2 December 2019

Toyota Motor Finance (Netherlands) B.V.

(the "***Company***")

Half-Yearly Financial Report for the six months ended 30 September 2019

The Company was incorporated as a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) under the laws of the Netherlands on 3 August 1987 and registered in the Trade Register of the Amsterdam Chamber of Commerce under number 33194984. The Company is a wholly-owned subsidiary of Toyota Financial Services Corporation ("***TFS***"), which is a wholly-owned subsidiary of Toyota Motor Corporation ("***TMC***"). The Company presents its half-yearly financial report for the six months ended 30 September 2019.

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 principal activity of the Company is to act as a group finance company for some of the subsidiaries and affiliates of TMC and TFS. The Company raises funds by issuing bonds and notes in the international capital markets and from other sources and on-lends to other Toyota companies. The Company also provides guarantees for debt issuances of certain other Toyota companies. In addition, the Company generates income from other investments and deposits incidental to its primary funding activities. As a group finance company, the Company is dependent on the performance of the subsidiaries and affiliates of TMC and TFS to which the Company grants loans and in respect of which it issues guarantees.

At 30 September 2019, a total equivalent amount of € 12,470,991 thousand has been lent to related companies, compared to € 11,414,269 thousand at 31 March 2019. Other assets comprise bank deposits, derivative financial instruments, collateral deposits and various less significant assets.

The Company reports a net profit of € 33,703 thousand for the six months ended 30 September 2019, compared to a net profit of € 2,375 thousand for the six months ended 30 September 2018. The increase resulted mainly from profits arising from changes in the fair value of derivatives in the six months ended 30 September 2019, compared to losses on the fair value of derivatives in the six months ended 30 September 2018.

Current assets increased by 2.68% to € 5,247 million at 30 September 2019 from € 5,109 million at 31 March 2019. Current assets mainly consist of short-term loans to related companies. Other current assets include derivative financial instruments, collateral deposits paid, current tax assets and cash and bank balances. The increase in current assets is mainly driven by an increase in loans to related companies due to mature within one year.

Current liabilities decreased by 8.78% to € 5,385 million at 30 September 2019 from € 5,904 million at 31 March 2019, mainly due to an increase in new long term borrowing.

The Company maintains an Euro Medium Term Note ("***EMTN***") programme together with its affiliates Toyota Credit Canada Inc., Toyota Finance Australia Limited and Toyota Motor Credit Corporation (the Company and such affiliates, the "***EMTN Issuers***"), providing for the issuance of debt securities in the international capital markets. In September 2019, the EMTN Issuers renewed the EMTN programme for a one year period. The maximum aggregate principal amount of debt securities that may be issued by the EMTN Issuers and outstanding under the EMTN programme at any time is € 50 billion, or the equivalent in other currencies, of which € 18.2 billion was available for issuance at 30 September 2019.

Bilateral 364 Day Facility Agreements

On 5 June 2019, the Company entered into a € 200 million 364 day bilateral bank credit facility pursuant to a bilateral 364 Day Revolving Credit Agreement, and was not drawn upon as of 2 December 2019. The previous € 200 million bilateral 364 Day Facility Agreement, entered into on 6 June 2018, terminated on 5 June 2019.

On 6 July 2019, the Company entered into a € 200 million 364 day bilateral bank credit facility pursuant to a bilateral 364 Day Facility Agreement, and was not drawn upon on 2 December 2019. The previous € 200 million bilateral 364 Day Facility Agreement, entered into on 6 July 2018, terminated on 5 July 2019.

Bilateral Three Year Term Loan Credit Agreements

On 26 August 2019, the Company entered into a € 440 million Three Year Term Loan Credit Agreement for two loans of € 220 million each, the second of which was fully drawn upon on 16 October 2019.

On 16 October 2019, the Company entered into a JPY 30 billion Three Year Term Loan Credit Agreement which was fully drawn upon on 24 October 2019.

