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# **Presentation Materials for Investors**

**August 2020**

# 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 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 Euro Medium Term Note Programme base prospectus of Toyota Motor Finance (Netherlands) B.V., Toyota Credit Canada Inc., Toyota Finance Australia Limited and Toyota Motor Credit Corporation dated 13 September 2019 as supplemented from time to time (together, the “Prospectus”) 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/marketnewshome.html](http://www.londonstockexchange.com/exchange/news/market-news/marketnewshome.html). Investors should read the Prospectus before making an investment decision in order to fully understand the potential risks and rewards associated with the decision to invest in any securities of Toyota Motor Credit Corporation issued under the Euro Medium Term Note Programme. Approval of the Prospectus by the Central Bank of Ireland should not be understood as an endorsement of securities issued under the Euro Medium Term Note Programme.
- 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.

# Toyota's Global Businesses

## TOYOTA

Markets vehicles in over 200 countries/regions.

50 overseas manufacturing organizations in 27 countries/regions.

### **AUTOMOTIVE** Design, Manufacturing, Distribution



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

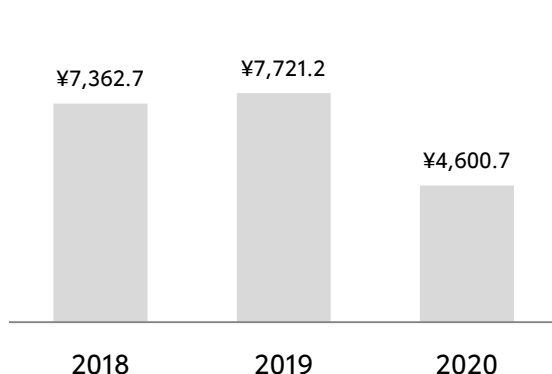
### **OTHER BUSINESSES**

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

# TMC Financial Highlights

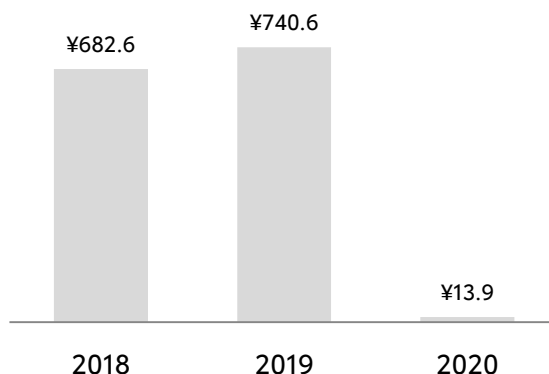
## Net Revenues

■ Three Months Ended, Jun 30



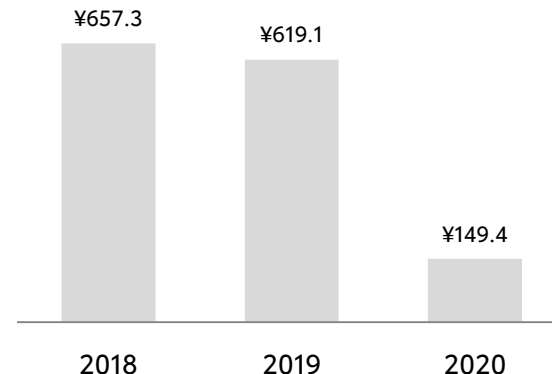
## Operating Income

■ Three Months Ended, Jun 30



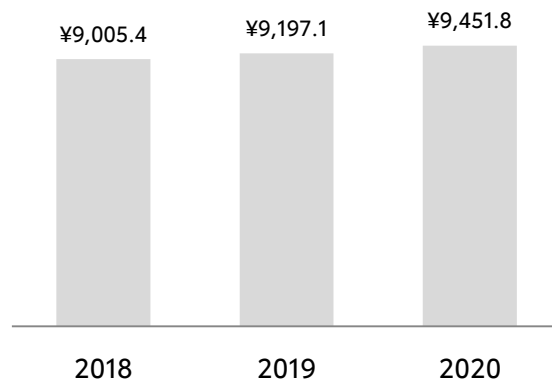
## Net Income

■ Three Months Ended, Jun 30

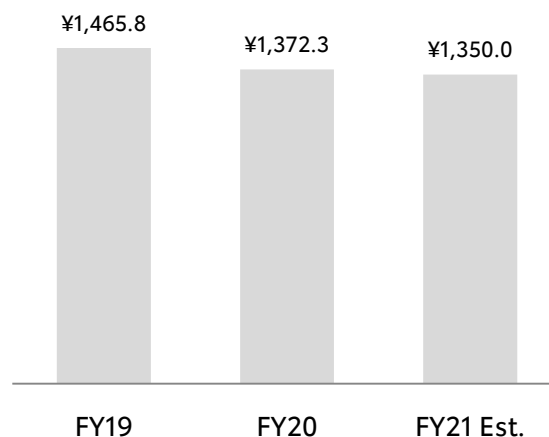


## Total Liquid Assets<sup>(1)</sup>

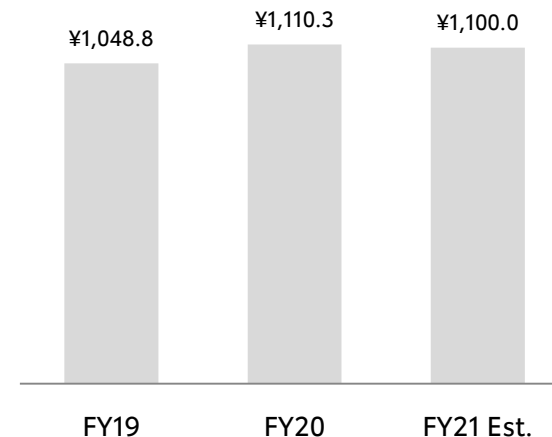
■ As of Jun 30



## Capital Expenditures



## R&D Expenditures



¥ in billions

TMC has adopted International Financial Reporting Standards (IFRS) beginning from the first quarter of the fiscal year ending March 2021

(1) 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 Q1 FY2019 Financial Summary; TMC FY2020 Financial Summary, TMC Q1 FY2021 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.



## Our History

- 1957 Toyota Motor Sales established
- 1972 Manufacturing operations begin in U.S.
- 1973 Cality 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.
- 2006 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 2019, 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 (CY2018). Goods and Services (CY 2018). <sup>4</sup> As of March 14, 2019. <sup>5</sup> Based on Toyota data. Includes direct and dealer employees. <sup>6</sup> Includes U.S. (not HI) and Puerto Rico. <sup>7</sup> Global estimate based on FY18 projections of Toyota Motor Corporation. <sup>8</sup> As of CY 2018. <sup>9</sup> Includes direct, dealer and supplier employees and jobs created through their spending. <sup>10</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.

## 2019 TOYOTA OPERATIONS BY STATE

### UNITED STATES

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)



**RAV4 Hybrid**  
since 2020



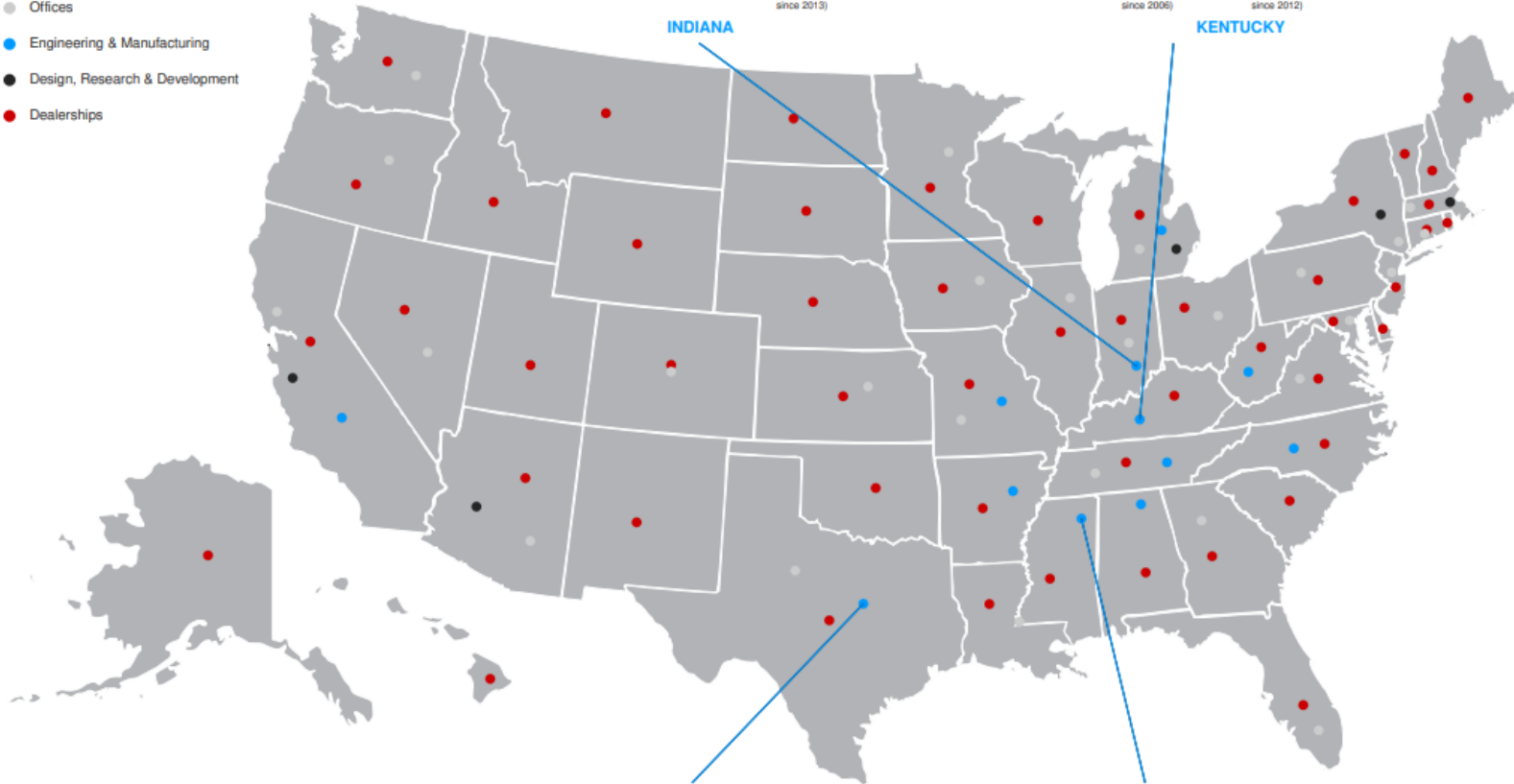
**Camry**  
since 1988  
(Camry Hybrid in KY since 2006)



**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.

**\$28.4B**

Direct investment in the U.S. as of  
December 2019

**+26.3%**

Year-over-year change in Toyota  
hybrid sales as of December 2019

**~50%**

New vehicles will be electrified in  
some form by 2025

**46M**

Corolla vehicles sold globally since  
introduction in 1966

**9**

Planned new and refreshed models  
in the Toyota and Lexus lineups in  
2020

**\$13B**

Planned investment in U.S.  
manufacturing, R&D, and  
operations between FY18 and FY22



# 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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## **2020 Fortune**

Toyota ranked one of the “World’s Most Admired Companies” and named the No. 1 Motor Vehicle company (6<sup>th</sup> year running)

## **2020 IIHS**

### **Top Safety Pick Awards**

5 qualifying Toyota models (1 pick+)  
4 qualifying Lexus models (2 pick+)

## **2019 Edmunds Buyers Most Wanted**

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

## **2020 J.D. Power and Associates Vehicle Dependability Survey**

Toyota Motor Corporation received the most segment awards in the survey

## **2020 Kelley Blue Book Brand Image Awards**

Lexus won most trusted luxury brand  
Toyota won best truck brand

## **2020 Kelley Blue Book Resale Value**

Toyota/Lexus vehicles received  
best resale value  
in 9 out of 24 vehicle categories

