



Current as of December 16, 2016

This document provides customers and other stakeholders with current, factual information on the Takata airbag inflator recall as it pertains to Honda and Acura in the United States. Unless otherwise noted, all information concerns the U.S. market only.

### <u>Table of Contents (use ctrl + click to jump to section)</u>

- Section 1: Total Vehicles Recalled
- Section 2: "Alpha" Inflators at High Risk
- Section 3: Injuries & Deaths
- Section 4: Dealer Repair & Rental Policy, and Support
- Section 5: Recall Repair Completion Rate
- Section 6: Parts Supply Outlook
- Section 7: Ongoing Customer Notification Tactics
- Section 8: Summary of Affected Honda & Acura Models
- Section 9: Takata Data Manipulation
- Section 10: A Note to News Media Covering this Issue

### **Total Vehicles Recalled**

Approximately 10.7 million Honda and Acura vehicles in the U.S. are subject to a recall or Safety Improvement Campaign related to Takata airbag inflator ruptures. Because certain, specific vehicles are subject to more than one recall (for example, both a driver and passenger airbag inflator recall) approximately 16.5 million total Takata airbag inflators have been recalled.

# "Alpha" Inflators at High Risk

As Honda continues its extensive and unprecedented efforts to replace defective Takata airbag inflators in Honda and Acura vehicles, the company, along with the National Highway Traffic Safety Administration (NHTSA), is focusing on a subset of these inflators that are especially worrisome. These so-called "Alpha" inflators, found in certain 2001 – 2003 Honda and Acura models, have an alarming rupture rate of as high as 50 percent, according NHTSA and Takata. In addition to original Takata manufacturing defects, which prompted the first inflator recalls in 2008 and 2009, the passage of time and exposure to hot and humid conditions makes these older inflators particularly vulnerable to ruptures, which can cause serious injury or death to vehicle occupants.

Honda continues to urge owners of these recalled vehicles to seek repair immediately, and the company joins NHTSA in advising that the only place these unrepaired vehicles should be driven is to an authorized dealer for repair. Honda will provide free alternative transportation during the necessary repairs, and, if the owner is either unable or uncomfortable driving the vehicle in for repair, the company will tow the vehicle to the nearest authorized dealer at Honda's expense. Importantly, Honda has a generous supply of replacement inflators in stock for all of the Alpha models, meaning that the required recall repair can be quickly completed, minimizing any inconvenience to the vehicle owner.

Summary of 2001-2003 vehicles that may be equipped with recalled Takata PSDI "Alpha" driver airbag inflators (Vehicle owners should check by VIN):

2001-2002 Honda Accord 2001-2002 Honda Civic 2002 Honda CR-V 2002 Honda Odyssey 2003 Honda Pilot







Current as of December 16, 2016

2002-2003 Acura 3.2TL 2003 Acura 3.2CL

High resolution photographs of these specific models, including current images of the 2002 Civic and 2001 Accord at a Honda Service Center, are available for download by media here: <a href="http://www.hondanews.com/channels/psdi-recall-models/photos">http://www.hondanews.com/channels/psdi-recall-models/photos</a>

### **Injuries & Deaths**

Honda has confirmed ten deaths and more than 150 injuries in the U.S. related to ruptures of driver's front airbag inflators supplied by Takata. All of these events occurred in vehicles now covered by recalls and/or campaigns. Honda sincerely apologizes to all individuals impacted by this issue, and extends our deepest, heartfelt sympathies to the families of those who have lost loved ones.

Date of Crash	Location of Crash
5/27/09	Oklahoma
12/24/09	Virginia
9/3/13	California
9/7/14	California
9/29/14	Florida
1/18/15	Texas
4/5/15	Louisiana
7/22/15	Pennsylvania
3/31/16	Texas
9/30/16	California

In addition, an automaker other than Honda has experienced a fatality in the U.S. due to the rupture of a Takata airbag inflator., So, the industry as a whole has experienced 11 fatalities in the U.S.

Outside the U.S., Honda has confirmed five deaths in Malaysia related to ruptures of single-stage Takata driver's front airbag inflators, which are a different type of inflator that was never utilized in Honda or Acura vehicles in the U.S.

