29 November 2013

Toyota Finance Australia Limited ("*TFA*")

Half-Yearly Financial Report for the six month period ended 30 September 2013

TFA, which was incorporated as a public company limited by shares in New South Wales, Australia on 18 June 1982, operates under the Corporations Act 2001 of Australia (the "***Corporations Act***") and is a wholly-owned subsidiary of Toyota Financial Services Corporation ("***TFS***") which is a wholly-owned subsidiary of Toyota Motor Corporation ("***TMC***"), presents its half-yearly financial report for the six month period ended 30 September 2013.

In this document, all references to "TFA" are to Toyota Finance Australia Limited, and all references to the "Group" or "consolidated entity" are to TFA and its consolidated subsidiaries.

1. Management Report

(A) Summary of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements.

The Group's earnings are primarily impacted by the level of average earning assets, (comprised primarily of investments in finance receivables and operating leases), earning asset yields, outstanding borrowings and the related borrowing cost and the impact of credit losses and impairment of residual values.

The consolidated net profit after income tax of the Group for the half-year ended 30 September 2013 was $70.1 million, compared to $26.8 million for the half-year ended 30 September 2012. The results for the half-year ended 30 September 2013 were primarily affected by the following factors:

(i) an increase in interest and similar revenue reflecting growth in net loans and receivables. The growth in net loans and receivables has arisen from the acquisition of dealer accounts and renewal of dealer networks, strong new business origination, precipitated by increased joint marketing campaigns with Toyota Motor Corporation Australia Limited and dealers;

(ii) a net profit resulting from fair value movements in the valuation of derivatives, a net loss on foreign currency translation of foreign currency debt for the period to balance date;

(iii) a reduction in bad and doubtful debts. Additional allowances for doubtful debts were provided in line with the growth in receivables. An increase in bad debts also occurred during the period resulting from the lingering economic slowdown, mainly affecting the retail segment; and

(iv) total administration expenses having increased relative to the half-year ended 30 September 2012. Such increases are due to increased staff costs resulting from higher staff numbers to cater for continued business growth and modest pay increases and an increase in amortisation of intangible assets and computer maintenance relative to investments in IT infrastructure and computer software development.

Growth in net loans and receivables (net of unearned income) is illustrated by the balance of $13,046 million as at 30 September 2013, compared to the balance of $12,696 million as at 31 March 2013. This is a reflection of (i) Toyota's continued number one position in the Australian motor vehicle market; (ii) TFA's competitive advantage in obtaining funding as a result of existing credit support arrangements involving TMC and TFS; and (iii) the acquisition of dealer accounts and strong new business origination. Significant growth occurred in the consumer loan portfolio.

Provisions for impairment represent 1.33% ($173.6 million) of net loans and receivables (net of unearned revenue) as at 30 September 2013, compared to 1.33% ($168.5 million) of net loans and receivables (net of unearned revenue) as at 31 March 2013. TFA's level of credit losses is influenced primarily by two factors: the total number of contracts that default and loss per occurrence. TFA's provision for impairment of loans and receivables is established when there is objective evidence that TFA will not be able to collect all amounts according to the original terms of the contract. The allowance for credit losses is evaluated at each balance date, considering historical loss experience and other factors, and is considered adequate to cover expected credit losses as of 30 September 2013.

(B) Risks and uncertainties for the remaining six months of the financial year

The principal activities of TFA, which are an integral part of the Toyota group's presence in Australia, are to finance the acquisition of motor vehicles by customers in the form of leasing, term purchase, consumer and commercial loans; to provide bailment facilities and commercial loans to motor dealers; to provide operating lease and fleet management services to customers; and to administer and manage extended warranty and insurance products.

Unless otherwise specified in this section, "TFS group" means TFS and its subsidiaries and affiliates and "Toyota" means TMC and its consolidated subsidiaries.

The TFS group, including the Group, may be exposed to certain risks and uncertainties, summarised below, that could have a material adverse impact directly or indirectly on its financial condition and results of operations.