Bilateral 364 Day and Three Year Credit Agreements

On 8 November 2019, the Company and other Toyota affiliates entered into a U.S.$ 350 million 364 day bilateral bank revolving credit facility pursuant to a bilateral 364 Day Credit Agreement and a U.S.$ 350 million three year bilateral bank revolving credit facility pursuant to a bilateral Three Year Credit Agreement. The ability to make drawdowns under the bilateral 364 Day Credit Agreement and the bilateral Three Year Credit Agreement is subject to covenants and conditions customary in transactions of this nature, including negative pledge provisions, cross default provisions and limitations on consolidations, mergers and sales of assets. The bilateral 364 Day Credit Agreement and the bilateral Three Year Credit Agreement may be used for general corporate purposes and were not drawn upon as of 2 December 2019. The 364 Day Credit Agreement and the Three Year Credit Agreement, each dated as of 9 November 2018, terminated (in the case of the 364 Day Credit Agreement) or were terminated (in the case of the Three Year Credit

Agreement) on 8 November 2019.

On 27 November 2019, the Company entered into a € 225 million 364 day bilateral bank revolving credit facility pursuant to a bilateral 364 Day Credit Agreement and a € 225 million three year bilateral bank revolving credit facility pursuant to a bilateral Three Year Credit Agreement. The ability to make drawdowns under the bilateral 364 Day Credit Agreement and the bilateral Three Year Credit Agreement is subject to covenants and conditions customary in transactions of this nature, including negative pledge provisions, cross default provisions and limitations on consolidations, mergers and sales of assets. The bilateral 364 Day Credit Agreement and the bilateral Three Year Credit Agreement may be used for general corporate purposes and were not drawn upon as of 2 December 2019.

Syndicated 364 Day, Three Year and Five Year Credit Agreements

On 8 November 2019, the Company and other Toyota affiliates entered into a U.S.$ 5.0 billion 364 day syndicated bank credit facility pursuant to a 364 Day Credit Agreement, a U.S.$ 5.0 billion three year syndicated bank credit facility pursuant to a Three Year Credit Agreement and a U.S.$ 5.0 billion five year syndicated bank credit facility pursuant to a Five Year Credit Agreement. The ability to make drawdowns under the 364 Day Credit Agreement, the Three Year Credit Agreement and the Five Year Credit Agreement is subject to covenants and conditions customary in transactions of this nature, including negative pledge provisions, cross default provisions and limitations on consolidations, mergers and sales of assets. The 364 Day Credit Agreement, the Three Year Credit Agreement and the Five Year Credit Agreement may be used for general corporate purposes and were not drawn upon as of 2 December 2019. The 364 Day Credit Agreement, the Three Year Credit Agreement and the Five Year Credit Agreement, each dated as of 9 November 2018, terminated (in the case of the 364 Day Credit Agreement) or were terminated (in the case of the Three Year Credit Agreement and the Five Year Credit Agreement) on 8 November 2019.

It is expected that the nature of the activities of the Company will remain unchanged during the remaining six months of the financial year. Future financial performance will depend largely on the net interest margin earned on loans and investments, funded by existing and possible further issues of medium-term notes, commercial paper and funds from other sources.

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

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

The Company, TFS and Toyota may be exposed to certain risks and uncertainties, summarised below, that could have a material adverse impact directly or indirectly on its business, results of operations and financial condition. The Company's role as a group financing company exposes it to a variety of financial risks that include credit risk, liquidity risk, interest rate risk and foreign currency exchange rate risk.

The TFS group's business, through its financial subsidiaries and affiliates, including the Company, is substantially dependent upon the sale of Toyota and Lexus vehicles and its ability to offer competitive financing. The Company's business is also dependent upon the performance of TFS companies to which the Company grants loans and/or in respect of which it grants guarantees and, thereby, sales of Toyota and Lexus vehicles by Toyota companies. Factors which could affect the volume of sales of such vehicles by Toyota distributors, include changes in governmental regulation or trade policies, changes in consumer demand, new vehicle incentive programmes, recalls, the actual or perceived quality, safety or reliability of Toyota and Lexus vehicles, changes in economic conditions, increased competition, increases in the price of vehicles due to increased raw material costs, changes in import fees or tariffs on raw materials or imported vehicles, changes to, or withdrawals from, trade agreements, currency fluctuations, fluctuations in interest rates, decreased or delayed vehicle production due to natural disasters, supply chain interruptions or other events and the increased level of incentive programmes by other manufacturers. For the Company, a decrease in the level of sales will have primarily a negative impact on the level of the Company's financing volume, which could in turn have an adverse effect on the Company's results of operations and financial condition.

