[English Translation]

ANNUAL SECURITIES REPORT

Filed on 11 July 2023 through EDINET
(As amended on 18 July 2023)

TOYOTA FINANCE AUSTRALIA LIMITED
（E05954）

(This English translation of the Annual Securities Report has been prepared solely for reference purposes and shall not have any binding force.)

Cover

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Corporate Name	:	Toyota Finance Australia Limited
Title and Name of Representative	:	Managing Director / Chief Executive Officer Evangelos Tsirogiannis
Location of Principal Office	:	Level 9 207 Pacific Highway St Leonards, New South Wales 2065 Australia
Name of Attorney-in-Fact	:	Takuo Hirose (Attorney-at-Law)
Address of Attorney-in-Fact	:	Anderson Mori & Tomotsune Otemachi Park Building 1-1, Otemachi 1-chome Chiyoda-ku, Tokyo
Telephone Number	:	03-6775-1000
Administrative Personnel to Contact	:	Yasuyuki Kuroda (Attorney-at-Law) Shunsuke Aoki (Attorney-at-Law) Erika Okada (Attorney-at-Law)
Place to Contact	:	Anderson Mori & Tomotsune Otemachi Park Building 1-1, Otemachi 1-chome Chiyoda-ku, Tokyo
Telephone Number	:	03-6775-1744
Places at which This Annual Securities Report Is made Available for Public Inspection		Not applicable

TABLE OF CONTENTS

PART I. CORPORATE INFORMATION

Notes:

(1) Unless otherwise stated, in this document, all references to "TFA" are to Toyota Finance Australia Limited (ABN 48 002 435 181), and all references to the "Company" or "Group" are to the economic entity comprising TFA, the entities it controls, and special purpose securitisation trusts which it consolidates.

(2) Unless otherwise indicated in this document, all references to:

- "Australian dollars", "Dollars", "Cents", "A$" or "$" are to the lawful currency of the Commonwealth of Australia;
- "N.Z. Dollars", "NZ Dollars", "N.Z.$" or "NZ$" are to the lawful currency of New Zealand;
- "U.S. Dollars", "US Dollars", "U.S.$" or "US$" are to the lawful currency of the United States of America;
- "EUR" or "€" are to the single currency of those member states of the European Union participating in European economic and monetary union from time to time;
- "yen" or "¥" are to the lawful currency of Japan;
- "Programme" are to the €60,000,000,000 Euro Medium Term Note Programme of TFA and others; and
- "Programme Memorandum" are to the Programme Memorandum dated 16 September 2022 (as supplemented from time to time) for the Programme.

In this document, for the convenience of the Japanese readers, unless otherwise provided, translation into Japanese yen has been made at the exchange rate of A$1 = 95.37 yen which was the middle rate of the telegraphic transfer selling and buying exchange rates vis-à-vis customers on the Tokyo Foreign Exchange Market as quoted by MUFG Bank, Ltd. on 15 June 2023.

(3) Totals in certain tables in this document may differ from the sum of the individual items in such tables due to rounding.

I. Outline of Legal and Other Systems in the Home Country of the Company

1. Outline of Corporate System

(1) Corporate System of the Country or Political Sub-Division Thereof to which the Company Belongs

The primary law regulating corporations, including companies, in Australia, is to be found in the Corporations Act 2001 of the Commonwealth of Australia ("**Corporations Act**"). Under the Corporations Act a company may be formed as either a proprietary or a public company. A public company may be limited by shares, limited by guarantee, (if it was incorporated before 1 July 1998) limited both by shares and by guarantee, or unlimited with share capital, or (in the case of a mining company) a no liability company. A proprietary company may either be limited by shares or unlimited with share capital. The most common corporate form is the company limited by shares whereby the liability of its members is limited to the amount (if any) unpaid on their shares. The principal difference between a proprietary company and a public company is that a proprietary company is limited to no more than 50 non-employee members.

Incorporation of a company occurs pursuant to the Corporations Act at the time of registration with the Australian Securities and Investments Commission ("**ASIC**"). There is a prescribed form of application for incorporation. On incorporation a certificate is issued, stating that the company is registered under the Corporations Act, the date of registration, the company's name and its Australian Company Number. That certificate is conclusive evidence that all requirements under the Corporations Act for the company's registration have been met.

