



November 21, 2017

TAKATA CORPORATION AND KSS SIGN DEFINITIVE ASSET PURCHASE AGREEMENT

Takata Files Joint Chapter 11 Plan in its U.S. Chapter 11 Cases

Parties Announce Accord on Restructuring Support Agreements Among Takata, KSS
and Customer Group

Companies Expect to Close the Transaction in the First Quarter of 2018

Tokyo and Sterling Heights, MI – November 21, 2017 – Takata Corporation (“Takata” or the “Company”), a leading global supplier of automotive safety systems such as seat belts, airbags and child seats, today announced that it has signed a definitive asset purchase agreement with Key Safety Systems (“KSS”), a global leader in mobility safety, headquartered in Sterling Heights, Michigan, USA, under which KSS will acquire substantially all of Takata’s global assets and operations for an aggregate purchase price of \$1.588 billion (approximately ¥175 billion).*

The definitive asset purchase agreement is consistent with the agreement in principle announced by KSS and Takata on June 26, 2017. Specifically, under the agreement, KSS will acquire substantially all of Takata’s assets, except for certain assets and operations related to Takata’s manufacturing and sale of phase-stabilized ammonium nitrate (PSAN) airbag inflators. Takata’s PSAN-related operations will be run by reorganized Takata following the transaction closing and eventually will be wound down. Takata will continue to produce airbag inflator replacements to meet demands without interruption.

Shigehisa Takada, Chairman & CEO of Takata, said: “We are very pleased to have reached this agreement with KSS, which is an important step toward the consummation of our sale and achieving the objectives we identified at the outset of this process. Our top priorities continue to be providing a steady supply of products to our valued customers, including replacement parts for recalls, and a stable home for our exceptional employees. We believe that the combined business will be well positioned for long-term success in the global automotive industry.”

Yuxin Tang, President of KSS, said: “The acquisition of Takata fits perfectly with KSS’s century-long commitment to the automotive business. The combined company will enhance our ability to serve customers globally and provide superior products and innovation in the rapidly evolving auto safety industry. We enter this transaction in a spirit of partnership and anticipate executives and employees from both KSS and Takata together will play important roles -- from initial integration through strategic execution. We look forward to completing the transaction and advancing the next phase of growth for the new combined company.”

Takata has filed final forms of all definitive transaction documents in the U.S., including its Chapter 11 plan in the U.S., as well as certain restructuring support agreements pursuant to which Takata,



KSS, and a significant group of Takata's OEM customers have committed to support the Global Transaction. The closing of the transaction is subject to bankruptcy court approval in both Japan and the United States, consenting OEM agreements and customer documentation, receipt of regulatory approvals and other customary closing conditions. The transaction is expected to close in the first quarter of 2018.

Takata intends to use the proceeds from sale to meet requirements of plea agreement with U.S. Department of Justice, to satisfy administrative costs and expenses of the restructuring, and to fund unsecured creditor recoveries.

Takata continues to work through proceedings under the Civil Rehabilitation Act in Japan and the Chapter 11 process in the U.S., under which the sale transaction is expected to be completed in the first quarter of 2018. At the same time, Takata EMEA ("Europe, Middle East and Africa") maintains their financial independence and continues to operate on a financially solid basis without planning to file for insolvency proceedings.

Skadden, Arps, Slate, Meagher & Flom LLP is serving as legal counsel, KPMG is serving as financial advisor, and Jefferies LLC is acting as lead financial advisor to KSS.

Nagashima Ohno & Tsunematsu, Weil, Gotshal & Manges LLP and Freshfields Bruckhaus Deringer LLP are serving as legal counsel to Takata. PricewaterhouseCoopers is serving as financial advisor, and Lazard is serving as investment banker to Takata.

*Exchange rate of US\$1.00 = JP¥110.2

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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 56 plants in 20 countries with approximately 46,000 global employees worldwide.

About Key Safety Systems

Key Safety Systems (KSS) is a global leader in mobility safety through the system integration and performance of safety-critical components to the automotive and non-automotive markets serving the active safety, passive safety and specialty product sectors. Through highly specialized design, development, and manufacturing, KSS' technology is featured in more than 300 vehicle models produced by over 60 well-diversified customers worldwide. Since commencing business as a United States start-up, serving Detroit automakers in 1916, KSS continues today with an entrepreneurial and pioneering spirit. KSS is headquartered in Sterling Heights, Michigan, with a global network of more than 13,000 employees in 34 sales, engineering, and manufacturing facilities. The company has 5 main technical centers located in the key regions of the Americas, Europe and Asia. It is a wholly owned subsidiary of Ningbo Joyson Electronic Corp. (SHA: 600699) ("Joyson Electronics").

Forward-Looking Statements

This press release contains, and oral statements made from time to time by our representatives may contain, forward-looking statements that are based upon our current expectations and assumptions concerning future events, which are subject to a number of risks and uncertainties that could cause



actual results to differ materially from those anticipated. The words "expect," "anticipate," "estimate," "forecast," "initiative," "objective," "plan," "goal," "project," "outlook," "priorities," "target," "intend," "evaluate," "pursue," "commence," "seek," "may," "would," "could," "should," "believe," "potential," "continue," or the negative of any of those words or similar expressions is intended to identify forward-looking statements. All statements contained in this press release, other than statements of historical fact, including, without limitation, statements about our operations, financial condition and liquidity, strategies, business initiatives, prospects, expectations regarding future events and our financial performance and the development of the industry in which we operate, are forward-looking statements that involve certain risks and uncertainties. While these statements represent Takata's current judgment on what the future may hold, and Takata believes these judgments are based upon reasonable assumptions, these statements are not guarantees of any events or financial results, and the Company's actual results may differ materially.

You should not place undue reliance on the forward-looking statements contained in this press release. These forward-looking statements speak only as of the date on which the statements were made. Takata undertakes no obligation to update publicly or otherwise revise any forward-looking statements, except where expressly required by law.

Media Contacts

TAKATA:

U.S./U.K.

Jared Levy/Devin Broda/Kelsey Markovich
Sard Verbinnen & Co
212-687-8080
media@takata.com

Japan

Dan Underwood
Ashton Consulting
+81 (0) 3 5425-7220
media@takata.com

Germany/Europe

Georg Lamerz
Hering Schuppener Consulting
+49.211.430.79-276
Takata-hs@heringschuppener.com

KEY SAFETY SYSTEMS:

Global

Jean-Luc Blancou
KSS
+1 586 726 4046



blancoj2@keysafetyinc.com

Chad Tandler

Edelman

+1 212 704 4498

chad.tandler@edelman.com

Japan

Deborah Hayden

Edelman

+81 3 80-8741-0417

deborah.hayden@edelman.com