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# **Presentation Materials for Investors**

**February 2019**

# Disclaimer

- This presentation includes certain “forward-looking statements” within the meaning of The U.S. Private Securities Litigation Reform Act of 1995.
- These statements are based on current expectations and currently available information.
- Actual results may differ materially from these expectations due to certain risks, uncertainties and other important factors, including the risk factors set forth in the most recent annual and periodic reports of Toyota Motor Corporation and Toyota Motor Credit Corporation.
- We do not undertake to update the forward-looking statements to reflect actual results or changes in the factors affecting the forward-looking statements.
- This presentation does not constitute an offer to sell or a solicitation of an offer to purchase any securities. Any offer or sale of securities will be made only by means of a prospectus and related documentation.
- Investors and others should note that we announce material financial information using the investor relations section of our corporate website (<http://www.toyotafinancial.com>) and SEC filings. We use these channels, press releases, as well as social media to communicate with our investors, customers and the general public about our company, our services and other issues. While not all of the information that we post on social media is of a material nature, some information could be material. Therefore, we encourage investors, the media, and others interested in our company to review the information we post on the Toyota Motor Credit Corporation Twitter Feed (<http://www.twitter.com/toyotafinancial>). We may update our social media channels from time to time on the investor relations section of our corporate website.

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- This presentation does not constitute or form part of and should not be construed as, an offer to sell or issue or the solicitation of an offer to purchase or subscribe for securities of TMCC in any jurisdiction or an inducement to enter into investment activity in any jurisdiction. Neither this presentation nor any part thereof, nor the fact of its distribution, shall form the basis of, or be relied on in connection with, any contract or commitment or investment decision whatsoever. Any offer or sale of securities by TMCC will be made only by means of a prospectus and related documentation.
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- This presentation is made to and directed only at (i) persons outside the United Kingdom, or (ii) qualified investors or investment professionals falling within Article 19(5) and Article 49(2)(a) to (d) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the “Order”), or (iii) high net worth individuals, and other persons to whom it may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order, and (iv) persons who are “qualified investors” within the meaning of Article 2(1)(e) of the Prospectus Directive (Directive 2003/71/EC) as amended (such persons collectively being referred to as “Relevant Persons”). This presentation must not be acted or relied on by persons who are not Relevant Persons. Any investment or investment activity to which this presentation relates is available only to Relevant Persons and will be engaged in only with Relevant Persons.
- This presentation is an advertisement and not a prospectus and investors should not subscribe for or purchase any securities of TMCC referred to in this presentation or otherwise except on the basis of information in the base prospectus of Toyota Motor Finance (Netherlands) B.V., Toyota Credit Canada Inc., Toyota Finance Australia Limited and Toyota Motor Credit Corporation dated 14 September 2018 as supplemented from time to time together with the applicable final terms which are or will be, as applicable, available on the website of the London Stock Exchange plc at [www.londonstockexchange.com/exchange/news/market-news/market-news-home.html](http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html).
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# Toyota's Global Businesses

## TOYOTA

Markets vehicles in over 190 countries/regions.  
50 overseas manufacturing companies in 26 countries/regions.

**AUTOMOTIVE**  
Design, Manufacturing,  
Distribution

 **TOYOTA**

 **LEXUS**

 **DAIHATSU**

 **HINO**  **TRUCKS**

 **TOYOTA**  
**FINANCIAL SERVICES**

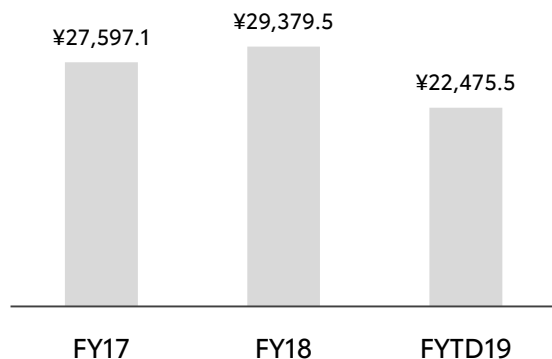
Consumer Financing  
Dealer Support & Financing  
Banking  
Securities Services  
Ancillary Products & Services

**OTHER  
BUSINESSES**

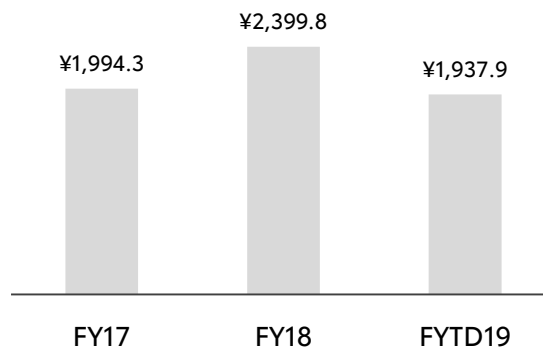
Housing  
Marine  
Telecommunications  
e-Business  
Intelligent Transport Services  
Biotechnology & Afforestation

# TMC Financial Highlights

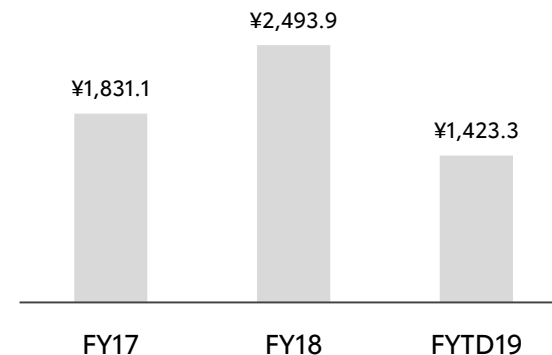
## Net Revenues<sup>(1)</sup>



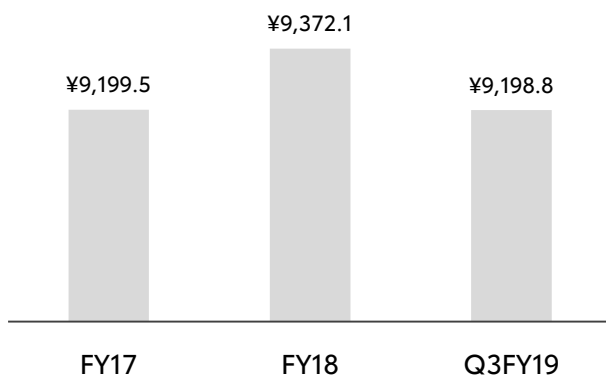
## Operating Income<sup>(1)</sup>



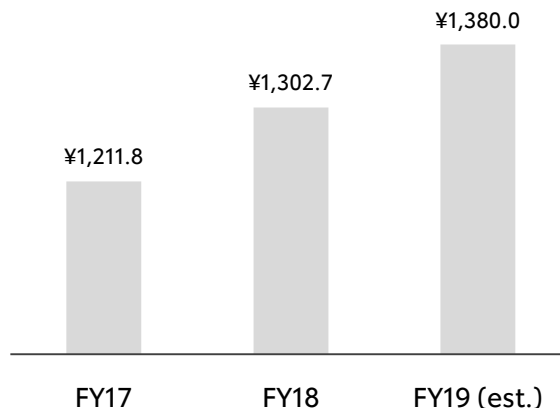
## Net Income<sup>(1)</sup>



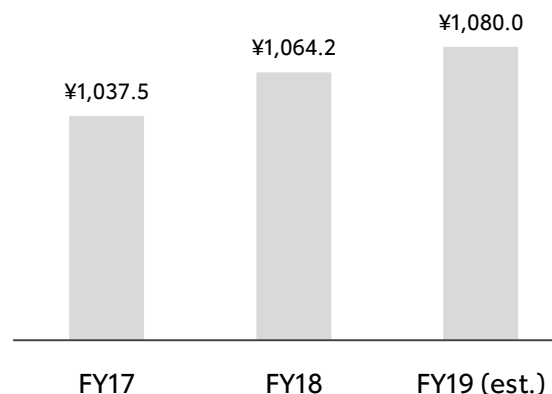
## Total Liquid Assets<sup>(2)</sup>



## Capital Expenditures



## R&D Expenditures



¥ in billions

(1) Results for the fiscal years ended March 31, 2017 and March 31, 2018, and for the nine-month period ended December 31, 2018

(2) Cash and cash equivalents, time deposits, marketable debt securities and its investment in monetary trust funds, excluding in each case those relating to financial services

Source: TMC FY2018 Financial Summary; TMC FY2019 3Q Financial Summary

# Toyota USA Operations By The Numbers

## Toyota By The Numbers<sup>1</sup>

Toyota has been a part of the cultural fabric in the U.S. for 61 years. See below for a showcase of our commitment to the U.S.

|   |   |  |  |
|---|---|--|--|
| <b>32</b><br>YEARS<br>MANUFACTURING <sup>2</sup><br>IN THE U.S.   | <b>2,434,515</b><br>2017 VEHICLES<br>SOLD IN THE U.S.   | <b>1,263,546</b><br>2017 VEHICLES<br>PRODUCED IN THE<br>U.S. <sup>2</sup>            | <b>\$40.7B</b><br>PARTS AND<br>MATERIALS<br>PURCHASED <sup>3</sup> |
| <b>\$25B</b><br>DIRECT<br>INVESTMENT<br>IN THE U.S.   | <b>137,000</b><br>PEOPLE WORKING<br>ACROSS THE U.S. <sup>4</sup>                                  | <b>10</b><br>PLANTS IN THE<br>U.S. AND 14 IN<br>NORTH AMERICA                        | <b>NEARLY<br/>1,500</b><br>TOYOTA AND<br>LEXUS DEALERS             |
| <b>26.4M</b><br>VEHICLES BUILT IN<br>THE U.S. AND<br>COUNTING <sup>2</sup>                              | <b>\$29B</b><br>DEALER<br>INVESTMENT IN<br>THE U.S. <sup>5</sup>                                  | <b>OVER<br/>\$1M</b><br>SPENT GLOBALLY<br>EVERY HOUR ON<br>R&D <sup>6</sup>          | <b>\$982M</b><br>IN TOTAL U.S.<br>DONATIONS                        |
| <b>OVER<br/>140,000</b><br>U.S.-BUILT <sup>2</sup><br>TOYOTAS<br>EXPORTED TO 31<br>COUNTRIES IN<br>2017 | <b>14</b><br>HYBRID MODELS<br>IN THE U.S. PLUS<br>THE MIRAI FCV IN<br>SELECT MARKETS <sup>7</sup> | <b>10</b><br>SITES WITH<br>CERTIFIED<br>WILDLIFE HABITAT<br>CONSERVATION<br>PROGRAMS | <b>470,100</b><br>JOBS CREATED IN<br>THE U.S. <sup>8</sup>         |

## Our History

- ▶ **1957** Toyota Motor Sales, U.S.A established
- ▶ **1972** Manufacturing operations begin in U.S.
- ▶ **1973** Caltex Design Research established
- ▶ **1977** Toyota Technical Center, U.S.A. incorporated
- ▶ **1986** Toyota breaks ground in Georgetown, KY. The future home of TMMK, Toyota's first wholly-owned vehicle manufacturing plant in the U.S.
- ▶ **1987** Toyota U.S.A. Foundation established
- ▶ **1993** Arizona Proving Ground established
- ▶ **1996** North American manufacturing headquarters established
- ▶ **1997** Five millionth North American vehicle produced
- ▶ **2000** First hybrid vehicle sold in U.S.
- ▶ **2002** Ten millionth North American vehicle produced
- ▶ **2006** Hybrid production begins in U.S.
- ▶ **2008** One millionth Prius sold globally
- ▶ **2010** Toyota North American Center for Quality Excellence established
- ▶ **2011** Collaborative Safety Research Center (CSRC) launched
- ▶ **2012** 25 Millionth North American vehicle produced
- ▶ **2015** Toyota breaks ground on its new North American headquarters in Plano, Texas

<sup>1</sup> All data as of December 2017, except where noted. <sup>2</sup> Toyota vehicles and components assembled using U.S. and globally sourced parts. <sup>3</sup> Parts, materials and components (FY ending 3/17). Goods and Services (CY 2017). <sup>4</sup> Based on 2015 Center Automotive Research Study and Toyota data. Includes direct employees, contingent workers and dealer employees. <sup>5</sup> Includes U.S. and Puerto Rico. <sup>6</sup> Global estimate based on FY18 projections of Toyota Motor Corporation. <sup>7</sup> As of CY 2017. <sup>8</sup> 2015 Center for Automotive Research Study. Includes direct, dealer and supplier employees and jobs created through their spending.

# Toyota Operations Across the U.S.

Dots represent category presence within a state and not quantity of location.