A company's internal management may be governed by provisions of the Corporations Act that apply to the company as "replaceable rules", by a "constitution", or by a combination of both. Although companies do not need a constitution to be registered they can adopt a constitution on registration or subsequently. A company must have a constitution if the shares in the company are to be listed on the Australian Securities Exchange which is operated by ASX Limited (ABN 98 008 624 691) ("**ASX**"). Companies which adopt a constitution after registration must do so pursuant to a special resolution passed by the members of the company.

Shares

On 1 July 1998, all company shares issued by Australian companies ceased to have a par or nominal value irrespective of when they were issued. Any provisions in a company's constitution which stated the amount of its share capital and divided that capital into shares of a fixed amount were repealed automatically. Instead of a par value, each share has an issue price. Depending on a company's constitution, the directors of a company may have complete discretion as to the allotment of shares whereas in other cases there may be restrictions on the ability of the directors alone to allot shares without receiving the approval of the members of the company. A company may determine the terms on which its shares are issued and the rights and restrictions attaching to them, including having different classes and different voting and dividend rights.

Shares are personal property, transferable or transmissible as provided in the constitution of the company or, in the case of shares in a company listed on the ASX, the rules of the relevant approved clearing and settlement facility, and require the delivery of a proper instrument of transfer to the company (unless the transfer is regulated by an approved clearing and settlement facility) and the entry of the transferee's name in the register of members. Shares are otherwise freely transferable unless the company's constitution imposes restrictions.

Operation and Management of a Company

Under the Corporations Act, every company is required to maintain a register of its members. The register contains, amongst other things, the member's name, address, the date of entry of the member's name, the shares held by each member and the amount unpaid, if applicable, on that member's shares. The register must be kept at all times in Australia, either at the company's registered office, the company's principal place of business or at the place where it is compiled. Australian companies are also obliged to lodge with ASIC a notice of personal details of each director, and to maintain financial records and minutes of all proceedings and resolutions of meetings of their shareholders and directors as well as resolutions passed without a meeting. Under the Corporations Act, auditors must be appointed in order to report on the accounts to members (except in the case of proprietary companies), and annual returns are required to be filed with ASIC, whereupon they become a matter of public record.

The business of a company is usually managed by, or under the direction of, the directors. Under the Corporations Act, a public company must have at least 3 directors (at least 2 of which must ordinarily reside in Australia), and a proprietary company must have at least one director (one of which must ordinarily reside in Australia), although an individual company's constitution may fix minimum and maximum numbers (provided that there is compliance with the statutory requirements). The directors may exercise all the powers of the company except powers that the Corporations Act or the company's constitution (if any) require the company to exercise through a general meeting. There is no requirement that the directors hold their meetings in Australia.

Amendments to the Corporations Act in 2020 require all company directors, or anyone intending to become a director, to obtain a Director Identification Number ("**DIN**"). A DIN is a unique 15-digit identifier that will be kept by a director permanently. Australian Business Registry Services ("**ABRS**") is responsible for administering applications for DINs. The application must be made by the director personally and the quickest way to obtain a DIN is to apply online using the MyGov ID app. Directors appointed from 5 April 2022 must have applied for a DIN prior to appointment. Persons who were directors of companies prior to 31 October 2012 had until 30 November 2022 to apply for a DIN. There is currently no requirement for directors to provide their DIN to ASIC or to the companies that they are directors of, but ABRS advises directors to provide their DIN to the person in charge of records at the company they are a director of. ASIC is responsible for enforcing director ID offences. There are civil and criminal penalties for directors who fail to apply for a DIN within the applicable timeframe.

Meetings of shareholders must be held in accordance with the provisions of the Corporations Act. Except as otherwise required by law, most decisions of the shareholders are determined by ordinary resolution although certain matters (such as alteration of the constitution or a decision to wind up the company) require a special resolution to be passed by not less than 75% of the votes cast in respect of such resolution.

A public company which has a single shareholder is not required to hold an annual general meeting. It may pass a resolution by the shareholder signing the record.

Provisions on declaration and payment of dividends are normally contained in the constitution. Generally, the directors would determine the payment of a final dividend. In some companies the constitution may require the shareholders to approve the payment of such dividend. In the case of all limited companies, no dividend shall be paid unless:

(a) the company's assets exceed its liabilities immediately before the dividend is declared and the excess is sufficient for payment of the dividend;

(b) the payment of the dividend is fair and reasonable to the company's shareholders as a whole; and

(c) the payment of the dividend does not materially prejudice the company's ability to pay its creditors.