The TFS group's business, through its financial subsidiaries (including the Group) and affiliates is substantially dependent upon the sale of Toyota, Lexus and Scion vehicles and its ability to offer competitive financing and insurance products. Factors in relation to the sale of new and used vehicles which would impact the level of financing volume, insurance volume and the TFS group's results of operations, include changes resulting from governmental action, changes in consumer demand, changes in economic conditions, recalls, the actual or perceived quality, safety or reliability of Toyota, Lexus and/or Scion vehicles, decreased or delayed vehicle production due to natural disasters, supply chain interruptions or other events, changes in the level of sponsored subsidy and incentive programmes, increased competition, changes in the effectiveness of motor vehicle dealers selling Toyota, Lexus and/or Scion vehicles relative to those selling vehicles of other makes, changes in pricing of imported units due to currency fluctuations or other reasons, significant increases in fuel prices which may adversely affect sales in the larger Toyota, Lexus and/or Scion vehicle range (but may increase sales in the smaller Toyota passenger vehicle range). Further, a significant and sustained increase in fuel prices could decrease new and used vehicle purchases, thereby reducing the demand for motor vehicle retail and wholesale financing. In turn, lower used vehicle prices could affect amounts written off and depreciation on operating leases.

The Group's financial condition and results of operations are affected by a variety of factors, including changes in the overall market for retail sales, retail or wholesale motor vehicle financing, leasing or dealer financing, changes in the level of sales of Toyota and/or Lexus vehicles or other vehicles in Australia, the rate of growth in the number and average balance of customer accounts, the Australian finance industry's regulatory environment, competition from other financiers, rate of default by its customers, the interest rates it is required to pay on the funding it requires to support its business, amounts of funding available to it, changes in the funding markets, the used vehicle market, changes in its credit ratings, the success of efforts to expand its product lines, levels of operating expenses and general and administrative expenses, including but not limited to labour costs, technology costs (including, but not limited to, amortisation expense and/or impairment losses arising from capitalised intangible assets and maintenance costs) and premises costs, general economic conditions, inflation, fiscal and monetary policies in Australia as well as Europe and other countries in which the Group issues debt. A downturn in the financial markets could adversely affect Toyota's ability to raise capital.

Further risks include the failure of any of the financial institutions and other counterparties to which the Group has exposure, directly or indirectly, to perform their contractual obligations, and any losses resulting from that failure, may materially and adversely affect the Group's liquidity, financial condition and results of operations. There is residual value risk that the estimated residual value at lease origination will not be recoverable at the end of the lease term. Liquidity risk arising from the inability of the TFS group (including the Group) to maintain the capacity to fund assets and repay liabilities in a timely and cost-effective manner would have a negative impact on the Group's ability to refinance maturing debt and fund new asset growth. Changes in market interest rates, foreign currency exchange rates and other relevant market parameters or prices cause volatility in the TFS group's (including the Group's) financial condition and/or results of operations and/or cash flow and the value of the investment portfolio of the TFS group could decline. An increase in the interest rates charged by the Group's lenders or available to the Group in the capital markets may adversely affect the Group's income. Changes to the senior long-term debt credit ratings of TMC and certain of its affiliates including the Group may result in higher borrowing costs as well as reduced access to capital markets.

Further, inadequate or failed processes, systems or internal controls, the failure to perfect collateral, theft, fraud, cybersecurity breaches, earthquakes, other natural disasters or other catastrophes could have an adverse impact on the Group's financial condition and results of operations. The worldwide automotive market is highly competitive and volatile and the worldwide financial services industry is also highly competitive. Toyota's future success depends on its ability to offer new, innovative, competitively priced products that meet customer demand on a timely basis. Toyota's ability to market and distribute effectively is an integral part of Toyota's successful sales. Toyota relies on suppliers for the provision of certain supplies including parts, components and raw materials. High prices of raw materials and strong pressure on Toyota's suppliers could negatively impact Toyota's profitability. Toyota may also be adversely affected by natural calamities, political and economic instability, fuel shortages or interruptions in social infrastructure, wars, terrorism and labour strikes.

In addition, changes to Australian laws, regulations or to the policies of Australian governments (federal, state or local) or of any other national governments (federal, state, provincial or local) or international organisations (and the actions flowing from such changes to policies) of any jurisdiction in which the Group conducts its business may have a negative impact on the Group's business or require significant expenditure by the Group, or significant changes to the Group's processes and procedures, to ensure compliance with those laws, regulations or policies so that it can effectively carry on its business. Changes to the application or interpretation of tax laws may adversely impact the Group's financial condition and results of operations. Toyota may also become subject to various legal proceedings.

