

**UNITED STATES DEPARTMENT OF TRANSPORTATION
NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION**

1200 New Jersey Avenue, SE
West Building, W41-326
Washington, DC 20590

In re:)
)
PE14-016)
Air Bag Inflator Rupture)
)
)

Initial Response of TK Holdings Inc. to Special Order Served in PE14-016

On October 30, 2014, the Chief Counsel of the National Highway Traffic Safety Administration (“NHTSA”), issued a special order pursuant to 49 U.S.C. § 30166(g)(1)(A) and 49 CFR Part 510 to TK Holdings Inc. (“Takata”) in the above-referenced proceeding (the “Special Order”). This response, and the documents Takata is producing in connection with this response (the “Initial Production”), respond, in part, to the Special Order.

Before responding to each of the specific requests, Takata¹ would like to briefly describe the extensive efforts that it has undertaken to respond to those requests. In the short period of time provided to respond to the Special Order, Takata has undertaken an exhaustive effort to identify and collect an extensive number of documents and other electronically stored information that may be responsive to the Special Order and is producing today substantial amounts of that information. For example, Takata has interviewed over forty employees who may have, or know the location of, documents or information responsive to the Special Order. To date, Takata has collected approximately 23 terabytes of potentially responsive data. A significant number of Takata employees in the United States, Germany, Japan and Mexico, at the direction and under the supervision of counsel, have devoted, and continue to devote substantial

¹ Capitalized terms used but not defined herein shall have the meanings given to them in the Special Order.

time to search Takata's records that are most likely to contain responsive materials, to review those materials and to produce copies of those materials. Given the significant amounts of data that Takata has collected for review and the time constraints imposed by the Special Order, Takata is still in the process of reviewing documents and electronically stored information in an effort to identify additional responsive materials. In its search for responsive materials, Takata has also identified numerous documents that are not in the English language. Consistent with the definition of "Document(s)," Takata is arranging for translations of each such document into English. Accordingly, Takata will supplement this response as further responsive materials are identified and with the foreign language documents and their English translations when the translations have been completed.

Takata has marked certain documents "Confidential – Contains PII" in order to preserve the confidentiality of personal information protected by 5 U.S.C. § 552(b)(6). *See* 49 C.F.R. § 512.2(a) (recognizing that 5 U.S.C. § 552(b) outlines the types of confidential information that will be protected if produced to NHTSA). Takata has also identified certain documents responsive to the Special Order that contain confidential business information protected by 5 U.S.C. § 552(b)(4). Takata is currently working with NHTSA to develop appropriate procedures for the submission of those confidential documents. Takata will produce those documents promptly after it and NHTSA have agreed on those procedures.

To the extent reasonably practical under the circumstances, information and documents provided in this response are current as of the date of the Special Order (October 30, 2014), except where otherwise specified in a particular response.

Consistent with Instruction No. 5 of the Special Order, Takata is not producing privileged documents in its response. Takata believes that there are privileged documents that may be

responsive to that order. These include (a) communications between outside counsel and employees of Takata's Law Department, other Takata employees, or employees of parties represented by Takata in litigation or claims; (b) communications between employees of Takata's Law Department and other Takata employees or employees of parties represented by Takata in litigation or claims; (c) notes and other work product of outside counsel or employees of Takata's Law Department, including work product of employees or consultants done for or at the request of outside counsel or Takata's Law Department. Moreover, Takata does not waive its attorney-client privilege or work product protection with respect to any documents that were or will be prepared in connection with any litigation or anticipated litigation, including but not limited to NHTSA defect investigations.

Although Takata has endeavored to identify and will provide all documents that are responsive to the requests in the Special Order, Takata objects to two of the definitions contained in the Order. First, Takata objects to the definition of "Document(s)" because it exceeds a reasonable understanding of the term "documents" and requires, among other things, that Takata produce copies of the backs of documents which may contain no information, provide documents in color which may not be maintained in color, and provide data in formats that may not be replicable. Takata will interpret the term "document" in accordance with definition contained in Rule 34 of the Federal Rules of Civil Procedure. Second, Takata objects to the definition of "Takata" to the extent it purports to include outside counsel. It would be unduly burdensome and costly to require Takata to request that outside counsel search files for responsive documents. Moreover, it is highly unlikely that outside counsel would possess any non-privileged documents responsive to the Special Order that are not already being produced by

Takata. In light of these considerations, Takata has not asked its outside counsel to search for responsive documents.

Takata understands that NHTSA will protect any personal or private information about persons, including the last six digits of their vehicle's VIN.

Consistent with Instruction No. 2 in the Special Order, Takata will repeat each request verbatim above the response.