- Offices
- Engineering & Manufacturing
- Design, Research & Development
- Dealerships



## Sienna

since 1997  
(in IN since 2003)

## Sequoia

since 2000

## Highlander

since 2009  
(Highlander Hybrid in IN since 2013)



## Camry

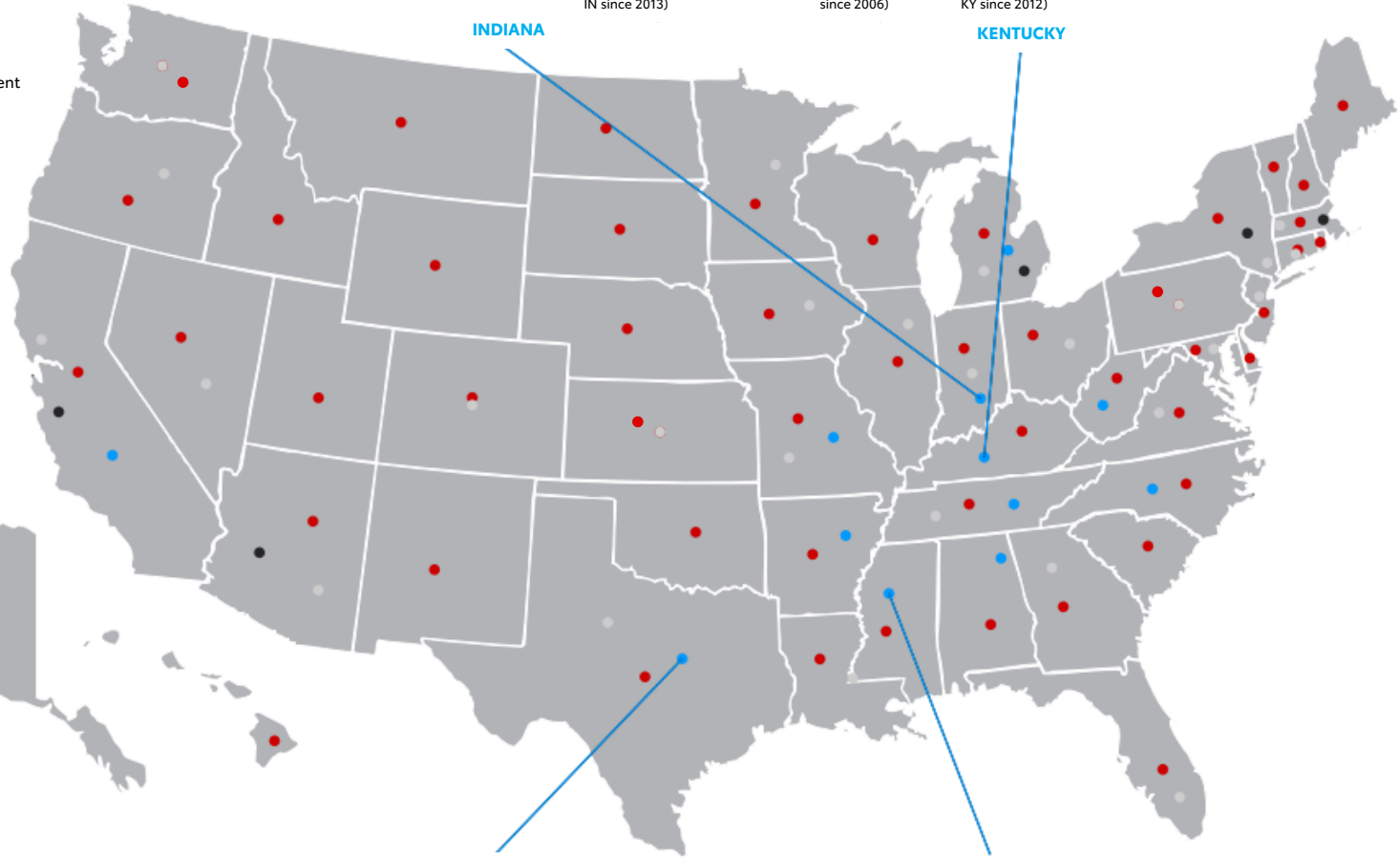
since 1988  
(Camry Hybrid in KY since 2006)

## Avalon

since 1994  
(Avalon Hybrid in KY since 2012)

## Lexus ES 350

since 2015



INDIANA

KENTUCKY

TEXAS

MISSISSIPPI



## Tacoma

since 1991  
(in TX since 2010)

## Tundra

since 1998  
(in TX since 2006)



## Corolla

since 1986  
(in MS since 2011)

# Toyota Motor North America, Inc.

**38M**

Toyota's vehicle production in North America since 1986

**16**

Number of advanced technology Toyota and Lexus vehicles on the market in North America

**RAV4**

Best selling SUV/non-pickup in industry among U.S. consumers

**CAMRY**

Best selling passenger car in America (17 years running)

**31**

Planned new, redesigned, or refreshed models in the Toyota and Lexus lineups through 2021

**\$28B**

Invested in the U.S. as of January 2019



# Toyota and Lexus Third Party Accolades

Quality, dependability, safety and product appeal remain high as reflected by numerous 3<sup>rd</sup> party accolades

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## **2019 Fortune**

Toyota ranked one of the “World’s Most Admired Companies” and named the No. 1 Motor Vehicle company (5<sup>th</sup> year running)

## **2019 IIHS**

### **Top Safety Pick+ Awards**

3 qualifying Toyota and Lexus models  
2 Toyota models Top Safety Pick

## **2019 Edmunds Buyers Most Wanted**

Toyota Highlander, Toyota Tacoma,  
Lexus ES 350, Lexus RX 350

## **2018 J.D. Power and Associates Vehicle Dependability Survey**

Lexus ranked No. 1 overall

## **2018 Kelley Blue Book Best Overall Luxury Brand and Most Trusted Luxury Brand**

Lexus Brand Winner

## **2018 Kelley Blue Book Best Resale Value**

Toyota No. 1 Brand Winner  
(3 out of top 5 Best Resale Values for  
2017)

## **2018 U.S. News Best Cars for the Money**

Toyota Avalon, Toyota Camry,  
Lexus ES, Lexus RX 350

## **2018MY NHTSA 5-Star Overall Rating**

24 Toyota and Lexus models

## **2018 IIHS Recommended Used Vehicle List for Teens**

7 Toyota vehicles

## **2018 Consumer Reports**

Lexus & Toyota No. 1 and No. 2 brands  
in brand reliability

## **2018 Interbrand Best Global Brands**

Toyota named world’s most valuable  
automotive brand

## **2018 U.S. News Best Cars for Families**

2018 Toyota Camry

# Toyota and Lexus Vehicle Highlights

**RAV4**

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**Corolla**

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**Supra**

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**ES**

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**UX Hybrid**

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**RX**

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# Next Generation Technology



**MaaS**  
e-Palette



**Autonomous**  
TRI-P4



**Fuel Cell**  
Mirai /  
Tri-Gen /  
Project Portal 2.0

# **Toyota Financial Services**

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# TFS Group Global Presence

## TOYOTA FINANCIAL SERVICES Global Network

### AMERICAS

- Argentina
- Brazil
- Canada
- Mexico
- Puerto Rico
- U.S.A.
- Venezuela

### EUROPE/AFRICA

- Czech
- Denmark
- Finland
- France
- Germany
- Hungary
- Ireland
- Italy
- Kazakhstan
- Netherlands
- Norway
- Poland
- Portugal
- Russia
- Slovakia
- South Africa
- Spain
- Sweden
- U.K.

### ASIA/PACIFIC

- Australia
- China
- India
- Indonesia
- Japan
- Korea
- Malaysia
- New Zealand
- Philippines
- Taiwan
- Thailand
- Vietnam



# Toyota Motor Credit Corporation (TMCC)

Toyota Motor Corporation (TMC)



Toyota Financial Services Corporation (TFSC)



Toyota Motor Credit Corporation (TMCC)

- Nearly 4.6 million active finance contracts<sup>(1)</sup>
- AA<sup>-</sup>/<sup>(2)</sup>Aa3<sup>(2)</sup> rated captive finance company by S&P/Moody's
- Credit support agreement structure with TFSC/TMC<sup>(3)</sup>

(1) As of December 2018. **Source:** *Company Reports*

(2) Outlook stable

(3) The Credit Support Agreements do not apply to securitization transactions

# TMCC Products and Services

## ■ Dealer Financing

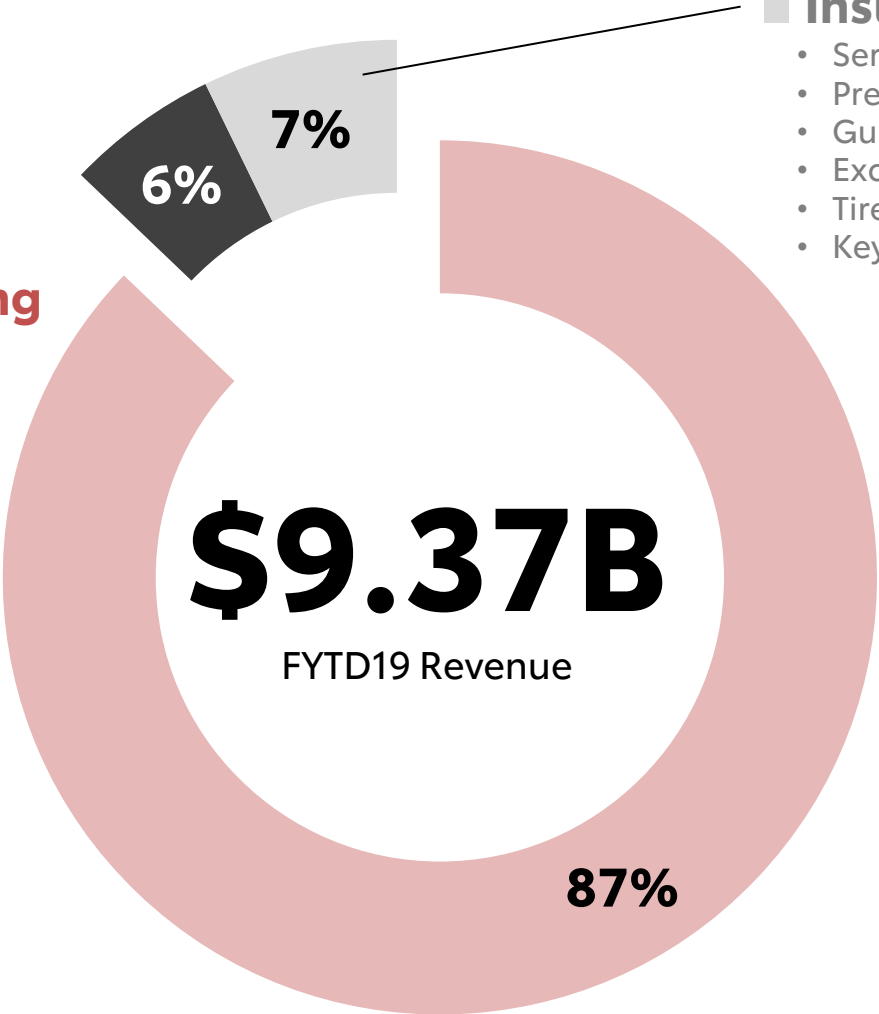
- Wholesale
- Real Estate
- Working Capital
- Revolving Credit Lines

