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N e w s f o r I n v e s t o r s

No. 4/2011

3 February 2011

Toyota Leasing (Thailand) Company Limited

Issue Ratings:

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

- TLT112A: Bt2,900 million guaranteed debentures due 2011	AAA
- TLT112B: Bt4,000 million guaranteed debentures due 2011	AAA
- TLT114A: Bt3,000 million guaranteed debentures due 2011	AAA
- TLT124A: Bt1,000 million guaranteed debentures due 2012	AAA
- TLT128A: Bt1,800 million guaranteed debentures due 2012	AAA
- TLT129A: Bt1,150 million guaranteed debentures due 2012	AAA
- TLT12DA: Bt2,000 million guaranteed debentures due 2012	AAA
- 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
- TLT13DA: Bt1,500 million guaranteed debentures due 2013	AAA
- TLT145A: Bt1,500 million guaranteed debentures due 2014	AAA
- Up to Bt4,000 million guaranteed debentures due within 2016	AAA

Bt7,000 million guaranteed debentures under short-term debenture program (1/2010) T1+

Up to Bt10,000 million guaranteed debentures under short-term debenture program (1/2011) T1+

Rating Outlook:

Stable

Rating History:
Company Rating
Issue Rating

27 Oct 2010
12 Mar 2010
12 Jan 2006
7 Oct 2004

-
-
-
-

Secured

AAA, T1+/Stable
AAA/Stable
AAA, T1+/Stable
AAA/Stable

Unsecured

-
-
-
-

Rating Rationale

TRIS Rating affirms the ratings of Toyota Leasing (Thailand) Co., Ltd.'s (TLT or Issuer) existing guaranteed debentures under the Bt40,000 million medium-term debenture program at "AAA", and also affirms the rating of guaranteed debentures of Bt7,000 million under the short-term debenture program (1/2010) at "T1+". At the same time, TRIS Rating assigns a "AAA" rating to TLT's proposed issue of up to Bt4,000 million in guaranteed debentures under the medium-term program and a "T1+" rating to TLT's proposed issue of up to Bt10,000 million in guaranteed debentures under the short-term debenture program (1/2011). The proceeds from the issuance of the new debentures are for debt refinancing and loan portfolio expansion.

Both the medium- and short-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 "AA" by Standard & Poor's (S&P), and "Aa2" by Moody's Investors Service (Moody's), with short-term issue ratings at "A-1+" by S&P and "P-1" by Moody's.

CreditUpdate reviews ratings of companies or debt issues that have already been rated by TRIS Rating. The CreditUpdate occurs when new debt instruments are issued or if significant events have taken place that may impact a company's current ratings or when current ratings are cancelled. The CreditUpdate announces whether a rating has been "upgraded," "downgraded," "affirmed" or "cancelled." The update includes information to supplement the previously published ratings.

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.

TMC's performance has improved since FY2010, supported by a recovery of the global automobile industry, cost reduction efforts according to TMC's emergency profit improvement program, and increased profits from the financial service business. TMC reported net profit of 209 billion yen in FY2010, recovering from a net loss of 437 billion yen in FY2009. The performance continued to improve in FY2011 with 289 billion yen in net profit during the first half of FY2011, compared with a net loss of 56 billion yen for the same period in FY2010. However, the impact of product quality-related issues and associated recalls on TMC's branding remain pressure on TMC's profitability recovery over the next few years.

The ratings of TLT's both medium- and short-term debentures reflect the unconditional and irrevocable guarantee by TMF, whose rating is based on the credit strength of TMC. Under this guarantee structure, TMC provides a Credit Support Agreement (CSA) to TFS, which in turn provides a CSA to TMF. Under the terms of the CSA, TMC will provide sufficient liquidity for the obligations of bonds or 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 the Dutch law and is unconditional and irrevocable. It provides punctual payment for the debenture holders of all sums payable by TLT. For the guarantee of both the medium- and short-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 debenture holders' representatives and the Guarantor.

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 debenture holders 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; (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, which has strong positions in major markets despite being weakened by product quality-related issues. The market positions are supported by its extensive geographic and product diversification. Currently, TMC's rating outlook is "negative", assigned by both S&P and Moody's, reflecting concerns over TMC's weak profitability and the effects of product quality problems. However, TMC's current company ratings of "AA" assigned by S&P and "Aa2" 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.

For subscription information, contact

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