



March 16, 2018

Takata Corporation  
Shigehisa Takada, Chairman and CEO

Takata Kyushu Corporation  
Haruo Katsurada, Representative  
Director

Takata Service Corporation  
Osamu Kawasaki, Representative  
Director

**Re: The Court Decision to Refer the Proposed Rehabilitation Plans filed by the  
Companies to Resolution of the Creditors**

As announced in “Notice of Submission of the Proposed Rehabilitation Plans” dated February 28, 2018, each of Takata Corporation (the “Company”), Takata Kyushu Corporation and Takata Service Corporation (collectively, the “Companies”) filed a proposed rehabilitation plan with the Tokyo District Court on such date; we hereby inform you that today, the Tokyo District Court decided that the proposed rehabilitation plans would be referred to resolution of the creditors at the creditors meeting scheduled for May 23, 2018. In accordance with this decision, the Tokyo District Court will mail the proposed rehabilitation plans and voting sheets to our rehabilitation creditors who have voting rights. Following this decision, filing an additional proof of claim will not be accepted.

An overview of the proposed rehabilitation plan the Company filed is attached below.

We would like to extend our sincere apologies for the considerable trouble we have caused to our creditors, shareholders and all other stakeholders who have been so supportive and cooperative in the past.

As we notified you in the aforementioned “Notice of Submission of the Proposed Rehabilitation Plans,” on the assumption that substantially all assets and businesses of the Company Group will be transferred to Key Safety Systems, we will continuous to strive to rehabilitate our businesses in order to maximize payments to our rehabilitation creditors.

We ask for your understanding and support.



【Contact information】 Takata Corporation Call Center

(TEL) 0120-868-665

Open Monday through Friday, 9:00 am to 5:00 pm

End

## Overview of the Proposed Takata Corporation Rehabilitation Plan

## 1. Overview of payment scheme

## (1) Basic payment

With the exception of some creditors, the allowed rehabilitation claims of the rehabilitation creditors will be fully paid up to the first 500,000 yen and at a rate of 1% for any portion exceeding 500,000 yen.

※ The OEM creditors will not receive the basic payment.

## (2) Payment based on the catchup rule

The funds available for payment to the rehabilitation creditors will consist of the payment for the business transfer, which will be the basis of distribution to the rehabilitation creditors, less the share of the restitution fund based on the plea agreement with the U.S. Department of Justice (“DOJ Restitution Fund”) to be borne by Takata Corporation (“TKJP”) and TKJP’s share of the expenses for operating PSAN inflator-related businesses (“RTK Cost”) and other costs.

These contributions of TKJP’s shares of the aforementioned costs will be indispensable for the continuation of TKJP’s businesses and will be in the interests of all the rehabilitation creditors, but for the purpose of further protecting the interests of the rehabilitation creditors other than the OEM creditors, the payment based on the catchup rule will also be made.

Specifically, if the business transfer to Key Safety Systems is implemented and certain other conditions are satisfied, the amounts deducted as TKJP’s shares of the DOJ Restitution Fund and RTK Cost will be deemed to be paid to the OEM creditors on account of their recall-related rehabilitation claims, and until such deemed recovery rate is reached for other rehabilitation creditors, payment will only be made to the rehabilitation creditors other than the OEM creditors.

※OEM creditors will not receive payment based on the catchup rule.

## (3) Additional payment and final payment

As of the time of submission of the proposed rehabilitation plan, there still exists a considerable amount of the rehabilitation claims disallowed by TKJP; accordingly, the basic payment will be limited to the first 500,000 yen and an amount equivalent to 1% of any portion over 500,000 yen, and a considerable amount of funds is being reserved.

It is expected that additional funds will come from the subsidiaries of TKJP, and there is a possibility that pursuant to the Asset Purchase Agreement certain amounts will be received in the future, and thus provisions have been made to make payments based on these additional sources of funds for payment.

The amounts and rates of any additional payment and final payment have yet to be

determined.

2. Gratis acquisition of shares and capital reduction

As the evaluation of the property under the civil rehabilitation proceedings shows that TKJP was found to be insolvent, with the approval of the Tokyo District Court, the proposed rehabilitation plan provides for gratis acquisition of all outstanding shares and reduction of the registered capital to zero yen.