## **2020 U.S. News Best Cars for the Money**

Toyota RAV4 Hybrid,  
Toyota Corolla Hybrid, Toyota Camry

## **2020 MY NHTSA 5-Star Overall Rating**

18 Toyota and Lexus models

## **July 2020 IIHS Used Vehicle List Best Choices for Teens**

5 Toyota vehicles

## **2019 Consumer Reports**

Lexus & Toyota No. 1 and No. 3 brands  
in brand reliability

## **2019 Interbrand Best Global Brands**

Toyota named world’s most valuable  
automotive brand

## **2020 U.S. News Best Cars for Families**

RAV4, Highlander Hybrid, Camry, Avalon  
and Avalon Hybrid

# Toyota and Lexus Vehicle Highlights

**RAV4**  
(Hybrid/Prime)



**Sienna**  
(Hybrid)



**Tacoma**



**Camry**  
(Hybrid/AWD)



**IS**



**Venza**  
(Hybrid)



# Toyota CASE Technologies

## Connected



*Toyota Connected*

## Autonomous



*TRI-P4*

## Shared



*e-Palette*

## Electric



*Fuel Cell and Battery Electric*

# **Toyota Financial Services**

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# TFS Group Global Presence

## TOYOTA FINANCIAL SERVICES GLOBAL REGIONS



# Toyota Motor Credit Corporation (TMCC)

**Toyota Motor Corporation (TMC)**



**Toyota Financial Services Corporation (TFSC)**



**Toyota Motor Credit Corporation (TMCC)**

- Over 4.5 million active finance contracts<sup>(1)</sup>
- A+/A1/A+<sup>(2)</sup> rated captive finance company by S&P/Moody's/Fitch
- Credit support agreement structure with TFSC/TMC<sup>(3)</sup>

(1) As of June 2020. **Source:** *Company Reports*

(2) Outlook negative

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



# COVID-19 Response

TMCC's support for our employees, dealers, and customers<sup>(1)</sup>

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## Employees

- Employee health and safety remain our top priority
- Nearly all TMCC team members transitioned to remote work arrangements



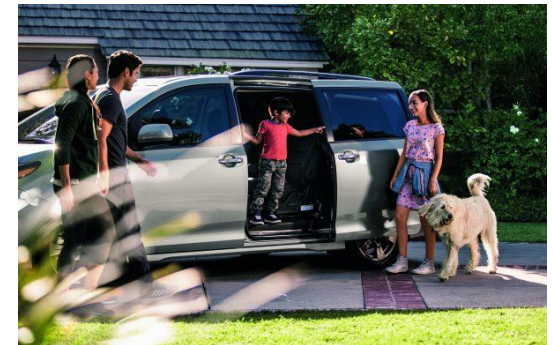
## Dealers

- Working closely with dealers to support sales
- Temporary dealer floorplan interest deferrals
- Principal payment deferrals for real estate and working capital loans



## Customers

- Finance contract extensions, lease deferred payments, and fee waivers for existing customers
- Special financing programs and initial payment deferrals for new customers



<sup>(1)</sup> Support offered at various times throughout TMCC's COVID-19 response. TMCC may terminate, or modify the scope, duration and terms of, its COVID-19 response at any time.

# TMCC Products and Services

## ■ Dealer Financing

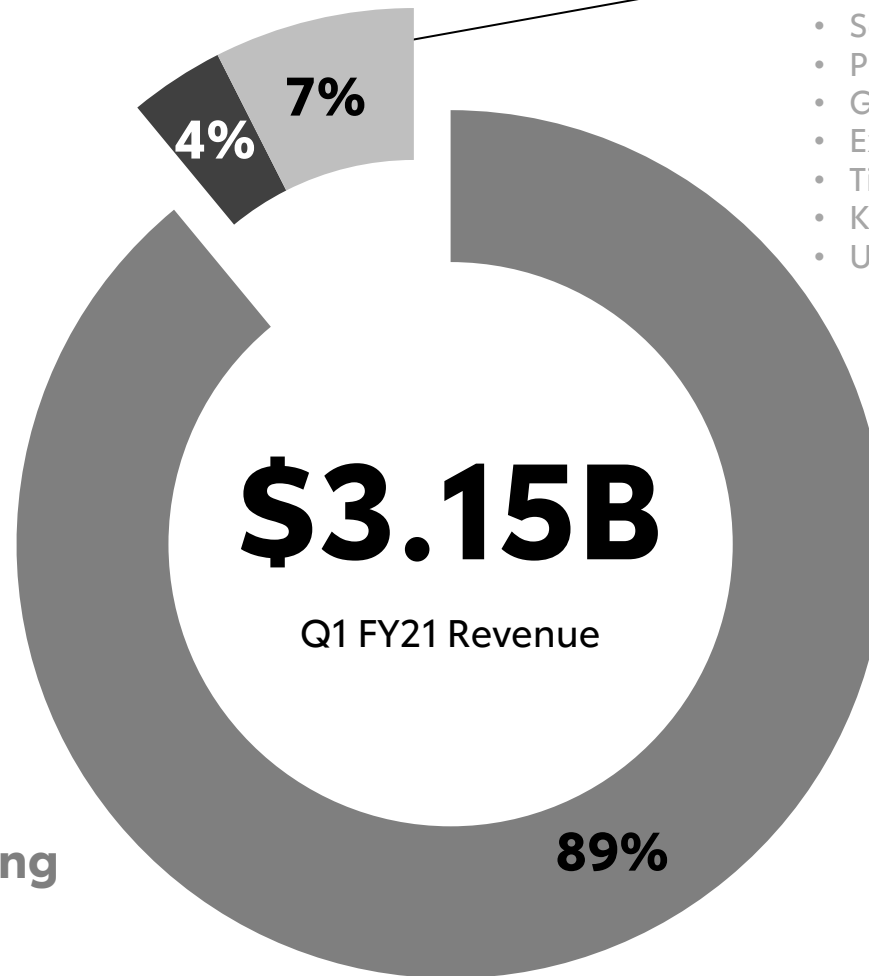
- Wholesale
- Real Estate
- Working Capital
- Revolving Credit Lines

## ■ Insurance Products

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

## ■ Consumer Financing

- Retail
- Lease



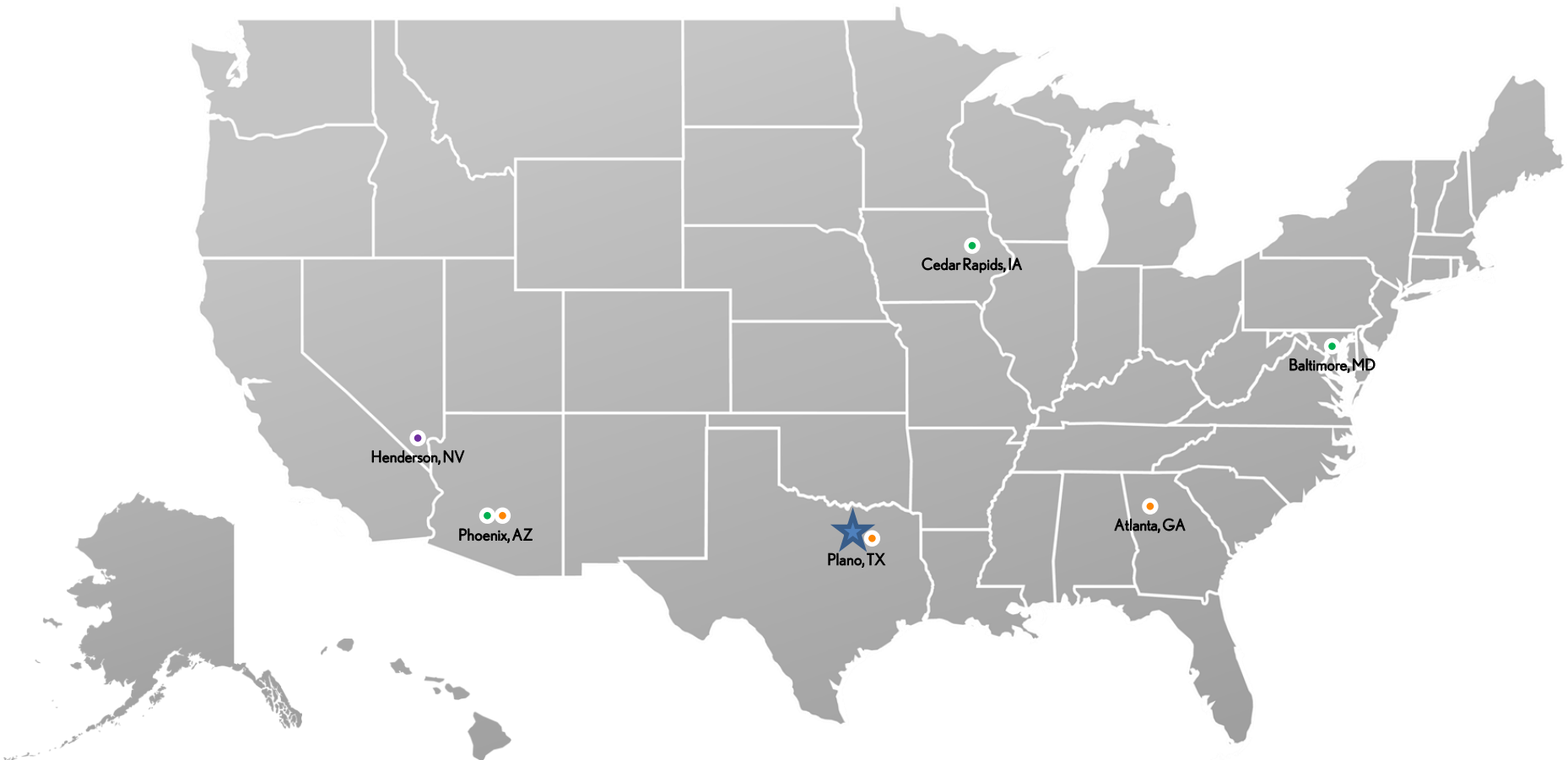
TMCC has adopted Accounting Standard Update "ASU" 2016-13 effective starting April 1, 2020

**Source:** TMCC June 30, 2020 10-Q. Reflects Operating Lease and Retail Financing revenues; Dealer Financing revenues; and Insurance earned premiums and contract revenues for the three months ended June 30, 2020



# Extensive Field Organization

- Centralized servicing and collections
- Currently centralizing dealer and field support <sup>(1)</sup>



TF SHQ



Customer Service Center (CSC)



Dealer Service Center (DSC)



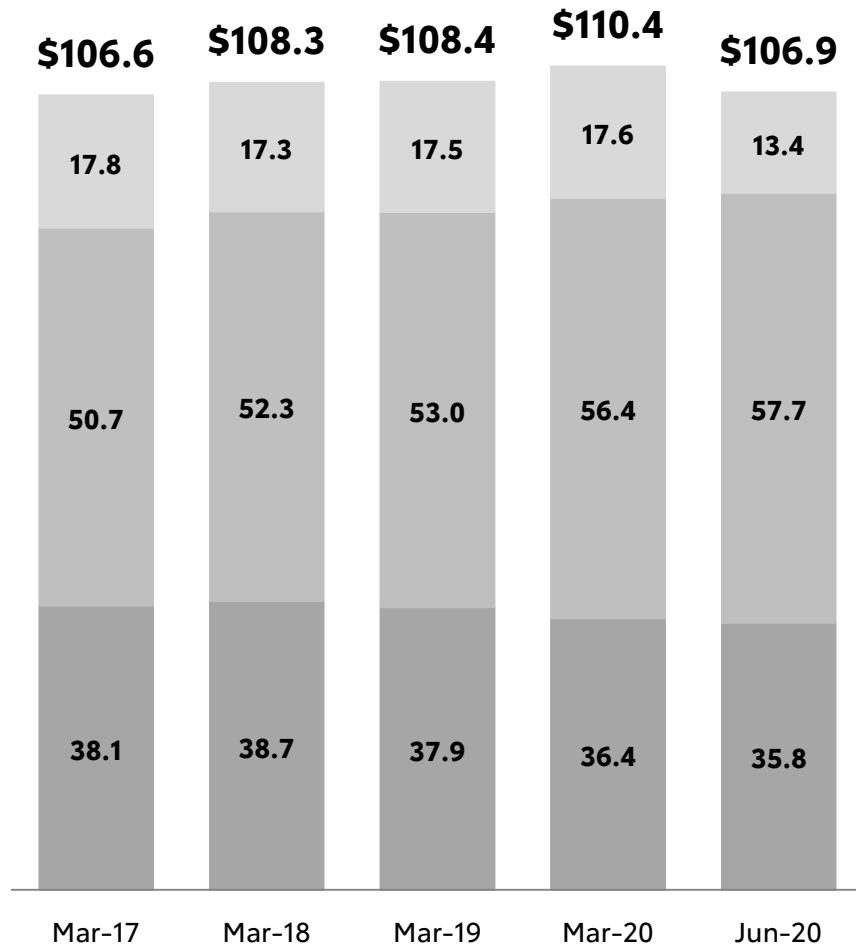
Toyota Financial Savings Bank

(1) We are currently in the process of consolidating our field operations locations into three new regional dealer service centers ("DSCs") located in Chandler, Arizona, Plano, Texas, and Alpharetta, Georgia, as shown above. The consolidation of field operations is expected to be complete by the end of fiscal year 2021. The dealer lending function is now centralized at the DSC located in Plano, Texas.