## ■ Consumer Financing

- Retail
- Lease

## ■ Insurance Products

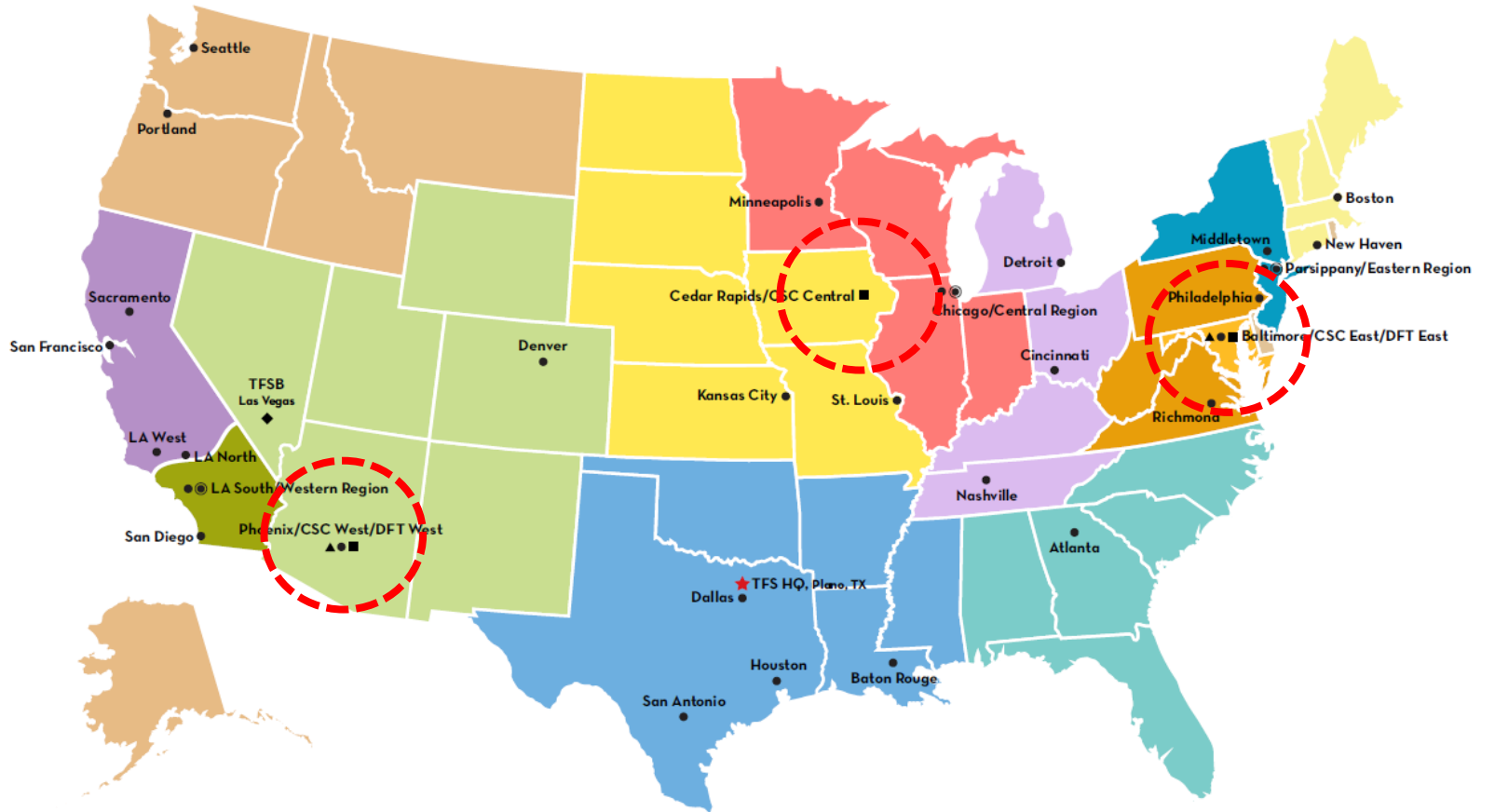
- Service Agreements
- Prepaid Maintenance
- Guaranteed Auto Protection
- Excess Wear & Use
- Tire & Wheel
- Key Replacement Protection



Source: TMCC December 31, 2018 10-Q. Reflects Operating Lease and Retail Financing revenues; Dealer Financing revenues; and Insurance earned premiums and contract revenues for the nine months ended December 31, 2018.

# Extensive Field Organization

- Decentralized dealer and field support
- Centralized servicing and collections (circled)

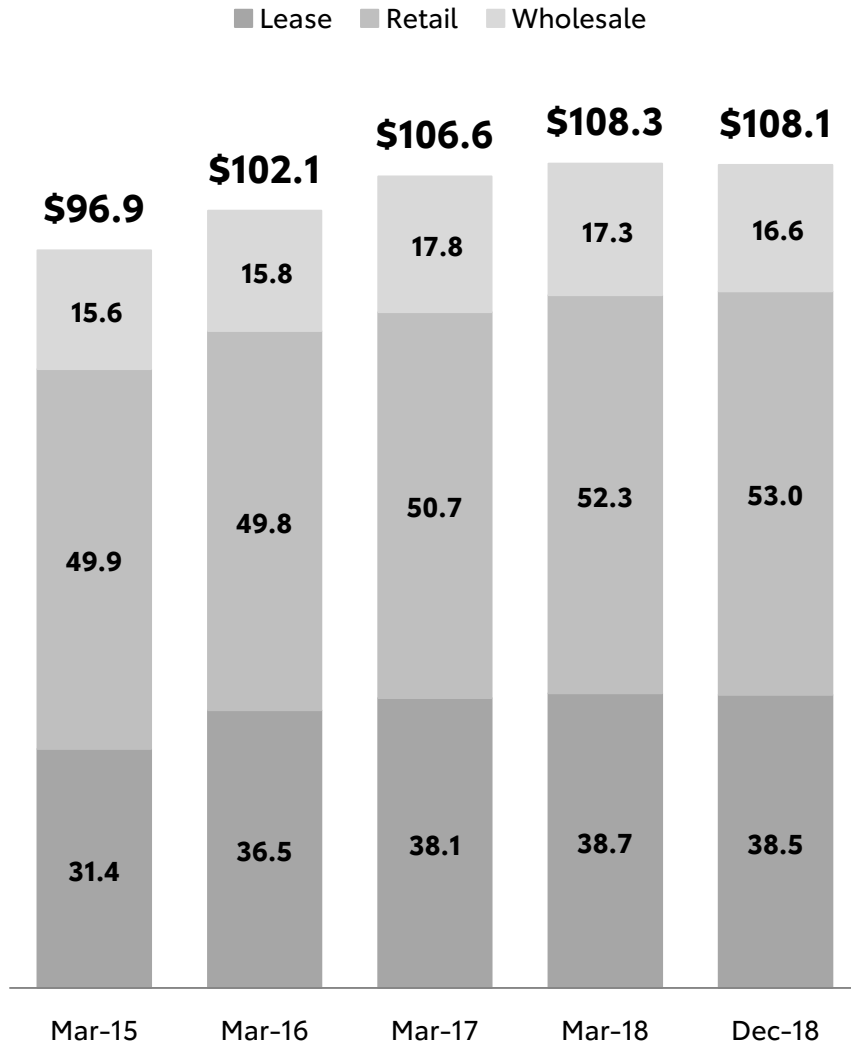


|               |                       |                           |                                 |                                   |                       |
|---------------|-----------------------|---------------------------|---------------------------------|-----------------------------------|-----------------------|
| ■ BOSTON      | ■ CENTRAL ATLANTIC    | ■ CHICAGO                 | ■ CINCINNATI                    | ■ DENVER                          | ■ GULF SHORES         |
| ■ KANSAS CITY | ■ LOS ANGELES         | ■ NEW YORK                | ■ PORTLAND                      | ■ SAN FRANCISCO                   | ■ SOUTHEAST TOYOTA    |
| ★ TFS HQ      | ⊙ TFS Regional Office | ■ Customer Service Center | ◆ Toyota Financial Savings Bank | ● Dealer Sales and Service Office | ▲ Dealer Funding Team |



# TMCC Earning Asset Composition

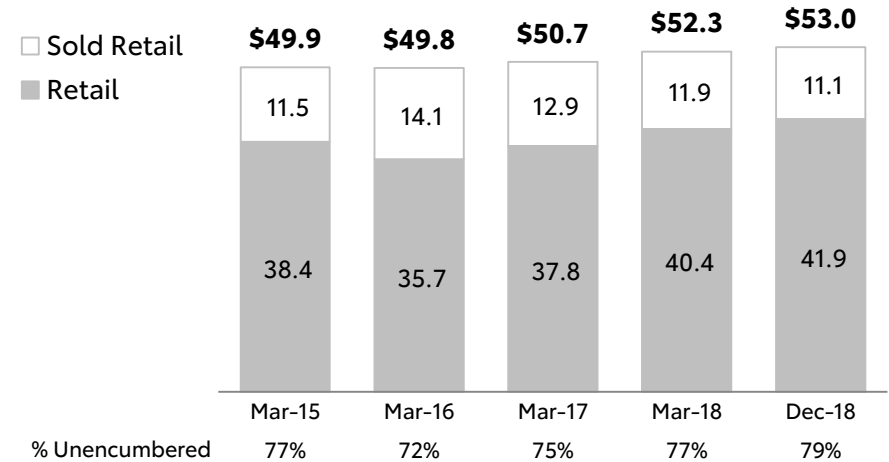
## Total Managed Assets



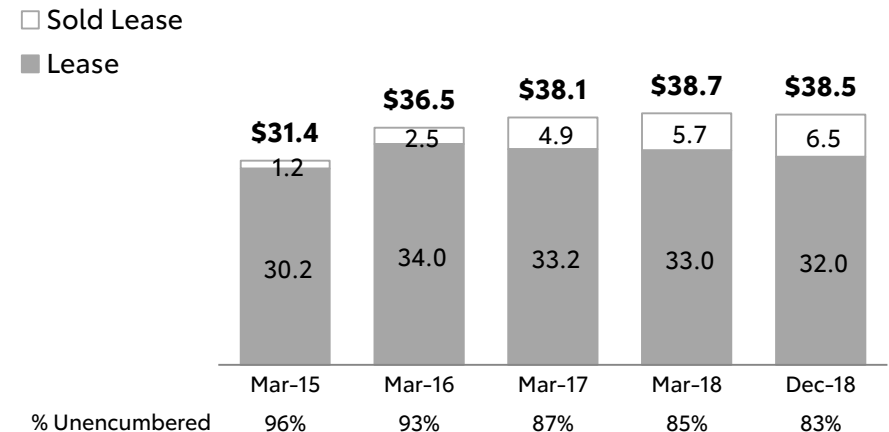
\$ in billions

Source: TMCC March 31, 2016 10-K, March 31, 2018 10-K, & December 31, 2018 10-Q

## Retail Assets

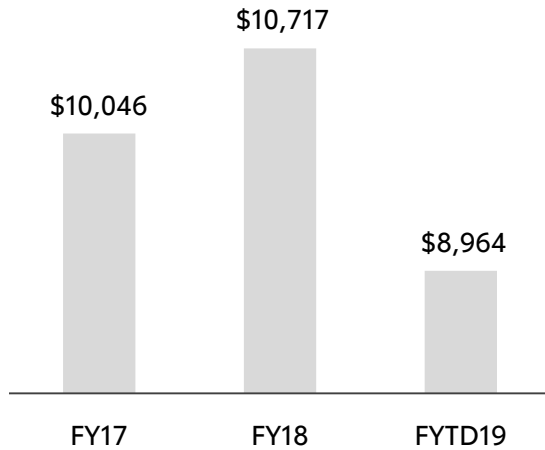


## Lease Assets

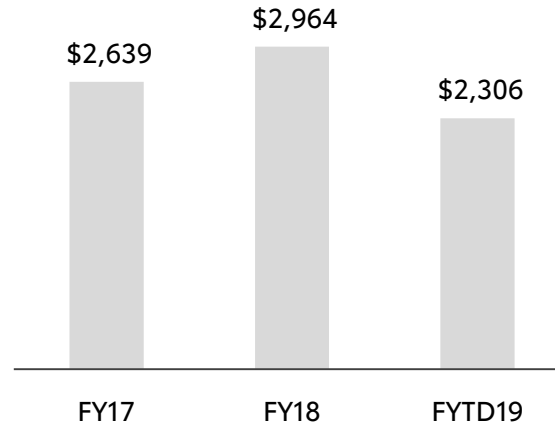


# TMCC Financial Performance

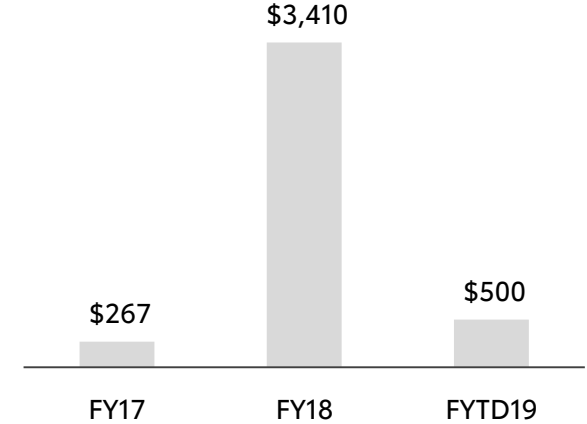
**Total Financing Revenues** <sup>(1)</sup>