The Group's principal risks and uncertainties for the remaining six months of the financial year have not changed since the issuance of the Group's 2013 Annual Financial Report. The detailed discussion of these risks and uncertainties and the Group's objectives, policies and processes for managing these risks and uncertainties were disclosed in the Management Report, as well as Note 28 in the Notes to the Financial Statements, in the Annual Financial Report of the Group for the financial year ended 31 March 2013.

2. Reviewed Condensed Financial Statements for the six month period ended 30 September 2013

TOYOTA FINANCE AUSTRALIA LIMITED AND CONTROLLED ENTITIES
ABN 48 002 435 181
INTERIM FINANCIAL REPORT
FOR THE HALF-YEAR ENDED 30 SEPTEMBER 2013

TOYOTA FINANCE AUSTRALIA LIMITED AND CONTROLLED ENTITIES
ABN 48 002 435 181

CONTENTS

DIRECTORS' REPORT

The directors present this report on the consolidated entity consisting of Toyota Finance Australia Limited ("the company") and the entities it controlled at the end of, or during, the half-year ended 30 September 2013.

1. DIRECTORS

The directors of the company at any time during or since the end of the half-year are:

Current Directors

J.R. Chandler (Managing Director)	Director since 2007. Appointed Managing Director since June 2009.
M. Yasuda	Director since 2007.
E. Hirano	Director since 2007.
I. Ritchens	Director since 2010.
D. Miles	Director since 2011.
N. Kojima	Director since 2012.
Y. Yomoda	Director since 2012.
A. Fujioka	Director since February 2013.
A. Cramb	Appointed director in May 2013.
J. Zaitsu (Alternate to Y. Yomoda)	Alternate director since 2012.
S. Watanabe (Alternate to N. Kojima)	Alternate director since February 2013.
M. Hachisuka (Alternate to E. Hirano)	Alternate director since February 2013.

Former Director

M. Callachor	Resigned as a director in May 2013.

DIRECTORS' REPORT (continued)

2. DIVIDENDS

During the half-year ended 30 September 2013, the following dividend payments were made:

	30 September 2013 $'000	30 September 2012 $'000
Final dividend	23,641	39,039
Interim dividend	5,349	7,229
	28,990	46,268

3. PRINCIPAL ACTIVITIES

During the half-year the principal continuing activities of the consolidated entity were:

- To finance the acquisition of motor vehicles by customers in the form of leasing, term purchase, consumer and commercial loans;
- To provide bailment facilities and commercial loans to motor dealers;
- To provide operating lease and fleet management services to customers;
- To administer and manage extended warranty and insurance products.

There were no significant changes in the nature of these activities during the period.

4. REVIEW OF OPERATIONS

The consolidated net profit of the consolidated entity for the half-year ended 30 September 2013 was $70.1 million (30 September 2012: $26.8 million) after deducting income tax expense of $26.6 million (30 September 2012: $9.3 million).

5. AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 4.

6. ROUNDING OF AMOUNTS

The company is of a kind referred to in Class Order 98/100, issued by the Australian Securities and Investments Commission, relating to "rounding off" of amounts in the directors' report and financial report. Amounts in the directors' report and the financial report have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, to the nearest dollar.

This report is made in accordance with a resolution of directors.

For and on behalf of the Board

J. Chandler
Director

A. Fujioka
Director

SYDNEY
29 NOVEMBER 2013

Auditor's Independence Declaration

As lead auditor for the review of Toyota Finance Australia Limited for the half-year ended 30 September 2013, I declare that to the best of my knowledge and belief, there have been:

a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and

b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Toyota Finance Australia Limited and the entities it controlled during the period.

JW Bennett
Partner
PricewaterhouseCoopers

29 November 2013

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INTERIM FINANCIAL REPORT - 30 SEPTEMBER 2013

CONTENTS

TOYOTA FINANCE AUSTRALIA LIMITED AND CONTROLLED ENTITIES
ABN 48 002 435 181

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE HALF YEAR ENDED 30 SEPTEMBER 2013

	Notes	6 months 30 September 2013 $'000	6 months 30 September 2012 $'000
Interest and similar revenue	2	433,581	422,083
Interest expense and similar charges	2	(271,593)	(320,446)
Net financing income		161,988	101,637
Other income		16,633	13,276
Net operating income		178,621	114,913
Bad and doubtful debts expense		(21,981)	(25,418)
Employee benefits expense		(37,643)	(34,000)
Depreciation and amortisation expense	3	(7,620)	(5,869)
IT and communication expense		(4,486)	(3,492)
Sales and marketing expense		(2,700)	(3,224)
Occupancy		(2,878)	(2,542)
Other expenses		(8,558)	(7,568)
Share of net profits of associates accounted for using the equity method		3,985	3,268
Profit before income tax		96,740	36,068
Income tax expense		(26,641)	(9,287)
Profit attributable to owners of the parent		70,099	26,781
Other comprehensive income			
Items that may be classified to profit or loss			
Exchange differences on translation of foreign operations		5,675	574
Total comprehensive income attributable to the owners of the parent		75,774	27,355

