

TOYOTA LEASING (THAILAND) CO., LTD.

No. 9/2013

15 February 2013

Issue Rating: AAA

Outlook: Stable

New Issue Rating: T1+

Rating History:

Date	Company	Issue (Secured/ Unsecured)
27/10/10	-	AAA, T1+ (Sta)/-
12/03/10	-	AAA (Sta)/-
12/01/06	-	AAA, T1+ (Sta)/-
07/10/04	-	AAA (Sta)/-

Rating Rationale

TRIS Rating affirms the ratings of Toyota Leasing (Thailand) Co., Ltd.'s (TLT or Issuer) guaranteed debentures, issued under its Bt40,000 million medium-term debenture program, at "AAA". TRIS Rating also affirms the ratings of TLT's guaranteed debentures, with a total value of Bt40,000 million, issued under the short-term debenture programs 1/2012 and 2/2012, at "T1+". At the same time, TRIS Rating assigns the rating of "T1+" to the proposed issue of up to Bt40,000 million in guaranteed debentures under the Bt40,000 million short-term debenture program 1/2013.

Both the short- and medium-term debentures of TLT are guaranteed by Toyota Motor Finance (Netherlands) B.V., (TMF or Guarantor). TMF is a wholly-owned subsidiary of Toyota Financial Service Corporation (TFS), which is 100% held by Toyota Motor Corporation (TMC), the ultimate parent company. All three companies, TMF, TFS, and TMC, are rated at "AA-" by Standard & Poor's and at "Aa3" by Moody's Investors Service (Moody's), with short-term issue ratings at "A-1+" by Standard and Poor's and at "P-1" by Moody's.

TMC's performance has improved in FY2013 after the performance in FY2012 was affected from the two natural disasters in 2011. TMC's consolidated sales volume recovered to 6.629 million for the first three quarters of FY2013 (April 2012 - December 2012), a year-on-year (y-o-y) growth of 32.7% from 4.995 million units in the same period of FY2012. Net operating income was improved substantially to 818.5 billion yen in the first three quarters of FY2013 from 117.1 billion yen in the same period of FY2012. TMC's operating profit margin also improved, rising to 5.0% in the first three quarters of FY2013 compared with a margin of 0.9% in the same period of FY2012.

TMC's performance has improved in FY2013 because of a demand backlog and several new car models have been launched. TMC's financial performance has also improved due to its marketing and cost reduction efforts. However, the strong yen remains a constraint on its performance. TMC's market position and competitiveness are strong, supported by its broad product lines, wide geographic market coverage, technological leadership, and a low level of financial risk.

The ratings of TLT's short- and medium-term debentures reflect the unconditional and irrevocable guarantee given by TMF, whose rating is based on the credit strength of TMC. Under this guarantee structure, TMC has provided a Credit Support Agreement (CSA) to TFS, which has in turn provided a CSA to TMF. Under the terms of the CSA, TMC will provide sufficient liquidity for the obligations of bonds, debentures, and commercial papers of both subsidiaries, TFS and TMF. TMC will also provide sufficient liquidity for TMF's guarantee obligations. The guarantee is governed by Dutch law and is unconditional and irrevocable. The guarantee provides punctual payment for the debentureholders of all sums payable by TLT. For the guarantee of the medium-term debentures, the obligations of TMF rank at least pari passu with all other present and future unsecured and unsubordinated indebtedness of TMF. The guarantee cannot be amended or terminated without the consent of both the debentureholders' representatives and the Guarantor, TMF.

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CreditUpdates are part of TRIS Rating's monitoring process. TRIS Rating monitors every rating it assigns until either the debt instrument matures or the rating contract ends. To keep the public informed of changing situations, TRIS Rating periodically issues announcements about the credit ratings it monitors.

The Guarantor will not be under any obligation to make payment for the Issuer's failure to pay as a result of any of the following actions by any Thai government agency: (1) interruption of payment by causing Issuer to be unable to transfer monies or to convert foreign currency to the Registrar or debentureholders to pay debt obligations; (2) causing the transfer of majority shareholding in, or control over, the Issuer to a third-party not associated with the Toyota Group; (3) expropriation or nationalization of at least 10% of the net value of hire purchase receivables of the Issuer and its subsidiaries; and (4) expropriation or nationalization that has the effect of preventing the Issuer and its subsidiaries from carrying on business. TRIS Rating believes that the above events are highly unlikely to occur.