The Company has no control over how the other Toyota companies to which the Company on-lends funds source their financing. The Company competes with other providers of finance to such Toyota companies and any increases in competitive pressures, such as cost of funding, could have an adverse impact on the Company's financing volume, revenues and margins. Further, the financial condition of the Toyota companies to which the Company on-lends funds or provides guarantees in respect of their debt issuances, may have an impact on the financial services the Company provides to such subsidiaries and affiliates of TMC and TFS or such Toyota companies. This could have an adverse impact on the Company's results of operations and financial condition.

Further risks include changes to the senior long-term debt credit ratings of TMC and certain of its affiliates (including the Company) which may result in higher borrowing costs as well as reduced access to the capital markets. Liquidity risk arising from the inability of the TFS group (including the Company) to maintain the capacity to fund assets and repay liabilities in a timely and cost-effective manner would have a negative impact on the Company's ability to refinance maturing debt and fund new asset growth. Changes in interest rates or foreign currency exchange rates may cause volatility in the Company's results of operations, financial condition and cash flows. The failure of any of the financial institutions and other counterparties to which the Company has exposure, directly or indirectly, to perform their contractual obligations, and any losses resulting from that failure, may materially and adversely affect the Company's liquidity, results of operations and financial condition.

Inadequate or failed processes or systems or internal controls, models, estimates or assumptions, human error, employee misconduct, catastrophic events, external or internal security breaches, acts of vandalism, computer viruses, malware, ransomware, misplaced or lost data or other events could disrupt its normal operating procedures, damage its reputation and have an adverse effect on the Company's business, results of operations and financial condition. The Company's failure to

prevent security breaches or cyber-attacks could subject it to liability, decrease its profitability and damage its reputation. The worldwide financial services industry is highly competitive.

Toyota's future success depends on its ability to offer new, innovative and competitively priced products that meet customer demand on a timely basis.

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

The Company's principal risks and uncertainties for the remaining six months of the financial year have not changed since the issuance of the Company's 2019 Annual Financial Report. The detailed discussion of these risks and uncertainties and the Company's objectives, policies and processes for managing these risks and uncertainties were disclosed in the Management Report, as well as Note 32 in the Notes to the Financial Statements, in the Annual Financial Report of the Company for the financial year ended 31 March 2019.

2. Condensed Interim Financial Statements for the six month-period ended 30 September 2019

TOYOTA MOTOR FINANCE
(NETHERLANDS) B.V.
REGISTERED NUMBER: 33194984

Condensed Interim Financial Statements
for the six month-period ended 30 September 2019

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BOARD OF MANAGEMENT

Hiroyasu Ito
Toshiaki Kawai

Statement of comprehensive income

	Note	Unaudited Six month-period ended 30 September 2019 €'000	Unaudited Six month-period ended 30 September 2018 €'000
Interest income		74,253	56,468
Dividend income		295	190
Guarantee fee income		2,582	1,934
Revenue	3	77,130	58,592
Interest expenses		(61,552)	(42,600)
Fee expenses		(7,898)	(6,240)
Cost of funding		(69,450)	(48,840)
Gross profit		7,680	9,752
Administration expenses		(2,792)	(2,353)
Net gains / (losses) on financial instruments	4	44,198	(3,592)
Adjustment credit loss on group loans		257	(414)
Profit before tax		49,343	3,393
Taxation		(15,640)	(1,018)
Profit for the period		33,703	2,375
Other comprehensive income for the period, net of tax: Items that will be reclassified subsequently to Profit or Loss			
Equity accounted investment		57	(4)
Total comprehensive income for the period		33,760	2,371
Attributable to:			
Equity holder		**33,760**	**2,371**

