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## Inside Takata, tantrums, but little sense of crisis over airbag recalls

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TOKYO (Reuters) -- Shigehisa Takada, the third-generation head of Takata Corp., shows little sense of the crisis engulfing the Japanese airbag maker at the center of one of the auto industry's biggest safety recalls, according to three people who have met him recently.

Just days before a Nov. 21 U.S. congressional hearing on defective Takata airbags that have been linked to at least five deaths, Takada told business associates he was personally dealing with the quality issues, and the company had identified and fixed the main cause of the defect -- which he said was mainly a flawed manufacturing process, the people said.

He told them that Takata had significantly improved its airbag propellant chemistry for bags it is using to replace defective ones, and the company now just has to step up and replace all suspect airbags as quickly as possible.

"He acts like this recall is going to blow by in due time and harbors little sense of crisis," said one of the associates, none of whom wanted to be named given the sensitive nature of their comments.

More than 16 million vehicles have been recalled worldwide since 2008 over Takata's airbag inflators, which can explode with too much force and spray metal fragments into the car.

### Low profile

Takata's handling of the massive safety recall has frustrated U.S. politicians and regulators and has confused drivers as to whether their cars need fixing or not.

Takada, the Tokyo-based company's 48-year-old chairman and CEO, apologized at the annual shareholders' meeting in late June, which was closed to the media, but has otherwise not been seen in public.

"He's a nice man, very sincere and seemingly capable, but he doesn't view this as a crisis spiralling out of control," said another of the business associates.

The scale of the recalls looks certain to escalate after U.S. safety regulators ordered Takata last Wednesday to expand piecemeal regional recalls of driver-side airbags to cover the entire United States, not just hot and humid areas where the inflators are thought to become more volatile.

Takada did not explain to the business associates exactly what Takata had done to improve the propellant chemistry and manufacturing process, and they said he should be explaining these changes publicly.

They said his reluctance or inability to do so may in part be due to the influence his 74-year-old mother retains at Takata, which was founded by his grandfather more than 80 years ago as a textile mill.

Shigehisa joined the family firm straight from university, became president in 2007, aged 41, and moved to

the top executive post after the death in 2011 of his father, Juichiro, who built Takata into Japan's leading auto safety manufacturer.

Juichiro, known in the U.S. as "Jim Takada", was a rolled-up sleeves executive who donned a hard hat on site visits and once was spotted down on his hands and knees checking a faulty machine in a noisy textile plant in South Carolina, recalled a former colleague of the current CEO.

His son, he added, is very different -- "painfully shy, bookish and into computers ... very good with statistics."



Shigehisa Takada is said to show little sense of the crisis engulfing the Japanese airbag maker.

### "Big wife"

His mother Akiko, a former Takata executive, now heads the non-profit Takata Foundation, but remains vocal as a special adviser to the company. Some managers call her "O-okusan", or "big wife", underscoring her influence, while Shigehisa is referred to as "the

son", or "Shige-chan" -- a familiar, short form of his name with a suffix normally reserved for children.

"In a business situation, she could be very forceful and tries to impose her way in just about every way possible," said one of Shigehisa's business associates who has worked with Akiko on a project. Two of the three associates recalled how she once engaged in a tit-for-tat negative campaign with a rival.

"Imagine being her son and trying to exercise leadership with her buzzing around you," the person said. "He's paralyzed to make decisions on his own."

Takada is also under pressure from automakers such as Honda Motor Co. and Toyota Motor Corp., which try to control and influence how Takata deals with the recalls, two of the business associates said. Also, external legal advisers hired in the United States have focused on minimizing potential court damage rather than on repairing a battered public image.

The business associates said the lawyers restrict what Takada and other executives say and do publicly.

"Takata management's ability is not hindered by any forces from within the company or from outside," spokesman Toyohiro Hishikawa said in response to Reuters queries for this article.

In response to criticism that Takata's leadership has not been more visible, Hishikawa said: "That doesn't rule out the possibility of our top management team explaining our stance on and response to the recalls more publicly in the future."

Takata, which has around 43,000 employees globally, has seen its market value slump almost 60 percent this year to just above \$900 million.

In one recent incident, Shigehisa went "missing for a few hours" from Takata's Tokyo headquarters after a row with his mother, said one person familiar with the matter.

"He was yelled at by his mother and went missing. Nobody knows where he went. He came back after a few hours," the person said.



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