In addition, notwithstanding the removal of the profits test in 2010, it is arguable that the general law principle remains that dividends should not be paid otherwise than out of profits of the company and many companies continue to only pay dividends if both the balance sheet test above and the profits test are satisfied.

Interim dividends are paid by the directors without, generally, the need for the approval of shareholders.

(2) Corporate System as Prescribed in the constitution of the Company

The following is a summary of certain provisions in the constitution of TFA.

(a) Issues of Securities

The directors may, subject to the Corporations Act, the constitution of TFA and any special rights conferred on the holders of any securities, issue securities to such persons and on such terms and conditions as the Board of Directors of TFA considers appropriate.

Without affecting any special rights conferred on the holders of any securities, any securities may be issued with preferred, deferred or other special rights, obligations or restrictions, whether in regard to dividends, voting, return of share capital, payment of calls or otherwise, as the directors may determine and on any terms the Board of Directors of TFA considers appropriate.

Unless otherwise provided by the terms of issue, the issue of any new securities ranking equally with existing securities is not a variation of the rights conferred on the holders of the existing securities.

(b) Dividends

Subject to the Corporations Act and to any special rights or restrictions attached to any shares, the Board of Directors of TFA may from time to time recommend to the shareholders that the shareholders declare or determine that a dividend is payable.

(c) Winding Up

In a winding up of the company, the liquidator would have obligations to, among other things, realise TFA's property and distribute the proceeds among the shareholders.

(d) Voting

Members are entitled to attend and vote at meetings in person, via proxy, attorney or representative.

Subject to the requirements of the Corporations Act, any question submitted to a general meeting is to be decided by a simple majority of votes validly cast on the question at the meeting. Each question submitted to a general meeting is to be decided by a show of hands of the shareholders present and entitled to vote, unless a poll is demanded.

Unless a poll is demanded, a declaration by the chair of a general meeting following a vote on a show of hands at the meeting that a resolution has been passed or lost is conclusive.

At a general meeting, a poll may be demanded by a shareholder in accordance with the Corporations Act (and not otherwise) or by the chair of the meeting. No poll may be demanded on the election of a chair of the meeting or, unless that chair otherwise determines, the adjournment of the meeting. A demand for a poll may be withdrawn.

(e) General Meeting

By resolution of the Board of Directors of TFA, the Board of Directors may call a general meeting of TFA to be convened at the time and place or places and in the manner determined by the Board of Directors.

By resolution of the Board of Directors of TFA, the Board of Directors may cancel or postpone a general meeting or change the place at which it is to be held by notice in writing to all persons who were entitled to receive notice of that meeting, except where the cancellation or postponement would be contrary to the Corporations Act. Any failure to give notice of cancellation or postponement does not invalidate the cancellation or postponement or any resolution passed at a postponed meeting.

(f) Transfer

No transfer of any securities may be registered unless a proper instrument of transfer, in writing in the usual or common form or in any form the Board of Directors of TFA may prescribe or in a particular case accept, signed by the transferor and the transferee and properly stamped (if necessary) is delivered to the company (but the Board of Directors of TFA may dispense with the execution of the instrument by the transferee if the Board of Directors of TFA thinks fit).

The transferor is considered to remain the holder of the securities transferred until the name of the transferee is entered on the securities register.

(g) Directors

The number of directors (not including alternate directors) must not be less than three and not more than ten. Directors may be appointed by resolution either in a general meeting, or in writing and signed by all members who are at the time entitled to receive notice of a general meeting.

Subject to the Corporations Act, the company, in a general meeting or by written resolution, removes any director as it sees fit.

The business of TFA is managed by the Board of Directors, which may exercise all powers of TFA that are not, by law or its constitution, required to be exercised by TFA in general meeting.

Subject to the Corporations Act, the Board of Directors of TFA may appoint a director to the office of managing director. Subject to the Corporations Act and the terms of any agreement entered into in a particular case, the Board of Directors of TFA may determine at any time to revoke any such appointment, with or without cause.

2. Foreign Exchange Control System

No approval is required under the laws of Australia on the part of TFA for, or in connection with, the issue of Notes (as defined in "3. Tax Treatment" below) by it, or for or in connection with the performance and enforceability of such Notes or coupons appertaining thereto, except that the Autonomous Sanctions Act 2011 of Australia, the Autonomous Sanctions Regulations 2011 of Australia and other laws and regulations in Australia restrict or prohibit payments, transactions and dealings with assets having a prescribed connection with certain countries or named individuals or entities subject to international sanctions or associated with terrorism.