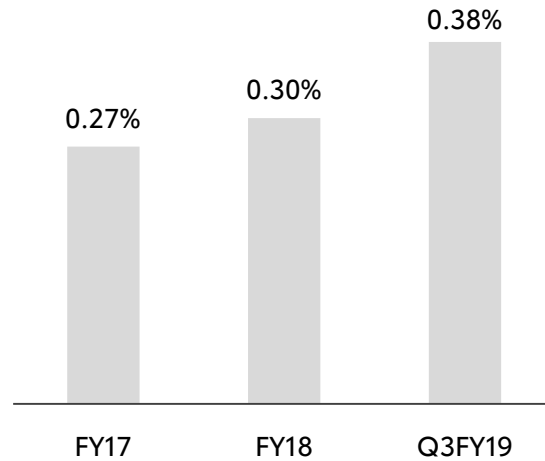
**Net Revenues** <sup>(1)</sup>



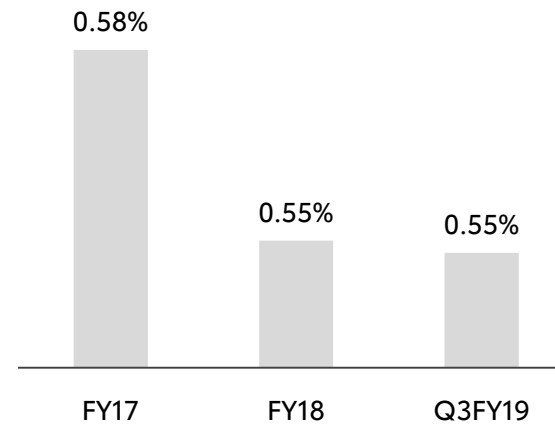
**Net Income** <sup>(1)</sup>



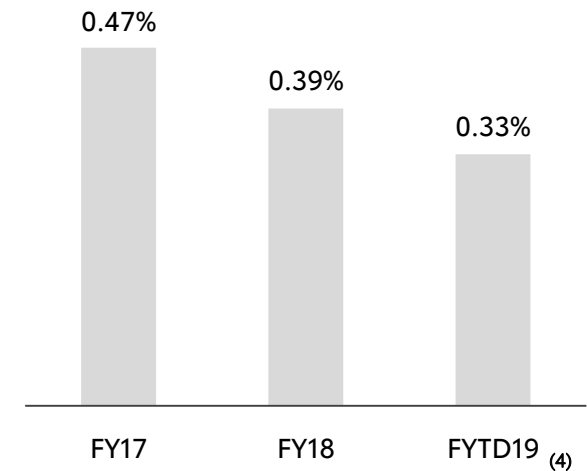
**60+ Days Delinquent** <sup>(2)</sup>



**Allowance for Credit Losses** <sup>(2)(3)</sup>



**Net Credit Losses** <sup>(2)</sup>



\$ in millions

<sup>(1)</sup> Results for the fiscal years ended March 31, 2017 and March 31, 2018, and for the nine-month period ended December 31, 2018

<sup>(2)</sup> 60+ Days Delinquent, Allowance for Credit Losses, and Net Credit Losses: percentage of gross earning assets

<sup>(3)</sup> Allowance for Credit Losses: the quotient of allowance for credit losses divided by the sum of gross finance receivables (finance receivables before allowance for credit losses) plus gross investments in operating leases (investments in operating leases before allowance for credit losses)

<sup>(4)</sup> Net Credit Losses: results for the most recent period are annualized

# **TMCC Funding Programs**

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# TMCC Funding Program Objectives

Highly Liquid and Well Diversified

**P-1 | A-1+**

Direct Issue  
Commercial Paper Program

**\$70B +**

Readily Salable  
Retail Loans and Leases

**\$20.5B**

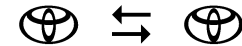
Committed Bank  
Credit Facilities

EUR  
NZD JPY  
**USD**  
GBP AUD

Global Issuance Capacity

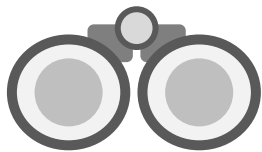
**\$7.4B**

Average Liquidity Portfolio  
Balance for Q3FY19



Intercompany Lending  
Infrastructure

## Investor Focused



Long-Term Perspective



Best-in-Class Execution



Responsive



Flexible

## Innovative

**Diversity and Inclusion**



November 2017  
**TOYOTA MOTOR CREDIT CORPORATION**  
Toyota Motor Credit Corporation

€600mn 0.00% Green Notes due 2021

€600mn 0.625% Notes due 2024

BARCLAYS BNP PARIBAS

CREDIT AGRICOLE

ING UniCredit

**Green Bonds**

# Commercial Paper Program Highlights

**P – 1 | A – 1 +**

Moody's

S&P

Highest Short-Term Ratings

TCCI TFA

**TMCC**

TMFNL

TCPR

Five Distinct Programs

**\$15.0B | \$5.5B**

Multi-Party

Bilateral

Backed by \$20.5B of  
Committed Bank Credit

**\$26.4B**

Average Outstanding Balance  
TMCC and TCPR as of  
December 31, 2018

**700+**

Investors

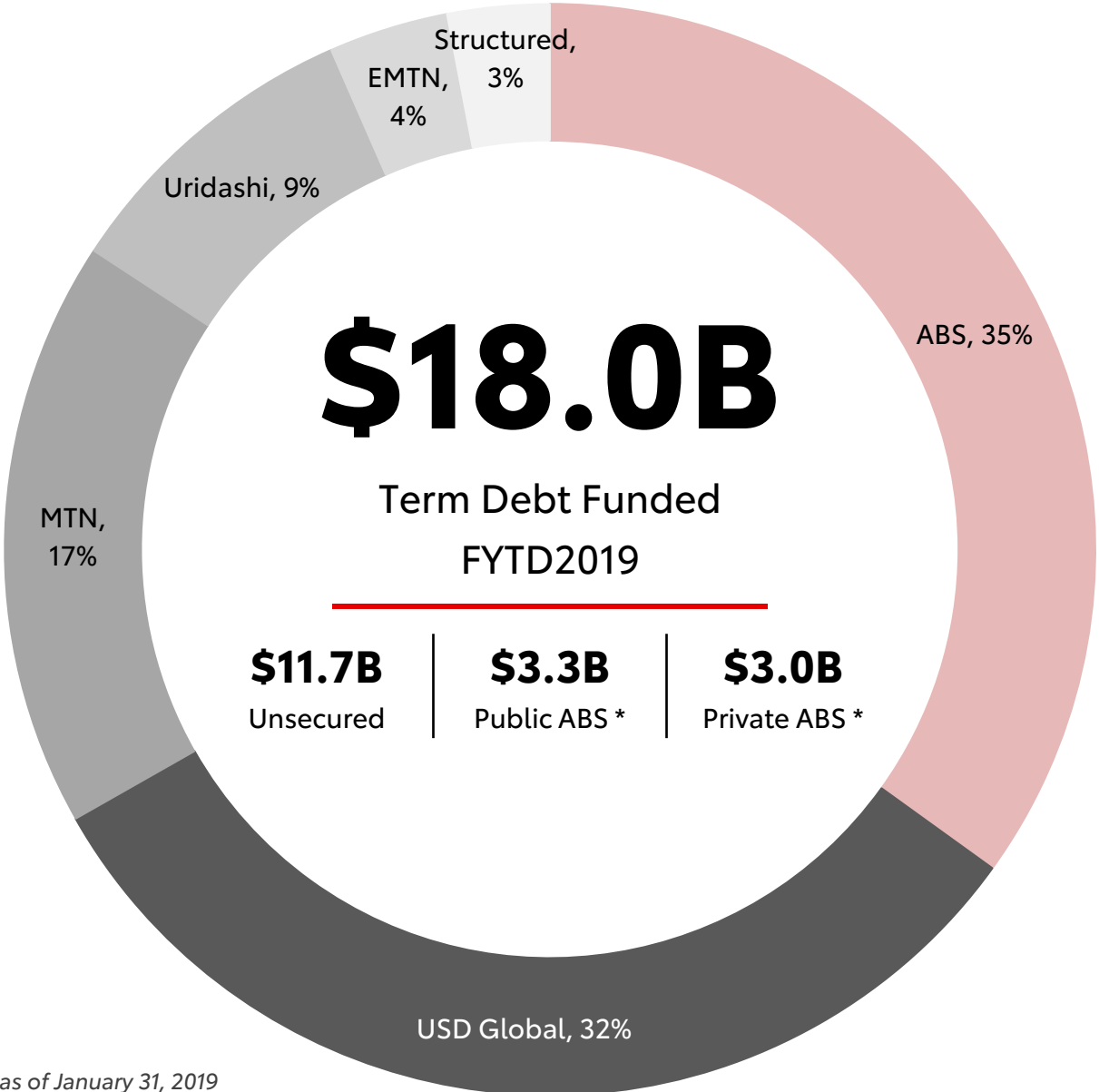
State and Local, Corporates,  
Pension Funds, Asset Managers,  
Financial Institutions

