

# Car-Safety Crisis Grows as Toyota, Nissan Expand Recalls

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The safety crisis plaguing the global automotive industry deepened as Japan's three biggest carmakers said they would recall more than 11 million additional vehicles because of faulty air bags that can shoot shrapnel at motorists.

Honda Motor Co. is expanding its recalls by 4.89 million vehicles, bringing the total called back by the company to about 19.6 million, it said Thursday in Tokyo. Toyota Motor Corp. said Wednesday it will recall about 5 million more cars after finding air-bag inflators in Japan that could be susceptible to abnormal deployment in a crash, and Nissan Motor Co. said it will call back 1.56 million.

The latest round increases the total tally to more than 28 million vehicles that 10 automakers have recalled since 2008 for faulty air bags made by Takata Corp. Regulators in Japan and the U.S. are investigating Takata air-bag inflators that can deploy with too much force, breaking up metal and plastic parts and hurling them at car occupants. At least six deaths have been linked to the flaw.

“Automakers seem to be approaching the air-bag crisis with ad hoc recalls,” said Takeshi Miyao, an analyst at Carnorama. “I expect there to be a lot more recalls going forward.”

Separately on Thursday, Daihatsu Motor Co. said it will recall about 259,000 vehicles in Japan, also for faulty air bags made by Takata.

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## Unique Scope

“This situation is unique in terms of its scope but it’s going to be more common in the future because of the global nature of vehicle designs,” said Neil Steinkamp, a managing director at Stout Risius Ross Inc. who studies warranty and recall issues. “This is playing out internationally as different regulators investigate.”

More and more automakers are designing vehicles that share parts across millions of different models in many countries, so one failure can affect multiple lines, he said.

Nissan said the inflators involved in the latest recall were made at Takata’s Monclova plant in Mexico, which also manufactured devices called back in previous safety campaigns. Honda also said all of the vehicles subject to its latest recall had inflators made by Takata in Mexico.

Toyota said its latest recalls were triggered by investigations into a ruptured air-bag inflator recovered from a scrapped car at a salvage yard in Japan in November 2014. Air leaks were found that could allow moisture to seep into the device and cause the propellant to deteriorate, according to Kayo Doi, a Toyota spokeswoman.

“After further investigation, we decided to conduct this recall as a preventive measure,” she said.

## **Takata Silent**

Takata spokesman Hideyuki Matsumoto declined to comment on the recalls, saying the company has no information on them.

Six fatalities in Honda cars, including five in the U.S. and one in Malaysia, have been blamed on shrapnel from Takata air bags. At least 105 injuries are connected to the flaw, U.S. Senator Bill Nelson said last month.

The latest expansion shows the risk of being too cautious on expanding the recalls as government and corporate investigators look for a specific cause, Steinkamp said.

“You have tension between wanting to protect consumers and going as broad as possible with a recall versus the manufacturer who wants this to be fact-based,” he said. “They need to be quicker. You need to go broader if you can’t identify the specific cause. There should be a low bar for death.”

## Takata Forecast

Takata, which has forecast a return to profit this fiscal year, has said it’s unable to estimate the penalties from the lawsuits associated with the air bags and hasn’t set aside any amount to cover them as the cause of the defect is still being investigated.

Toyota said it will replace the affected front driver-side air-bag inflators with newly manufactured parts produced by Daicel Corp. Takata will supply the replacements for front passenger-side air-bag inflators because compatible parts from a different supplier aren’t available, Toyota said.

Toyota said it isn’t aware of injuries or fatalities from the affected vehicles in the latest recall. Of the cars recalled, 1.36 million are in Japan, about 1.3 million are in Europe while 637,000 are in the U.S., the company said.

Nissan will recall vehicles manufactured from 2004 to 2007 and its dealers will test the inflators and replace as necessary, the company said in an e-mailed statement. The automaker has already recalled vehicles in regions with high humidity such as the Gulf Coast in the U.S. and inflators in these vehicles will be replaced without testing, it said.

A group of 10 automakers hired aerospace and defense company Orbital ATK Inc. to test potentially faulty Takata air-bag inflators. The Japanese component maker has also commissioned German research group Fraunhofer Society to investigate the cause of air bag ruptures.