The notes on pages 7 to 14 are an integral part of these condensed interim financial statements

Statement of financial position

	Note	Unaudited 30 September 2019 €'000	Audited 31 March 2019 €'000
Assets			
Current assets			
Loans to related companies	7	4,810,582	4,558,193
Other receivables		48,973	58,243
Current tax assets		1,449	-
Derivative financial instruments	9	174,417	250,718
Cash and cash equivalents		211,111	242,263
Total current assets		5,246,532	5,109,417
Non-current assets			
Loans to related companies	7	7,659,656	6,855,066
Derivative financial instruments	9	287,209	150,549
Equity investment - related company		1,280	1,223
Property, plant equipment		24	12
Intangible assets		20	16
Total non-current assets		7,948,189	7,006,866
Liabilities			
Current liabilities			
Borrowings	10	5,023,193	5,569,338
Derivative financial instruments	9	47,050	47,569
Financial guarantee liability		9,393	8,612
Current tax liabilities		584	584
Other liabilities and accrued expenses		305,130	277,624
Bank overdraft		4	3
Total current liabilities		5,385,354	5,903,730
Net current liabilities		(138,822)	(794,313)
Non-current liabilities			
Borrowings	10	7,458,268	5,926,677
Derivative financial instruments	9	115,767	95,489
Deferred tax liabilities	8	19,065	7,880
Total non-current liabilities		7,593,100	6,030,046
Net assets		**216,267**	**182,507**
Shareholder's equity			
Equity attributable to owners of the parent			
Share capital		908	908
Retained earnings		214,834	181,131
Equity investments FVOCI		525	468
Total shareholder's equity		**216,267**	**182,507**

The notes on pages 7 to 14 are an integral part of these condensed interim financial statements

Statement of changes in equity

	Note	Share capital €'000	Retained earnings €'000	Fair value reserve €'000	Total €'000
Balance at 31 March 2018		908	144,734	364	146,006
Expected credit loss adjustment		-	(717)	-	(717)
Deferred tax adjustment		-	179	-	179
Balance at 1 April 2018		908	144,196	364	145,468
Equity accounted investment		-	-	(4)	(4)
Result for the period		-	2,375	-	2,375
Total comprehensive income		-	2,375	(4)	2,371
Balance at 30 September 2018 (unaudited)		**908**	**146,571**	**360**	**147,839**

	Share capital €'000	Retained earnings €'000	Fair value reserve €'000	Total €'000
Balance at 31 March 2019	908	181,131	468	182,507
Equity accounted investment	-	-	57	57
Result for the period	-	33,703	-	33,703
Total comprehensive income	-	33,703	57	33,760
Balance at 30 September 2019 (unaudited)	**908**	**214,834**	**525**	**216,267**

The notes on pages 7 to 14 are an integral part of these condensed interim financial statements

Condensed interim statement of cash flow

	Unaudited Six month-period ended 30 September 2019 €'000	Unaudited Six month-period ended 30 September 2018 €'000
Cash flow from operating activities		
Cash used in operations	(1,043,425)	(1,385,627)
Interest received	75,875	51,398
Interest paid	(67,513)	(33,545)
Tax paid	(5,903)	(4,163)
Net cash used in operating activities	(1,040,966)	(1,371,937)
Cash flow from investing activities		
Purchase of equipment and software	(19)	-
Dividends received	295	190
Net cash generated from investing activities	276	190
Cash flow from financing activities		
Proceeds from borrowings	17,043,632	17,648,232
Repayment of borrowings	(16,037,681)	(16,258,657)
Net cash generated from financing activities	1,005,951	1,389,575
Net increase in cash and cash equivalents	(34,739)	17,828
Cash and cash equivalents at the beginning of the period	242,260	126,633
Exchange gains/(losses) on cash and cash equivalents	3,586	7,576
Cash and cash equivalents at 30 September	**211,107**	**152,037**

The notes on pages 7 to 14 are an integral part of these condensed interim financial statements

Notes to the condensed interim financial statements

1. General information

Toyota Motor Finance (Netherlands) B.V. ('the Company') is a wholly-owned subsidiary of Toyota Financial Services Corporation ("TFSC"). The principal activity of the Company is to act as a group finance company. The Company raises funds by issuing bonds and notes in the international capital markets and from other sources and on-lends to other Toyota companies. The Company also issues guarantees for debt issuances of other Toyota companies.