# TMCC Earning Asset Composition

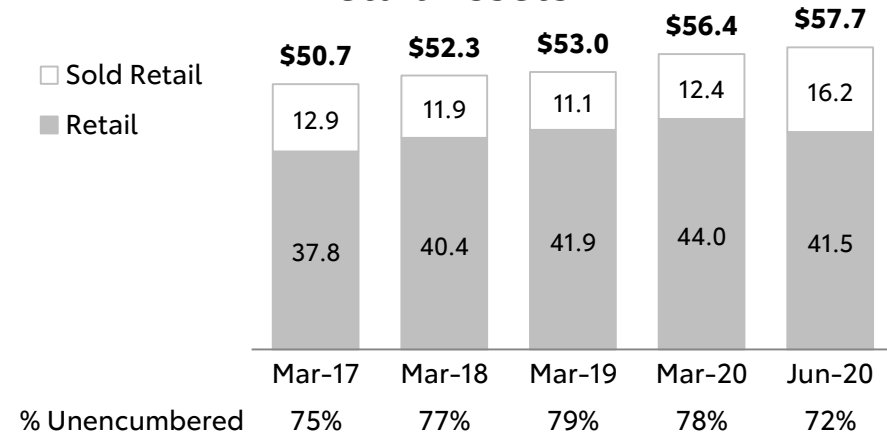
## Total Managed Assets

■ Lease ■ Retail ■ Wholesale



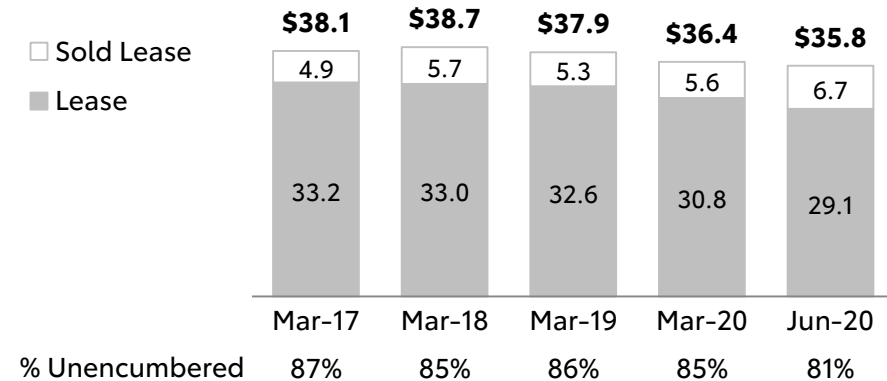
## Retail Assets

□ Sold Retail  
■ Retail



## Lease Assets

□ Sold Lease  
■ Lease



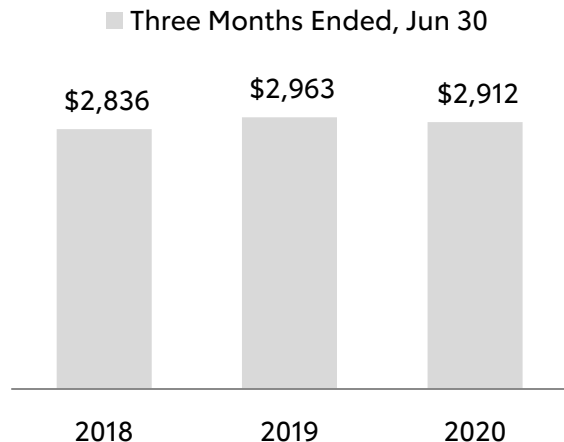
\$ in billions

TMCC has adopted Accounting Standard Update "ASU" 2016-13 effective starting April 1, 2020

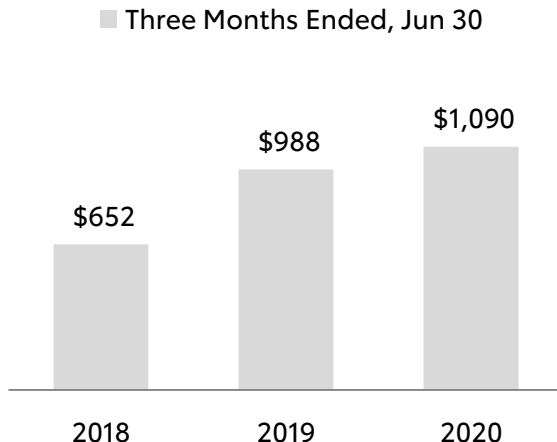
Source: TMCC March 31, 2017 10-K, March 31, 2019 10-K, March 31, 2020 10-K, & June 30, 2020 10-Q

# TMCC Financial Performance

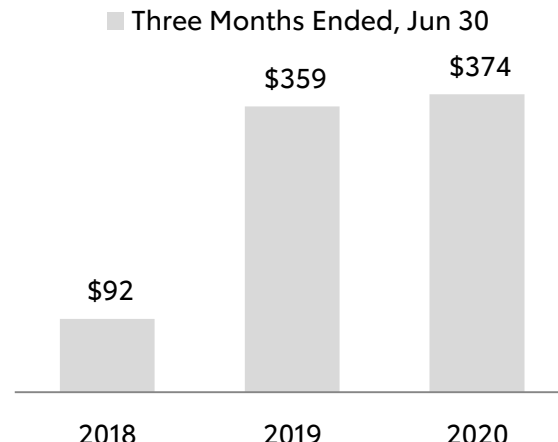
## Total Financing Revenues



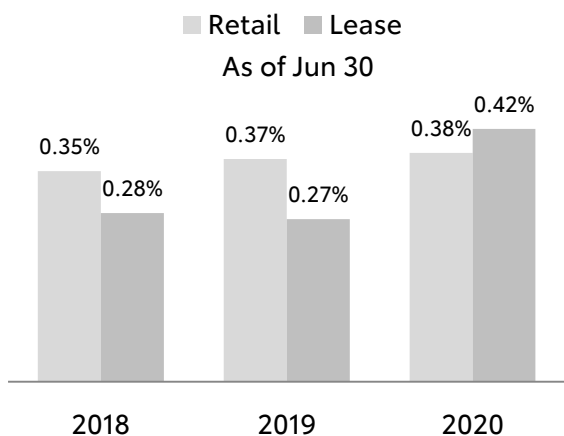
## Net Revenues



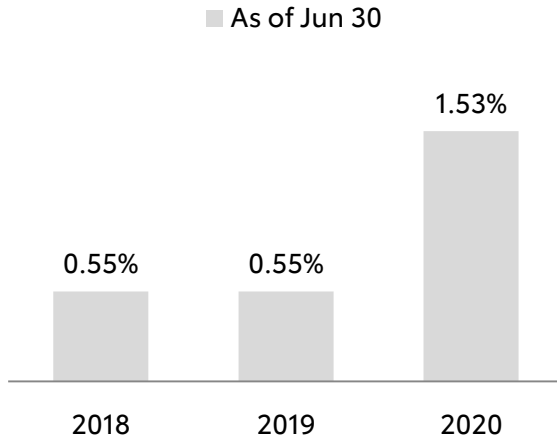
## Net Income



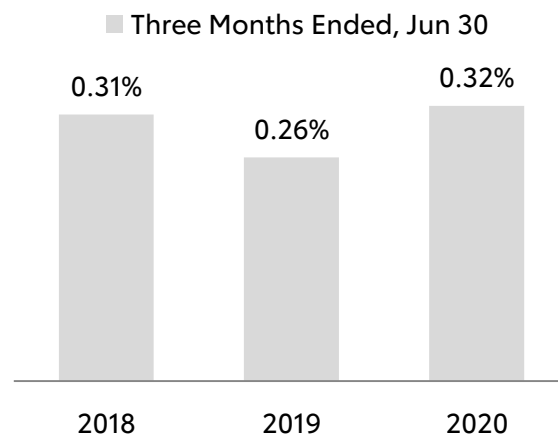
## 60+ Days Delinquent<sup>(1)</sup>



## Allowance for Credit Losses<sup>(1)(2)</sup>



## Net Credit Losses<sup>(1)(3)</sup>



\$ in millions

TMCC has adopted Accounting Standard Update "ASU" 2016-13 effective starting April 1, 2020

(1) 60+ Days Delinquent, Allowance for Credit Losses, and Net Credit Losses: percentage of gross earning assets

(2) 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). Starting April 1, 2020, quotient for credit losses divided by sum of gross finance receivables (finance receivables before allowance for credit losses)

(3) Net Credit Losses: results are annualized

Source: TMCC March 31, 2019 10-K; March 31, 2020 10-K, & June 30, 2020 10-Q

# **TMCC Funding Programs**

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# TMCC Funding Program Objectives

Highly Liquid and Well Diversified

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

Direct Issue  
Commercial Paper Program

**\$70B +**

Readily Salable  
Retail Loans and Leases

**\$19.6B**

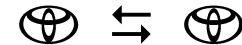
Undrawn Committed Bank  
Credit Facilities<sup>(1)</sup>

EUR  
NZD JPY  
**USD**  
GBP AUD

Global Issuance Capacity

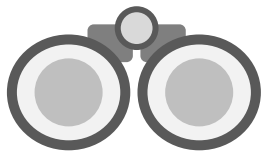
**\$18.6B**

Average Liquidity Portfolio  
Balance for Q1 FY21



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 CREDIT AGRICOLE  
ING UniCredit