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

TOYOTA FINANCE AUSTRALIA LIMITED AND CONTROLLED ENTITIES
ABN 48 002 435 181

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 SEPTEMBER 2013

	Notes	30 September 2013 $'000	31 March 2013 $'000
Assets			
Cash and cash equivalents	4	632,527	298,863
Loans and receivables	5	12,872,421	12,528,096
Derivative financial instruments	6	220,043	48,835
Investments accounted for using the equity method		56,873	52,569
Intangible assets		38,806	36,433
Property, plant and equipment		15,216	10,372
Deferred tax assets		26,694	26,355
Other assets		35,891	21,049
Total Assets		13,898,471	13,022,572
Liabilities			
Due to banks and other financial institutions	7	5,803,577	5,670,973
Bonds and commercial paper	8	6,606,397	5,587,106
Due to affiliated entity	7	214,535	335,796
Derivative financial instruments	6	179,605	366,046
Other liabilities		292,157	307,235
Total Liabilities		13,096,271	12,267,156
Net Assets		802,200	755,416
Equity			
Contributed equity		120,000	120,000
Reserves		2,058	(3,617)
Retained earnings	9	680,142	639,033
Total Equity		802,200	755,416

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

TOYOTA FINANCE AUSTRALIA LIMITED AND CONTROLLED ENTITIES
ABN 48 002 435 181

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE HALF YEAR ENDED 30 SEPTEMBER 2013

		Attributable to Owners of Toyota Finance Australia Limited			
	Note	Contributed Equity $'000	Reserves $'000	Retained Earnings $'000	Total Equity $'000
Balance at 1 April 2013		120,000	(3,617)	639,033	755,416
Profit for the half year		-	-	70,099	70,099
Other comprehensive income		-	5,675	-	5,675
Total comprehensive income		-	5,675	70,099	75,774
Transactions with owners in their capacity as owners:					
Contributed equity		-	-	-	-
Dividends provided for or paid	9	-	-	(28,990)	(28,990)
Balance at 30 September 2013		120,000	2,058	680,142	802,200
Balance at 1 April 2012		120,000	(4,608)	583,699	699,091
Profit for the half year		-	-	26,781	26,781
Other comprehensive income		-	574	-	574
Total comprehensive income		-	574	26,781	27,355
Transactions with owners in their capacity as owners:					
Contributed equity		-	-	-	-
Dividends provided for or paid	9	-	-	(46,268)	(46,268)
Balance at 30 September 2012		120,000	(4,034)	564,212	680,178

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

TOYOTA FINANCE AUSTRALIA LIMITED AND CONTROLLED ENTITIES
ABN 48 002 435 181

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE HALF YEAR ENDED 30 SEPTEMBER 2013

	Note	6 months 30 September 2013 $'000	6 months 30 September 2012 $'000
Cash flows from operating activities			
Net cash outflow from lending and other operating activities		(415,687)	(844,648)
Interest received		485,464	462,056
Interest paid		(237,873)	(256,520)
Income taxes paid		(35,116)	(68,897)
Net cash outflow from operating activities		(203,212)	(708,009)
Cash flows from investing activities			
Payments of intangible assets		(7,794)	(4,836)
Payments of property and equipment		(7,800)	(6,800)
Proceeds from sale of property and equipment		775	5,741
Dividends received from associate		5,356	7,214
Net cash (outflow) inflow from investing activities		(9,463)	1,319
Cash flows from financing activities			
Proceeds from borrowings		5,927,354	7,275,027
Repayments of borrowings		(5,352,025)	(6,257,794)
Dividends paid	9	(28,990)	(46,268)
Net cash inflow from financing activities		546,339	970,965
Net increase in cash & cash equivalents		333,664	264,275
Cash & cash equivalents at beginning of period		298,863	179,200
Cash & cash equivalents at end of period	4	632,527	443,475

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

1. Basis of preparation of half-year report

This general purpose financial report for the interim half-year reporting period ended 30 September 2013 has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting*, other mandatory reporting requirements and the *Corporations Act 2001.*

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 31 March 2013.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except as set out below:

(a) New or revised accounting standards and interpretation

- New standards that are applicable for the first time for the September 2013 half-year report are AASB 13 Fair Value Measurement, AASB 2012-2 Amendments to Australian Accounting Standards Disclosures-Offsetting Financial Assets and Financial Liabilities. The adoption of this standard requires disclosures for the interim report and has no material impact to the financial statements.

