda Crosstour vehicles. Shipments were made between November 11, 2011 and January 10, 2012.

B. 394 ACH2.1B inflators were used in finished air bag assemblies that were sold to Subaru of Indiana Automotive, Inc. (“Subaru”). They were shipped to Subaru’s Lafayette, Indiana assembly plant, 5500 State Road 38 East, Post Office Box 5689, Lafayette, IN 47903 (contact Shogo Izukura at (765) 449-6014) for use in Subaru Legacy vehicles. Shipments were made between November 25, 2011 and December 19, 2011.

C. 867 ACH2.1B inflators were used in finished air bag assemblies that were sold to Ford Motor Company (“Ford”), 20901 Oakwood Blvd Dearborn, MI 48124-4077 (contact Jim Kopinski at (313) 805-5611). They were shipped to Ford’s Hermosillo, Sonora, Mexico assembly plant for use in Ford Fusion and Lincoln MKZ vehicles. Shipments were made between November 17, 2011 and December 5, 2011.

D. 1,194 ACH2.1B inflators were used in finished air bag assemblies that were sold to General Motors Corporation (“GM”), through GM’s Vehicle Engineering Center, 30001 Van Dyke Ave., PO Box 9020, Warren, MI 48093 (contact Doug Houlihan at (586) 552-3849). They were shipped to several GM assembly plants for use in a variety of vehicles, as noted below. Shipments were made between November 22, 2011 and December 8, 2011.

- o To Oshawa, Ontario, Canada for use in the Buick Regal vehicles(182 units)
- o To Oshawa, Ontario, Canada for use in Equinox and Torrent vehicles (168 units)
- o To Oshawa, Ontario, Canada for use in Chevrolet Camaro vehicles (400 units)
- o To Fairfax, Delaware for use in Buick LaCrosse vehicles (157 units)
- o To CAMI Automotive, Inc., Ingersoll, Ontario, Canada for use in Equinox/Torrent vehicles (287 units)

E. As noted above, Autoliv shipped 380 ACH2.1 inflators to TSAC. TKH has been informed that 168 of these inflators were used for internal testing, were scrapped, or were otherwise not used in air bag assemblies, and that therefore only 212 of those inflators were used in finished air bag assemblies. Those assemblies were sold to Guangqi Honda Automobile Co., LTD Guangzhou, No.1,

Guangben Road, Huangpu, Guangzhou, China (contact Mr. Sekine, Chief Engineer of Quality, at 0086-20-68208954) for use in Honda Accord vehicles, and to Honda Automobile (China) Co., LTD Guangzhou, No. 363, Kai Chuang Da Dao, East Section, Guangzhou Economic and Technological Development District, Guangzhou, China (contact Mr. Nishimura, QC manager, at 0086-20-32288000) for use in Honda Fit vehicles. Shipments were made between January 9, 2012 and January 17, 2012. As noted above, we have been advised that none of the vehicles containing these air bag assemblies were exported to the United States.

2. State whether your company manufactured and sold or distributed any equipment containing the defect involved in the aforementioned recall reports in the replacement market and, if so, provide a list of all customers that received the same or similarly affected Autoliv air bag inflators from your company, whether directly or as part of an air bag assembly, and provide their company name, line of business (i.e., vehicle manufacturer, equipment manufacturer, distributor, etc.), address, phone number, contact person, quantity sold to each, and sale date.

Response 2:

All of the air bag assemblies manufactured by Takata that contained any of the potentially suspect Autoliv inflators were produced and shipped directly to OEM assembly plants for use as original equipment in motor vehicles. None were sold or distributed in the replacement market.

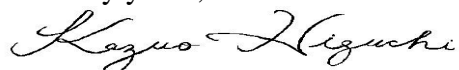
ADDITIONAL STATEMENT

Takata notes that your February 28 letter included the following statement: "If your company does not agree with Toyota, Honda, Subaru, and Nissan that a safety defect exists in the Autoliv inflators or the air bag assemblies you manufactured using those inflators, your company must submit a written response explaining its decision including all supporting documents, analysis, and/or test reports." As reflected in our response to Request No. 1 above, Takata had no involvement in the vehicles covered by the Toyota and Nissan defect determinations, and it therefore cannot comment in any way on those recalls. Although air bag assemblies manufactured by Takata were installed in the vehicles covered by the Honda and Subaru determinations, Takata takes no position as to whether a safety defect exists in those assemblies (or in the Autoliv inflators used in those assemblies), and it has not made any "decision" with respect to that issue. We do reiterate, however, that the air bag assemblies sold by Takata to Honda and to Subaru were used as original equipment in those companies' vehicles, and we note that the air bag assemblies sold to Honda are very different from the assemblies sold to Subaru and different from the air bag assemblies sold to our other customers as well). Therefore, notwithstanding the defect determinations made by those two vehicle manufacturers, Takata is not required to submit a defect information report covering that original equipment to NHTSA. See 49 CFR 573.3(e) and (f).

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If you have any additional questions regarding this matter, please contact the undersigned.

Sincerely yours,



Kazuo Higuchi
Senior Vice President