**Green Bonds**

Source: TMCC June 30 2020 10-Q and Company Reports

(1) As of June 30, 2020

# Commercial Paper Program Highlights

**P – 1 | A – 1 + | F1**

Moody's

S&P

Fitch

Highest Short-Term Ratings

TCCI TFA

**TMCC**

TMFNL

TCPR

Five Distinct Programs

**\$15.0B | \$4.6B**

Syndicated

Other

Backed by \$19.6B of  
Committed Bank Credit<sup>(1)</sup>

**\$26.5B**

Average Outstanding Balance  
TMCC and TCPR during Q1 FY21

**700+**

Investors

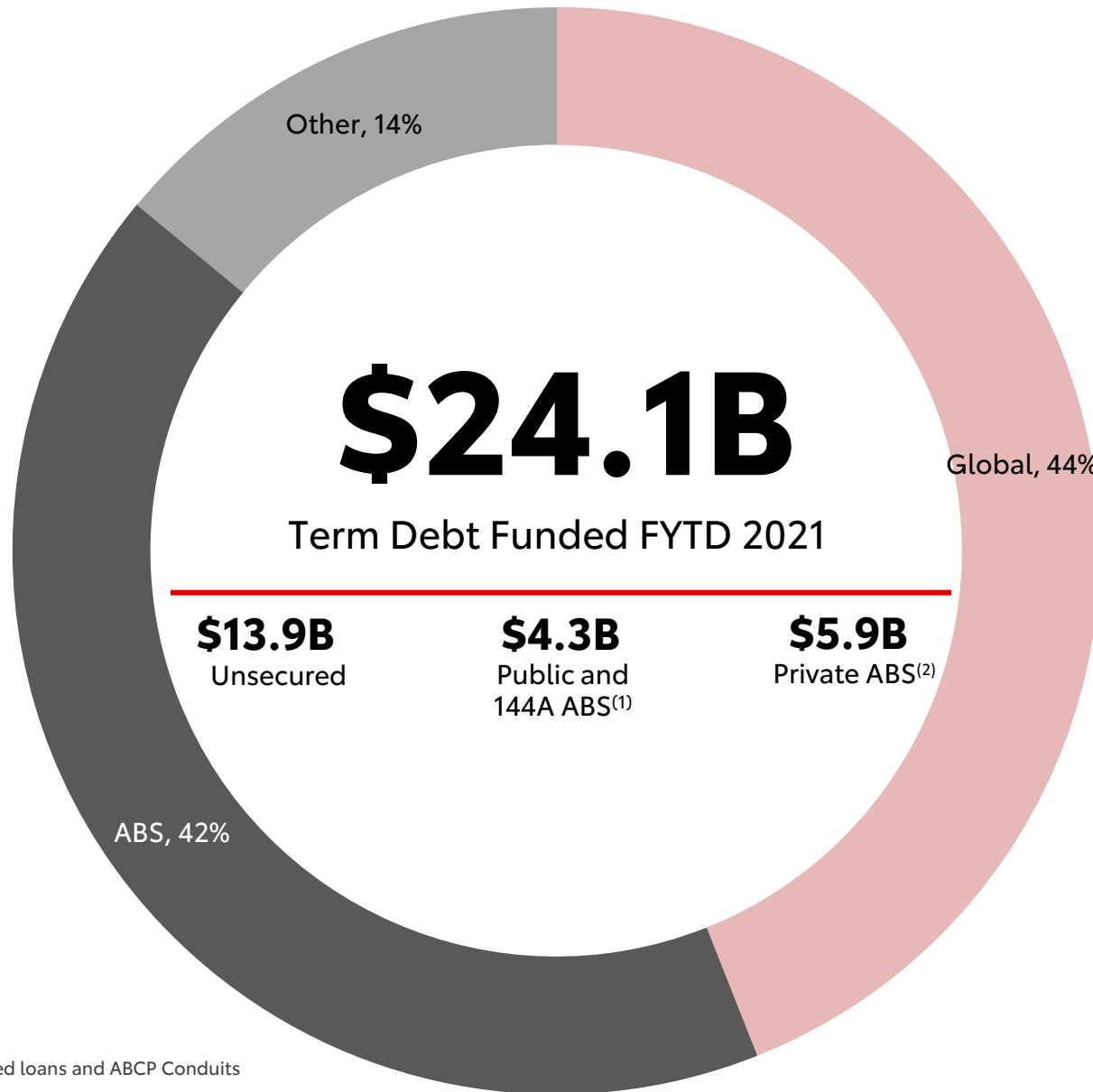
State and Local, Corporates,  
Pension Funds, Asset Managers,  
Financial Institutions

**DOCP**

<GO>

Rates Posted Daily on  
Bloomberg

# TMCC FYTD 2021 Funding Overview



As of August 21, 2020

(1) Net of retained

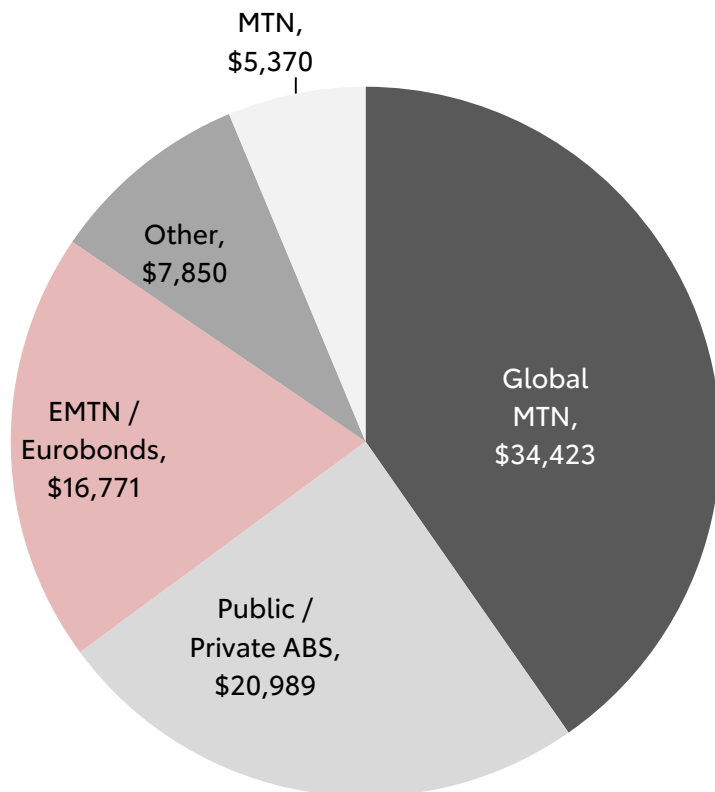
(2) Funding from asset-backed loans and ABCP Conduits