Request 1:

Provide every Failure Mode and Effects Analysis (FMEA) that refers or relates to any Takata inflator or air bag component in which propellant combustion occurs more rapidly than intended.

Response:

In the short time period provided to respond to the Special Order, Takata has already collected and begun its review of documents and data that may be responsive to this Request. Takata is producing, in its Initial Production, the responsive documents it has identified to date. Takata is continuing its collection and review efforts to respond to this Request and will produce additional information it determines is responsive to this Request, if any is located, on a rolling basis.

Request 2:

Provide all documents that refer or relate to post-manufacturing conditions (including but not limited to high humidity) that may result in propellant combustion occurring more rapidly than intended in any inflator manufactured in whole or in part by Takata.

Response:

In the short time period provided to respond to the Special Order, Takata has already collected and begun its review of documents and data that may be responsive to this Request. Takata is producing, in its Initial Production, the responsive documents it has identified to date. Takata is continuing its collection and review efforts to respond to this Request and will produce

additional information it determines is responsive to this Request, if any is located, on a rolling basis.

Request 3:

Provide all documents that refer or relate to manufacturing conditions that may result in propellant combustion occurring more rapidly than intended in any inflator manufactured in whole or in part by Takata.

Response:

In the short time period provided to respond to the Special Order, Takata has already collected and begun its review of documents and data that may be responsive to this Request. Takata is producing, in its Initial Production, the responsive documents it has identified to date. Takata is continuing its collection and review efforts to respond to this Request and will produce additional information it determines is responsive to this Request, if any is located, on a rolling basis.

Request 4:

Provide all documents that refer or relate to any Takata inflator that failed to meet product quality standards or specifications of Takata and/or its customer(s).

Response:

In the short time period provided to respond to the Special Order, Takata has already collected and begun its review of documents and data that may be responsive to this Request. Takata is producing, in its Initial Production, the responsive documents it has identified to date. Takata is continuing its collection and review efforts to respond to this Request and will produce additional information it determines is responsive to this Request, if any is located, on a rolling basis.

Request 5:

Provide all documents that refer or relate to mistakes, errors or omissions made in the production of any Takata inflator including, but not limited to, improper welding of inflators,

improper sealing of inflators, use of materials that deviated from specifications, and incorporation of contaminated, recycled or improperly compacted or formulated propellant in inflators.

Response:

In the short time period provided to respond to the Special Order, Takata has already collected and begun its review of documents and data that may be responsive to this Request. Takata is producing, in its Initial Production, the responsive documents it has identified to date. Takata is continuing its collection and review efforts to respond to this Request and will produce additional information it determines is responsive to this Request, if any is located, on a rolling basis.

Request 6:

Provide all documents that refer or relate to concerns or allegations (regardless of whether or not such concerns or allegations were substantiated) by a Takata employee or contractor that any Takata inflator was defective or improperly manufactured. Your response should include a March 2011 email from Guillermo Apud titled "Defectos y defectos y defectos!!!" and stated, when translated into English, "A part that is not welded = one life less, which shows we are not fulfilling the mission," along with all emails replying to or forwarding that email.

Response:

In the short time period provided to respond to the Special Order, Takata has already collected and begun its review of documents and data that may be responsive to this Request. To the extent documents responsive to this Request exist, and to the extent Takata has located any such documents, Takata is producing, in its Initial Production, such documents. Takata is continuing its collection and review efforts to respond to this Request and will produce additional information it determines is responsive to this Request, if any is located, on a rolling basis.

Request 7:

Provide all documents that refer or relate to communications between Takata and any customer(s) of Takata regarding concerns or allegations (regardless of whether or not such

concerns or allegations were substantiated) that any Takata inflator was defective or improperly manufactured.

Response:

In the short time period provided to respond to the Special Order, Takata has already collected and begun its review of documents and data that may be responsive to this Request. Takata is producing, in its Initial Production, the responsive documents it has identified to date. Takata is continuing its collection and review efforts to respond to this Request and will produce additional information it determines is responsive to this Request, if any is located, on a rolling basis.

Request 8:

Provide all documents that refer or relate to communications between Takata and any competitor of Takata regarding rupturing air bags manufactured and/or propellant combustion that occurs more rapidly than intended.

Response:

In the short time period provided to respond to the Special Order, Takata has already collected and begun its review of documents and data that may be responsive to this Request. To the extent documents responsive to this Request exist, and to the extent Takata has located any such documents, Takata is producing, in its Initial Production, such documents. Takata is continuing its collection and review efforts to respond to this Request and will produce additional information it determines is responsive to this Request, if any is located, on a rolling basis.