- Other new or revised standards for first time adoption in half year reporting period 30 September 2013 are AASB 10 Consolidated Financial Statements, AASB 11 Joint Arrangements , AASB 12 Disclosure of Interest in Other Entities and AASB 119 Employee Benefits. Changes to these standards have no impact to the consolidated entity's interim financial statements.

	6 months 30 September 2013 $'000	6 months 30 September 2012 $'000

2. Interest and similar revenue and interest expense and similar charges

Interest and similar revenue

Cash and cash equivalents	7,170	8,248
Lease income	71,004	65,734
Other loans and receivables	407,083	387,764
Interest revenue	485,257	461,746
Fee income	37,542	34,262
Fee expense	(89,218)	(73,925)
Interest and similar revenue	433,581	422,083

Interest expense and similar charges

Due to banks and other financial institutions	97,223	102,141
Bonds and commercial paper	97,945	89,687
Borrowings from affiliated entity	457	957
Net loss on translation of foreign currency debt	431,051	14,766
Fair value (gain) loss on derivative financial instruments at fair value through profit or loss	(361,440)	107,682
Transaction costs	6,357	5,213
Interest expense and similar charges	271,593	320,446

3. Depreciation and amortisation expenses

Profit before income tax includes the following specific expenses:

	6 months 30 September 2013 $'000	6 months 30 September 2012 $'000
Depreciation		
Leasehold improvements	346	361
Plant and equipment	656	486
Motor vehicles	1,197	642
Total depreciation	2,199	1,489
Amortisation		
Computer software development	5,421	4,380
Total depreciation and amortisation expense	7,620	5,869

4. Cash and cash equivalents

	30 September 2013 $'000	31 March 2013 $'000
Cash on hand	3	3
Cash in bank	11,524	11,860
Deposits at call	621,000	287,000
	632,527	298,863

	30 September 2013 $'000	31 March 2013 $'000
5. Loans and receivables		
Bailment stock	1,912,490	2,126,846
Motor vehicles under operating lease*	1,586,652	1,463,141
Term Loans**	10,350,835	9,813,144
Finance Leases	1,005,923	1,047,077
Gross loans and receivables	14,855,900	14,450,208
Accumulated depreciation on motor vehicles under operating lease	(544,231)	(499,189)
Unearned income***	(1,265,663)	(1,254,438)
Net loans and receivables (net of unearned income)	13,046,006	12,696,581
Provision for impairment of loans and receivables	(173,585)	(168,485)
Net loans and receivables	12,872,421	12,528,096

Maturity analysis (net of unearned income)

Loans and receivables maturing within 12 months	5,298,220	5,201,727
Loans and receivables maturing beyond 12 months	7,747,786	7,494,854
	13,046,006	12,696,581

Concentration of exposures

The majority of the consolidated entity's loans and receivables are provided to finance the purchase or lease of motor vehicles or motor dealership assets.

*Motor vehicles under operating lease is inclusive of carrying value of vehicles which ceased to be rented and are held for sale amounting to $12.9 million as at 30 September 2013 (31 March 2013: $9.4 million).

**As at 30 September 2013, the special purpose vehicle held $3,188.1 million (31 March 2013: $2,876.8 million) of the consolidated entity's term loans. Such securitised loans have varied maturity dates ranging from one month to five years. Securitised loans maturing within one year amounted to $1,060.4 million as at 30 September 2013 (31 March 2013: $961.0 million).

***Unearned income as at 30 September 2013 is inclusive of net unamortised deferred revenue and expenses amounting to $185.7 million (31 March 2013: $153.2 million), unearned finance income on finance leases amounting to $97.5 million (31 March 2013: $108.2 million) and unearned finance income on term loans amounting to $1,353.9 million (31 March 2013: $1,299.4 million). There is no unearned income on bailment stock.