**DOCP**

<GO>

Rates Posted Daily on  
Bloomberg

# TMCC FYTD19 Funding Overview



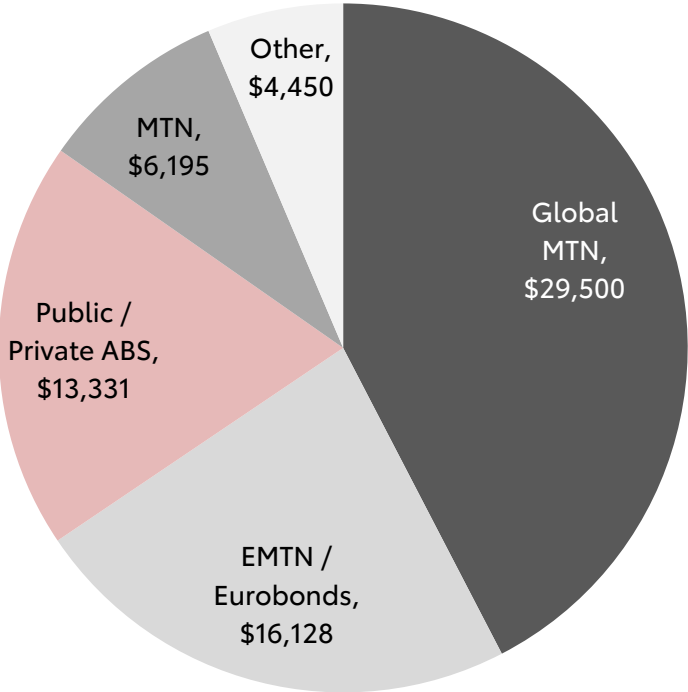
\*Net of retained

Source: Company Reports as of January 31, 2019

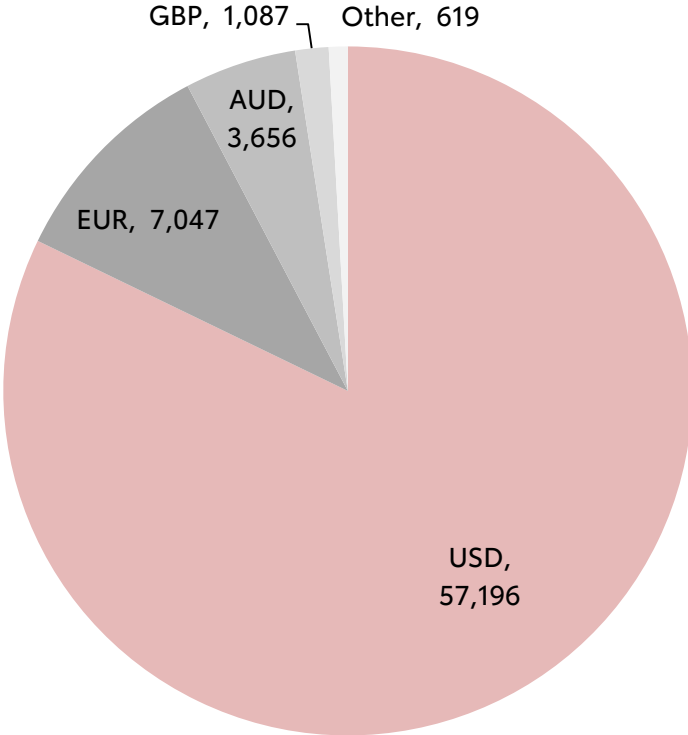
# Diversification in Debt Offerings

TMCC Long Term Debt Outstanding

**By Deal Type**



**By Currency**

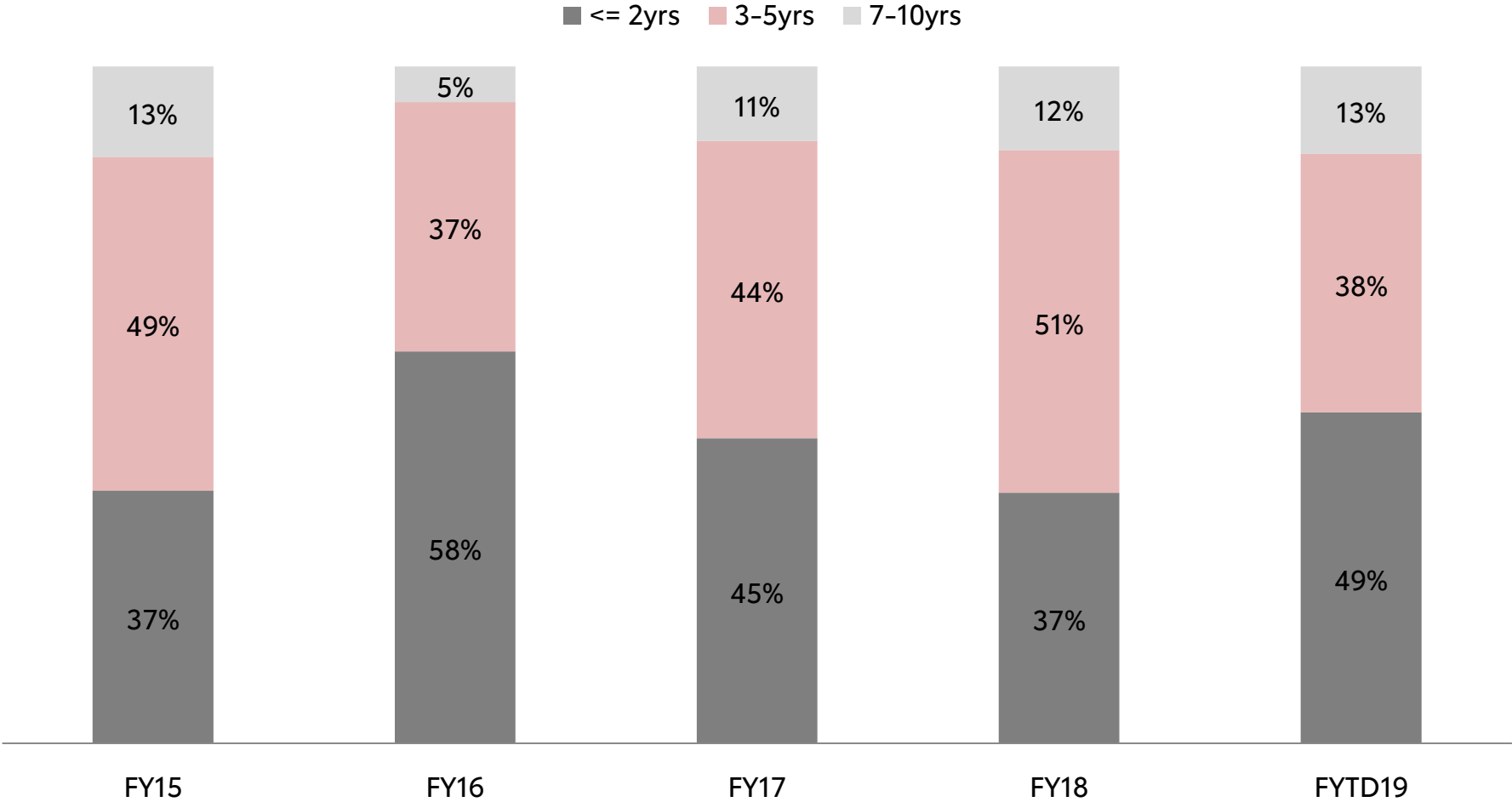


\$ in millions

Source: Company Reports as of December 31, 2018

# Funding Flexibility And Responsiveness

## Diversification Across the USD Curve<sup>(1)</sup>



(1) Unsecured U.S. MTN issuances, excluding Structured Notes and Retail Notes  
Percentages may not add to 100% due to rounding  
**Source:** Company Reports as of January 31, 2019



# **TMCC Retail Loan Collateral & ABS Transactions**

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# Credit Decisioning & Collections

## Disciplined Underwriting

Consistent and conservative underwriting standards designed to limit delinquencies and credit losses

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- Key mission is to support Toyota and Lexus brand and vehicle sales
- Continued focus on prime originations
- Proprietary credit scores that leverage TMCC's extensive origination history
  - Regular statistical validations of predictive power

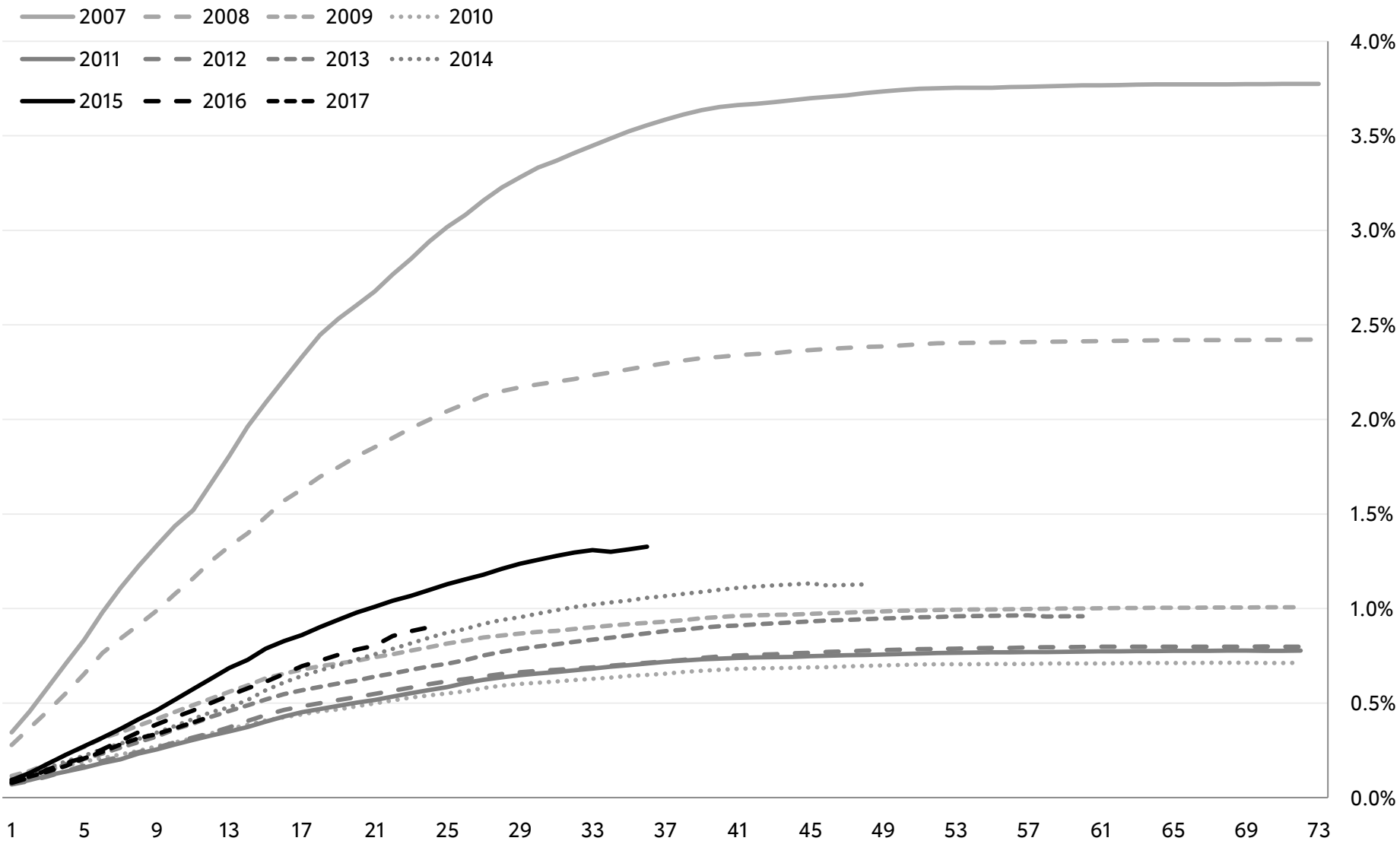
## Servicing Optimization

Optimization of collections strategy and staff supports loss mitigation while enabling portfolio growth

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- Emphasis on early intervention
- Reinforcement of strong compliance management system
- Focus on analytics and technology to prioritize high risk accounts and manage loss severities

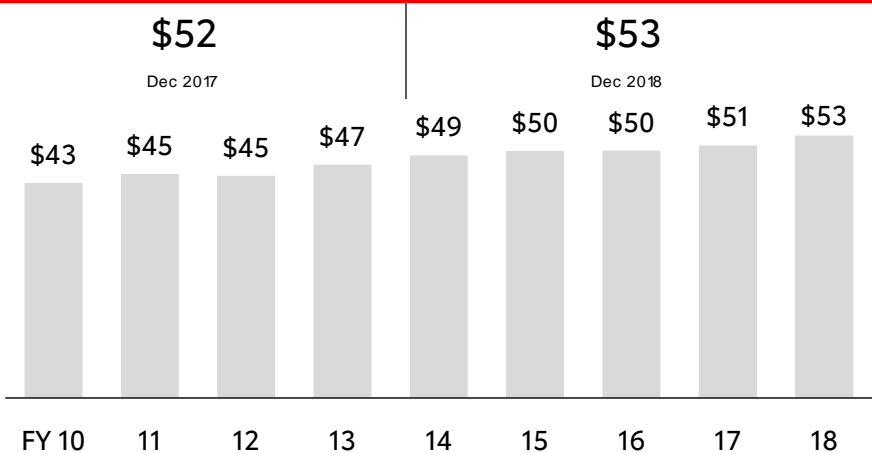
# Cumulative Net Losses by Vintage



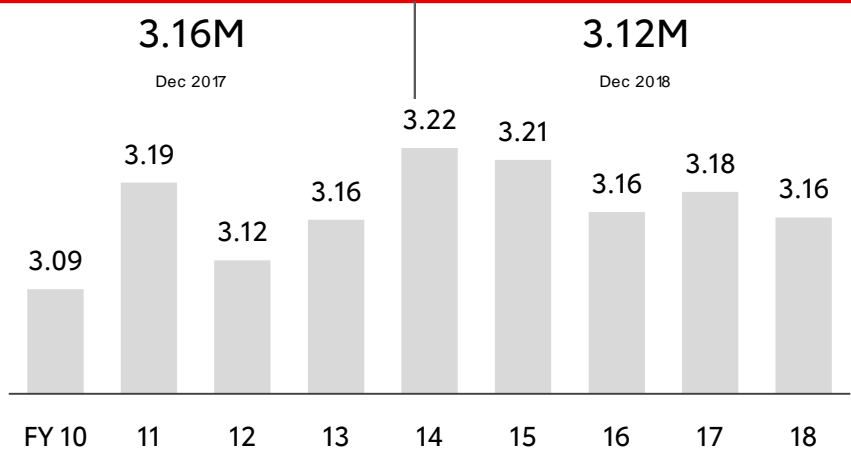
Source: Company Reports as of January 31, 2019

# Retail Managed Portfolio Performance

## Receivables Principal Balance

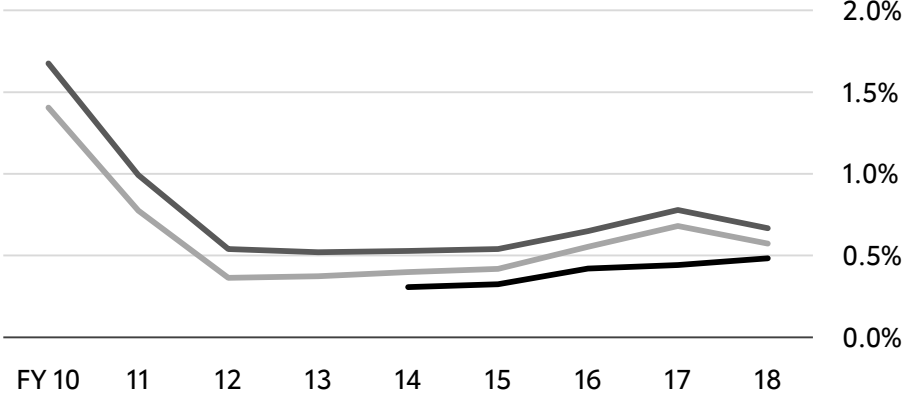


## Contracts Outstanding (#M)



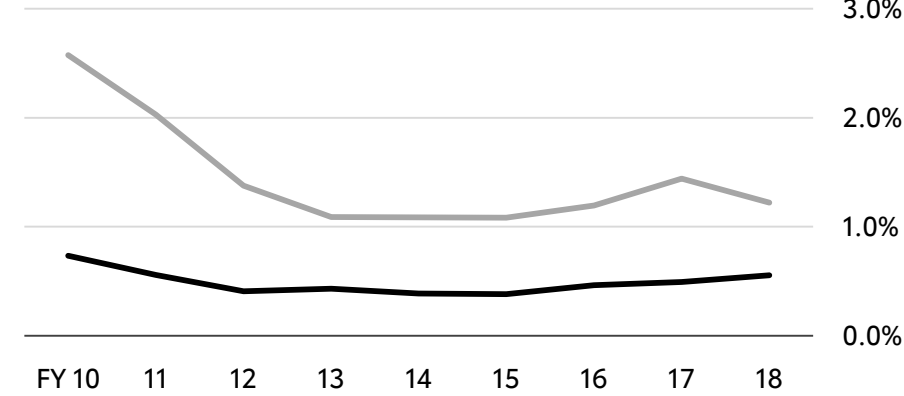
## Performance by Principal Balance Outstanding

| % 60+ Days Past Due |          | Gross Charge Offs |          | Net Losses |          |
|---------------------|----------|-------------------|----------|------------|----------|
| 0.68%               | 0.60%    | 0.65%             | 0.59%    | 0.56%      | 0.49%    |
| Dec 2017            | Dec 2018 | Dec 2017          | Dec 2018 | Dec 2017   | Dec 2018 |