Figures may not add up to 100% due to rounding

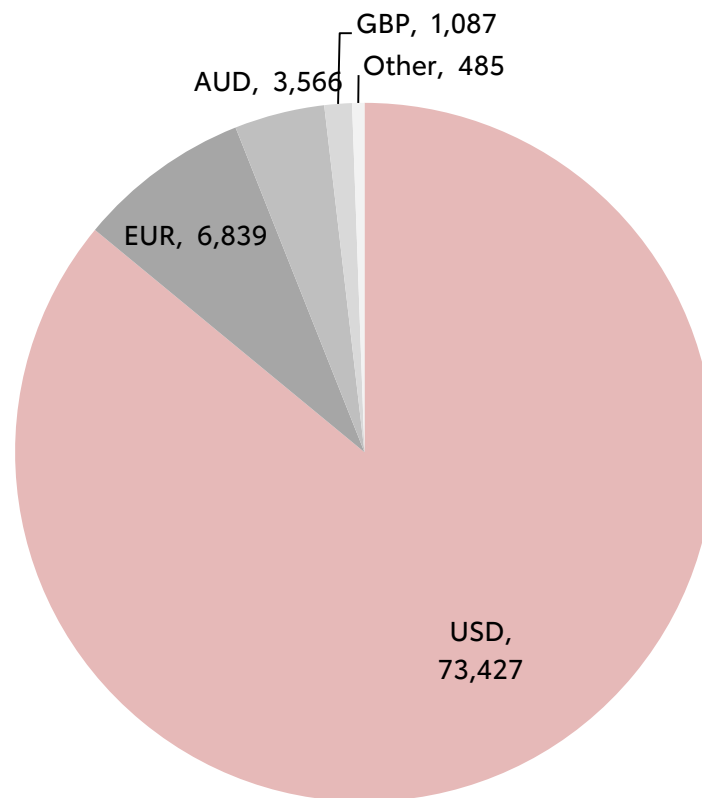
# Diversification in Debt Offerings

## TMCC Long Term Debt Outstanding

**By Deal Type**



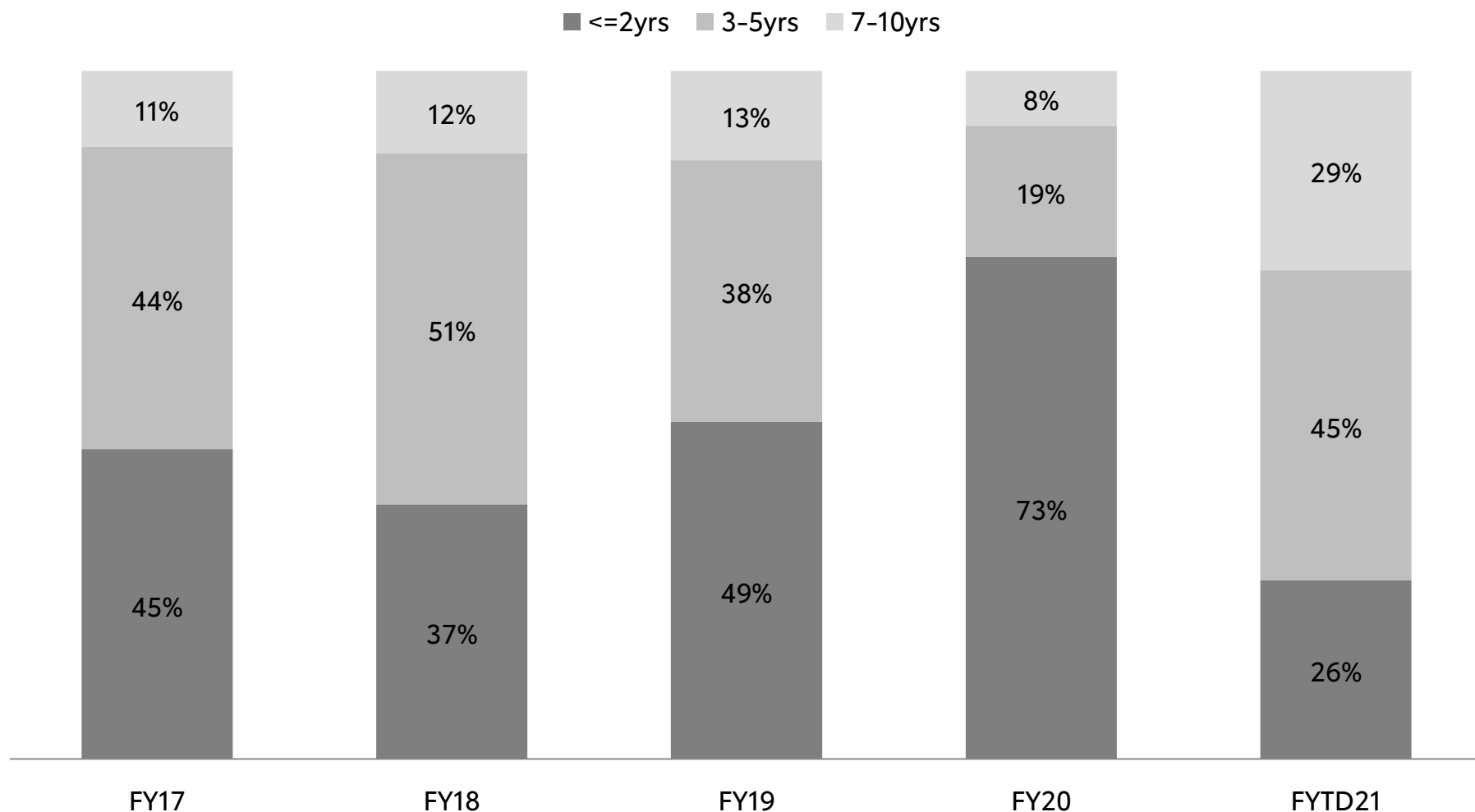
**By Currency**





# 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

# **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

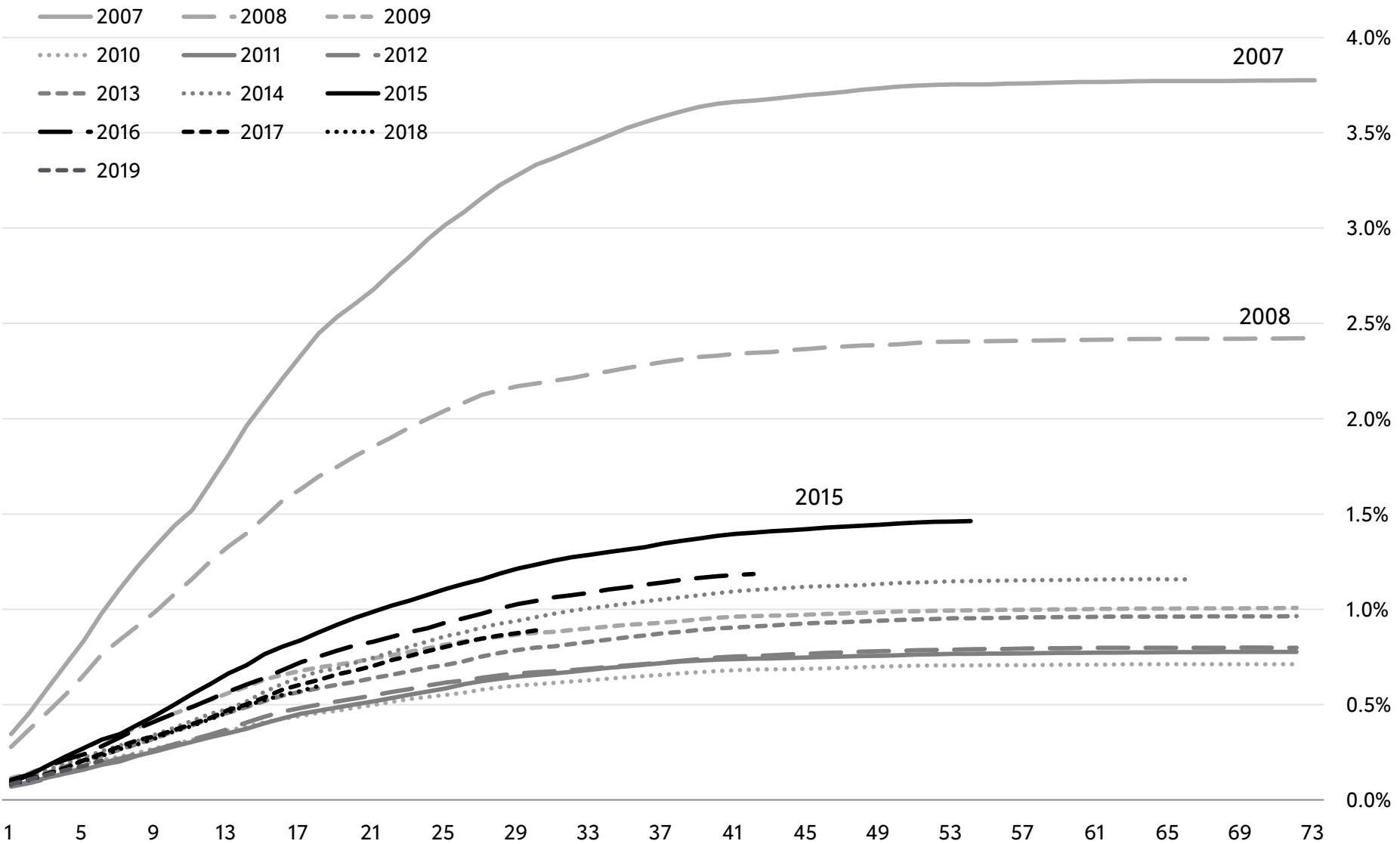
## Servicing Optimization

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

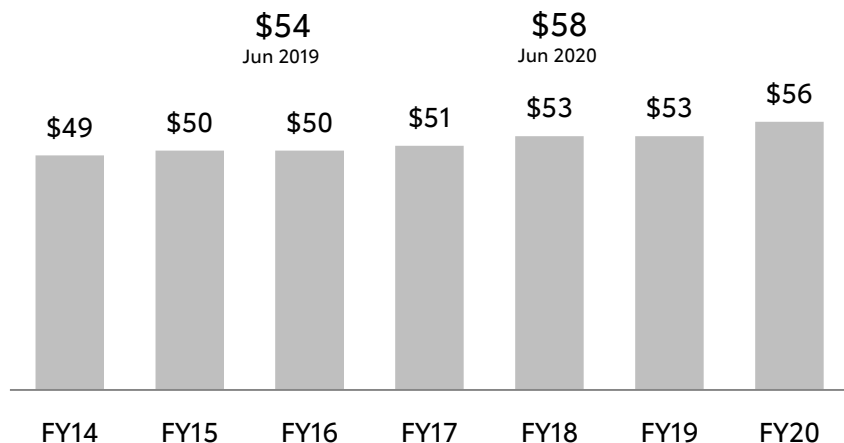
# Cumulative Net Losses by Vintage



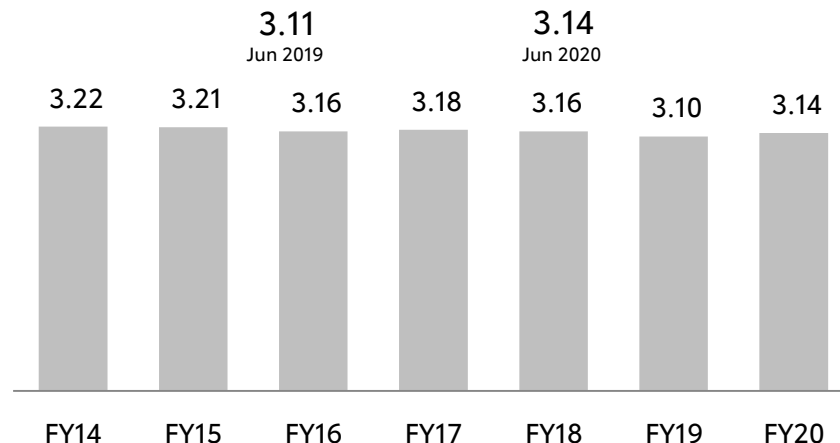
Source: Company Reports as of June 30, 2020

# Retail Managed Portfolio Performance

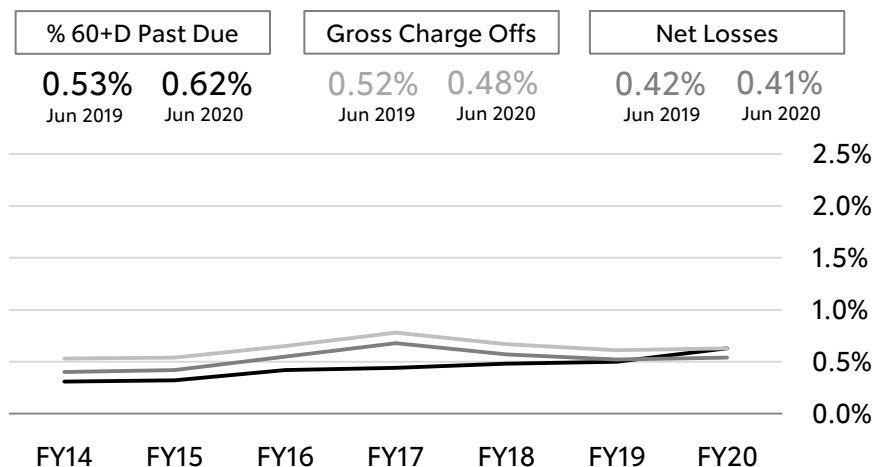
## Receivables Principal Balance (\$B)



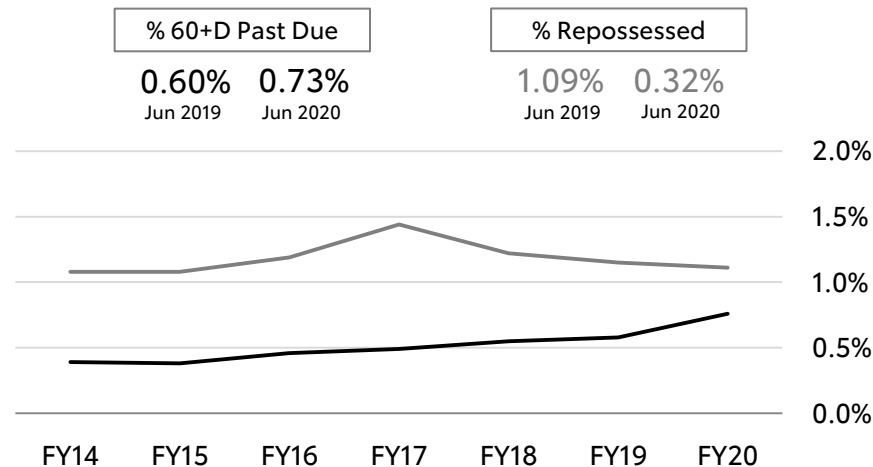
## Contracts Outstanding (#M)



## Performance by Principal Balance Outstanding

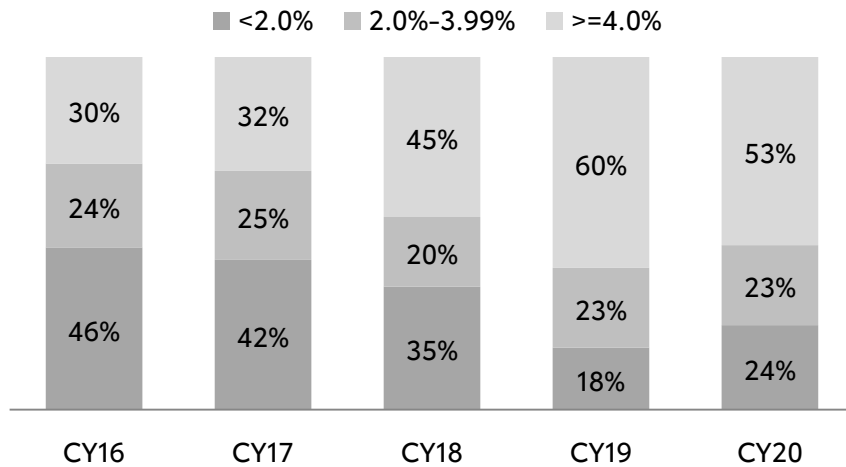


## Performance by Contracts Outstanding

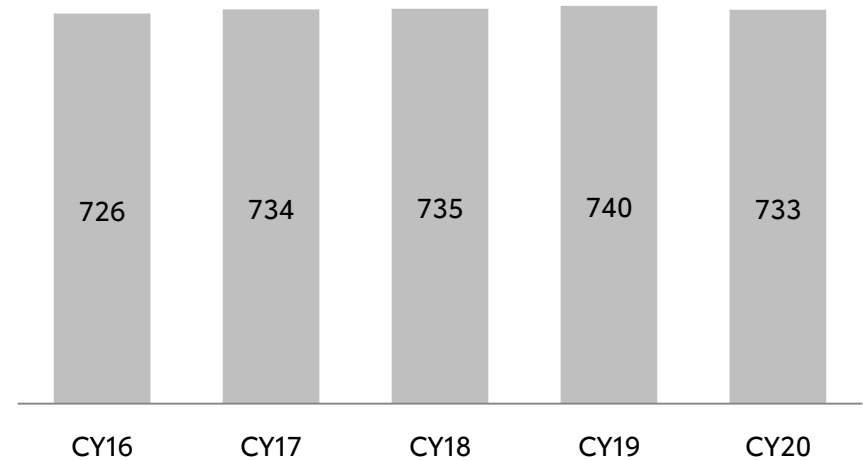


# Origination Characteristics

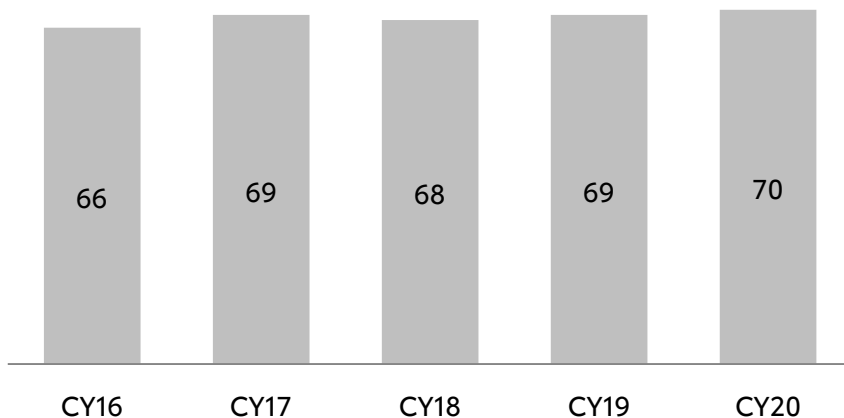
## APR Distribution\*



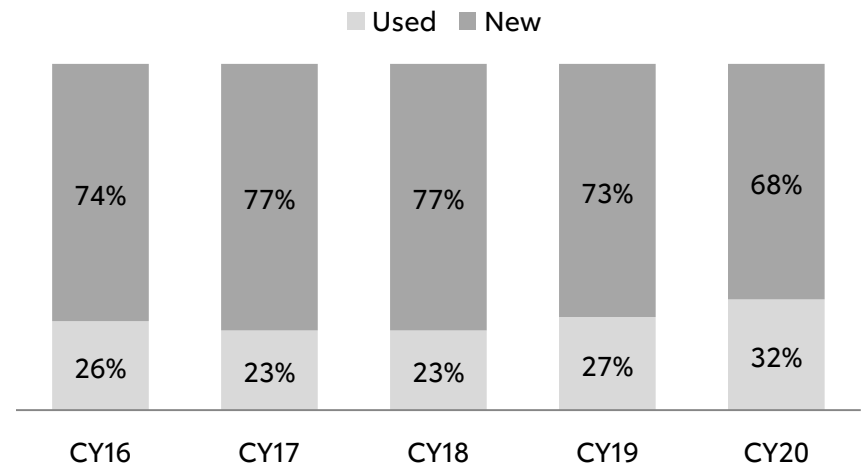
## Weighted Average FICO



## Weighted Average Original Term



## New vs Used

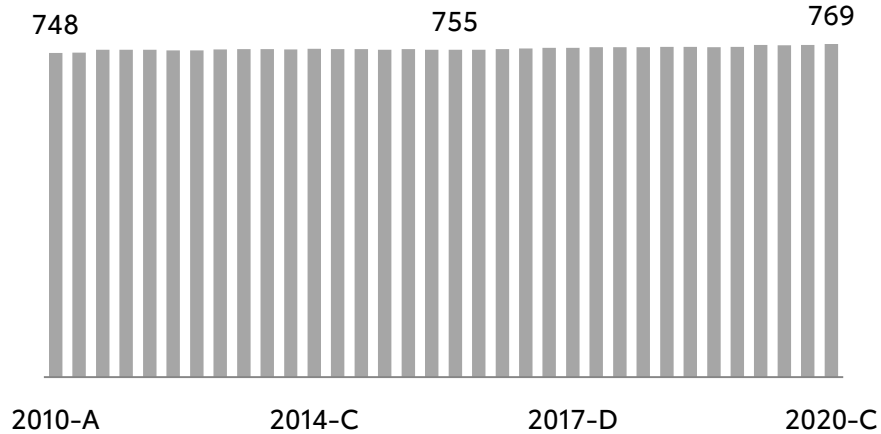


\*Percentages may not sum to 100% due to rounding.