Request 9:

Provide all documents that refer or relate to changes to inspections and/or quality control procedures as a result of any problems in Takata's production of inflators, including, but not limited to, improper welding of inflators, improper sealing of inflators, use of materials that deviated from specifications, and incorporation of contaminated, recycled or improperly compacted or formulated propellant in inflators.

Response:

In the short time period provided to respond to the Special Order, Takata has already collected and begun its review of documents and data that may be responsive to this Request. Takata is producing, in its Initial Production, the responsive documents it has identified to date. Takata is continuing its collection and review efforts to respond to this Request and will produce additional information it determines is responsive to this Request, if any is located, on a rolling basis.

Request 10:

Provide all documents that refer or relate to changes in production or production processes as a result of any problems in Takata's production of inflators including, but not limited to, improper welding of inflators, improper sealing of inflators, use of materials that deviated from specifications, and incorporation of contaminated, recycled or improperly compacted or formulated propellant in inflators.

Response:

In the short time period provided to respond to the Special Order, Takata has already collected and begun its review of documents and data that may be responsive to this Request. Takata is producing, in its Initial Production, the responsive documents it has identified to date. Takata is continuing its collection and review efforts to respond to this Request and will produce additional information it determines is responsive to this Request, if any is located, on a rolling basis.

Request 11:

*Provide all documents cited in the Reuters article entitled "Takata engineers struggled to maintain air bag quality, documents reveal," a copy of which is attached hereto as **Exhibit A**.*

Response:

In the short time period provided to respond to the Special Order, Takata has already collected and begun its review of documents and data that may be responsive to this Request. To

the extent documents responsive to this Request exist, and to the extent Takata has located any such documents, Takata is producing, in its Initial Production, such documents. Takata is continuing its collection and review efforts to respond to this Request and will produce additional information it determines is responsive to this Request, if any is located, on a rolling basis.

Request 12:

Provide all audits that refer or relate to Takata's production of air bags or air bag components.

Response:

In the short time period provided to respond to the Special Order, Takata has already collected and begun its review of documents and data that may be responsive to this Request. Takata is producing, in its Initial Production, the responsive documents it has identified to date. Takata is continuing its collection and review efforts to respond to this Request and will produce additional information it determines is responsive to this Request, if any is located, on a rolling basis.

Request 13:

Provide a list of every incident involving a death or injury of which Takata is aware of, by any means (including but not limited to media reports), in which the death or injury was caused, may have been caused, or allegedly was caused (regardless of whether or not such allegations were substantiated) by a rupturing air bag in a vehicle that contained or may have contained a Takata inflator. For every incident, provide the date of the incident; provide the location of the incident (including city and state, if in the United States); state whether the incident involved a death(s) and/or an injury or injuries; provide the name of the person(s) killed or injured and his or her position in the vehicle; describe the nature of the injury or injuries; state the make, model, and model year of the vehicle; and provide the vehicle's VIN.

Response:

As of November 28, 2014, Takata is aware of the incidents identified in Exhibit A, listed by incident date, involving a death or injury that may have been, or were alleged to have been, caused by a rupturing airbag inflator in a vehicle that contained or may have contained an

inflator manufactured by Takata. Takata's analysis of the incidents listed in Exhibit A is continuing and ongoing and it is still in the process of reviewing and analyzing incidents that may have occurred outside the United States. Accordingly, Takata reserves the right to supplement, modify, and/or amend its response to this Request.

Request 14:

For each incident identified in your response to Request No. 13, provide a copy of any documents related to Takata's assessment of the incident and any documents that Takata gathered as part of its investigation of the incident (including any police accident report).

Response:

In the short time period provided to respond to the Special Order, Takata has already collected and begun its review of documents and data that may be responsive to this Request. Takata is producing, in its Initial Production, the responsive documents it has identified to date. Takata is continuing its collection and review efforts to respond to this Request and will produce additional information it determines is responsive to this Request, if any is located, on a rolling basis.

Request 15:

Provide a list of every lawsuit filed on or after January 1, 2000 naming Takata as a defendant and alleging that an inflator or air bag component manufactured by Takata was defective and/or caused physical injury or death. For each lawsuit, provide the full case caption (including case number and jurisdiction), provide the name and contact information for the plaintiff's counsel, and describe the current status of the lawsuit. For any lawsuit that has been resolved, state the date of the resolution, describe the nature of the resolution as to Takata, and identify the amount of the judgment or settlement, if any.