3. Tax Treatment

Introduction

The following is a summary of the Australian withholding tax treatment under the Income Tax Assessment Acts of 1936 and 1997 of Australia (together, the "**Australian Tax Act**"), the Taxation Administration Act 1953 of Australia and any relevant rulings, judicial decisions or administrative practice, at the date of this Annual Securities Report, of payments of interest (as defined in the Australian Tax Act) on the Notes to be issued by TFA under the Programme (hereinafter called the "**Notes**") and certain other Australian tax matters.

This summary applies to holders of Notes that are:

- residents of Australia for tax purposes that do not acquire their Notes in carrying on a business at or through a permanent establishment outside of Australia, and non-residents of Australia for tax purposes that acquire their Notes in carrying on a business at or through a permanent establishment in Australia ("**Australian Holders**"); and

- non-residents of Australia for tax purposes that do not acquire their Notes in carrying on a business at or through a permanent establishment in Australia, and Australian tax residents that acquire their Notes in carrying on a business at or through a permanent establishment outside of Australia ("**Non-Australian Holders**").

The summary is not exhaustive and, in particular, does not deal with the position of certain classes of holders of the Notes (including, without limitation, dealers in securities, custodians or other third parties who hold Notes on behalf of any person). In addition, unless expressly stated, the summary does not consider the Australian tax consequences for persons who hold interests in the Notes through Euroclear Bank SA/NV ("**Euroclear**"), Clearstream Banking, S.A. ("**Clearstream, Luxembourg**"), or another clearing system.

Prospective holders of the Notes should also be aware that particular terms of issue of any Series of Notes may affect the tax treatment of that Series of Notes. Information regarding taxes in respect of Notes may also be set out in the applicable Issue Terms.

This summary is not intended to be, nor should it be construed as, legal or tax advice to any particular holder of the Note. Each holder should seek professional tax advice in relation to their particular circumstances.

Australian interest withholding tax

The Australian Tax Act characterises securities as either "debt interests" (for all entities) or "equity interests" (for companies) including for the purposes of Australian interest withholding tax ("**Australian IWT**") and dividend withholding tax. TFA intends to issue Notes which are to be characterised as "debt interests" for the purposes of the tests contained in Division 974 of the Australian Tax Act and the returns paid on the Notes are to be "interest" for the purpose of section 128F of the Australian Tax Act. If Notes are issued which are not so characterised, further information on the material Australian tax consequences of payments of interest and certain other amounts on those Notes will be specified in the applicable Issue Terms (or another relevant supplement to the Programme Memorandum).

For Australian IWT purposes, "*interest*" is defined to include amounts in the nature of, or in substitution for, interest and certain other amounts.

Australian Holders

Payments of interest in respect of the Notes to Australian Holders will not be subject to Australian IWT.

Non-Australian Holders

Australian IWT is payable at a rate of 10 per cent. of the gross amount of interest paid by TFA to a Non-Australian Holder, unless an exemption is available.

(a) Section 128F exemption from Australian IWT

An exemption from Australian IWT is available in respect of interest paid on the Notes if the requirements of section 128F of the Australian Tax Act are satisfied.

Unless otherwise specified in any applicable Issue Terms (or another relevant supplement to the Programme Memorandum), TFA intends to issue the Notes in a manner which will satisfy the requirements of section 128F of the Australian Tax Act.

In broad terms, the requirements are as follows:

(i) TFA is a resident of Australia and a company (as defined in section 128F(9) of the Australian Tax Act) when it issues the Notes and when interest is paid; and

(ii) the Notes are issued in a manner which satisfies the "public offer test" in section 128F of the Australian Tax Act.

In relation to the Notes, there are five principal methods of satisfying the public offer test, the purpose of which is to ensure that lenders in capital markets are aware that TFA is offering the Notes for issue. In summary, the five methods are:

- offers to 10 or more unrelated persons carrying on a business of providing finance, or investing or dealing in securities, in the course of operating in financial markets;
- offers to 100 or more investors of a certain type;
- offers of listed Notes;
- offers via publicly available information sources; or
- offers to a dealer, manager or underwriter who offers to sell the Notes within 30 days by one of the preceding methods;

(iii) TFA does not know, or have reasonable grounds to suspect, at the time of issue, that the Notes (or interests in the Notes) were being, or would later be, acquired, directly or indirectly, by an "associate" of TFA, except as permitted by section 128F(5) of the Australian Tax Act (see below); and

(iv) at the time of the payment of interest, TFA does not know, or have reasonable grounds to suspect, that the payee is an "associate" of TFA, except as permitted by section 128F(6) of the Australian Tax Act (see below).

