

July 5, 2021

Revocation of JIS Certification of Subsidiary (Nikkei Niigata Company, Ltd.)

Nippon Light Metal Holdings Company, Ltd.

Nippon Light Metal Holdings Company, Ltd. announced today that Nikkei Niigata Company, Ltd., a subsidiary, received notice from the Japan Quality Assurance Organization (JQA) concerning revocation of its JIS certification effective July 2, 2021 with regard to JIS-marked products manufactured by Nikkei Niigata, 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 and the particulars of the non-conformities are substantial.

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

We reported the improper conduct that led to the revocation of JIS certification to the Special Investigation Committee established on June 9, 2021, which includes 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 and make every effort to regain trust.

Details

1. Background to the Revocation

On May 19, 2021, Nikkei Niigata was instructed by the Special Investigation Committee of Nippon Light Metal Holdings, its parent company, to conduct comprehensive inspections of products displaying JIS marks and commenced said inspections. During the process of conducting the inspections, Nikkei Niigata discovered on May 28, 2021 that JIS marks were displayed on the identification tags affixed to products not eligible to display JIS marks at the time of shipment from May 2007 to April 2021 and reported this to the JQA.

In addition, on June 5, 2021, Nikkei Niigata discovered that, since obtaining JIS certification in 2007, although it had been conducting tensile tests on extruded bar products by preparing test specimens that differed in shape from the specimen shapes required by JIS standards, it had been continuously shipping products with JIS marks. The company further discovered that, during a certification renewal inspection, test specimens were prepared in accordance with JIS standards for assessment only at the time of renewal inspection. These facts were subsequently reported to the JQA on June 8, 2021.

Furthermore, during a provisional certification maintenance inspection on June 17 and 18, 2021 by the JQA, it was found that there were errors in the test specimen preparation method for the tensile tests (in cases where the wall thickness at the sampling site exceeds 20 mm) required under JIS standards and that the number of test specimens collected for sampling in retesting was insufficient.

Nikkei Niigata's JIS certification was revoked, effective July 2, 2021, on the grounds that the particulars of this improper conduct were found to be substantial.

2. Details of the Disposition

Details of disposition: Revocation of JIS certification

Reasons for disposition: Based on the results of a provisional certification maintenance inspection conducted on June 17 and 18, 2021, products with JIS marks

affixed were continuously shipped even though some products were subjected to tensile tests by preparing test specimens that differed in shape from the specimen shapes required by JIS standards, 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, and the particulars of the non-conformities were found to be substantial.

Certification holder: Nikkei Niigata Co., Ltd.
Certification number: JQ0307002
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

Nikkei Niigata received notice that the JQA decided to maintain certification number JQ0307003 (JIS H 8602 Combined coatings of anodic oxide and organic coatings on aluminium and aluminium alloys).

3. Status of Responses

As of 4:00 p.m. on June 2, 2021, all products subject to the JIS certification revocation have been shipped as products conforming to internal standards, and this measure will remain in place. 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 needed.

Contact information for inquiries relating to this announcement

Public Relations and Investor Relations

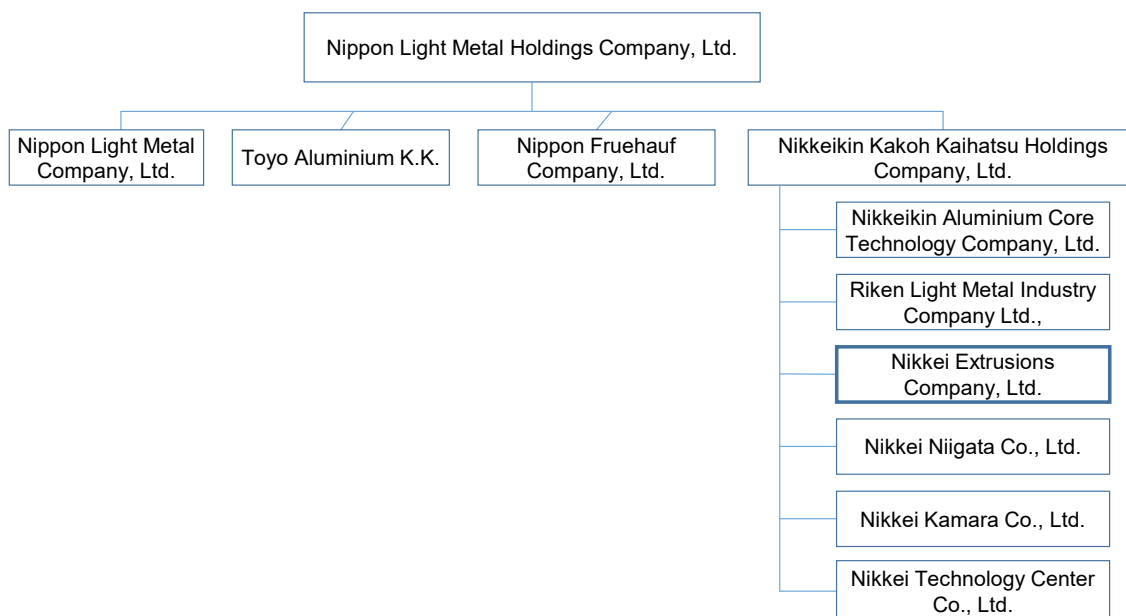
Central Planning Office

Nippon Light Metal Holdings Company, Ltd.

Tel: +81-3-6810-7160

Reference Information

Organizational Diagram of the Nippon Light Metals Group (As of July 1, 2021)



Overview of Nikkei Niigata

- Trade name: Nikkei Niigata Company, Ltd.
- Address: 1572-19 Tarodai, Kita-ku, Niigata City, Niigata Prefecture
- Representative: Hiromitsu Koike, President and Representative Director
- Business activities: (1) Manufacture of large extruded aluminum shapes and aluminum fabricated products (for trucks, rolling stock, automotive parts, construction, electrical machinery, industrial equipment, etc.)
(2) Manufacture of aluminum containers (beer kegs, Japanese sake containers, thick-walled pressure vessels, etc.) and beer servers
(3) Manufacture of special rolled products and aluminum powder composite products
- Date of establishment: April 4, 2002
- Capital: 10 million yen
- Net sales: 19.7 billion yen (FY 2020)

Details of JIS Certification

- Certification holder: Nikkei Niigata Company, Ltd.
Certification number: JQ0307002 (revoked)
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: JQ0307003 (certification maintained)
Standard names: JIS H 8602 Combined coatings of anodic oxide and organic coatings on aluminium and aluminium alloys