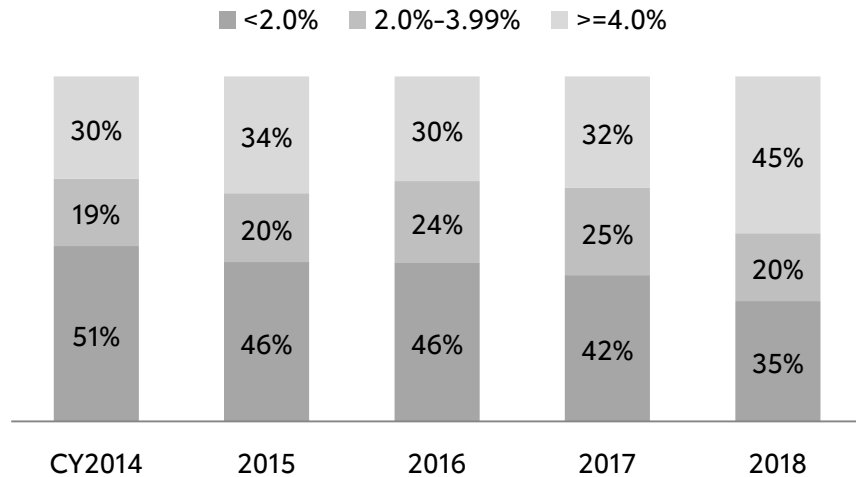
## Performance by Contracts Outstanding

| % 60+ Days Past Due |          | % Repossessed |          |
|---------------------|----------|---------------|----------|
| 0.75%               | 0.68%    | 1.16%         | 1.15%    |
| Dec 2017            | Dec 2018 | Dec 2017      | Dec 2018 |

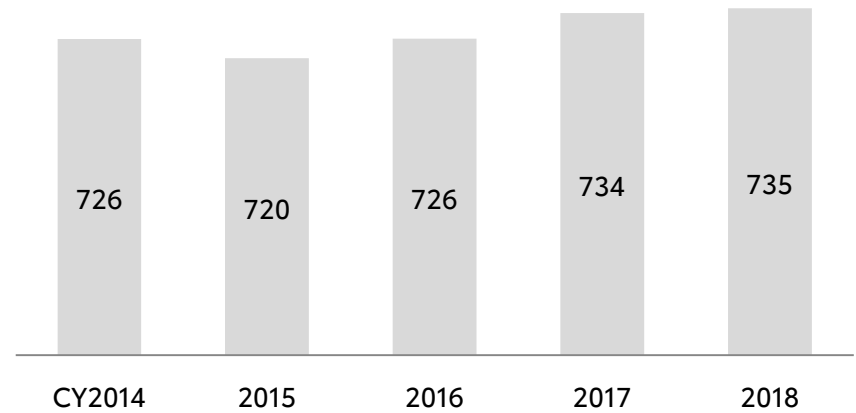


# Origination Characteristics

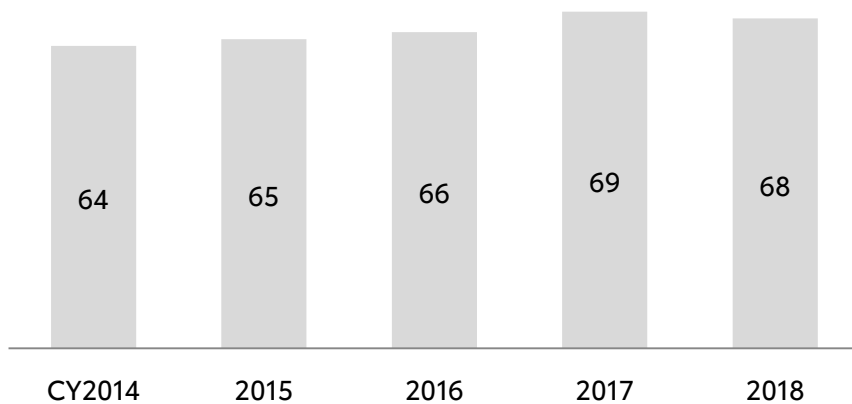
## APR Distribution\*



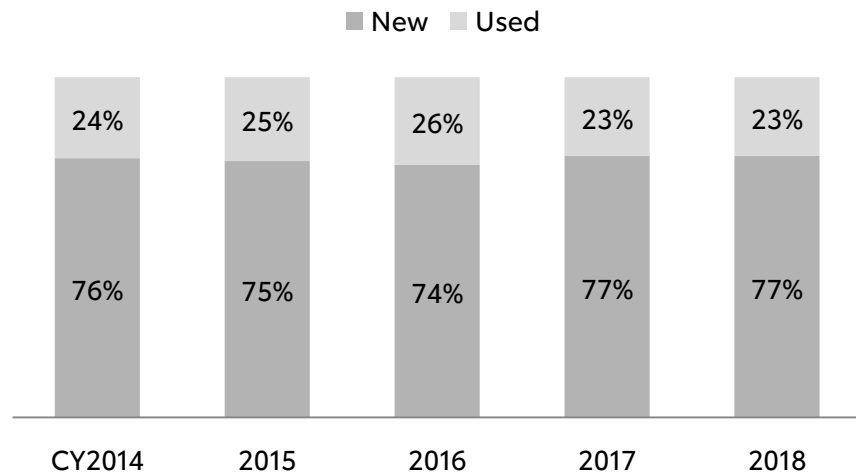
## Weighted Average FICO



## Weighted Average Original Term



## New vs. Used

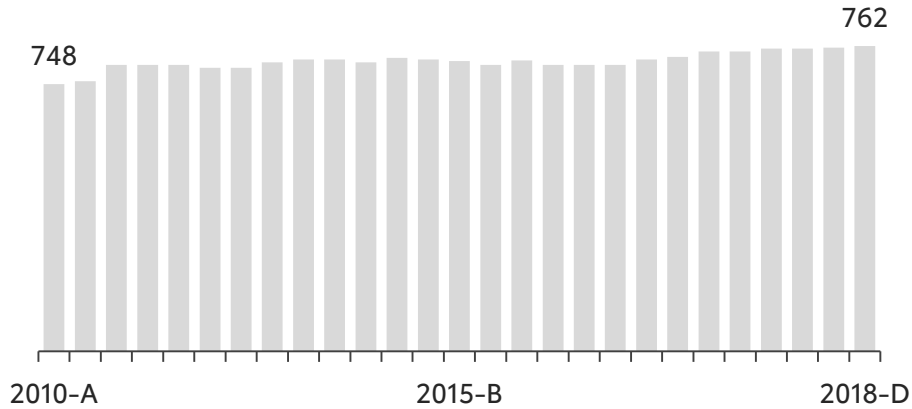


\*Percentages may not sum to 100% due to rounding.

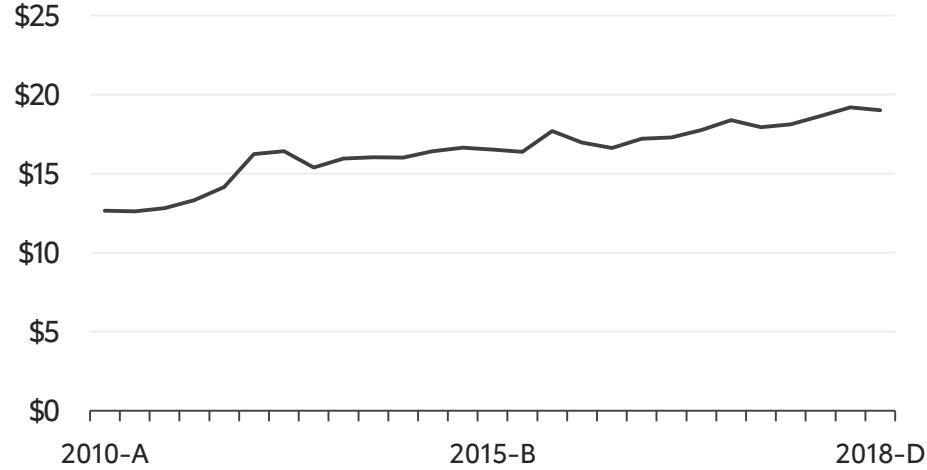
Source: Company Reports as of January 31, 2019

# ABS Deal Characteristics

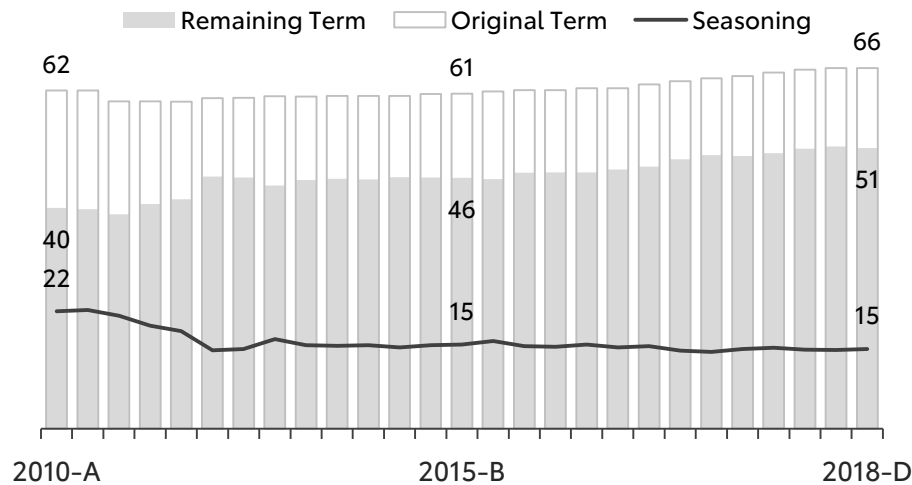
## Average FICO



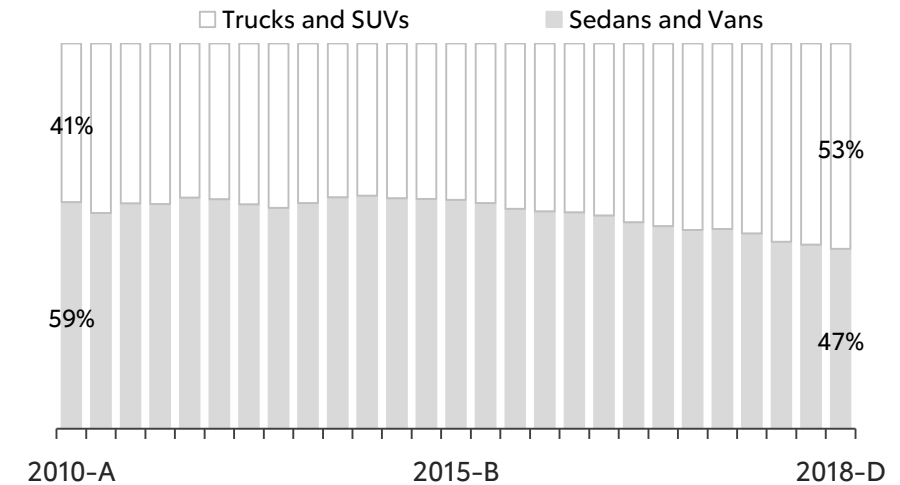
## Average Principal Balance



## Original and Remaining Term (months)



## Receivables by Vehicle Type (%)\*



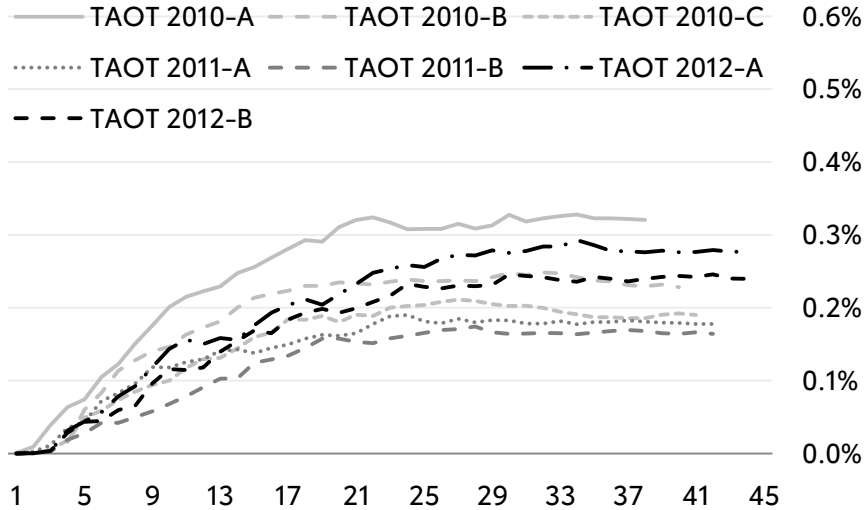
\$ in thousands

\*Percentages may not sum to 100% due to rounding.

