

DEFECT INFORMATION REPORT FOR ZONE A

January 3, 2017

TK HOLDINGS INC.

TAKATA NON-DESICCATED FRONTAL AIR BAG INFLATORS CONTAINING PHASE STABILIZED AMMONIUM NITRATE FOR ZONE A

Number potentially involved:

Approximately 1.3 million inflators

Estimated Percentage of involved with defect:

Unknown

Describe the defect or non-compliance:

Takata is submitting this DIR in accordance with the terms specified in the May 4, 2016 Amendment to the November 3, 2015 Consent Order in EA15-001. This report contemplates national recalls of vehicles equipped with certain Takata non-desiccated inflators used in frontal airbag systems containing a phase stabilized ammonium nitrate-based propellant that were not included in prior national recalls. The subject inflators include models designated by Takata as: PSPI, PSPI-1.1, PSPI-2, PSPI-6, PSPI-L, and SPI.

Takata is not aware of any test ruptures in ballistic testing of returned inflators in the designated categories and model years or confirmed field incidents of the subject non-desiccated ammonium nitrate inflators other than those already under recall as detailed in prior defect information reports. Out of an abundance of caution, however, Takata is filing this report in cooperation with NHTSA to promote public safety.

As a result of the developments and circumstances described below, Takata has determined that a defect related to motor vehicle safety may arise in some of the subject non-desiccated ammonium nitrate inflators due to propellant degradation occurring after prolonged exposure to high absolute humidity, high temperatures, and high temperature cycling. Testing and analysis conducted by Takata and by independent entities have found that there are wide differences in the time periods in which propellant degradation takes place. The propellant degradation varies in different climate zones, in different vehicle makes and models, and in different inflator and propellant configurations. Takata believes that the subject inflators perform as originally designed and manufactured and do not pose an unreasonable risk to safety until they reach a certain level of propellant degradation.

This DIR applies to all subject inflators installed as original equipment in Model Year 2012 vehicles, and older, that have been registered in Zone A, as defined in Paragraph 7 of the

May 4, 2016 Amendment to the Consent Order, and that are not currently covered by an inflator recall. The prior DIR for Zone A (16E-042, May 2016) covered vehicles through Model Year 2011 and older.

Zone A includes states and U.S. territories with the greatest temperature cycling and absolute humidity. It includes: Alabama, California, Florida, Georgia, Hawaii, Louisiana, Mississippi, South Carolina, Texas, Puerto Rico, American Samoa, Guam, the Northern Mariana Islands (Saipan), and the U.S. Virgin Islands.

The subject inflators were installed as original equipment in vehicles sold in the United States by the following vehicle manufacturers (listed alphabetically):

American Honda Motor Co.
1919 Torrance Blvd.
Torrance, CA 9051-2746
Phone: (310) 783-2000

BMW of North America
P.O. Box 1227
Woodcliff Lake, NJ 07677-7731
Phone: (201) 307-4000

Daimler Vans USA LLC
303 Perimeter Center North
Suite 202 Atlanta, GA 30346
Phone: (770) 705-2070

FCA US LLC
800 Chrysler Drive
CIMS 482-00-91 Auburn Hills, MI 48326-2757
Phone: (800) 853-1403

Fisker Automotive Inc.
(Recall to be conducted by Karma Automotive LLC)
3080 Airway Avenue
Costa Mesa, CA 92626
Phone: (855) 565-2762

Ferrari North America, Inc.
250 Sylvan Ave.
Englewood Cliffs, NJ 07632
Phone: (201) 816-2600

Ford Motor Company
330 Town Center Drive
Suite 500, Dearborn, MI 48126
Phone: (866) 436-7332

General Motors LLC
30001 Van Dyke Road
Warren, MI 48094-9020.
Phone: (313) 556-5000

Jaguar Land Rover North America LLC
555 Mac Arthur Boulevard
Mahwah, NJ 07430
Phone: (800) 452-4827

Mazda North America Operations
1025 Connecticut Avenue NW
Suite 910 Washington DC 20036
Phone: (800) 222-5500

McLaren Automotive Inc.
750 Third Avenue
Suite 2400
New York, NY 10017
Phone: (646) 429-8916

Mercedes Benz USA LLC
303 Perimeter Center North
Atlanta, Ga. 30346
Phone: (407) 545-6768

Mitsubishi Motors North America Inc.
6400 Katella Avenue
Cypress, CA 90630
Phone: (714) 372-6000

Nissan North America Inc.
PO Box 685001
Franklin, TN 37068-5009
Phone: (615) 725-3111

Subaru of America Inc.
P.O. Box 6000
Cherry Hills, NJ 08034-6000
Phone: (856) 488-8500

Tesla Motors Inc.,
3500 Deer Creek Road
Palo Alto, CA 94304
Phone: 650-413-4000

Toyota Motor Engineering & Manufacturing
19001 South Western Avenue
Torrance, CA 90501
Phone: 800-331-4331

Describe the safety risk:

Activation of a non-desiccated ammonium nitrate inflator with degraded propellant may result in an inflator rupture. An inflator rupture may cause metal fragments to pass through the air bag and into the vehicle interior at high speed, which may result in injury or death to vehicle occupants.

Describe the cause:

The propellant wafers in some of the subject inflators may degrade over time, which could lead to over-aggressive combustion in the event the air bag is activated. Overly aggressive combustion creates excessive internal pressure when the inflator is activated, which may cause the inflator body to rupture. Based upon Takata's investigation to date, the potential for such ruptures occurs in some of the subject inflators after several years of exposure to persistent conditions of high absolute humidity, high temperatures, and high temperature cycling. The potential for rupture may also be influenced by other factors, including the specific vehicle environment, the inflator and propellant configuration, and manufacturing variability.

Chronology:

November 3, 2015 – NHTSA and Takata entered into a Consent Order in EA15-001 to resolve issues raised in that investigation, to mitigate and control risks of harm, and to promote public safety.

May 4, 2016 – NHTSA and Takata entered into an Amendment to the November 3, 2015 Consent Order. As stated in that Amendment, on the basis of testing and analysis conducted by Takata and by independent research organizations, NHTSA has concluded that, “at some point in the future all non-desiccated frontal Takata PSAN inflators will reach a threshold level of degradation that could result in the inflator becoming unreasonably dangerous.” As a result of this conclusion, and pursuant to Paragraph 29 of the November 3, 2015 Consent Order, NHTSA ordered Takata to file certain defect information reports (“DIR”), in accordance with the schedule set forth in Paragraph 14 of the Amendment.

May 16, 2016 – Takata submitted DIRs per the schedule specified by NHTSA in the Amendment to the Consent Order.

January 3, 2017 - Takata is submitting this DIR per the schedule specified by NHTSA in the Amendment to the Consent Order. The schedule calls for certain DIRs to be submitted by Dec. 31, 2016. However, since that date falls on a weekend and a Federal holiday is observed on Jan. 2, 2017, NHTSA agreed that this DIR could be submitted on Jan. 3, 2017 as the next business day.

Describe the defect / noncompliance remedy program:

Takata and NHTSA are aware that remedy parts are not currently available for many of the vehicles containing inflators covered by this DIR. Takata will work closely with each vehicle manufacturer to develop an appropriate remedy for each vehicle and urges consumers to get the affected inflators replaced promptly after they are notified that a replacement is available. The Coordinated Remedy Program, being administered by the Independent Monitor, will prioritize the supply of remedy parts to the vehicles and zones that present the highest risk.