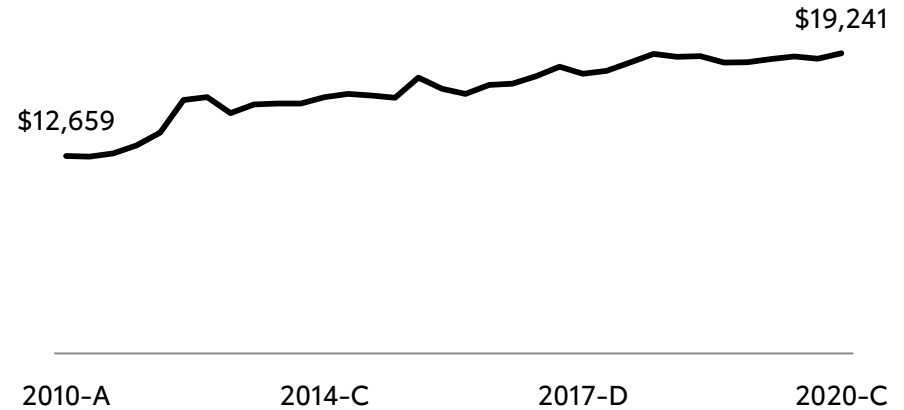
Source: Company Reports as of June 30, 2020

# TAOT Deal Characteristics

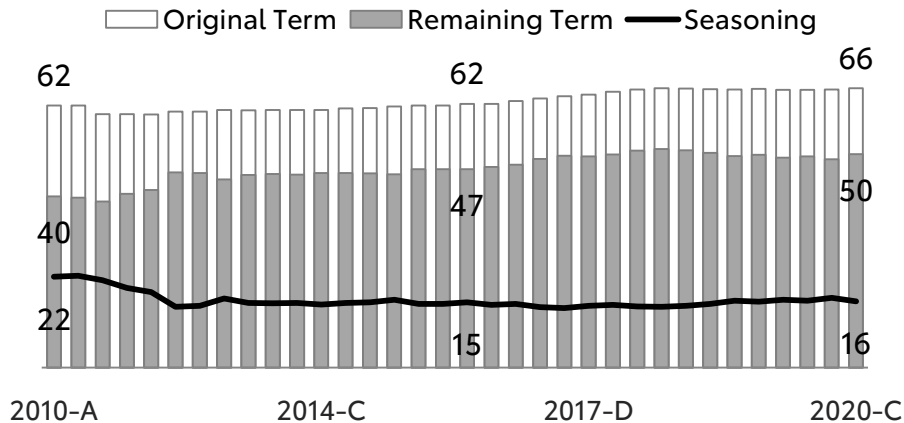
## Weighted Average FICO



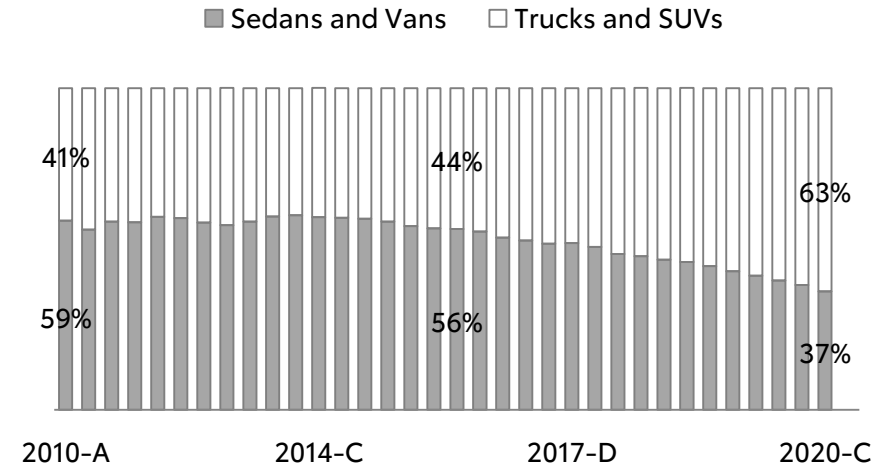
## Average Principal Balance



## Weighted Avg Orig and Rem Term (months)



## Receivables by Vehicle Type (%)\*

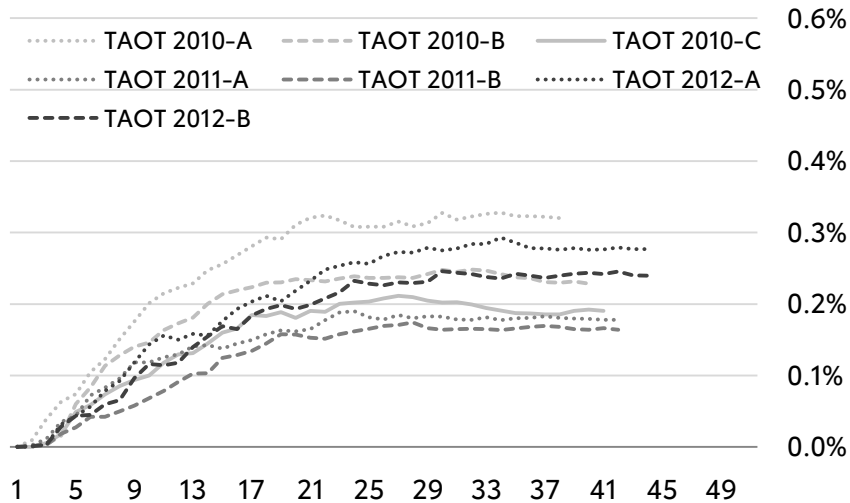


\*Percentages may not sum to 100% due to rounding.

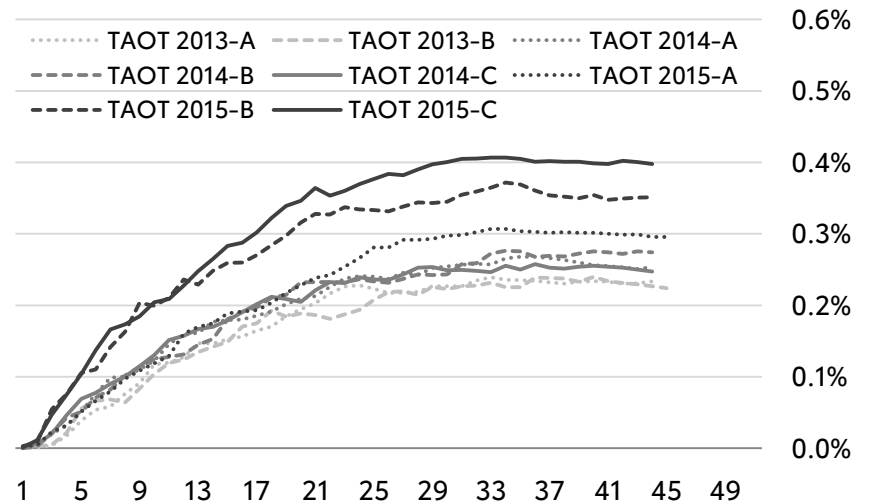
Source: Company Reports as of June 30, 2020