An "associate" of TFA for the purposes of section 128F of the Australian Tax Act includes:

(A) a person or entity which holds more than 50 per cent. of the voting shares of, or otherwise controls, TFA;
(B) an entity in which more than 50 per cent. of the voting shares are held by, or which is otherwise controlled by, TFA;
(C) a trustee of a trust where TFA is capable of benefiting (whether directly or indirectly) under that trust; and
(D) a person or entity who is an "associate" of another person or entity which is an "associate" of TFA under paragraph (A) above.

However, for the purposes of sections 128F(5) and 128F(6) of the Australian Tax Act (see paragraphs (iii) and (iv) above), a permitted "associate" of TFA includes:

- an Australian Holder; or
- a Non-Australian Holder that is acting in the capacity of:

(A) in the case of section 128F(5), a dealer, manager or underwriter in relation to the placement of the relevant Notes, or a clearing house, custodian, funds manager or responsible entity of a registered scheme (for the purposes of the Corporations Act); or

(B) in the case of section 128F(6), a clearing house, paying agent, custodian, funds manager or responsible entity of a registered scheme (for the purposes of the Corporations Act).

ACCORDINGLY, NOTES ISSUED BY TFA MUST NOT BE PURCHASED BY OFFSHORE ASSOCIATES OF TFA OTHER THAN THOSE ACTING IN THE PERMITTED CAPACITIES DESCRIBED ABOVE.

(b) Exemptions under certain double tax conventions

The Australian government has signed double tax conventions ("***Specified Tax Treaties***") with particular countries (each a "***Specified Country***") that contain certain exemptions from Australian IWT. The Specified Tax Treaties apply to interest derived by a resident of a Specified Country.

Broadly, the Specified Tax Treaties effectively prevent Australian IWT applying to interest derived by:

- governments of the Specified Countries and certain governmental authorities and agencies in a Specified Country; and

- a "*financial institution*" resident in a Specified Country which is unrelated to and dealing wholly independently with TFA. The term "*financial institution*" refers to either a bank or any other enterprise which substantially derives its profits by carrying on a business of raising and providing finance. However, interest paid under a back to back loan or an economically equivalent arrangement will not qualify for this exemption.

(c) Notes in bearer form

Section 126 of the Australian Tax Act imposes a type of withholding tax, currently at the rate of 45 per cent., on the payment of interest on debentures (such as the Notes) in bearer form if the issuer fails to disclose the names and addresses of the holders of the debentures to the Australian Taxation Office ("***ATO***").

Section 126 does not, however, apply to the payment of interest on Notes in bearer form held by non-residents of Australia who do not carry on business at or through a permanent establishment in Australia where the issue of those Notes has satisfied the requirements of section 128F of the Australian Tax Act or Australian IWT is payable.

In addition, the ATO has confirmed that for the purposes of section 126, the holder of debentures in bearer form is the person in possession of the debentures. Section 126 is, therefore, limited in its application to persons in possession of Notes in bearer form who are residents of Australia or non-residents of Australia who are engaged in carrying on business at or through a permanent establishment in Australia. Where interests in Notes in bearer form are held through Euroclear, Clearstream, Luxembourg or another clearing system, TFA intends to treat the relevant operator of the clearing system (or its nominee) as the bearer of the Notes for the purposes of section 126.

(d) Payment of additional amounts

As set out in more detail in the relevant terms and conditions for the Notes, and unless otherwise expressly provided in the applicable Issue Terms (or another relevant supplement to the Programme Memorandum), if TFA is at any time required by law to withhold or deduct an amount in respect of any present or future taxes or duties of whatever nature imposed or levied by or on behalf of the Commonwealth of Australia or any territory or other political subdivision or any authority thereof or therein having the power to tax in respect of the Notes, TFA must, subject to certain exceptions, pay such additional amounts as shall be necessary in order to ensure that the net amounts receivable by the holders of the Notes or Coupons after such deduction or withholding are equal to the respective amounts of principal and interest which would have been received had no such deduction or withholding been required. If TFA is required, by change in law, to pay an additional amount in respect of the Notes, TFA will have the option to redeem the Notes in whole, but not in part, in accordance with the relevant terms and conditions.