### **Dealer Repair & Rental Policy, and Support**

Authorized Honda and Acura dealerships will make appropriate repairs at no charge to the customer. If an owner requests alternative transportation while awaiting repair, while the repair is in progress, or if there is a delay in repairing a vehicle affected by a driver's airbag inflator recall, Honda and Acura dealers are authorized to provide a free loaner or rental vehicle.

Honda has made changes to corporate policies concerning loaner and rental vehicles to ensure a seamless customer experience. For example, dealers may now loan vehicles to teenage drivers, who are generally prohibited from renting or borrowing vehicles due to insurance policies. Honda has also increased associated reimbursement rates to dealers, and empowered them to loan and rent vehicles to registered owners of vehicles included in driver's airbag inflator recalls without seeking pre-approval from Honda.







Current as of December 16, 2016

To support dealers, Honda management and field operations staff are in constant communication with dealership principals and employees to ensure they are aware of the latest information and policies concerning the recall, and have the capacity to repair customer vehicles promptly.

To ensure compliance and customer care, mystery shoppers contact Honda and Acura dealerships in the U.S. monthly, on average, and report back to Honda management. Dealership principals and management are quickly made aware of any issues.

Honda will directly review loaner vehicle requests from Honda and Acura owners of vehicles requiring **only** replacement of the passenger front airbag inflator through its Automobile Customer Service office at (888) 234-2138.

### **Recall Repair Completion Rate**

In the past year, Honda and Acura dealers have replaced upwards of 20,000 Takata airbag inflators on a daily basis. This pace of repairs is unprecedented in Honda's history. In total, approximately 8 million Takata inflators have been replaced. Considering the scale of the recall and the age of the vehicles involved, Honda is making steady progress.

Repair Completion Rate as of 12/16/16		
National	51.2%	
High Absolute Humidity (HAH) Zone*	47.8%	

To compare this completion rate with other industry recalls, Honda analyzed 14 unrelated automotive recall campaigns, with a combined volume of more than eight million vehicles. While Honda found completion rates of up to 80 percent for vehicles in the first year of ownership, the company also found that the completion percentage declines with each passing year, to around 33 percent in the 9<sup>th</sup> and 10<sup>th</sup> year of ownership. A significant number of vehicles affected by the Takata airbag inflator recalls are now or soon to be more than 15 years old.

\*Honda's HAH zone is broader than the area originally identified by NHTSA and includes: Florida; Hawaii; Georgia; Alabama; Louisiana; Mississippi; Texas; South Carolina; California; North Carolina; Arkansas; Saipan; American Samoa; the U.S. Virgin Islands; and Puerto Rico.

#### **Parts Supply Outlook**

For more than a year, Honda has worked to secure an increasing supply of replacement inflators from Daicel, Autoliv and TRW. We continue to expand the supply from these other suppliers, and, at this time, we are only replacing recalled inflators using inflators from these other suppliers.

At this time, Honda has no replacement inflators on backorder for the recalls announced <u>before</u> February 2016. While replacement parts for some of the vehicles recalled <u>after</u> February 2016 remain in limited supply, owners of these vehicles should no longer experience a significant delay, if any, in the repair of their vehicles.

### **Ongoing Customer Notification Efforts**

Honda has distributed at least one mailed notification letter, and in many cases several, to each and every registered owner of affected Honda and Acura vehicles for which actionable information exists in state registration records and other sources, including vehicles with salvage titles.

Honda pulls current addresses from state registration records for registered owners each and every time we send a new batch of recall notification letters. In total, Honda has distributed more than 60 million mailed notices pursuant to Takata airbag inflator recalls since 2008.







Current as of December 16, 2016

We have supplemented mailed notifications with the following actions:

#### **Centralized Web Resource**

 Honda established a dedicated website (http://hondaairbaginfo.com/) for affected owners and stakeholders to view information, news and updates concerning the recall. A prominent display ad has been placed on Honda.com, directing visitors to the new site.