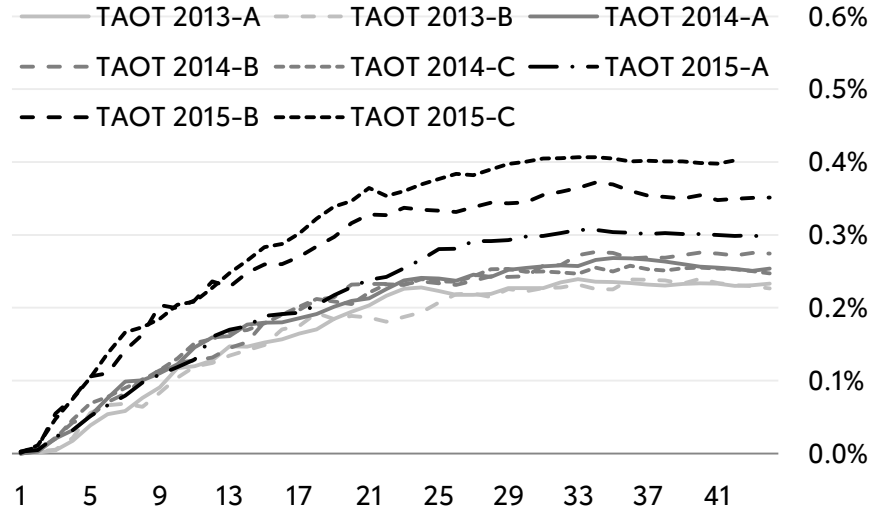
Source: Company Reports as of January 31, 2019

# TAOT Cumulative Net Losses

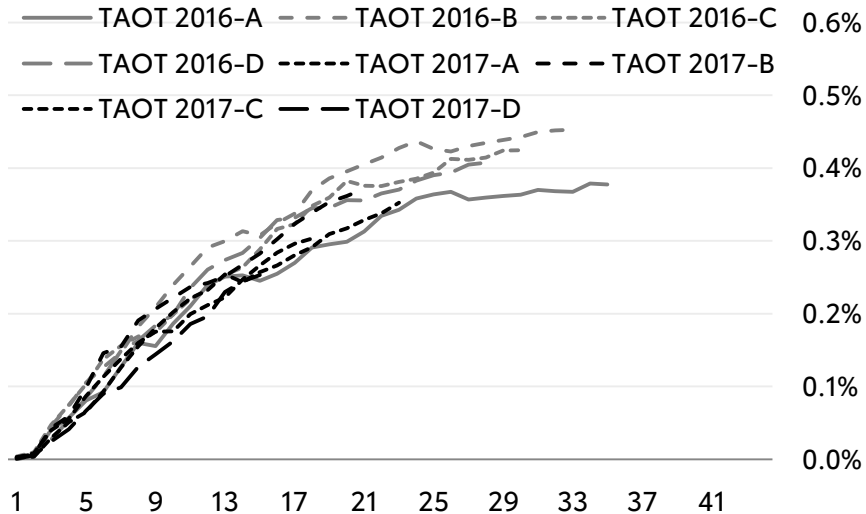
## 2010, 2011, 2012 Series



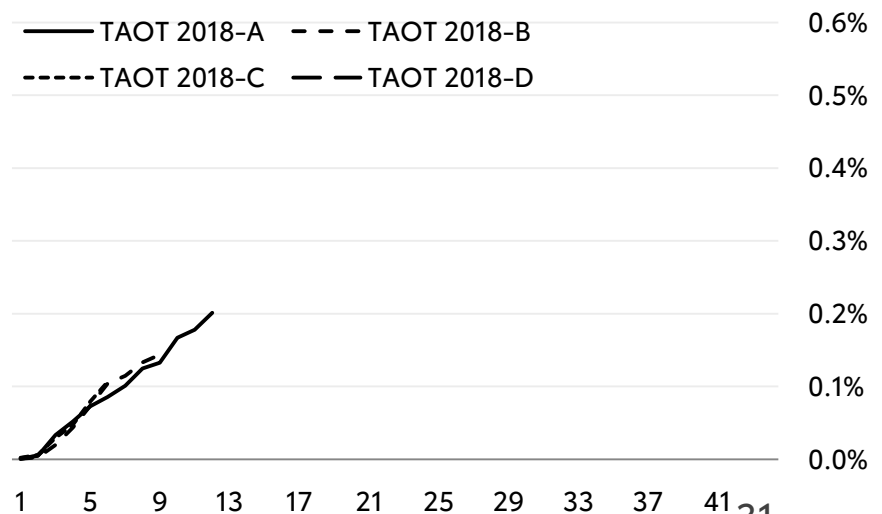
## 2013, 2014, 2015 Series



## 2016 and 2017 Series



## 2018 Series



Source: Company Reports as of February 15, 2019 payment date

# Appendix

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# TMC Consolidated Financials Summary

## Consolidated Income Statement

| (JPY billions)   | Fiscal Year Ended March 31, |          | Nine Months Ended |
|------------------|-----------------------------|----------|-------------------|
|                  | 2017                        | 2018     | December 31, 2018 |
| Net Revenues     | 27,597.1                    | 29,379.5 | 22,475.5          |
| Operating Income | 1,994.3                     | 2,399.8  | 1,937.9           |
| Net Income       | 1,831.1                     | 2,493.9  | 1,423.3           |

## Consolidated Balance Sheet

| (JPY billions)                                      | Fiscal Year Ended March 31, |                 | Fiscal Quarter Ended |
|---|-----------------------------|-----------------|----------------------|
|   | 2017                        | 2018            | December 31, 2018    |
| Current assets                                      | 17,833.6                    | 18,152.6        | 17,791.1             |
| Noncurrent finance receivables, net                 | 9,012.2                     | 9,481.6         | 10,134.7             |
| Investment & other assets                           | 11,707.1                    | 12,406.3        | 12,603.5             |
| Property, plant & equipment, net                    | 10,197.1                    | 10,267.6        | 10,556.4             |
| <b>Total Assets</b>                                 | <b>48,750.1</b>             | <b>50,308.2</b> | <b>51,085.9</b>      |
| Liabilities   | 30,081.2                    | 30,386.1        | 30,810.5             |
| Shareholders' equity                                | 18,668.9                    | 19,922.0        | 20,275.4             |
| <b>Total Liabilities &amp; Shareholders' Equity</b> | <b>48,750.1</b>             | <b>50,308.2</b> | <b>51,085.9</b>      |

Numbers may not sum to total due to rounding.

Source: TMC FY2018 Financial Summary; FY2019 3Q Financial Summary

# TMCC Financial Performance Summary

## Consolidated Income Statement

| (USD millions)                               | Fiscal Year Ended March 31, |       |        |        | Nine Months Ended |
|--|-----------------------------|-------|--------|--------|-------------------|
|  | 2015                        | 2016  | 2017   | 2018   | December 31, 2018 |
| Total Financing Revenues                     | 8,310                       | 9,403 | 10,046 | 10,717 | 8,694             |
| add: Other Income                            | 832                         | 1,080 | 1,200  | 1,139  | 840               |
| less: Interest Expense<br>and Depreciation   | 5,593                       | 7,051 | 8,607  | 8,892  | 7,228             |
| Net Financing Revenues<br>and Other Revenues | 3,549                       | 3,432 | 2,639  | 2,964  | 2,306             |
| Net Income                                   | 1,197                       | 932   | 267    | 3,410  | 500               |

## Credit Performance

|  | Fiscal Year Ended March 31, |       |       |       | Nine Months Ended |
|--|-----------------------------|-------|-------|-------|-------------------|
|  | 2015                        | 2016  | 2017  | 2018  | December 31, 2018 |
| Over 60 Days Delinquent <sup>(1)</sup>         | 0.21%                       | 0.26% | 0.27% | 0.30% | 0.38%             |
| Allowance for Credit Losses <sup>(1) (2)</sup> | 0.50%                       | 0.52% | 0.58% | 0.55% | 0.55%             |
| Net Credit Losses <sup>(1)</sup>               | 0.29%                       | 0.38% | 0.47% | 0.39% | 0.33%             |

(1) Percentage of gross earning assets

(2) The quotient of allowance for credit losses divided by the sum of gross finance receivables (finance receivables before allowance for credit losses) plus gross investments in operating leases (investments in operating leases before allowance for credit losses)

Source: TMCC March 31, 2016 10-K, March 31, 2018 10-K & December 31, 2018 10-Q

# Credit Support Agreements

## TFSC Credit Support Agreement

Securities<sup>(1)</sup> issued by TMCC (and various other TFSC subsidiaries) have the benefit of a credit support agreement with TFSC

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- TFSC will own 100% of TMCC
- TFSC will cause TMCC to maintain a tangible net worth of at least \$100,000 as long as covered securities are outstanding
- If TMCC determines it will be unable to meet its payment obligations on any securities, TFSC will make sufficient funds available to TMCC to ensure that all such payment obligations are paid as due
- Agreement cannot be terminated until (1) repayment of all outstanding securities or (2) each rating agency requested by Toyota to provide a rating has confirmed no change in rating of all such securities

## TMC Credit Support Agreement

TFSC in turn has the benefit of a credit support agreement with TMC

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- Same key features as TFSC/TMCC credit support agreement
- TMC will cause TFSC to maintain a tangible net worth of at least JPY10mm as long as covered securities are outstanding

**TFSC's and/or TMC's credit support obligations will rank *pari passu* with all other senior unsecured debt obligations**

<sup>(1)</sup> "Securities" defined as outstanding bonds, debentures, notes and other investment securities and commercial paper, but does not include asset-backed securities issued by TMCC's securitization trusts.

# Origination Profile

## TMCC Retail Auto Loan Originations\*

| Original Summary Characteristics<br>by Vintage Origination Year: | CY2014           | 2015             | 2016             | 2017             | 2018             |
|--|------------------|------------------|------------------|------------------|------------------|
| Number of Pool Assets  | 951,133          | 925,631          | 883,424          | 882,329          | 847,020          |
| Original Pool Balance  | \$24,516,581,298 | \$24,222,949,274 | \$23,944,624,507 | \$24,699,290,739 | \$24,306,812,650 |
| Average Initial Loan Balance                                     | \$25,776         | \$26,169         | \$27,104         | \$27,993         | \$28,697         |
| Weighted Average Interest Rate                                   | 3.07%            | 3.35%            | 3.24%            | 3.22%            | 4.09%            |
| Weighted Average Original Term                                   | 64 Months        | 65 Months        | 66 Months        | 69 Months        | 68 Months        |
| Weighted Average FICO  | 726              | 720              | 726              | 734              | 735              |
| Minimum FICO   | 381              | 383              | 383              | 383              | 395              |
| Maximum FICO   | 887              | 886              | 900              | 900              | 900              |

Geographic Distribution of Receivables  
representing the 5 states with the greatest  
aggregate original principal balance:

|         |            |            |            |            |            |
|---------|------------|------------|------------|------------|------------|
| State 1 | CA - 21.0% | CA - 21.3% | CA - 21.4% | CA - 23.3% | CA - 23.5% |
| State 2 | TX - 14.0% | TX - 15.7% | TX - 15.5% | TX - 14.4% | TX - 15.0% |
| State 3 | NY - 4.7%  | NY - 4.9%  | NY - 4.8%  | NY - 4.2%  | IL - 4.0%  |
| State 4 | NJ - 4.0%  | NJ - 3.8%  | NJ - 4.0%  | PA - 3.8%  | PA - 3.7%  |
| State 5 | IL - 4.2%  | IL - 3.8%  | IL - 3.8%  | NJ - 3.7%  | NY - 3.7%  |

Distribution of Receivables by Contract Rate: <sup>(1)</sup>

|                   |                |                |                |                |                |
|-------------------|----------------|----------------|----------------|----------------|----------------|
| Less than 2.0%    | 50.8%          | 46.2%          | 46.0%          | 42.4%          | 34.9%          |
| 2.0% - 3.99%      | 19.4%          | 19.9%          | 23.7%          | 25.3%          | 19.7%          |
| 4.0% - 5.99%      | 13.5%          | 14.0%          | 13.6%          | 17.0%          | 21.1%          |
| 6.0% - 7.99%      | 7.7%           | 8.7%           | 7.6%           | 6.7%           | 12.6%          |
| 8.0% - 9.99%      | 3.6%           | 4.9%           | 4.2%           | 3.7%           | 5.1%           |
| 10.0% - 11.99%    | 1.7%           | 2.7%           | 2.3%           | 2.2%           | 2.6%           |
| 12.0% - 13.99%    | 0.7%           | 1.4%           | 1.2%           | 1.2%           | 1.5%           |
| 14.0% - 15.99%    | 0.6%           | 0.9%           | 0.7%           | 0.7%           | 0.9%           |
| 16.0% and greater | 1.9%           | 1.2%           | 0.7%           | 0.8%           | 1.6%           |
| <b>Total</b>      | <b>100.00%</b> | <b>100.00%</b> | <b>100.00%</b> | <b>100.00%</b> | <b>100.00%</b> |

Share of Original Assets:

|                                    |       |       |       |       |       |
|------------------------------------|-------|-------|-------|-------|-------|
| Percentage of Non-Toyota/Non-Lexus | 3.8%  | 4.0%  | 3.3%  | 3.0%  | 3.3%  |
| Percentage of 72+ Month Term       | 11.1% | 13.2% | 13.4% | 15.2% | 15.4% |
| Percentage of Used Vehicles        | 23.7% | 24.6% | 25.7% | 23.0% | 23.0% |

(1) Percentages may not add to 100.0% due to rounding.