The Company is incorporated and domiciled in the Netherlands. The address of its registered office is World Trade Center, Tower H, Level 10, Zuidplein 90, 1077 XV Amsterdam, the Netherlands.

The ultimate holding company and controlling party and the largest undertaking into which the Company's results are consolidated is Toyota Motor Corporation ("TMC"), which is incorporated in Japan.

The smallest undertaking into which the Company's results are consolidated is Toyota Financial Services Corporation, which is incorporated in Japan.

The latest financial statements of Toyota Motor Corporation can be obtained from http://www.toyota-global.com.

The audited financial statements of the Company for the year ended 31 March 2019 are filed with the Chamber of Commerce in Amsterdam, and the independent auditor's report is unqualified.

2. Basis of preparation and significant accounting policies

These condensed interim financial statements for the six month-period ended 30 September 2019 have been prepared in accordance with IAS 34, Interim Financial Reporting, as adopted by the European Union. The condensed interim financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the annual financial statements for the year ended 31 March 2019, which have been prepared in accordance with IFRS and interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) as adopted by the European Union and also in accordance with the statutory provisions of Part 9, Book 2 of the Dutch Civil Code.

The accounting policies adopted in the preparation of the condensed interim financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended 31 March 2019, except for the adoption of new standards effective as of 1 April 2019. The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Changes in accounting policy and disclosures

New and amended standards effective for the financial year starting 1 April 2019

IFRS 16

IFRS 16 is effective for annual reporting periods beginning on or after 1 January 2019. The objective of IFRS 16 is to report information that (a) faithfully represents lease transactions and (b) provides a basis for users of financial statements to assess the amount, timing and uncertainty of cash flows arising from leases. To meet that objective, a lessee should recognise assets and liabilities arising from a lease.

IFRS 16 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments.

The Company is engaged in an immaterial number of lease contracts, consisting of an office lease, car leases (four) and apartment leases (two) for a limited period of time (less than three years). Upon projecting the future contractual lease obligations and using the incremental borrowing rate,

the right-of-use asset and the lease liability were less than € 300,000. Based upon the immateriality of this impact, the company elected to not record such an asset and liability as the adaption was not material.

Several other amendments and interpretations apply for the first time in 2019, but do not have an impact on the consolidated financial statements of the Company

Fair value estimation of financial instruments

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The Company uses a variety of methods and market assumptions that are based on market conditions existing at each reporting date. Quoted market prices or dealer quotes for similar instruments are used for long-term debt. Other techniques, such as estimated discounted cash flows, are used to determine the fair value for the remaining financial instruments. The fair value of interest rate swaps, cross currency swaps and forward foreign exchange contracts is calculated as the present value of the estimated future cash flows.

The carrying amount including impairment losses of other receivables and payables, normally maturing within 30 days, are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Company for similar financial instruments.

Risk management

The Board of Management utilises risk management policies and receives regular reports from the business to enable prompt identification of financial risks so that appropriate actions may be taken. The Company employs written policies and procedures that set out specific guidelines to manage foreign exchange risk, interest rate risk, credit risk and the use of financial instruments to manage these risks. The condensed interim financial statements do not include all financial risk management information and disclosures required in the annual financial statements; they should be read in conjunction with the group's annual financial statements as at 31 March 2019. There have been no changes in the risk management department or in any risk management policies since the year-end.

The credit ratings for TFSC as well as for TMC as at 30 September 2019 were; Moody's Aa3 (31 March 2019 Aa3) and Standard & Poor's AA- (31 March 2019 AA-).