Response:

As of November 28, 2014, Takata is aware of the lawsuits identified in Exhibit B, listed by plaintiff, in alphabetical order, naming Takata as a defendant and alleging that an inflator or airbag component manufactured by Takata was defective and/or caused injury or death. Takata has also been named in class-action lawsuits, identified in Exhibit C, alleging that the class

members suffered economic damages as a result of their lease or ownership of a car containing an airbag manufactured by Takata.²

Takata's analysis of the lawsuits listed in Exhibits B and C is continuing and ongoing and it is still in the process of reviewing and analyzing lawsuits that may have occurred outside of the United States. Accordingly, Takata reserves the right to supplement, modify, and/or amend its response to this Request.

Request 16:

For each lawsuit identified in your response to Request No. 15, provide the complaint and any amended complaint(s); all answers by Takata; all interrogatory responses by Takata; all expert reports and transcripts of expert depositions; all technical analyses of the claims (whether prepared by Takata internally or produced in the litigation by any party); all dispositive motions related to Takata; all opinions concerning dispositive motions related to Takata; all deposition transcripts of Takata employees, former employees, or contractors; all transcripts of trial testimony; all demand letters and responses; and all settlement agreements.

Response:

In the short time period provided to respond to the Special Order, Takata has already collected and begun its review of documents and data that may be responsive to this Request. Takata is producing, in its Initial Production, the responsive documents it has identified to date. Takata is continuing its collection and review efforts to respond to this Request and will produce additional information it determines is responsive to this Request, if any is located, on a rolling basis.

² Takata has not included in this response incidents or lawsuits alleging that inflator or air bag components manufactured by Takata and installed in 1994-1995 Nissan Maximas were defective and/or caused physical injury or death because those incidents or lawsuits are not relevant to NHTSA's current investigation and were the subject of a prior voluntary recall campaign by Nissan. See NHTSA ODI Resume, EA 01-015, dated April 24, 2013. Should NHTSA nevertheless want this information, Takata will promptly provide it.

Request 17:

Provide a list of every lawsuit filed on or after January 1, 2000, of which you are aware which does not name Takata as a defendant, but which alleges that an inflator or air bag component manufactured by Takata was defective and/or caused physical injury or death. For each lawsuit, provide the full case caption (including case number and jurisdiction), provide the name and contact information for the plaintiff's counsel, describe the current status of the lawsuit, and describe Takata's involvement (if any) in the lawsuit, including but not limited to production of documents pursuant to a subpoena or witness testimony. For any lawsuit that has been resolved, state the date of the resolution and describe the nature of the resolution (including the amount of any judgment or settlement, if known).

Response:

As of November 28, 2014, Takata is aware of the lawsuits identified in Exhibit D, listed by plaintiff, in alphabetical order, which do not name Takata as a defendant, but which allege that an inflator or airbag component manufactured by Takata was defective and/or caused physical injury or death.³ Takata's analysis of the lawsuits listed in Exhibit D is continuing and ongoing and it is still in the process of reviewing and analyzing lawsuits that may have occurred outside of the United States. Accordingly, Takata reserves the right to supplement, modify, and/or amend its response to this Request.

Request 18:

For each lawsuit identified in your response to Request No. 17, provide the complaint and any amended complaint(s); all filings or other submissions in the lawsuit by Takata; all expert reports and transcripts of expert depositions; all technical analyses of the claims (whether prepared by Takata internally or produced in the litigation by any party); all dispositive motions related to Takata; all opinions concerning dispositive motions related to Takata; all deposition transcripts of Takata employees, former employees, or contractors; all transcripts of trial testimony; all demand letters and responses; and all settlement agreements.

³ Takata has not included in this response incidents or lawsuits alleging that inflator or air bag components manufactured by Takata and installed in 1994-1995 Nissan Maximas were defective and/or caused physical injury or death because those incidents or lawsuits are not relevant to NHTSA's current investigation and were the subject of a prior voluntary recall campaign by Nissan. See NHTSA ODI Resume, EA 01-015, dated April 24, 2013. Should NHTSA nevertheless want this information, Takata will promptly provide it.

Response:

In the short time period provided to respond to the Special Order, Takata has already collected and begun its review of documents and data that may be responsive to this Request. Takata is producing, in its Initial Production, the responsive documents it has identified to date. Takata is continuing its collection and review efforts to respond to this Request and will produce additional information it determines is responsive to this Request, if any is located, on a rolling basis.

Request 19:

Provide a list of every pre-suit claim presented to Takata on or after January 1, 2000 alleging that an inflator or air bag component manufactured by Takata was defective and/or caused physical injury or death. For each pre-suit claim, provide the name of the claimant, provide the name and contact information for the plaintiff's counsel (if any), describe the nature of the claim, and describe the current status of the claim. For any pre-suit claim that has been resolved, state the date of the resolution, describe the nature of the resolution as to Takata, and identify the amount of the settlement, if any.

