

Press Release

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TRIS Rating Assigns "AAA/Stable" Rating to Guaranteed Debt Under Medium-term Debenture Program Worth Up to Bt3,000 Million of "TLT"

TRIS Rating has assigned the rating to the proposed issue of up to Bt3,000 million in guaranteed debentures under the medium-term debenture program at "AAA" of Toyota Leasing (Thailand) Co., Ltd. (TLT or Issuer). At the same time, TRIS Rating has affirmed the ratings of TLT's guaranteed debentures, issued under its Bt60,000 million medium-term debenture program, at "AAA". TRIS Rating has also affirmed the rating of TLT's guaranteed debentures under the short-term debenture program No. 1/2559 at "T1+". The outlook remains "stable".

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 "AA-" by S&P Global Ratings and "Aa3" by Moody's Investors Service (Moody's), with short-term issue ratings at "A-1+" by S&P Global Ratings and at "P-1" by Moody's.

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 the 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 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.

The "stable" outlook reflects the creditworthiness of TMF or TLT's Guarantor. TMF's credit profile is reflected by the creditworthiness of the ultimate parent, TMC. TMC's current international scale company ratings of "AA-/Stable" assigned by S&P Global Ratings and "Aa3/Stable" by Moody's still reflect TMC's relatively strong credit profile when compared with a "AAA" rating, the highest national scale rating, based on TRIS Rating's database of the rated companies in Thailand. The ratings and/or outlook for TLT's guaranteed debentures could be revised should there be any changes in TMC's creditworthiness.

TMC reported that it sold 8.681 million units of car in fiscal year 2016 (FY2016: April 2015-March 2016), dropping by 3.2% from the level of 8.972 million units it sold in FY2015. The unit sales were 6.643 million units for the first nine months of FY2017, a slight increase when compared with the level at 6.493 million units for the same period in FY2016. TMC's financial performance has improved, supported by the ongoing cost reduction efforts and recovery of auto demand in the United States (US). Net income continued to improve to 2,313 billion yen in FY2016, rising by 6.4% from the same period of FY2015. However, net income slightly dropped to 1,433 billion yen for the first nine months of FY2017, a decrease of 24% from the same period of FY2016 due mainly to the effects of fluctuation in foreign exchange rates. TMC's market and competitive positions remain strong, supported by its broad product lines, wide geographic market coverage, technological leadership, and low level of financial risk.

(Continue on page 2)

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

Issue Ratings:

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

- TLT175A: Bt1,900 million guaranteed debentures due 2017	AAA
- TLT175B: Bt2,000 million guaranteed debentures due 2017	AAA
- TLT176A: Bt2,000 million guaranteed debentures due 2017	AAA
- TLT17NA: Bt2,000 million guaranteed debentures due 2017	AAA
- TLT184B: Bt3,500 million guaranteed debentures due 2018	AAA
- TLT188B: Bt3,100 million guaranteed debentures due 2018	AAA
- TLT192B: Bt3,500 million guaranteed debentures due 2019	AAA
- TLT194A: Bt5,000 million guaranteed debentures due 2019	AAA
- TLT198B: Bt8,000 million guaranteed debentures due 2019	AAA
- TLT19NA: Bt2,280 million guaranteed debentures due 2019	AAA
- TLT202A: Bt4,500 million guaranteed debentures due 2020	AAA
- TLT205A: Bt3,300 million guaranteed debentures due 2020	AAA
- TLT20NA: Bt1,120 million guaranteed debentures due 2020	AAA
- TLT212A: Bt3,200 million guaranteed debentures due 2021	AAA
- Up to Bt3,000 million guaranteed debentures due within 5 years	AAA

Bt80,000 million guaranteed debentures under short-term debenture program No. 1/2559 T1+

Rating Outlook:

Stable

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