# TAOT Cumulative Net Losses

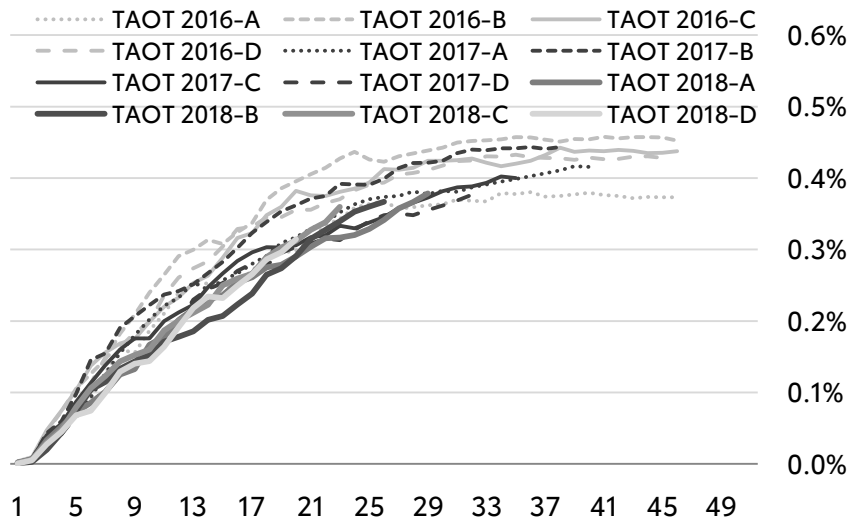
## 2010, 2011, 2012 Series



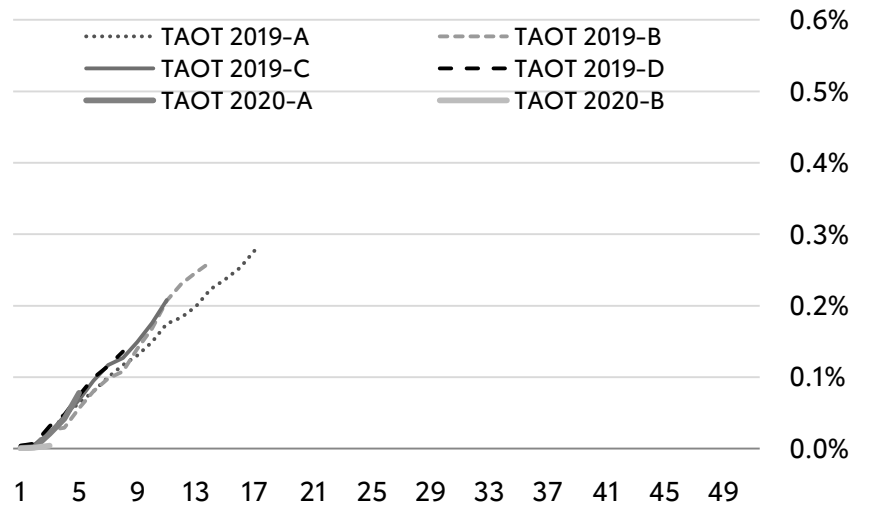
## 2013, 2014, 2015 Series



## 2016, 2017, 2018 Series



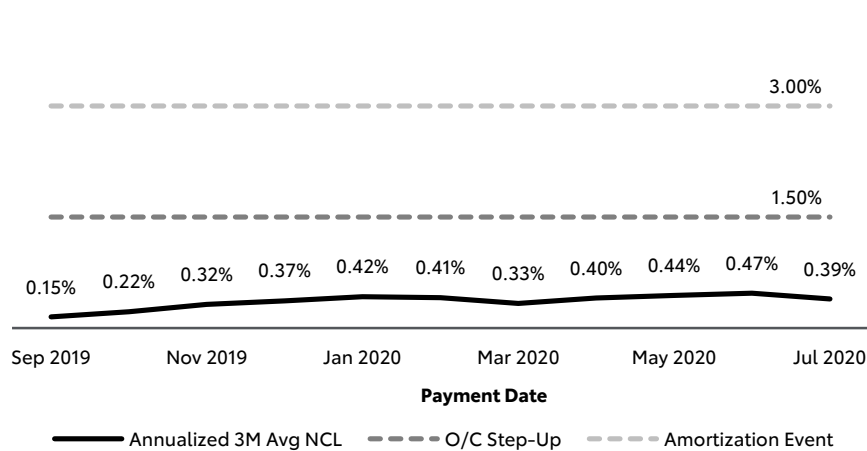
## 2019 and 2020 Series



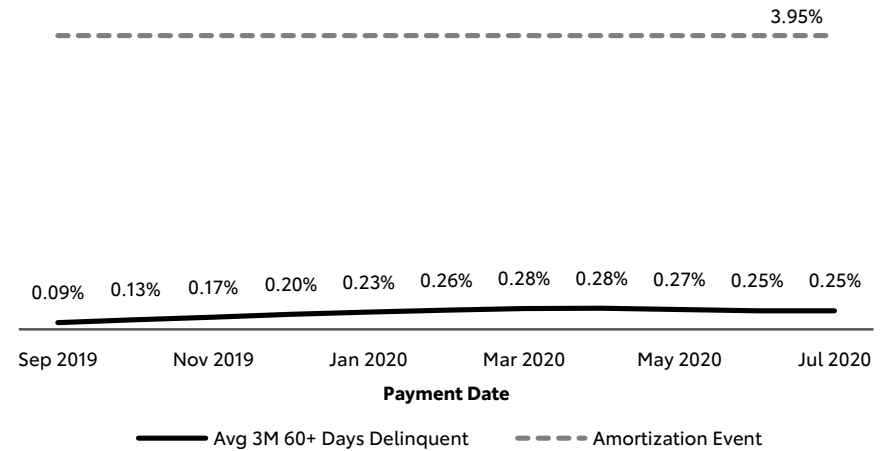


# TALNT 2019-1 Performance update

Net Credit Loss Metric (%)



Delinquencies Metric (%)



|                                  | Closing | Jul 2019 | Aug 2019 | Sep 2019 | Oct 2019 | Nov 2019 | Dec 2019 | Jan 2020 | Feb 2020 | Mar 2020 | Apr 2020 | May 2020 | Jun 2020 | Jul 2020 |
|----------------------------------|---------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| WA FICO Score                    | 753     | 753      | 753      | 753      | 753      | 753      | 753      | 754      | 754      | 754      | 754      | 754      | 755      | 755      |
| Used Vehicles                    | 20.8%   | 20.7%    | 20.7%    | 20.7%    | 20.6%    | 20.6%    | 20.6%    | 20.6%    | 20.7%    | 20.8%    | 20.9%    | 21.0%    | 20.5%    | 20.6%    |
| FICO less than 650               | 5.0%    | 4.9%     | 4.9%     | 4.9%     | 4.9%     | 4.8%     | 4.7%     | 4.7%     | 4.6%     | 4.6%     | 4.6%     | 4.5%     | 4.5%     | 4.4%     |
| FICO less than 700               | 24.0%   | 23.7%    | 23.8%    | 23.7%    | 23.6%    | 23.5%    | 23.4%    | 23.4%    | 23.3%    | 23.3%    | 23.2%    | 23.1%    | 23.0%    | 23.0%    |
| FICO less than 720               | 35.0%   | 34.6%    | 34.7%    | 34.7%    | 34.5%    | 34.4%    | 34.4%    | 34.3%    | 34.2%    | 34.2%    | 34.1%    | 34.1%    | 34.1%    | 34.0%    |
| FICO less than 740               | 46.1%   | 45.8%    | 45.9%    | 45.8%    | 45.7%    | 45.7%    | 45.7%    | 45.7%    | 45.6%    | 45.6%    | 45.5%    | 45.6%    | 45.6%    | 45.5%    |
| FICO less than 760               | 55.8%   | 55.5%    | 55.6%    | 55.6%    | 55.6%    | 55.6%    | 55.6%    | 55.6%    | 55.5%    | 55.5%    | 55.5%    | 55.6%    | 55.5%    | 55.5%    |
| FICO less than 780               | 64.2%   | 63.9%    | 64.0%    | 64.0%    | 64.0%    | 64.0%    | 64.0%    | 63.9%    | 64.0%    | 64.0%    | 64.0%    | 64.0%    | 64.0%    | 64.1%    |
| > 75 original scheduled payments | 7.9%    | 7.4%     | 7.6%     | 7.7%     | 7.8%     | 8.0%     | 8.1%     | 8.2%     | 8.2%     | 8.4%     | 8.7%     | 8.9%     | 9.2%     | 9.5%     |
| > 72 original scheduled payments | 29.6%   | 27.8%    | 27.7%    | 27.5%    | 27.4%    | 27.3%    | 27.1%    | 27.0%    | 26.8%    | 26.9%    | 27.2%    | 27.5%    | 27.6%    | 27.9%    |
| LTV greater than 130%            | 6.8%    | 6.7%     | 6.7%     | 6.7%     | 6.7%     | 6.7%     | 6.7%     | 6.7%     | 6.7%     | 6.7%     | 6.6%     | 6.7%     | 6.6%     | 6.6%     |
| LTV greater than 120%            | 15.5%   | 15.3%    | 15.4%    | 15.4%    | 15.4%    | 15.3%    | 15.3%    | 15.3%    | 15.2%    | 15.2%    | 15.1%    | 15.1%    | 15.1%    | 15.0%    |
| LTV greater than 110%            | 32.5%   | 32.4%    | 32.5%    | 32.5%    | 32.6%    | 32.6%    | 32.6%    | 32.6%    | 32.5%    | 32.6%    | 32.6%    | 32.7%    | 32.7%    | 32.7%    |
| LTV greater than 90%             | 74.7%   | 74.7%    | 74.8%    | 74.8%    | 74.9%    | 75.0%    | 75.0%    | 75.0%    | 75.0%    | 75.0%    | 75.1%    | 75.2%    | 75.2%    | 75.7%    |

# Appendix

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# TMC Consolidated Financials Summary

## Consolidated Income Statement

| (JPY billions)   | Fiscal Year Ended March 31, |          | Three Months Ended |
|------------------|-----------------------------|----------|--------------------|
|                  | 2019                        | 2020     | June 30, 2020      |
| Net Revenues     | 30,225.6                    | 30,225.6 | 4,600.7            |
| Operating Income | 2,467.5                     | 2,467.5  | 13.9               |
| Net Income       | 1,882.8                     | 1,882.8  | 149.4              |

## Consolidated Balance Sheet

| (JPY billions)                                      | Fiscal Year Ended March 31, |                 | Three Months Ended |
|---|-----------------------------|-----------------|--------------------|
|   | 2019                        | 2020            | June 30, 2020      |
| Current assets                                      | 19,178.5                    | 18,963.3        | 20,442.6           |
| Non-current assets                                  | 34,238.0                    | 35,009.0        | 35,473.8           |
| <b>Total Assets</b>                                 | <b>53,416.4</b>             | <b>53,972.3</b> | <b>55,916.5</b>    |
| Liabilities   | 32,761.2                    | 32,633.3        | 34,408.8           |
| Shareholders' equity                                | 20,655.2                    | 21,339.0        | 21,507.6           |
| <b>Total Liabilities &amp; Shareholders' Equity</b> | <b>53,416.4</b>             | <b>53,972.3</b> | <b>55,916.5</b>    |

Numbers may not sum to total due to rounding.

TMC has adopted International Financial Reporting Standards (IFRS) beginning from the first quarter of the fiscal year ending March 2021

Source: TMC FY2020 Financial Summary and TMC Q1 FY2021 Financial Summary

# TMCC Financial Performance Summary

## Consolidated Income Statement

| (USD millions)                          | Fiscal Year Ended March 31, |        | Three Months Ended |
|---|-----------------------------|--------|--------------------|
|   | 2019                        | 2020   | June 30, 2020      |
| Total Financing Revenues                | 11,640                      | 12,029 | 2,912              |
| less: Interest Expense and Depreciation | 9,656                       | 9,654  | 2,233              |
| add: Other Income                       | 1,196                       | 1,255  | 411                |
| Net Financing Revenues                  | 3,180                       | 3,630  | 1,090              |
| Net Income                              | 795                         | 913    | 374                |

## Credit Performance

|  | March 31, |       | Three Months Ended |
|--|-----------|-------|--------------------|
|  | 2019      | 2020  | June 30, 2020      |
| Over 60 Days Delinquent <sup>(1)</sup>         | 0.31%     | 0.39% | 0.39%              |
| Allowance for Credit Losses <sup>(1) (2)</sup> | 0.55%     | 0.73% | 1.06%              |
| Net Credit Losses <sup>(1)</sup>               | 0.34%     | 0.34% | 0.32%              |

TMCC has adopted Accounting Standard Update "ASU" 2016-13 effective starting April 1, 2020

(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, 2020 10-K & June 30, 2020 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:  | 2016             | 2017             | 2018             | 2019             | 2020             |
|---|------------------|------------------|------------------|------------------|------------------|
| Number of Pool Assets   | 883,424          | 882,329          | 847,020          | 948,970          | 435,426          |
| Original Pool Balance   | \$23,944,624,507 | \$24,699,290,739 | \$24,306,812,650 | \$27,579,012,944 | \$13,065,310,322 |
| Average Initial Loan Balance  | \$27,104         | \$27,993         | \$28,697         | \$29,062         | \$30,006         |
| Weighted Average Interest Rate  | 3.24%            | 3.22%            | 4.09%            | 5.02%            | 4.55%            |
| Weighted Average Original Term  | 66 Months        | 69 Months        | 68 Months        | 69 Months        | 70 Months        |
| Weighted Average FICO   | 726              | 734              | 735              | 740              | 733              |
| Minimum FICO  | 383              | 383              | 395              | 382              | 376              |
| Maximum FICO  | 900              | 900              | 900              | 900              | 900              |
| Geographic Distribution of Receivables representing the 5<br>states with the greatest aggregate original principal balance: |                  |                  |                  |                  |                  |
| State 1   | CA - 21.4%       | CA - 23.3%       | CA - 23.5%       | CA - 21.3%       | CA - 21.5%       |
| State 2   | TX - 15.5%       | TX - 14.4%       | TX - 15.0%       | TX - 15.2%       | TX - 15.3%       |
| State 3   | NY - 4.8%        | NY - 4.2%        | IL - 4.0%        | VA - 4.5%        | VA - 4.7%        |
| State 4   | NJ - 4.0%        | PA - 3.8%        | PA - 3.7%        | NY - 4.0%        | MD - 3.9%        |
| State 5   | IL - 3.8%        | NJ - 3.7%        | NY - 3.7%        | PA - 3.9%        | NY - 3.7%        |
| Distribution of Receivables by Contract Rate: <sup>(1)</sup>  |                  |                  |                  |                  |                  |
| Less than 2.0%  | 46.0%            | 42.4%            | 34.9%            | 17.6%            | 23.9%            |
| 2.0% - 3.99%  | 23.7%            | 25.3%            | 19.7%            | 22.6%            | 22.7%            |
| 4.0% - 5.99%  | 13.6%            | 17.0%            | 21.1%            | 31.1%            | 27.0%            |
| 6.0% - 7.99%  | 7.6%             | 6.7%             | 12.6%            | 15.3%            | 13.4%            |
| 8.0% - 9.99%  | 4.2%             | 3.7%             | 5.1%             | 6.0%             | 5.4%             |
| 10.0% - 11.99%  | 2.3%             | 2.2%             | 2.6%             | 2.8%             | 2.8%             |
| 12.0% - 13.99%  | 1.2%             | 1.2%             | 1.5%             | 1.8%             | 1.7%             |
| 14.0% - 15.99%  | 0.7%             | 0.7%             | 0.9%             | 1.0%             | 1.2%             |
| 16.0% and greater   | 0.7%             | 0.8%             | 1.6%             | 1.8%             | 2.0%             |
| Total   | 100.00%          | 100.00%          | 100.00%          | 100.00%          | 100.00%          |
| Share of Original Assets:   |                  |                  |                  |                  |                  |
| Percentage of Non-Toyota/Non-Lexus  | 3.3%             | 3.0%             | 3.3%             | 3.6%             | 5.4%             |
| Percentage of 75+ Month Term  | 13.4%            | 15.2%            | 15.4%            | 23.0%            | 29.2%            |
| Percentage of Used Vehicles   | 25.7%            | 23.0%            | 23.0%            | 26.9%            | 32.0%            |