Other tax matters

Under Australian laws as presently in effect:

- *death duties* - no Notes will be subject to death, estate or succession duties imposed by Australia, or by any political subdivision or authority therein having power to tax, if held at the time of death;

- *stamp duty and other taxes* - no ad valorem stamp, issue, registration or similar taxes are payable in Australia on the issue, transfer or redemption of any Notes;

- *additional withholdings from certain payments to non-residents* - the Governor-General may make regulations requiring withholding from certain payments to non-residents of Australia (other than payments of interest and other amounts which are already subject to the current Australian IWT rules or specifically exempt from those rules). Regulations may only be made if the responsible Minister is satisfied the specified payments are of a kind that could reasonably relate to assessable income of foreign residents. The possible application of any future regulations to the proceeds of any sale of the Notes will need to be monitored;

- *garnishee directions by the Commissioner of Taxation* - the Commissioner of Taxation may give a direction requiring TFA to deduct from any payment to a holder of the Notes any amount in respect of Australian tax payable by the holder. If TFA is served with such a direction, then TFA will comply with that direction and make any deduction required by that direction;

- *supply withholding tax* - payments in respect of the Notes can be made free and clear of any "supply withholding tax" imposed under section 12-190 of Schedule 1 to the Taxation Administration Act 1953 of Australia; and

- *goods and services tax ("**GST**")* - neither the issue nor receipt of the Notes will give rise to a liability for GST in Australia on the basis that the supply of Notes will comprise either an input taxed financial supply or (in the case of an offshore subscriber that is a non-resident of Australia) a GST-free supply. Furthermore, neither the payment of principal or interest by TFA, nor the disposal of the Notes, would give rise to any GST liability in Australia.

4. Legal Opinion

A legal opinion has been provided by King & Wood Mallesons, Australian legal advisers to TFA, to the effect that the statements in the Annual Securities Report relating to the laws and regulations of the Commonwealth of Australia and the State of New South Wales are true and accurate in all material respects.

II. Outline of the Company

1. Trends in Major Business Indices

The following table sets out certain changes in principal indicators of the Company's business operations for the periods/dates indicated.

Fiscal period		12 mths ended/ 31 March 2019 (10)	12 mths ended/ 31 March 2020 (10)	12 mths ended/ 31 March 2021 (10)	12 mths ended/ 31 March 2022 (10)	12 mths ended/ 31 March 2023 (10)
Financing and similar revenue	A$ in Thousands	1,197,385	1,201,048	1,202,894	1,201,085	1,492,330
	Yen in Thousands	114,194,607	114,543,948	114,720,001	114,547,476	142,323,512
Net financing and similar revenue	A$ in Thousands	426,288	527,025	402,909	589,492	190,864
	Yen in Thousands	40,655,087	50,262,374	38,425,431	56,219,852	18,202,700
Profit/(loss) attributable to owners of Toyota Finance Australia Limited	A$ in Thousands	143,959 **(1)**	64,340 **(2)**	185,168 **(3)**	314,996 **(4)**	14,890 **(5)**
	Yen in Thousands	13,729,370	6,136,106	17,659,472	30,041,169	1,420,059
Contributed equity	A$ in Thousands	120,000	120,000	120,000	120,000	120,000
	Yen in Thousands	11,444,400	11,444,400	11,444,400	11,444,400	11,444,400
Issued Outstanding Shares	Number of shares	120,000,000	120,000,000	120,000,000	120,000,000	120,000,000
Net Assets	A$ in Thousands	1,498,135	1,564,142	1,743,854	1,996,485	1,910,711
	Yen in Thousands	142,877,135	149,172,223	166,311,356	190,404,774	182,224,508
Total Assets	A$ in Thousands	20,362,315	23,237,498	24,133,403	25,192,049	27,067,629
	Yen in Thousands	1,941,953,982	2,216,160,184	2,301,602,644	2,402,565,713	2,581,439,778
Net Assets Per Share	A$	12.484	13.035	14.532	16.637	15.923
	Yen	1,190.599	1,243.148	1,385.917	1,586.671	1,518.577
Earnings Per Share (6)	A$	1.200	0.536	1.543	2.625	0.124
	Yen	114.444	51.118	147.156	250.346	11.826
Equity Ratio (7)	%	7.357	6.731	7.226	7.925	7.059
Return On Equity (8)	%	9.609	4.113	10.618	15.778	0.779
Net Cash Flows from Operating Activities	A$ in Thousands	(1,045,144)	(558,559)	(721,523)	(1,451,385)	(1,420,916)
	Yen in Thousands	(99,675,383)	(53,269,772)	(68,811,649)	(138,418,587)	(135,512,759)
Net Cash Flows from Investing Activities	A$ in Thousands	(25,964)	(43,163)	(24,554)	(20,418)	(24,564)
	Yen in Thousands	(2,476,187)	(4,116,455)	(2,341,715)	(1,947,265)	(2,342,669)