	30 September 2013 $'000	31 March 2013 $'000
6. Derivative financial instruments		
Assets		
Interest rate swap contracts	11,734	20,262
Cross currency swap contracts	133,524	27,770
Forward foreign exchange contracts	74,785	803
Total derivative financial instrument assets - held at fair value	220,043	48,835
Liabilities		
Interest rate swap contracts	77,762	82,973
Cross currency swap contracts	98,472	213,130
Forward foreign exchange contracts	3,371	69,943
Total derivative financial instrument liabilities - held at fair value	179,605	366,046
Maturity analysis		
Current derivative financial instruments		
Derivative financial assets	122,989	24,983
Derivative financial liabilities	40,620	162,351
Non-current derivative financial instruments		
Derivative financial assets	97,054	23,852
Derivative financial liabilities	138,985	203,695

	30 September 2013 $'000	31 March 2013 $'000
7. Due to banks, financial institutions and affiliated entity		
Banks and other financial institutions*	5,803,577	5,670,973
Affiliated entity	214,535	335,796
Total due to banks, financial institutions and affiliated entity	6,018,112	6,006,769
Maturity analysis		
Current		
Banks and other financial institutions	1,817,949	1,935,754
Affiliated entity	214,535	335,796
Total Current	2,032,484	2,271,550
Non-current		
Banks and other financial institutions	3,985,628	3,735,219
Total due to banks, financial institutions and affiliated entity	6,018,112	6,006,769

*Included in the "Due to banks and other financial institutions" is securitised debt of $3,142.5 million as at 30 September 2013 (31 March 2013: $2,828.1 million) representing the value of term loans held by the special purpose vehicle. The special purpose vehicle issued interest bearing senior and subordinated notes amounting to $2,657.1 million and $485.4 million, respectively as at 30 September 2013 (31 March 2013: $2,391.1 million and $437.0 million, respectively).

Interest payable on the secured notes as at 30 September 2013 amounted to $4.1 million (31 March 2013: $4.8 million) and is included in the "Accrued Interest Payable".

	30 September 2013 $'000	31 March 2013 $'000
8. Bonds and commercial papers		
Domestic commercial paper	598,293	597,696
Domestic medium term note	299,515	299,460
Euro commercial paper	1,597,393	1,259,266
Euro medium term note	4,111,196	3,430,684
Total bonds and commercial papers	6,606,397	5,587,106
Maturity analysis		
Current		
Domestic commercial paper	598,293	597,696
Euro commercial paper	1,597,393	1,259,266
Euro medium term note	1,135,571	1,173,564
Total current bonds and commercial papers	3,331,257	3,030,526
Non-current		
Domestic medium term note	299,515	299,460
Euro medium term note	2,975,625	2,257,120
Total non-current bonds and commercial papers	3,275,140	2,556,580

Holders of any outstanding bonds, debentures, notes and other investment securities and commercial papers summarised in the table above have the benefit of Credit Support Agreements governed by Japanese law, one between Toyota Motor Corporation and Toyota Financial Services Corporation dated 14 July 2000, and the other between Toyota Financial Services Corporation and the company dated 7 August 2000.

	6 months 30 September 2013 $'000	12 months 31 March 2013 $'000
9. Retained profits		
Balance at 1 April	639,033	583,699
Profit attributable to owners of the parent	70,099	101,602
Total available for appropriation to owners of the parent	709,132	685,301
Dividends provided for or paid	(28,990)	(46,268)
Balance at 30 September/31 March	680,142	639,033
Dividends		
Final dividend for the year ended 31 March 2013 of 19.7 cents (31 March 2012: 32.5 cents) per fully paid share. Fully franked based on tax paid at @ 30%	23,641	39,039
Interim dividend for the half year ended 30 September 2013 of 4.5 cents (30 September 2012: 6.0 cents) per fully paid share. Fully franked based on tax paid at @ 30%	5,349	7,229
Total dividends provided for or paid	28,990	46,268

Under the income tax consolidation regime, the franking account balance of the company as at 1 April 2003 was permanently transferred to the Head Entity of the consolidated tax group. The company ceases to have a franking account during the time it remains a member of the consolidated group.

The income tax consolidation rules do permit the company to pay a franked dividend to its shareholder with the Head Entity's franking account bearing a reduction for the franking accounts attached to the dividend. Dividends paid during the period ended 30 September 2013 were fully franked.