Response:

As of November 28, 2014, Takata is aware of the pre-suit claims identified in Exhibit E, listed by claimant, in alphabetical order, presented to Takata alleging that an inflator or airbag component manufactured by Takata was defective and/or caused physical injury or death.⁴

Takata has also received pre-suit demand letters, identified in Exhibit F, related to class-action lawsuits alleging that the class members suffered economic damages as a result of their lease or ownership of a car containing an airbag manufactured by Takata.

⁴ Takata has not included in this response incidents or lawsuits alleging that inflator or air bag components manufactured by Takata and installed in Nissan Maximas were defective and/or caused physical injury or death because those incidents or lawsuits are not relevant to NHTSA's current investigation and were the subject of a prior voluntary recall campaign by Nissan. See NHTSA ODI Resume, EA 01-015, dated April 24, 2013. Should NHTSA nevertheless want this information, Takata will promptly provide it.

Takata's analysis of the claims listed in Exhibits E and F is continuing and ongoing and it is still in the process of reviewing and analyzing incidents that may have occurred outside of the United States. Accordingly, Takata reserves the right to supplement, modify, and/or amend its response to this Request.

Request 20:

For each pre-suit claim identified in your response to Request No. 19, provide a copy of any written documentation of the allegations, all technical analyses of the claims (whether prepared by Takata internally or provided to Takata by the claimant), all demand letters and responses, and all settlement agreements.

Response:

In the short time period provided to respond to the Special Order, Takata has already collected and begun its review of documents and data that may be responsive to this Request. Takata is producing, in its Initial Production, the responsive documents it has identified to date. Takata is continuing its collection and review efforts to respond to this Request and will produce additional information it determines is responsive to this Request, if any is located, on a rolling basis.

Request 21:

Identify all insurance policies providing liability coverage for the lawsuits and claims asserted against Takata in Request Nos. 15 through 20.

Response:

At this time, Takata has identified the following insurance policies that may provide liability coverage for the lawsuits and claims asserted against Takata identified in its responses to Requests 15 through 20:

[

1

Request 22:

Provide all documents that Takata submitted to any insurer(s) that refer to, relate to, discuss, or concern rupturing air bags and/or propellant combustion occurring more rapidly than intended.

Response:

In the short time period provided to respond to the Special Order, Takata has already collected and begun its review of documents and data that may be responsive to this Request.

Takata is producing, in its Initial Production, the responsive documents it has identified to date.

Takata is continuing its collection and review efforts to respond to this Request and will produce additional information it determines is responsive to this Request, if any is located, on a rolling basis.

Request 23:

Provide the following information:

a. Takata's current production capacity in terms of how many replacement inflator units per day (or week) it is capable of producing;

b. Takata's ability to expand that capacity and the time it will take to achieve that expansion;

c. The contributions that other inflator manufacturers can make to providing replacement parts; and

d. The steps Takata is taking towards having inventory tracking, process control and quality verification for purposes of carrying out the inflator recalls.

Response:

a. As of the date of the Special Order (October 30, 2014), Takata was capable of manufacturing approximately 85,000 replacement kits per week.

b. As of December 1, 2014, Takata's production capacity will increase to 91,000 replacement kits per week and by January 26, 2015, its production capacity will further increase to 122,000 replacement kits per week.

c. Takata has had discussions with other inflator manufacturers regarding their ability to produce replacement inflators. While it may be possible to replace inflators manufactured by Takata with inflators manufactured by other entities, the other inflator manufacturers would first need to conduct significant qualification and validation testing before they can begin manufacturing replacement inflators.

[

]

Request 24:

