

July 1, 2021

Temporary Suspension of JIS Certification of Subsidiary (Nikkei Extrusions Company, Ltd.)

Nippon Light Metal Holdings Company, Ltd.

Nippon Light Metal Holdings Company, Ltd. announced today that Nikkei Extrusions Company, Ltd., a subsidiary, received notice from the Japan Quality Assurance Organization (JQA) concerning temporary suspension of its JIS certification effective June 30, 2021 regarding JIS-marked products manufactured at its Okayama Plant, on the grounds that the standards specified in the Ministerial Ordinance on Certification of Conformity to Japanese Industrial Standards relating to mineral and industrial products and their processing technologies are not satisfied.

The Nippon Light Metal Group sincerely apologizes for the great inconvenience and concern caused to customers and other stakeholders from this disposition handed down by the JQA for inadequate quality control systems, which follows the disposition concerning the Nippon Light Metal Nagoya Plant.

We reported the improper conduct that led to the temporary suspension of JIS certification to the Special Investigation Committee established on June 9, 2021, which is made up of three attorneys and two outside directors of the company.

We take the disposition imposed by the JQA very seriously and will conduct an extensive review of Group quality control systems, make every effort to restore trust, and work to have the temporary suspension lifted and regain trust as soon as possible.

Details

1. Background to the Temporary Suspension

Nikkei Extrusions acquired JIS certification of its Okayama Plant, but it also manufactures non-JIS-marked products (“Non-JIS-Marked Products”). Following the update of the computer-based production control system on December 1, 2020, improper conduct occurred whereby identification tags displaying JIS marks were attached to some Non-JIS-Marked Products at the time of shipment and the products were shipped in that state. This was not noticed, and the shipments continued until March 11, 2021.

Nikkei Extrusions reported this improper conduct to JQA on May 18, 2021 and was subject to a provisional certification maintenance inspection. This inspection determined that there were inadequacies in the quality control system including improper conduct, and the company was subject to a temporary suspension of its JIS certification effective June 30, 2021. Since May 19, 2021, Nikkei Extrusions has not displayed JIS marks on some products produced at the Okayama Plant that had displayed the mark until then (JIS H 4040, JIS H 4080, and JIS H 4100).

2. Details of the Disposition

Details of disposition: Temporary suspension of JIS certification

Reasons for disposition: (1) Products were shipped without displaying the labeling matters specified in the JIS standards;
(2) Products were shipped with labeling of quality classifications not specified by the JIS standards;
(3) Products outside the scope of certification were shipped with JIS marks displayed; and
(4) JIS marks were not displayed, but determinations were made based on internal standards even though they should have been based on customer requirements, and as a result, products that did not meet customer requirements were shipped and tests specified by JIS standards were not carried out.

Certification holder: Nikkei Extrusions Company Okayama Plant

Certification number: JQ0608022
Standard names: JIS H 4040 Aluminium and aluminium alloy bars and wires
JIS H 4080 Aluminium and aluminium alloy extruded tubes and cold-drawn tubes
JIS H 4100 Aluminium and aluminium alloy extruded profiles

3. Status of Responses

Following the cessation of display of JIS marks on May 19, 2021, all relevant products have been shipped as products conforming to internal standards, and this measure will remain in place until the temporary suspension of the JIS certification is lifted.

JIS-certified products (JIS H 8602) other than those subject to the temporary suspension of JIS certification will continue to be shipped with the JIS mark displayed on products as in the past.

We will contact and explain the situation to our customers and other stakeholders and will make every effort to respond in good faith.

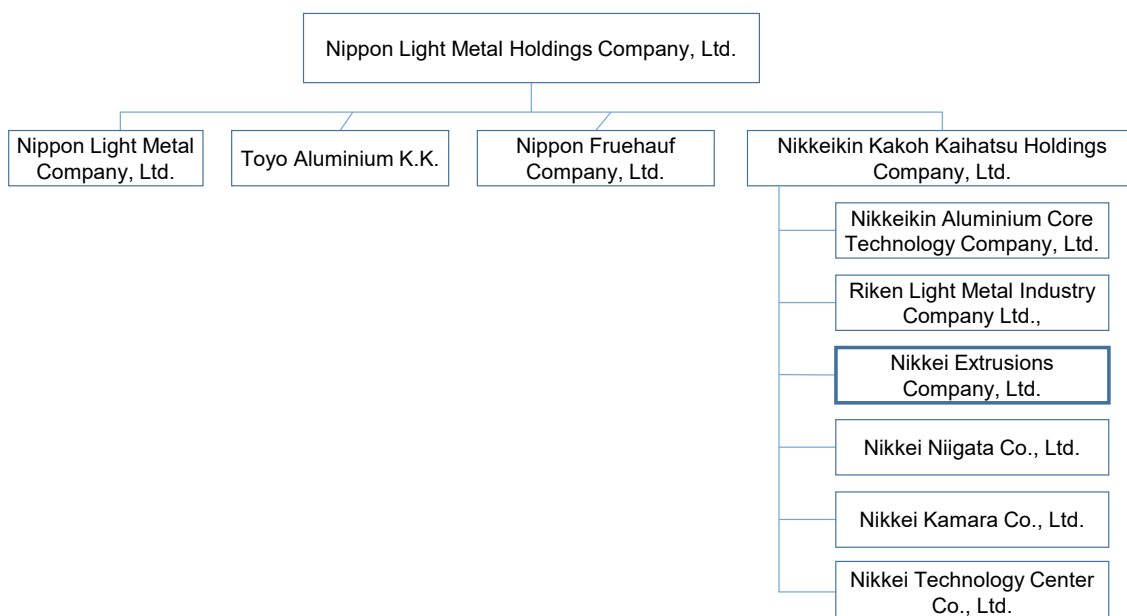
4. Future Outlook

We are currently investigating the future impact of the temporary suspension on consolidated financial results and will make an announcement if revision of forecasts is necessary.

Contact information for inquiries relating to this announcement
Public Relations and Investor Relations
Central Planning Office
Nippon Light Metal Holdings Company, Ltd.
Tel: +81-3-6810-7160

Reference Information

Organizational Diagram of the Nippon Light Metals Group (As of June 2021)



Overview of Nikkei Extrusions

- Trade name: Nikkei Extrusions Company, Ltd.
- Address: 2100 Abe, Ochiai-cho, Takahashi-shi, Okayama
- Representative: Shunsuke Fukutomi, President and Representative Director
- Business activities: Manufacture, processing, and sale of extruded materials made from aluminum and aluminum alloys
- Date of establishment: April 5, 1973
- Capital: 400 million yen
- Net sales: 5.8 billion yen (FY 2020)

Details of JIS Certification

Certification holder:	Nikkei Extrusions Company Okayama Plant
Certification number:	JQ0608022
Standard names:	JIS H 4040 Aluminium and aluminium alloy bars and wires JIS H 4080 Aluminium and aluminium alloy extruded tubes and cold-drawn tubes JIS H 4100 Aluminium and aluminium alloy extruded profiles
Certification number:	JQ0608026
Standard names:	JIS H 8602 Combined coatings of anodic oxide and organic coatings on aluminium and aluminium alloys