10. Fair value measurements of financial instruments

(a) Fair value hierarchy

The table below analyses financial instruments measured at fair value. The levels of measurement is defined according to the heirarchy prescribed in AASB 13 as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices)
Level 3: inputs for asset or liability that are not based on observable market data

The consolidated entity's financial instruments that are measured and recognised at fair value are derivative assets and derivative liabilities used for hedging. This is comprised of interest rate swap, cross currency swap and forward foreign exchange contract.

The following table presents the consolidated entity's financial assets and liabilities measured at fair value at 30 September 2013 and 31 March 2013 on a recurring basis.

At 30 September 2013	**Level 1 $'000**	**Level 2 $'000**	**Level 3 $'000**	**Total Balance $'000**
Derivative financial assets at fair value through profit or loss				
Derivative used for economic hedging	-	220,043	-	220,043
Derivative financial liabilities at fair value through profit or loss				
Derivative used for economic hedging	-	179,605	-	179,605

At 31 March 2013	**Level 1 $'000**	**Level 2 $'000**	**Level 3 $'000**	**Total Balance $'000**
Derivative financial assets at fair value through profit or loss				
Derivative used for economic hedging	-	48,835	-	48,835
Derivative financial liabilities at fair value through profit or loss				
Derivative used for economic hedging	-	366,046	-	366,046

The consolidated entity did not measure any financial assets and financial liabilities at fair value on a non-recurring basis as at 30 September 2013.

(b) Valuation techniques used to derive level 2 fair values

The fair value of financial instruments that are not traded in an active market (e.g., over-the-counter derivatives) is determined using a valuation technique.
- The fair value of the interest rate and cross currency swaps is calculated as the present value of the estimated future cash flows based on observable yield curves.
- The fair value of the forward exchange contracts is determined using forward foreign exchange rates at the end of the reporting period.

10. Fair value measurements of financial instruments (continued)

(c) Fair values of other financial instruments

The table below summarises the carrying amount and the fair value of those financial assets and liabilities not presented in the consolidated entity's balance sheet at fair value.

	30 September 2013 Carrying Amount $'000	30 September 2013 Fair Value $'000
Financial assets		
Loans and receivables	12,872,421	14,405,148
Financial liabilities		
Due to banks, financial institutions and affiliated entity	6,018,112	6,091,777
Bonds and commercial papers	6,606,397	6,723,609
	12,624,509	12,815,386

The fair value of the above financial assets and liabilities are estimated by discounting the future contractual cash flows at the current market interest rate available to the group for similar financial instruments at reporting period.

11. Segment information

Management has determined the operating segments based on reports reviewed by the board of directors that are used to make strategic decisions. It categorises the operations of the business into two main business streams - retail and fleet. Retail segment is comprised of loans and leases to personal and commercial customers including wholesale finance which is comprised of loans and bailment facilities to motor vehicle dealerships. Fleet segment is composed of loans and leases to small business and fleet customers consisting of medium to large commercial clients and government bodies. The company's business segments operate in Australia.

	Retail		Fleet		Total	
	6 months 30 September 2013 $'000	6 months 30 September 2012 $'000	6 months 30 September 2013 $'000	6 months 30 September 2012 $'000	6 months 30 September 2013 $'000	6 months 30 September 2012 $'000
Revenue						
Segment revenue from external customers	342,215	334,315	107,999	101,044	450,214	435,359
Total revenue					450,214	435,359
Result						
Segment result	91,116	76,945	46,248	28,666	137,364	105,611
Share of net profit of equity accounted investments					3,985	3,268
Unallocated net expenses					(44,609)	(72,811)
Profit before income tax					96,740	36,068
Income tax expense					(26,641)	(9,287)
Profit attributable to owners of the parent					70,099	26,781
Net profit arrived at after charging the following items:						
- Depreciation	732	616	1,467	873	2,199	1,489
- Amortisation	1,692	1,034	3,729	3,346	5,421	4,380
- Impairment of loans and advances	24,993	22,599	(44)	5,487	24,949	28,086
- Other non-cash expenses	25,327	23,919	166	-	25,493	23,919

	Retail		Fleet		Total	
	30 September 2013 $000	30 September 2012 $000	30 September 2013 $000	30 September 2012 $000	30 September 2013 $000	30 September 2012 $000
Assets						
Segment assets	10,430,538	9,093,245	2,626,233	2,450,994	13,056,771	11,544,239
Equity accounted investments					56,873	48,382
Unallocated assets					784,827	525,857
Total assets					13,898,471	12,118,478
Liabilities						
Segment liabilities	9,261,889	8,448,577	2,331,986	2,277,230	11,593,875	10,725,807
Unallocated liabilities					1,502,396	712,493
Total liabilities					13,096,271	11,438,300
Acquisitions of non-current assets	4,247	2,247	967	422	5,214	2,669
Unallocated acquisitions					10,380	8,967
					15,594	11,636

12. Subsequent events

The directors are not aware of any other matter or circumstance not otherwise dealt with in the report or consolidated accounts that has significantly or may significantly affect the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in subsequent financial years.