Rating Outlook

The "stable" outlook reflects the creditworthiness of TLT's ultimate parent, TMC. TMC has strong positions in its major markets, despite being weakened by product quality-related issues and the effects of two natural disasters in 2011. TMC's strong market positions are supported by its extensive geographic coverage and product diversity. Currently, TMC's rating outlooks assigned by both Standard and Poor's and Moody's are "negative". The "negative" outlooks reflect the concerns of both credit rating agencies regarding several factors: the effects of the disasters and the possible burden on TMC's operating and financial performances plus concerns over TMC's eroding market share and competitive position. However, TMC's current company ratings of "AA-" assigned by Standard and Poor's and "Aa3" by Moody's still reflect TMC's relatively strong credit profile, when compared with the "AAA" national scale rating in TRIS Rating's database of rated companies in Thailand.

Toyota Leasing (Thailand) Co., Ltd. (TLT)

Issue Ratings:

Bt40,000 million guaranteed debentures under medium-term debenture program:

- TLT134A: Bt2,150 million guaranteed debentures due 2013	AAA
- TLT136A: Bt1,700 million guaranteed debentures due 2013	AAA
- TLT138A: Bt4,000 million guaranteed debentures due 2013	AAA
- TLT139A: Bt1,750 million guaranteed debentures due 2013	AAA
- TLT130A: Bt2,250 million guaranteed debentures due 2013	AAA
- TLT13DA: Bt1,500 million guaranteed debentures due 2013	AAA
- TLT145A: Bt1,500 million guaranteed debentures due 2014	AAA
- TLT146A: Bt2,000 million guaranteed debentures due 2014	AAA
- TLT149A: Bt1,050 million guaranteed debentures due 2014	AAA
- TLT14DA: Bt3,000 million guaranteed debentures due 2014	AAA
- TLT162A: Bt4,000 million guaranteed debentures due 2016	AAA

Bt20,000 million guaranteed debentures under short-term debenture program (1/2012) T1+

Bt20,000 million guaranteed debentures under short-term debenture program (2/2012) T1+

Up to Bt40,000 million guaranteed debentures under short-term debenture program (1/2013) T1+

Rating Outlook: Stable

Financial Statistics and Key Financial Ratios*
Toyota Motor Corporation (TMC)

Unit: Million yen

	----- Fiscal Year Ended 31 March -----				
	Apr-Dec 2012	2012	2011	2010	2009
Net revenues	16,227,106	18,583,653	18,993,688	18,950,973	20,529,570
- Sales of automotive products	15,400,712	17,511,916	17,820,520	17,724,729	19,173,720
- Financing operations	826,394	1,071,737	1,173,168	1,226,244	1,355,850
Gross profit	1,979,919	1,715,998	1,834,737	1,753,233	1,705,304
Operating profit	818,507	355,627	468,279	147,516	(461,011)
Gross interest expense	18,985	22,922	29,318	33,409	46,882
Funds from operations (FFO)	1,415,382	1,293,199	1,421,890	1,746,215	1,232,853
Total assets	32,157,040	30,650,965	29,818,166	30,349,287	29,062,037
Total debts	12,896,927	12,005,546	12,401,056	12,513,406	12,618,653
Total liabilities	20,341,087	19,584,487	18,898,142	19,418,844	18,461,300
Minorities interest	554,170	516,217	587,653	570,720	539,530
Shareholders' equity	11,261,783	10,550,261	10,332,371	10,359,723	10,061,207
Operating income before depreciation and amortization as a % of net revenues	9.97	7.66	8.65	8.24	5.04
Pretax return on permanent capital (%)	3.90 **	1.80	2.47	1.10	(2.13)
Total debt/capitalization (%)	52.19	52.04	53.18	53.38	54.35
Earnings before interest, tax, depreciation, and amortization (EBITDA) interest coverage (times)	91.14	64.85	59.82	50.02	20.98
FFO/total debt (%)	10.97 **	10.77	11.47	13.95	9.77

* Consolidated financial statements

** Non-annualized

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