

TOYOTA LEASING (THAILAND) CO., LTD.

No. 63/2013

13 September 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)/-

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Rating Rationale

TRIS Rating affirms the ratings of Toyota Leasing (Thailand) Co., Ltd.'s (TLT or Issuer) guaranteed debentures, issued under its Bt60,000 million medium-term debenture program, at "AAA". TRIS Rating also affirms the rating of guaranteed debentures under the Bt40,000 million short-term debenture program No. 1/2556 at "T1+". At the same time, TRIS Rating assigns the rating to the proposed issue of up to Bt40,000 million in guaranteed debentures under the short-term debenture program No. 2/2556 at "T1+".

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.

In the first quarter of FY2014 (April 2013 - June 2013), TMC reported sales volume at 2.232 million units, nearly the same level of 2.269 million units in the same period of FY2013. However, the impact of yen depreciation helped improve TMC's financial performance. TMC's operating income was delivered at 663.3 billion yen in the first quarter of FY2014, rising substantially from 352.1 billion yen in the same period of FY2013. Net income also improved to 562.1 billion yen in the first quarter of FY2014 from 290.3 billion yen in the first quarter of FY2013. In addition to the change in foreign exchange rates, the improvement in TMC's performance was supported by its marketing and cost reduction efforts. 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.

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

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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. TMC’s rating outlooks assigned by Standard and Poor’s and Moody’s have been changed to “stable” from “negative” on 16 April 2013 and 26 June 2013, respectively. The changes reflect the improvement in profitability from a strong recovery in sales and consistent cost reduction. TMC’s current company rating 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:

Bt60,000 million guaranteed debentures under medium-term debenture program:

- 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
- TLT155A: Bt5,400 million guaranteed debentures due 2015	AAA
- TLT158A: Bt4,750 million guaranteed debentures due 2015	AAA
- TLT162A: Bt4,000 million guaranteed debentures due 2016	AAA
- TLT165A: Bt600 million guaranteed debentures due 2016	AAA
- TLT168A: Bt2,050 million guaranteed debentures due 2016	AAA

Bt40,000 million guaranteed debentures under short-term debenture program No. 1/2556 T1+

Up to Bt40,000 million guaranteed debentures under short-term debenture program No. 2/2556 T1+

Rating Outlook: Stable

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

Unit: Million yen

	Apr-Jun 2013	----- Fiscal Year Ended 31 March -----			
		2013	2012	2011	2010
Net revenues	6,255,319	22,064,192	18,583,653	18,993,688	18,950,973
- Sales of automotive products	5,926,535	20,914,150	17,511,916	17,820,520	17,724,729
- Financing operations	328,784	1,150,042	1,071,737	1,173,168	1,226,244
Gross profit	1,124,079	2,903,581	1,715,998	1,834,737	1,753,233
Operating income	663,383	1,320,888	355,627	468,279	147,516
Gross interest expense	4,584	22,967	22,922	29,318	33,409
Funds from operations (FFO)	786,516	2,163,911	1,293,199	1,421,890	1,746,215
Total assets	37,168,264	35,483,317	30,650,965	29,818,166	30,349,287
Total debts	14,713,818	14,131,780	12,005,546	12,401,056	12,513,406
Total liabilities	23,617,558	22,710,461	19,584,487	18,898,142	19,418,844
Minorities interest	653,168	624,821	516,217	587,653	570,720
Shareholders' equity	12,897,538	12,148,035	10,550,261	10,332,371	10,359,723
Operating income before depreciation and amortization as a % of net revenues	15.20	11.00	7.66	8.65	8.24
Pretax return on permanent capital (%)	2.61 **	5.69	1.80	2.47	1.10
Total debt/capitalization (%)	52.06	52.53	52.04	53.18	53.38
Earnings before interest, tax, depreciation, and amortization (EBITDA) interest coverage (times)	219.66	109.99	64.85	59.82	50.02
FFO/total debt (%)	5.35 **	15.31	10.77	11.47	13.95

* Consolidated financial statements

** Non-annualized

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