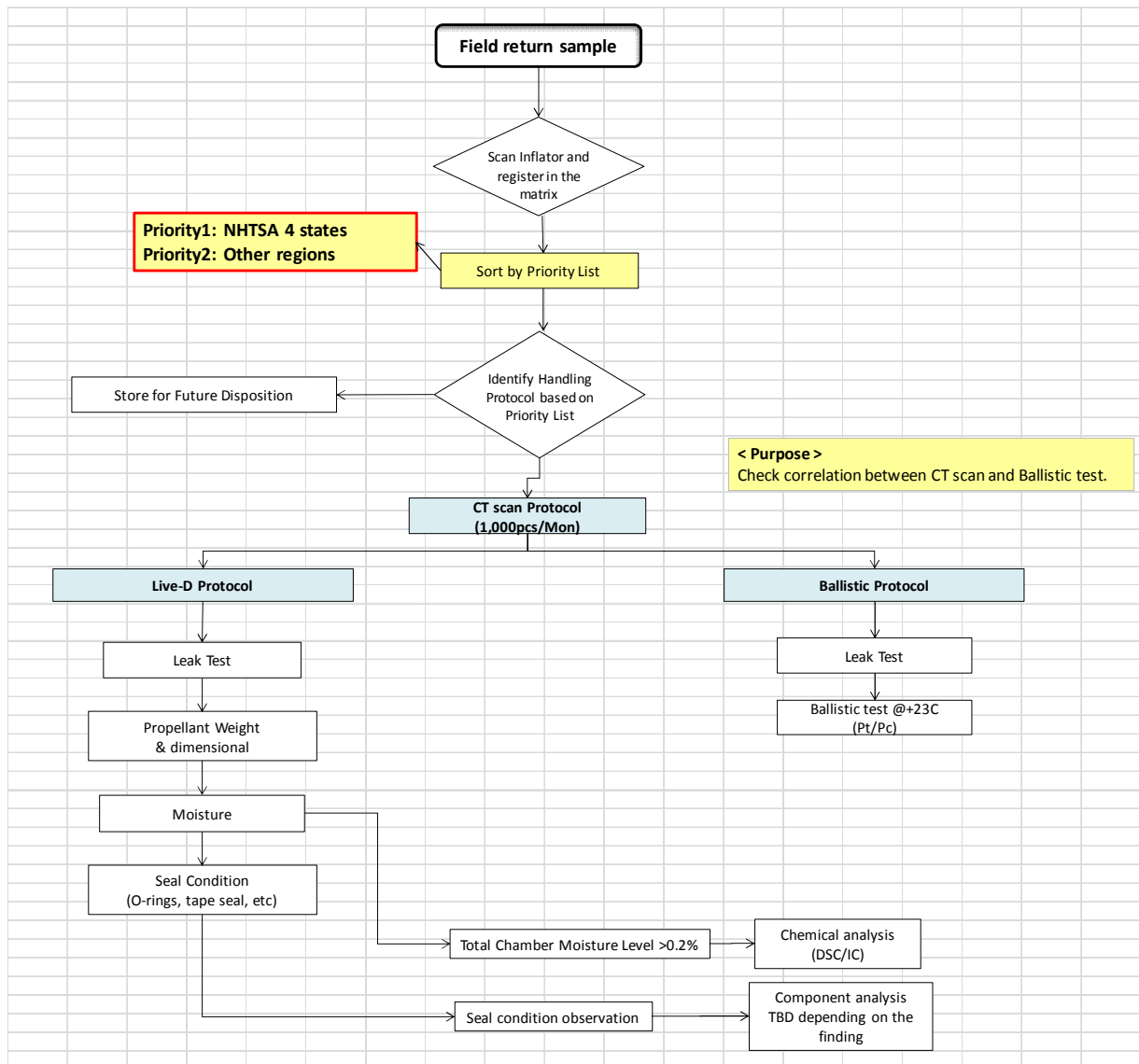
Describe in detail Takata's testing program related to defective or potentially defective inflators, including by providing the make, model, model year, and VINs of the vehicles from which the inflators were removed; the locations the vehicles operated; the location of the testing; the dates of the testing (whether completed, in progress, or planned); the nature of the testing; and the results of the testing.

Response:

Takata's testing program related to potentially defective inflators began in September 2014 and has been ongoing since that time. Tests are conducted daily at Takata's laboratory located in Armada, Michigan.

When inflator field samples are returned to Takata's laboratory, the inflator's serial number is scanned and logged into a testing matrix. The zip code of the dealer that replaced the airbag module is recorded and correlated to the inflator's serial number. Through the inflator's serial number, Takata is able to identify the airbag module's serial number in Takata's internal tracing database. Automobile manufacturers do not provide Takata with the model, model year, or VIN information for the respective inflators. In certain instances, however, automobile manufacturers provide Takata with sufficient information for Takata to link the airbag module's serial number to a VIN number. Using the VIN number, and working with the vehicle manufacturers, efforts are made to obtain vehicle history for inflators that have ruptured.

