



Nippon Rent-A-Car Fully Transfers Franchise System to Direct Management

Tokyo, December 1, 2017 — Nippon Rent-A-Car Services, Inc. (NRS), a consolidated subsidiary of Tokyo Century Corporation (Tokyo Century), will abolish the existing franchise system which have been continued ever since the company was established in 1969, in December 2017. NRS will start directly managing its nationwide branches with its consolidated subsidiaries in January 2018.

The number of car rental operators and rental cars as well as sales has been expanding in the car rental industry, due to the change of customer needs from ownership to use and increasing inbound demand of foreign visitors. At the same time, under increasing tough competitions among the operators, we have strongly felt a need of realizing speedy and dynamic business operations by further strengthening NRS Group as a robust company than ever before, in order to accelerate the company's growth and development.

All the franchisees, and franchisee shareholders, primarily local railway and bus companies throughout Japan have been supporting the operation of NRS's franchise system. Going forward, NRS intends to further develop constructive relationships with them through business collaborations.

Moving forward, NRS Group will continue working towards becoming a high-value car rental company for customers by gaining their trust and support through its initiatives, including the new car-sharing business model which started in November 2017, operating new business jointly with prime companies in various fields under business alliances and others.

In accordance with the change of its business operation system, Tokyo Century's voting rights ratio in NRS will be 88.4% and ANA Holdings Inc. will hold the remaining 11.6%.

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