3. Revenue

The Company consists of a single operating reporting segment as defined under IFRS 8. Income generation is principally from lending to related companies, with other income generation from guarantees of related companies and from other investment and deposit income from third parties incidental to the primary funding activities.

Income can be categorized geographically as follows:

Income by area	Six month-period ended 30 September 2019 €'000	Six month-period ended 30 September 2018 €'000
Thailand (group)	19,993	11,660
UK (group)	16,987	15,157
South Africa (group)	8,747	7,115
Russia (group)	8,467	8,964
Norway (group)	7,727	6,146
Poland (group)	2,729	2,405
Italy (group)	2,578	-
Spain (group)	2,031	1,367
Other countries (group)	4,541	3,320
Third-party interest	3,330	2,458
Total	**77,130**	**58,592**

All income, apart from third-party interest, is derived from group companies controlled by TMC. Income is shown by area as in some countries there is more than one group company borrowing from the Company.

Until March 2019 part of the borrowing by Toyota Financial Services UK ('TFSUK') was on lent to Toyota Financial Services Italy ('TFSI'). In March 2019 all loans to TFSI from TFSUK were transferred from TFSUK to the Company.

4. Net gains / (losses) on financial instruments

The Company measures derivatives at fair value whereas the other financial assets and liabilities are measured at amortised cost. The Company does not apply hedge accounting. Therefore, the effect of interest movements on the market value of the derivatives is not offset by an opposite movement on the underlying financial assets and liabilities leading to volatility in the Statement of comprehensive income.

See Note 9, Derivative financial instruments, for more information on the fair value of the derivative portfolio.

5. Income taxes

The income tax expense for the period is based on the estimated average annual effective income tax rate of 25% (six month-period ended 30 September 2018: 25%).

6. Dividends

No dividends were paid or proposed in the current or comparative periods by the Company.

7. Loans to related companies

Under IFRS 9 the Company has developed an impairment model for financial assets. The model is an expected credit loss model applicable as of 1 April 2018. The expected credit loss is deducted from outstanding current loan assets.

Current loans to related companies	**Unaudited 30 September 2019 €'000**	**Audited 31 March 2019 €'000**
Current assets		
Loans to related companies	4,811,335	4,559,203
Expected credit loss	(753)	(1,010)
Current loans to related companies	**4,810,582**	**4,558,193**

Loans to related companies	**Unaudited 30 September 2019 €'000**	**Audited 31 March 2019 €'000**
Current loans to related companies	4,810,582	4,558,193
Non-current loans to related companies	7,659,656	6,855,066
Total	**12,470,238**	**11,413,259**

Movement in expected credit loss	Unaudited €'000
At 1 April 2019	(1,010)
Release provision	257
At 30 September 2019	**(753)**

In accordance with IFRS 9, the entire portfolio of financial assets are classified as stage 1 given the creditworthiness and payment history of the related companies.

No related party loans are overdue and there has been no actual impairment of related party loans either in the current or previous financial years. There has been no renegotiation of any loans that would otherwise have been past due or impaired.

Interest rates on group lending can be either fixed or floating. The interest range for group lending on 30 September 2019 was between (0.295)% and 9.36% per annum, depending on the currency of the loan.

Outside the calculated expected credit loss no other impairment provisions, or losses, have been incurred in the current or previous financial year for any class of financial assets.

8. Deferred tax liabilities

Below is presented a roll forward of the deferred tax liability position.

Deferred tax liabilities	Unaudited 30 September 2019 €'000	Audited 31 March 2019 €'000
Beginning - Deferred tax liabilities	(7,880)	1,829
Impact from expected credit loss adjustment	(64)	73
Fair valuation of assets and liabilities through profit or loss	(11,121)	(9,782)
Ending - Deferred tax liabilities	**(19,065)**	**(7,880)**

9. Derivative financial instruments

The derivative financial instruments are categorised as held for trading and are carried at fair value through profit or loss. The fair values of derivative contracts are shown in the table below. Additional disclosures are set out in the accounting policies relating to risk management.