\*Data as of December 31, 2018

Source: Company Reports

# Managed Portfolio Performance

## TMCC Retail Loan Delinquency Experience <sup>(1)</sup>

|   | At December 31, |           | At March 31, |           |           |           |           |
|---|-----------------|-----------|--------------|-----------|-----------|-----------|-----------|
|   | 2018            | 2017      | 2018         | 2017      | 2016      | 2015      | 2014      |
| Outstanding Contracts (2)                                     | 3,115,010       | 3,163,857 | 3,158,375    | 3,181,143 | 3,163,189 | 3,209,872 | 3,220,641 |
| Number of Accounts Past Due<br>in the following categories    |                 |           |              |           |           |           |           |
| 30 - 59 days  | 45,442          | 53,245    | 37,044       | 36,396    | 35,795    | 31,130    | 32,920    |
| 60 - 89 days  | 11,941          | 14,094    | 9,464        | 8,018     | 7,822     | 6,569     | 6,660     |
| Over 89 days  | 9,205           | 9,689     | 8,063        | 7,633     | 6,776     | 5,616     | 5,799     |
| Delinquencies as a Percentage<br>of Contracts Outstanding (3) |                 |           |              |           |           |           |           |
| 30 - 59 days  | 1.46%           | 1.68%     | 1.17%        | 1.14%     | 1.13%     | 0.97%     | 1.02%     |
| 60 - 89 days  | 0.38%           | 0.45%     | 0.30%        | 0.25%     | 0.25%     | 0.20%     | 0.21%     |
| Over 89 days  | 0.30%           | 0.31%     | 0.26%        | 0.24%     | 0.21%     | 0.17%     | 0.18%     |

(1) The historical delinquency data reported in this table includes all retail vehicle installment sales contracts purchased by TMCC, excluding those purchased by a subsidiary of TMCC operating in Puerto Rico. Includes contracts that have been sold but are still being serviced by TMCC.

(2) Number of contracts outstanding at end of period.

(3) The period of delinquency is based on the number of days payments are contractually past due. A payment is deemed to be past due if less than 90% of such payment is made.

# Performance – Retail Loan

## TMCC Managed Portfolio Net Loss and Repossession Experience (dollars in thousands) <sup>(1)</sup>

|  | For the Month Ended  |                      | For the Fiscal Years Ended |               |               |               |               |
|--|----------------------|----------------------|----------------------------|---------------|---------------|---------------|---------------|
|  | December 31,         |                      | March 31,                  |               |               |               |               |
|  | 2018                 | 2017                 | 2018                       | 2017          | 2016          | 2015          | 2014          |
| Principal Balance Outstanding (2)  | \$ 53,328,709        | \$ 52,262,196        | \$ 52,760,041              | \$ 50,759,341 | \$ 49,716,914 | \$ 49,645,354 | \$ 48,761,164 |
| Average Principal Balance Outstanding (3)  | \$ 53,044,375        | \$ 51,510,768        | \$ 51,759,691              | \$ 50,238,127 | \$ 49,681,134 | \$ 49,203,259 | \$ 47,846,942 |
| Number of Contracts Outstanding  | 3,115,010            | 3,163,857            | 3,158,375                  | 3,181,143     | 3,163,189     | 3,209,872     | 3,220,641     |
| Average Number of  |                      |                      |                            |               |               |               |               |
| Contracts Outstanding (3)  | 3,136,693            | 3,172,500            | 3,169,759                  | 3,172,166     | 3,186,531     | 3,215,257     | 3,188,444     |
| Number of Repossessions (4)  | 26,904               | 27,511               | 38,580                     | 45,883        | 37,741        | 34,780        | 34,923        |
| Number of Repossessions as a Percent of<br>the Number of Contracts Outstanding         | 1.15% <sup>(7)</sup> | 1.16% <sup>(7)</sup> | 1.22%                      | 1.44%         | 1.19%         | 1.08%         | 1.08%         |
| Number of Repossessions as a Percent of<br>the Average Number of Contracts Outstanding | 1.14% <sup>(7)</sup> | 1.16% <sup>(7)</sup> | 1.22%                      | 1.45%         | 1.18%         | 1.08%         | 1.10%         |
| Gross Charge-Offs (5)  | \$ 234,334           | \$ 253,715           | \$ 351,634                 | \$ 395,109    | \$ 322,814    | \$ 267,835    | \$ 257,586    |
| Recoveries (6)   | \$ 37,776            | \$ 34,513            | \$ 49,567                  | \$ 49,474     | \$ 47,966     | \$ 59,931     | \$ 62,714     |
| Net Losses   | \$ 196,558           | \$ 219,202           | \$ 302,067                 | \$ 345,635    | \$ 274,848    | \$ 207,904    | \$ 194,872    |
| Net Losses as a Percentage of Principal<br>Balance Outstanding                         | 0.49% <sup>(7)</sup> | 0.56% <sup>(7)</sup> | 0.57%                      | 0.68%         | 0.55%         | 0.42%         | 0.40%         |
| Net Losses as a Percentage of Average<br>Principal Balance Outstanding                 | 0.49% <sup>(7)</sup> | 0.57% <sup>(7)</sup> | 0.58%                      | 0.69%         | 0.55%         | 0.42%         | 0.41%         |

(1) The net loss and repossession data reported in this table includes all retail installment sales contracts purchased by TMCC, excluding those purchased by a subsidiary of TMCC operating in Puerto Rico. Includes contracts that have been sold but are still being serviced by TMCC.

(2) Principal Balance Outstanding includes payoff amount for simple interest contracts and net principal amount for actuarial contracts. Actuarial contracts do not comprise any of the Receivables.

(3) Average of the principal balance or number of contracts outstanding as of the beginning and end of the indicated periods.

(4) Includes bankruptcy-related repossessions but excludes bankruptcies.

(5) Amount charged-off is the net remaining principal balance, including earned but not yet received finance charges, repossession expenses and unpaid extension fees, less any proceeds from the liquidation of the related vehicle. Also includes dealer reserve charge-offs.

(6) Includes all recoveries from post-disposition monies received on previously charged-off contracts including any proceeds from the liquidation of the related vehicle after the related charge-off. Also includes recoveries for dealer reserve charge-offs and chargebacks.

(7) Annualized = [Result] Divide By [Number of Periods] Multiply By [12]

# ABS Deal Comparison

## Toyota Auto Owner Trust (TAOT)\*

| Original Summary Characteristics by Prior Securitization:  | TAOT 2017-C        | TAOT 2017-D        | TAOT 2018-A        | TAOT 2018-B        | TAOT 2018-C        | TAOT 2018-D        |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Number of Pool Assets  | 102,754            | 106,107            | 105,677            | 94,829             | 109,467            | 73,125             |
| Original Pool Balance  | \$1,889,438,548.44 | \$1,903,254,413.53 | \$1,914,792,886.79 | \$1,767,851,358.52 | \$2,101,423,565.52 | \$1,390,010,109.85 |
| Average Principal Balance  | \$18,387.98        | \$17,937.12        | \$18,119.30        | \$18,642.52        | \$19,196.87        | \$19,008.69        |
| Weighted Average Interest Rate   | 2.09%              | 2.12%              | 2.15%              | 2.15%              | 2.14%              | 2.13%              |
| Weighted Average Original Term   | 64                 | 65                 | 65                 | 66                 | 66                 | 66                 |
| Weighted Average Remaining Term  | 50                 | 50                 | 50                 | 51                 | 52                 | 51                 |
| Weighted Average FICO  | 760                | 760                | 761                | 761                | 761                | 762                |
| Minimum FICO   | 620                | 620                | 620                | 620                | 620                | 620                |
| Maximum FICO   | 900                | 900                | 900                | 900                | 900                | 900                |
| Geographic Distribution of Receivables representing the 5 states with the greatest aggregate original principal balance: |                    |                    |                    |                    |                    |                    |
| State 1  | CA - 23.9%         | CA - 25.8%         | CA - 24.4%         | CA - 24.5%         | CA - 24.7%         | CA - 23.5%         |
| State 2  | TX - 15.9%         | TX - 10.9%         | TX - 15.1%         | TX - 14.7%         | TX - 15.7%         | TX - 15.4%         |
| State 3  | IL - 4.6%          | IL - 4.7%          | IL - 4.4%          | IL - 4.6%          | IL - 4.4%          | IL - 4.3%          |
| State 4  | NJ - 4.1%          | NJ - 4.4%          | PA - 4.2%          | PA - 4.3%          | PA - 4.2%          | PA - 4.1%          |
| State 5  | PA - 3.9%          | PA - 4.4%          | NJ - 4.0%          | NJ - 4.0%          | NJ - 3.8%          | VA - 3.8%          |
| Distribution of Receivables by Contract Rate: <sup>(1)</sup>   |                    |                    |                    |                    |                    |                    |
| Less than 2.0%   | 58.96%             | 58.12%             | 56.67%             | 57.27%             | 58.86%             | 60.89%             |
| 2.0% - 3.99%   | 25.80%             | 26.47%             | 27.25%             | 26.44%             | 24.84%             | 23.29%             |
| 4.0% - 5.99%   | 9.06%              | 9.36%              | 10.25%             | 10.46%             | 10.68%             | 10.31%             |
| 6.0% - 7.99%   | 3.36%              | 3.22%              | 3.17%              | 3.17%              | 3.09%              | 3.06%              |
| 8.0% - 9.99%   | 1.88%              | 1.81%              | 1.66%              | 1.67%              | 1.55%              | 1.43%              |
| 10.0% - 11.99%   | 0.73%              | 0.74%              | 0.76%              | 0.76%              | 0.74%              | 0.73%              |
| 12.0% - 13.99%   | 0.16%              | 0.22%              | 0.20%              | 0.21%              | 0.21%              | 0.23%              |
| 14.0% - 15.99%   | 0.03%              | 0.03%              | 0.02%              | 0.02%              | 0.03%              | 0.05%              |
| 16.0% and greater  | 0.02%              | 0.01%              | 0.00%              | 0.01%              | 0.00%              | 0.01%              |
| Total  | 100.00%            | 100.00%            | 100.00%            | 100.00%            | 100.00%            | 100.00%            |
| Distribution of Receivables by Vehicle Type: <sup>(1)</sup>  |                    |                    |                    |                    |                    |                    |
| Passenger Cars   | 44.49%             | 44.45%             | 43.83%             | 42.06%             | 41.45%             | 40.79%             |
| Minivans   | 7.13%              | 7.42%              | 6.81%              | 6.44%              | 6.34%              | 5.88%              |
| Light Duty Trucks  | 11.92%             | 11.64%             | 11.88%             | 12.64%             | 13.38%             | 14.82%             |
| SUVs   | 36.46%             | 36.49%             | 37.48%             | 38.86%             | 38.84%             | 38.50%             |
| Total  | 100.00%            | 100.00%            | 100.00%            | 100.00%            | 100.00%            | 100.00%            |
| Distribution of Receivables by Make: <sup>(1)</sup>  |                    |                    |                    |                    |                    |                    |
| Toyota and Scion   | 84.80%             | 86.02%             | 85.69%             | 87.20%             | 87.72%             | 88.92%             |
| Lexus  | 15.20%             | 13.98%             | 14.31%             | 12.80%             | 12.28%             | 11.08%             |
| Total  | 100.00%            | 100.00%            | 100.00%            | 100.00%            | 100.00%            | 100.00%            |
| Share of Original Assets:  |                    |                    |                    |                    |                    |                    |
| Percentage with Original Scheduled Payments > 60 months  | 42.48%             | 45.27%             | 50.29%             | 54.10%             | 56.39%             | 56.17%             |
| Percentage of Used Vehicles  | 21.47%             | 21.82%             | 21.39%             | 19.98%             | 19.14%             | 17.97%             |

\*Abbreviated for presentation purposes

(1) Percentages may not add to 100.00% due to rounding

Source: Company Reports