Upon arriving at Takata's laboratory, inflators that are located in Florida, Puerto Rico, Hawaii and the Virgin Islands are prioritized for testing. Inflators are subjected to either (i) ballistic testing – conducted to confirm the performance of the unit as it is deployed or (ii) live dissections – conducted to assess sealing conditions, propellant chemistry and moisture, and dimensional properties of the propellant. Approximately half of the inflators that are tested are also subject to CT scanning – used to make physical measurements of the propellant wafers. The results of the aforementioned testing is analyzed along with production processing and quality records to help Takata understand the link between performance and manufacturing and to attempt to determine the root cause of the issue being investigated. The following flow chart summarizes Takata's testing procedure for inflators returned from the field:



The table below sets forth the minimum quantity of each inflator part number that Takata intends to test for each month of production as part of its testing program (Takata recently announced plans to increase its testing efforts):

<u>Region</u>	<u>State</u>	<u>Dimensional parts per month* (Density, Weight, Moisture, etc. data)</u>	<u>Pt/Pc parts per month* Randomly Selected)</u>
NHTSA	Florida	30	30

Priority States	Puerto Rico	30	30
	Hawaii	**	**
	Virgin Island	**	**
Other Southern States	Alabama	10	10
	California	10	10
	Georgia	10	10
	Louisiana	10	10
	Mississippi	10	10
	South Carolina	10	10
	Texas	10	10
Other States	TBD	10	10
	TBD	10	10
	TBD	10	10

* Number of pieces for each month of inflator production within the defined field action range

** Quantities may be limited by low volume in the region

Takata's testing program is designed to permit Takata to assess the scope of any identified issues from both a geographical perspective and a production timing perspective.

Takata's testing described above remains ongoing. Takata's recent test results through November 13, 2014 are included in Takata's Initial Production.

In early 2009, prior to the implementation of the regional field actions, Takata also conducted testing relating to the recall of its PSDI inflator and lot survey. The testing included conducting re-creation testing, which consisted of building inflators with different levels of moisture and compaction force to see at what level a rupture might occur. Additionally, Takata conducted accelerated aging testing of inflators.

Request 25:

Provide a copy of all documents containing, describing, or otherwise related to the results of any testing described in your response to Request No. 24.

Response:

In the short time period provided to respond to the Special Order, Takata has already collected and begun its review of documents and data that may be responsive to this Request. Takata is producing, in its Initial Production, the responsive documents it has identified to date. Takata is continuing its collection and review efforts to respond to this Request and will produce additional information it determines is responsive to this Request, if any is located, on a rolling basis.

Request 26:

Describe in detail Takata's testing program related to replacement inflators, including by describing the dates of the testing (whether completed, in progress, or planned), the nature of the testing, and the results of the testing.

Response:

[

]

Request 27:

Provide a copy of all documents containing, describing, or otherwise related to the results of any testing described in your response to Request No. 26.

Response:

In the short time period provided to respond to the Special Order, Takata has already collected and begun its review of documents and data that may be responsive to this Request. Takata is producing, in its Initial Production, the responsive documents it has identified to date. Takata is continuing its collection and review efforts to respond to this Request and will produce additional information it determines is responsive to this Request, if any is located, on a rolling basis.

Request 28:

Provide all chronologies, timelines or summaries of events that refer to, relate to, discuss, or concern rupturing air bags and/or propellant combustion occurring more rapidly than intended, regardless of whether prepared by Takata or provided to Takata by any third party.

Response:

In the short time period provided to respond to the Special Order, Takata has already collected and begun its review of documents and data that may be responsive to this Request. Takata is producing, in its Initial Production, the responsive documents it has identified to date. Takata is continuing its collection and review efforts to respond to this Request and will produce additional information it determines is responsive to this Request, if any is located, on a rolling basis.

Request 29:

Describe in detail Takata's process for investigating whether a safety-related defect exists in any motor vehicle equipment it manufactures.

Response:

[

1

Request 30:

Describe in detail Takata's process for determining whether a safety-related defect exists in any motor vehicle equipment it manufacturers, including by identifying the ultimate decision-maker(s) by name and title.

Response:

Takata incorporates by reference its response to Request 29 as its response to this Request.

Request 31:

Provide a copy of any documents to or from any decision-maker(s) identified in response to Request No. 30, or concerning any communications with any decision-maker(s) identified in response to Request No. 30, that refer or relate to rupturing air bags manufactured in whole or in part by Takata.

Response:

In the short time period provided to respond to the Special Order, Takata has already collected and begun its review of documents and data that may be responsive to this Request. Takata is producing, in its Initial Production, the responsive documents it has identified to date.

⁵ The names of the heads of Takata's Customer Business Units, the regional heads of Quality Assurance, and the global head of Quality Assurance are identified in Exhibit G.

Takata is continuing its collection and review efforts to respond to this Request and will produce additional information it determines is responsive to this Request, if any is located, on a rolling basis.