Derivative financial instruments - Current assets	Unaudited 30 September 2019 €'000	Audited 31 March 2019 €'000
Interest swaps	1,429	988
Cross-currency swaps	163,020	245,519
Forward foreign currency contracts	9,968	4,211
Total current assets	**174,417**	**250,718**
Derivative financial instruments – Non-current assets		
Interest swaps	46,888	17,634
Cross-currency swaps	240,321	132,915
Total non-current assets	**287,209**	**150,549**
Total derivative financial instruments – assets	**461,626**	**401,267**

Derivative financial instruments – Current liabilities	Unaudited 30 September 2019 €'000	Audited 31 March 2019 €'000
Interest swaps	2,954	1,829
Cross-currency swaps	39,841	44,806
Forward foreign currency contracts	4,255	934
Total current liabilities	**47,050**	**47,569**
Derivative financial instruments – Non-current liabilities		
Interest swaps	32,051	20,936
Cross-currency swaps	83,716	74,553
Total non-current liabilities	**115,767**	**95,489**
Total derivative financial instruments – liabilities	**162,817**	**143,058**

Derivative assets and liabilities are recognised at fair value through the Statement of comprehensive income. All derivative contracts have collateral agreements attached. Therefore, the debit/credit valuation adjustment is not considered material and is not considered in determining the fair value of derivative assets and liabilities. Fair value gains / losses in financial derivatives are based upon changes in interest rates, foreign exchange movements, and instrument maturity and origination.

10. Borrowings

The Company's principal borrowings are from short-term commercial paper programmes, bank borrowings and from a long-term Euro medium term note programme. Commercial paper is a short-term debt instrument normally issued at a discount and repaid at face value. The Company can issue commercial paper with maturities between 1 day and 364 days. Commercial paper, bank borrowings and plain vanilla Euro medium term notes are held at amortised costs.

Borrowings	30 September 2019		31 March 2019	
	Current €'000	Non-current €'000	Current €'000	Non-current €'000
Commercial paper	2,428,457	-	2,424,878	-
Medium term notes	2,040,879	6,140,280	2,738,821	4,590,020
Loans bank	553,857	1,317,988	405,639	1,336,657
Total	**5,023,193**	**7,458,268**	**5,569,338**	**5,926,677**

Interest rates on bank borrowings are fixed or floating based on the relevant three months rates plus spread. The interest range on bank borrowings on 30 September 2019 was between (0.00)% and 2.9276% per annum.

Borrowings	01 Apr. 19 - 30 Sept. 19	01 Apr. 18 - 31 Mar. 19
	€'000	€'000
Commercial paper		
Start	2,424,878	2,453,947
Accrued interest	(1,812)	2,818
Issue	14,560,763	30,430,393
Redemption	(14,562,295)	(30,524,261)
Amortisation	976	273
FX revaluation	5,947	61,708
Total	**2,428,457**	**2,424,878**
Medium term notes		
Start	7,328,841	4,935,731
Accrued interest	871	7,088
Issue	2,262,868	3,321,575
Redemption	(1,361,598)	(1,191,597)
Amortisation	2,302	10,307
FX revaluation	(52,125)	245,737
Total	**8,181,159**	**7,328,841**

Borrowings	01 Apr. 19 - 30 Sept. 19	01 Apr. 18 - 31 Mar. 19
	€'000	€'000
Loans bank		
Start	1,742,296	1,367,232
Accrued interest	(782)	1,116
Issue	220,000	466,903
Redemption	(113,787)	(214,390)
Amortisation	393	702
FX revaluation	23,725	120,733
Total	**1,871,845**	**1,742,296**

11. Related party transactions

The Company is a wholly-owned subsidiary of Toyota Financial Services Corporation (TFSC), a company incorporated in Japan.

The ultimate holding company and controlling party is Toyota Motor Corporation (TMC), a company incorporated in Japan.

Transactions with parent companies:

TMC provides credit support to TFSC in respect of the Company's debt issuance in the capital markets and related party guarantees.