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

Source: Company Reports as of June 30, 2020

# Managed Portfolio Performance

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

|  | At June 30, |           | At March 31, |           |           |           |           |
|--|-------------|-----------|--------------|-----------|-----------|-----------|-----------|
|  | 2020        | 2019      | 2020         | 2019      | 2018      | 2017      | 2016      |
| Outstanding Contracts <sup>(2)</sup>                                     | 3,140,945   | 3,111,552 | 3,142,143    | 3,097,464 | 3,158,375 | 3,181,143 | 3,163,189 |
| Number of Accounts Past Due<br>in the following categories               |             |           |              |           |           |           |           |
| 30 - 59 days   | 26,264      | 39,548    | 40,205       | 38,498    | 37,044    | 36,396    | 35,795    |
| 60 - 89 days   | 8,182       | 11,254    | 11,604       | 9,576     | 9,464     | 8,018     | 7,822     |
| Over 89 days   | 14,678      | 7,474     | 12,219       | 8,240     | 8,063     | 7,633     | 6,776     |
| Delinquencies as a Percentage<br>of Contracts Outstanding <sup>(3)</sup> |             |           |              |           |           |           |           |
| 30 - 59 days   | 0.84%       | 1.27%     | 1.28%        | 1.24%     | 1.17%     | 1.14%     | 1.13%     |
| 60 - 89 days   | 0.26%       | 0.36%     | 0.37%        | 0.31%     | 0.30%     | 0.25%     | 0.25%     |
| Over 89 days   | 0.47%       | 0.24%     | 0.39%        | 0.27%     | 0.26%     | 0.24%     | 0.21%     |

(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 |              |              |              |              |
|---|---------------------|--------------|----------------------------|--------------|--------------|--------------|--------------|
|   | June 30,            |              | March 31,                  |              |              |              |              |
|   | 2020                | 2019         | 2020                       | 2019         | 2018         | 2017         | 2016         |
| Principal Balance Outstanding <sup>(2)</sup>  | \$57,513,681 (9)    | \$54,312,841 | \$56,265,888               | \$53,236,380 | \$52,760,041 | \$50,759,341 | \$49,716,914 |
| Average Principal Balance Outstanding <sup>(3)</sup>                                      | \$56,889,785        | \$53,774,611 | \$54,751,134               | \$52,998,211 | \$51,759,691 | \$50,238,127 | \$49,681,134 |
| Number of Contracts Outstanding   | \$3,140,945         | \$3,111,552  | \$3,142,143                | \$3,097,464  | \$3,158,375  | \$3,181,143  | \$3,163,189  |
| Average Number of<br>Contracts Outstanding <sup>(3)</sup>                                 | 3,141,544           | 3,104,508    | 3,119,804                  | 3,127,920    | 3,169,759    | 3,172,166    | 3,186,531    |
| Number of Repossessions <sup>(4)</sup>  | 2,524 (10)          | 8,462        | 34,899                     | 35,694       | 38,580       | 45,883       | 37,741       |
| Number of Repossessions as a Percent of<br>the Number of Contracts Outstanding            | 0.32% (7)           | 1.09% (7)    | 1.11%                      | 1.15%        | 1.22%        | 1.44%        | 1.19%        |
| Number of Repossessions as a Percent of<br>the Average Number of Contracts<br>Outstanding | 0.32% (7)           | 1.09% (7)    | 1.12%                      | 1.14%        | 1.22%        | 1.45%        | 1.18%        |
| Gross Charge-Offs <sup>(5)(7)</sup>   | \$68,576            | \$70,841     | \$352,213                  | \$323,962    | \$351,634    | \$395,109    | \$322,814    |
| Recoveries <sup>(6)</sup>   | \$9,315             | \$13,873     | \$49,191                   | \$48,871     | \$49,567     | \$49,474     | \$47,966     |
| Net Losses  | \$59,261            | \$56,968     | \$303,022                  | \$275,091    | \$302,067    | \$345,635    | \$274,848    |
| Net Losses as a Percentage of Principal<br>Balance Outstanding                            | 0.41% (7)           | 0.42% (7)    | 0.54%                      | 0.52%        | 0.57%        | 0.68%        | 0.55%        |
| Net Losses as a Percentage of Average<br>Principal Balance Outstanding                    | 0.42% (7)           | 0.42% (7)    | 0.55%                      | 0.52%        | 0.58%        | 0.69%        | 0.55%        |

(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

## Original Summary Characteristics by Prior Securitization:

|                                 | TAOT 2018-C        | TAOT 2018-D        | TAOT 2019-A        | TAOT 2019-A        | TAOT 2019-B        | TAOT 2019-C        | TAOT 2019-D        | TAOT 2020-A        | TAOT 2020-B        | TAOT 2020-C        |
|---------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Number of Pool Assets           | 109,467            | 73,125             | 101,380            | 101,380            | 102,324            | 72,045             | 99,197             | 97,464             | 67,524             | 86,264             |
| Original Pool Balance           | \$2,101,423,565.52 | \$1,390,010,109.85 | \$1,930,929,363.46 | \$1,930,929,363.46 | \$1,907,216,811.97 | \$1,344,769,909.63 | \$1,872,859,970.50 | \$1,855,904,868.20 | \$1,275,392,995.27 | \$1,659,837,859.33 |
| Average Principal Balance       | \$19,196.87        | \$19,008.69        | \$19,046.45        | \$19,046.45        | \$18,639.00        | \$18,665.69        | \$18,880.21        | \$19,041.95        | \$18,888.00        | \$19,241.37        |
| Weighted Average Interest Rate  | 2.14%              | 2.13%              | 2.32%              | 2.32%              | 2.56%              | 2.74%              | 2.98%              | 3.20%              | 3.26%              | 3.43%              |
| Weighted Average Original Term  | 66                 | 66                 | 66                 | 66                 | 66                 | 66                 | 66                 | 66                 | 66                 | 66                 |
| Weighted Average Remaining Term | 52                 | 51                 | 51                 | 51                 | 50                 | 50                 | 50                 | 50                 | 49                 | 50                 |
| Weighted Average FICO           | 761                | 762                | 762                | 762                | 761                | 762                | 766                | 766                | 767                | 769                |
| Minimum FICO                    | 620                | 620                | 620                | 620                | 620                | 620                | 620                | 620                | 620                | 620                |
| Maximum FICO                    | 900                | 900                | 900                | 900                | 900                | 900                | 900                | 900                | 900                | 900                |

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

|         |            |            |            |            |            |            |            |             |            |            |
|---------|------------|------------|------------|------------|------------|------------|------------|-------------|------------|------------|
| State 1 | CA - 24.7% | CA - 23.5% | CA - 23.9% | CA - 23.9% | CA - 24.7% | CA - 24.8% | CA - 25.0% | CA - 24.7%  | CA - 24.2% | CA - 23.8% |
| State 2 | TX - 15.7% | TX - 15.4% | TX - 15.3% | TX - 15.3% | TX - 14.6% | TX - 14.8% | TX - 14.9% | TX - 15.02% | TX - 14.8% | TX - 14.2% |
| State 3 | IL - 4.4%  | IL - 4.3%  | IL - 4.6%  | IL - 4.6%  | IL - 4.7%  | IL - 4.8%  | IL - 4.9%  | IL - 4.8%   | IL - 4.7%  | PA - 5.0%  |
| State 4 | PA - 4.2%  | PA - 4.1%  | PA - 4.0%  | PA - 4.0%  | PA - 4.0%  | PA - 4.0%  | PA - 3.9%  | PA - 4.0%   | PA - 4.1%  | IL - 4.7%  |
| State 5 | NJ - 3.8%  | VA - 3.8%  | VA - 3.8%  | VA - 3.8%  | VA - 3.7%  | VA - 3.6%  | VA - 3.5%  | VA - 3.78%  | NJ - 3.7%  | VA - 3.8%  |

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

|                   |         |         |         |         |         |         |         |         |         |         |
|-------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Less than 2.0%    | 58.86%  | 60.89%  | 57.41%  | 57.41%  | 52.99%  | 50.71%  | 47.41%  | 43.69%  | 42.68%  | 38.24%  |
| 2.0% - 3.99%      | 24.84%  | 23.29%  | 24.22%  | 24.22%  | 25.69%  | 24.81%  | 24.73%  | 25.54%  | 25.74%  | 27.72%  |
| 4.0% - 5.99%      | 10.68%  | 10.31%  | 11.70%  | 11.70%  | 13.35%  | 13.35%  | 17.46%  | 19.11%  | 20.33%  | 22.47%  |
| 6.0% - 7.99%      | 3.09%   | 3.06%   | 3.84%   | 3.84%   | 4.67%   | 5.74%   | 6.41%   | 7.05%   | 6.95%   | 7.16%   |
| 8.0% - 9.99%      | 1.55%   | 1.43%   | 1.67%   | 1.67%   | 1.88%   | 1.93%   | 2.21%   | 2.50%   | 2.29%   | 2.36%   |
| 10.0% - 11.99%    | 0.74%   | 0.73%   | 0.77%   | 0.77%   | 0.96%   | 0.99%   | 1.09%   | 1.27%   | 1.20%   | 1.21%   |
| 12.0% - 13.99%    | 0.21%   | 0.23%   | 0.30%   | 0.30%   | 0.32%   | 0.36%   | 0.51%   | 0.57%   | 0.57%   | 0.60%   |
| 14.0% - 15.99%    | 0.03%   | 0.05%   | 0.05%   | 0.05%   | 0.11%   | 0.12%   | 0.13%   | 0.21%   | 0.18%   | 0.20%   |
| 16.0% and greater | 0.00%   | 0.01%   | 0.01%   | 0.01%   | 0.02%   | 0.03%   | 0.00%   | 0.07%   | 0.06%   | 0.05%   |
| Total             | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% |

## Distribution of Receivables by Vehicle Type: <sup>(1)</sup>

|                   |         |         |         |         |         |         |         |         |         |        |
|-------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|--------|
| Passenger Cars    | 41.45%  | 40.79%  | 40.19%  | 40.19%  | 39.10%  | 37.82%  | 36.27%  | 34.99%  | 33.99%  | 32.60% |
| Minivans          | 6.34%   | 5.88%   | 5.79%   | 5.79%   | 5.55%   | 5.31%   | 5.40%   | 5.20%   | 4.83%   | 4.26%  |
| Light Duty Trucks | 13.38%  | 14.82%  | 16.00%  | 16.00%  | 16.57%  | 17.29%  | 18.05%  | 18.28%  | 17.87%  | 17.63% |
| SUVs              | 38.84%  | 38.50%  | 38.03%  | 38.03%  | 38.78%  | 39.58%  | 40.28%  | 41.53%  | 43.31%  | 45.50% |
| Total             | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 99.99% |

## Distribution of Receivables by Make: <sup>(1)</sup>

|                  |         |         |         |         |         |         |         |        |        |        |
|------------------|---------|---------|---------|---------|---------|---------|---------|--------|--------|--------|
| Toyota and Scion | 87.72%  | 88.92%  | 89.45%  | 89.45%  | 89.02%  | 87.87%  | 86.99%  |        |        |        |
| Lexus            | 12.28%  | 11.08%  | 10.55%  | 10.55%  | 10.98%  | 12.13%  | 13.01%  | 87.24% | 87.18% | 87.06% |
| Total            | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 12.76% | 12.82% | 12.94% |

## Share of Original Assets:

|   |        |        |        |        |        |        |        |        |        |        |
|---|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Percentage with Original Scheduled Payments > 60 months | 56.39% | 56.17% | 55.51% | 55.51% | 55.07% | 55.30% | 54.33% | 54.29% | 54.52% | 57.35% |
| Percentage of Used Vehicles                             | 19.14% | 17.97% | 17.64% | 17.64% | 18.24% | 18.97% | 20.34% | 19.94% | 20.86% | 21.38% |

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

Source: Company Reports