13. Financial Guarantee

In relation to the securitisation of term loans, the company has provided a financial guarantee in respect of the Subordinated Notes issued by each special purpose vehicle. The financial guarantees are unsecured.

Exposure to a loss in the event of non-performance by a special purpose entity is limited to amounts payable under the Subordinated Notes and the governing facility agreement.

No provision was recognised by the company on the financial guarantees as at the end of the reporting period as the likelihood of a claim under a guarantee is remote.

14. Contingent liabilities

The company, as a member of the Toyota Motor Corporation Australia Limited GST Group (GST Group), is jointly and severally liable for 100% of the goods and services tax (GST) payable by the GST Group. The GST Group had a net GST payable as at 30 September 2013 of $39.4 million (31 March 2013: $42.3 million).

The company, in association with other Australian incorporated entities with a common owner, implemented the tax consolidation legislation from 1 April 2003 with Toyota Motor Corporation Australia Limited as the Head Entity. Under the tax consolidation legislation, tax consolidation entities are jointly and severally liable for the tax liability of the consolidated tax group unless a tax sharing agreement has been entered into by member entities. At the date of signing this financial report a tax sharing agreement has been executed. The directors believe the assets of the Head Entity are sufficient to meet the tax liabilities as they fall due.

The range of Toyota Extra Care warranty contracts, offered by the company since August 2003, provide an extended warranty to the customer in exchange for an upfront premium payment. The risk of claims has been fully insured with third party insurers. The directors consider the insurance of risk is sufficient to meet any claims which may eventuate.

A fully maintained operating lease is offered under the company's current portfolio of products. Fully maintained operating leases obligate the company to provide agreed services at the company's expense. Monthly rental includes a pre-determined charge for such services. The cost of such services is expensed periodically during the term of the leases and recognised in the income statement in reference to the stage of completion method.

DIRECTORS' DECLARATION

In the directors' opinion:

(a) the financial statements and notes set out on pages 6 to 21 are in accordance with the *Corporations Act* 2001, including:

  (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements, and

  (ii) giving a true and fair view of the consolidated entity's financial position as at 30 September 2013 and of its performance for the half-year ended on that date, and

(b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable

This declaration is made in accordance with a resolution of the directors.

For and on behalf of the Board

J. Chandler
Director

A. Fujioka
Director

SYDNEY
29 NOVEMBER 2013

Independent auditor's review report to the members of Toyota Finance Australia Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Toyota Finance Australia Limited (the company), which comprises the consolidated statement of financial position as at 30 September 2013, and the consolidated statement of comprehensive income, the consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, selected explanatory notes and the directors' declaration for the Toyota Finance Australia Group (the consolidated entity). The consolidated entity comprises both the company and the entities it controlled during that half-year.

Directors' responsibility for the half-year financial report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 30 September 2013 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Toyota Finance Australia Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

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Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Toyota Finance Australia Limited is not in accordance with the *Corporations Act 2001* including:

(a) giving a true and fair view of the consolidated entity's financial position as at 30 September 2013 and of its performance for the half-year ended on that date; and

(b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

PricewaterhouseCoopers

JW Bennett
Partner

29 November 2013

3. Responsibility Statement

The directors confirm that to the best of their knowledge:

(a) the financial statements and notes set out in "2. The Reviewed Condensed Financial Statements for the six month period ended 30 September 2013" are in accordance with the Corporations Act 2001 of Australia, including:

   (i) complying with the Australian Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and

   (ii) giving a true and fair view of the company's and consolidated entity's assets, liabilities, financial position and profit and loss as at 30 September 2013 and of its performance, as represented by the results of its operations and its cash flows, for the half-year ended on that date;

(b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and

(c) the management report set out in "1. Management Report" includes a fair review of the information required by DTR 4.2.7.