#### **Phone Calls**

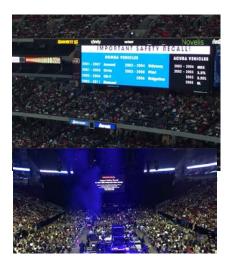
- Honda has more than doubled the size of its Customer Relations team, which has made millions of direct
  and automated phone calls to affected owners. To encourage recall repair, the phone calls are direct and
  clear about the risk of injury and death associated with inflator ruptures.
- Phone calls have proven to be among the most effective means of driving recall repair completion, and it is now Honda's practice to use automated calls to alert customers in advance of mailed notifications.
- Honda implemented a text messaging pilot in December 2015, targeting affected vehicle owners in South Florida, to evaluate the effectiveness of notifying potentially affected customers via SMS and MMS messages. Where a valid mobile phone number could be linked to the owner of a recalled vehicle, the campaign proved successful in encouraging affected owners to take action, and Honda has now expanded the effort nationwide, sending nearly 1 million text messages to owners of affected vehicles to date.

## Targeted Advertising - Call to Action

- In March 2015, Honda conducted a multi-million dollar advertising campaign in Spanish and English that included fullpage, color advertisements in more than 120 newspapers, and 30-second radio announcements in more than 110 markets.
   The campaign targeted 9 southern states that have been identified as representing the greatest risk to affected owners.
- In October 2015, Honda ran a subsequent round of print, digital and radio advertising in select markets. In February 2016, Honda targeted Florida's Miami-Dade and Broward counties with a similar campaign.
- On January 30, 2016 at the Honda Battle of the Bands in Atlanta, Georgia, Honda displayed a recall notification message on the stadium video board and more than 350 monitors, reaching 63,000 fans in attendance. Simultaneously, the announcer urged attendees to take action, and noted the company's rental car policy. The message also reached more than 25,000 viewers watching the event livestream. Honda followed-up this activity



Full page ads in English and Spanish newspapers are designed to grab readers' attention and urge them to get their vehicles repaired.









A recall message was displayed on the video boards at multiple Civic Tour music

events, including this one in Houston, TX

Current as of December 16, 2016

with a safety message displayed during the 2016 Honda Campus All-Star Challenge National Championship Tournament livestream in April 2016.

 Honda also displayed a recall notification message on arena video boards at certain stops during the 2016 Civic Tour.

## **Social Media Engagement**

- Honda has run sponsored, customized Facebook posts that target on 9/29/2016. specific individuals who own affected vehicles. The posts mention the make and model of the vehicle in question. To implement the campaign, Honda leveraged Facebook's Custom Audiences feature, which provides the ability to target a brand's first party data on the Facebook platform. To reach specific owners of affected vehicles, encrypted email addresses associated with recalled VINs are matched to Facebook UserIDs. When a customer logs into Facebook, they are presented with a custom message regarding the recall.
- Honda's Customer Service Twitter account (@HondaCustSvc) changed its banner image to raise
  awareness of Takata airbag inflator recalls, and pinned a Tweet explaining how to quickly check a vehicle
  for open recalls online. In addition to responding to customer concerns regarding the airbag inflator
  recall, Customer Service social media staff seek to identify Honda & Acura customers that are engaged in
  unrelated discussions online to encourage them to check their vehicles for open recalls.

#### **Employees' Friends & Family Campaign**

An idea by a group of Honda associates (employees) has become a campaign that now provides all of Honda's U.S. associates (nearly 30,000) with materials and information to help them raise

Honda Customer Service is using **social media**, including Twitter and Facebook, to respond to the concerns of customers affected by Takata airbag inflator recalls.

awareness among their own friends and family – and pass the word to others. Materials include social media messaging, business cards directed at customers who own vehicles potentially affected by the recalls and a visual guide with information on Alpha models. This grassroots campaign has resulted in a number of repairs to date.

### **Industry & B2B Engagement**

 Honda has been working with CARFAX - the most comprehensive vehicle history database available in North America - to improve recall efforts and add open recall alerts to the CARFAX history for affected vehicles.



 Honda is currently engaging the auto insurance industry to explore opportunities to raise awareness of the recall among shared customers.





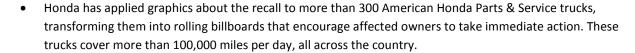


Current as of December 16, 2016

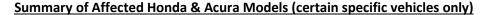
- Millions of older-model Honda and Acura vehicles are brought to independent repair facilities (IRF), rather than authorized dealers, for mechanical repairs. Honda has provided posters and call-to-action letters to more than 160,000 IRFs. In addition, Honda has run advertisements and published videos in IRF industry publications and newsletters encouraging IRF employees to check customer VINs and encourage recall completion.
- Honda is working with CCC Information Services, a leading provider of repair estimate software to collision repair shops in the United States, to automatically provide Takata recall information to body shop employees if a recalled VIN is entered into their system for a collision repair estimate. On average, more than 500 recalled Honda and Acura vehicles are receiving estimates and triggering notifications through this system every day.