TFSC provides credit support to the Company in respect of debt issuance in the capital markets and related party guarantees.

TFSC agrees in its Credit Support Agreements with the Company to make available to the Company funds sufficient to make its payment obligations on securities issued by it and agrees to ensure that the Company always has at least €100,000 in tangible net worth, so long as the Company has securities outstanding. Tangible net worth means the aggregate amount of issued capital, capital surplus and retained earnings less any intangible assets.

Loans to related companies:

The Company lends to other TMC subsidiaries on both a fixed rate and a floating rate basis. All fixed rate lending is swapped into floating rate, three month basis in line with the Company's risk management policy.

Amounts receivable from related parties are not impaired.

The loans to related companies, excluding expected credit losses, have increased by 9.26% from 31 March 2019 to 30 September 2019 (€ 11,414,268,000 at 31 March 2019, € 12,470,991,000 at 30 September 2019).

Loans from related companies:

The Company has borrowed € nil at 30 September 2019 (€ nil at 31 March 2019) from related companies.

In the cost of funding there is no interest expense on related party borrowing from related companies.

12. Contingent liabilities

The Company issues guarantees to debt holders of other TMC subsidiaries. The Company receives guarantee fees from TMC subsidiaries in respect of the guaranteed debt in issuance.

No provisions have been required against contingent liabilities in either the current or prior fiscal years.

The nature of the guarantees is that they are unconditional guarantees issued to the debt holders. If for any reason the issuer is unable to pay as and when the debt falls due, the Company may be required to repay the debt on behalf of the issuer.

The guarantees are for commercial paper and medium term notes.

The contingent liability for the guarantees at 30 September 2019 was € 3,205,186,000 (€ 2,769,183,000 at 31 March 2019).

13. Financial assets and liabilities at fair value in the condensed interim statement of financial position

The table below analyses financial instruments carried at fair value, by the valuation method. The different levels have been defined as follows:
Level 1 - Quoted prices (unadjusted) in active markets for identical assets and liabilities;
Level 2 – Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices);
Level 3 – Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

Level 2 trading and hedging derivatives comprise forward exchange contracts and interest rate swaps. These forward foreign exchange contracts have been fair valued using forward exchange rates that are quoted in an active market. Interest rate swaps are fair valued using forward interest rates from observable yield curves.

Management will continually assess whether its understanding of the valuation method hierarchy remains accurate for each financial instrument and if a change is deemed to occur it will disclose the date of the event and the change in circumstances in addition to the reporting period it is applicable to.

	30 September 2019				31 March 2019			
	Level 1 €'000	Level 2 €'000	Level 3 €'000	Total €'000	Level 1 €'000	Level 2 €'000	Level 3 €'000	Total €'000
Financial assets								
Equity investment – related company	-	-	1,280	1,280	-	-	1,223	1,223
Derivative financial instruments	-	461,626	-	461,626	-	401,267	-	401,267
Financial liabilities								
Derivative financial instruments	-	162,817	-	162,817	-	143,058	-	143,058

The carrying value for all other financial assets and liabilities not presented in the previous graph is a reasonable approximation of Fair Value in accordance with disclosure requirements as stated within IFRS 7.

14. Share capital

Share capital	30 September 2019 €'000	31 March 2019 €'000
Authorised		
10,000 (31 March 2019: 10,000) ordinary shares of Euro 454 each	4,540	4,540
Issued and fully paid up		
2,000 (31 March 2019: 2,000) ordinary shares of Euro 454 each	908	908

100% of the share capital of the Company is owned by Toyota Financial Services Corporation (see note 1).

Other information

Events occurring after the reporting period

There are no events after the reporting period to disclose.

3. Responsibility Statement

The members of the Company's Board of Management confirm that to the best of their knowledge:

(a) the condensed interim financial statements for the six month-period ended 30 September 2019, which have been prepared in accordance with IAS 34 as adopted by the European Union give a true and fair view of the assets, liabilities, financial position and profit and loss of the Company as required by DTR 4.2.4; and

(b) the interim management report includes a fair review of the information required by DTR 4.2.7.