Request 32:

Provide a corporate organizational chart(s) identifying the employees, by name and title, who have been involved in investigating or decision-making concerning rupturing air bags manufactured in whole or in part by Takata.

Response:

In the short time period provided to respond to the Special Order, Takata has already collected and begun its review of documents and data that may be responsive to this Request. Takata has already produced the responsive documents it has identified to date. Takata is continuing its collection and review efforts to respond to this Request and will produce additional information it determines is responsive to this Request, if any is located, on a rolling basis.

Request 33:

Describe Takata's document retention policies, including for electronic mail.

Response:

As of March 11, 2010, Takata's document retention policies for all of its North American operations, including those in Monclova Mexico, Auburn Hills, Michigan, Armada, Michigan, Romeo, Michigan, and Moses Lake, Washington, are governed by the Takata Holdings, Inc. Document Management Policy issued on that date. The Document Management Policy was intended to comply with applicable rules and regulations. A copy of the Document Management Policy is included in Takata's Initial Production. In compliance with that Document Management Policy, certain locations had policies for specific types of document generated at those locations. Copies of those site-specific policies are also included in Takata's Initial

Production. As of September 11, 2004, Takata's document retention policies for Takata AG are governed by the Control of Documents, Data and Records Policy, document number VA 4.3-02. A copy of that retention policy is included in Takata's Initial Production. Takata's document retention policies for Takata Corporation are governed by Document Management Rules 1-000004-AH and Document Management Procedures AB-060.

Request 34:

Provide a copy of any document retention policy that applies to the documents requested herein.

Response:

In the short time period provided to respond to the Special Order, Takata has already collected and begun its review of documents and data that may be responsive to this Request. Takata is producing, in its Initial Production, the responsive documents it has identified to date. Takata is continuing its collection and review efforts to respond to this Request and will produce additional information it determines is responsive to this Request, if any is located, on a rolling basis.

Request 35:

Provide a copy of any litigation hold for documents associated with rupturing air bags manufactured in whole or in part by Takata. To the extent not identified on the face of the litigation hold, identify the date that it was put in place and identify each individual (by name and title) to whom the litigation hold applies.

Response:

The document hold notices sent to Takata employees constitute attorney work product and privileged attorney-client communications and are not included in Takata's Initial Production. However, Takata responds to this Request by stating that on October 30 and 31, 2014 it issued a document hold that requires all employees subject to the retention to preserve all documents and electronically stored information in their possession, custody, and control that

relate to the inflators which have been the subject of recalls, field actions and lawsuits, as well as the airbag systems that use those inflators. All employees in Africa, Europe, Japan, the Middle East and North America have been directed to preserve documents and electronically stored information.

Request 36:

Provide all documents that refer or relate to rupturing air bags manufactured in whole or in part by Takata, other than provided in response to any of the above requests.

Response:

Takata objects to this Request on the ground that it is vague and unduly burdensome. In the short time period provided to respond to the Special Order, Takata has already collected and begun its review of documents and data that may be responsive to this Request. To the extent documents responsive to this Request exist, Takata is producing, in its Initial Production, the documents it has identified to date. Takata will produce additional information it determines is responsive to this Request, if any is located, on a rolling basis.

Dated: December 1, 2014

AFFIDAVIT OF VERIFICATION

I, Don A. Schiemann, General Counsel of TK Holdings Inc. (“TK Holdings”), am authorized to make this verification on behalf of TK Holdings. In connection with the Special Order served on TK Holdings by the National Highway Traffic Safety Administration (“NHTSA”), dated October 30, 2014 (the “Special Order”), employees of TK Holding have been directed to conduct an inquiry reasonably calculated to assure that the answers to NHTSA’s requests for information are, or will be, complete and correct. That inquiry is continuing and ongoing. Additionally, employees of TK Holdings have been directed to search diligently the documents in the possession of TK Holdings, and its affiliates, to identify documents that are responsive to the Special Order. That search is also continuing and ongoing. Numerous documents are being provided today, and TK Holdings will supplement its production of documents on an ongoing basis.

I hereby verify that the information contained in this response to the Special Order is accurate to the best of my knowledge and belief and that, except as otherwise stated in this response, TK Holdings has provided the documents responsive to the Special Order that it has identified to date.

I verify under penalty of perjury that the foregoing is true and correct.

Executed on: December 1, 2014

Don A. Schiemann

Don A. Schiemann, Esq.

Signed before me on 12/01/2014

Debra Hatton

DEBRA HATTON
Notary Public, State of Michigan
County of Oakland
My Commission Expires 06-22-2015
Acting in the county of _____