### **Unique Efforts**

- Honda has enlisted the services of special, private investigative firms to help us reach certain hard-to-reach owners.
- To prevent the possibility that an affected Takata airbag issue to drivers across the country. inflator can ever be used as a replacement part, Honda has been searching salvage yards nationwide to find and secure (purchase) recalled inflators. This voluntary effort has successfully removed over 36,000 inflators from salvage yards, and the effort continues. Honda also has requested that major online auction sites prohibit and stop the sale of affected airbags.



- The HondaLink smartphone app has been updated to alert owners that their registered vehicle is subject to any open recall when they use the app.
- Honda is partnering with community groups and organizations like the Boy Scouts of America and students at California State University Long Beach to help reach and motivate owners of Alpha vehicles to seek recall repairs. These organizations receive a donation from Honda for each recalled vehicle that they register upon completion of the required recall repairs.



Model Year(s)	Model
2001-2011	Honda Accord
2001-2011	Honda Civic
2001-2011	Honda Civic GX (CNG)
2003-2011	Honda Civic Hybrid
2002-2011	Honda CR-V
2011-2015	Honda CR-Z



into rolling billboards. The trucks cover more than 100,000 miles per day, exposing the







Current as of December 16, 2016

2003-2011	Honda Element
2010-2014	Honda FCX Clarity
2007-2014	Honda Fit
2010-2014	Honda Insight
2002-2004	Honda Odyssey
2003-2011	Honda Pilot
2006-2014	Honda Ridgeline
2010-2011	Honda Accord Crosstour
2003	Acura 3.2CL
2002-2003	Acura 3.2TL
2013-2016	Acura ILX (early '16 production only)
2003-2006	Acura MDX
2007-2016	Acura RDX (early '16 production only)
2005-2012	Acura RL
2009-2011	Acura TSX
2009-2014	Acura TL
2010-2013	Acura ZDX

### **Takata Data Manipulation**

- In October 2015, Honda became aware of evidence that Takata had falsified and manipulated test data for certain airbag inflators. Honda expects its suppliers to act with integrity at all times and we remain deeply troubled by this behavior by one of our suppliers.
- In response to concerns about the performance and quality of Takata's airbag inflators, Honda took the following actions:
  - On a global basis, no new Honda and Acura models currently under development will be equipped with a front driver or passenger Takata airbag inflator.
  - No replacement inflators now being used to repair Honda and Acura vehicles are supplied by Takata. All replacement inflators are now manufactured by alternative suppliers.
  - At Honda's request, Takata retained the services of a third party to conduct a thorough audit of all Takata dual stage frontal airbag inflator test data and related information that was supplied to Honda. The first phase of this audit was completed in September 2016 and phase two is now underway.

## \*\*\*A Note to News Media Covering this Issue\*\*\*

Many in the news media have joined us in urging the public to continuously check their vehicles for open recalls, and if necessary, take immediate action to complete the repair. We sincerely appreciate the support. We continue to encourage you to include the following information in your story, in addition to the list of affected Honda and Acura models listed above:

Honda continues to urge owners of Honda and Acura vehicles affected by the Takata airbag inflator recalls to get their vehicles repaired at an authorized dealership as soon as possible. The authorized dealership will make appropriate repairs at no charge to the customer. If there is a delay in repairing an affected vehicle, Honda and







Current as of December 16, 2016

Acura dealers are authorized to provide a free loaner or rental vehicle until the recall repair can be completed. Honda and Acura owners can check their vehicles' recall status at <a href="www.recalls.honda.com">www.recalls.honda.com</a> and <a href="www.recalls.acura.com">www.recalls.acura.com</a> or by calling (888) 234-2138.

Honda continues to encourage the creation of state and federal legislation that would require any outstanding safety recall to be completed before a vehicle could be legally registered in a state, which would increase the completion rates for all safety recalls and undoubtedly save lives.