Net Cash Flows from Financing Activities	A$ in Thousands	1,205,087	1,123,095	2,279,129	198,219	1,352,102
	Yen in Thousands	114,929,147	107,109,570	217,360,533	18,904,146	128,949,968
Cash And Cash Equivalents	A$ in Thousands	1,416,603	1,937,976	3,471,028	2,197,444	2,104,066
	Yen in Thousands	135,101,428	184,824,771	331,031,940	209,570,234	200,664,774
Number of Employees (9)	No. of employees	717.04	851.95	864.16	898.80	1,033.18

Note

1. Includes A$8,459 thousand share of net profit from associates.
2. Includes A$11,153 thousand share of net profit from associates.
3. Includes A$10,950 thousand share of net profit from associates.
4. Includes A$10,783 thousand share of net profit from associates.
5. Includes A$16,050 thousand share of net profit from associates.
6. Profit/(loss) attributable to owners of Toyota Finance Australia Limited / number of issued outstanding shares.
7. Net Assets / Total Assets.
8. Profit/(loss) attributable to owners of Toyota Finance Australia Limited / Net Assets.
9. Number of adjusted full-time equivalent employees of the economic entity comprising TFA and the entities it controlled at the relevant balance date. Adjusted full-time equivalent employees includes staff on maternity leave, outbound secondments and part time employees but does not include temporary or contractor staff.
10. The financial information included in the above table, for the year ended 31 March 2023, has been prepared in accordance with Australian Equivalents to International Financial Reporting Standards ("**AIFRS**").

    Comparative financial information included in the above table for the years ended 31 March 2022, 2021, 2020 and 2019 has been prepared in accordance with AIFRS.

In compliance with the Australian Securities and Investments Commission's financial reporting requirement, effective for periods ended 31 March 2023, the presentation format of the consolidated financial statements in "VI. Financial Condition" has been revised to include parent entity financial information. The prior period comparatives for the parent entity's financial information are unaudited as this is the initial adoption period. All financial statistics and information contained herein are presented as the consolidated operations and results of the Company, rather than TFA alone, unless otherwise expressly provided herein or required by the context.

2. History of the Company

TFA was incorporated in New South Wales, Australia under Australian law on 18 June 1982.

TFA commenced operations in September 1982.

All of the issued capital was held by or beneficially owned by Toyota Motor Corporation ("**TMC**") from the date of incorporation until 7 July 2000 when TMC transferred its shareholding to Toyota Financial Services Corporation ("**TFS**").

TFS is a wholly-owned subsidiary of TMC. TFS holds all of the issued shares in TFA. The purpose of TFS is to control Toyota's finance subsidiaries.

TFA (Wholesale) Pty Limited ("**TFAW**") was incorporated in New South Wales, Australia under Australian law on 5 April 1982 as Traceland Pty Limited. All shares in TFAW were acquired by TFA on 11 October 1982 and the name Traceland Pty Limited was changed to TFAW on 22 October 1982. TFAW was renamed to Australian Alliance Automotive Finance Pty Limited ("**AAAF**") on 16 October 2018.

TFA does not control any other subsidiaries.

TFA also has an investment of 5,000,000 ordinary shares (45.45 per cent.) in an associated company, Toyota Finance New Zealand Limited ("**TFNZ**"), incorporated in New Zealand under New Zealand law which was originally acquired by TFA in October 1989. The balance of the shares in TFNZ is owned by TFS. TFA held all of the ordinary shares in TFNZ until September 1995 when TMC subscribed to 6,000,000 shares which resulted in the ownership of the company being 45.45% TFA and 54.55% TMC. TMC subsequently transferred its shareholding to TFS in July 2000.

3. Nature of the Business

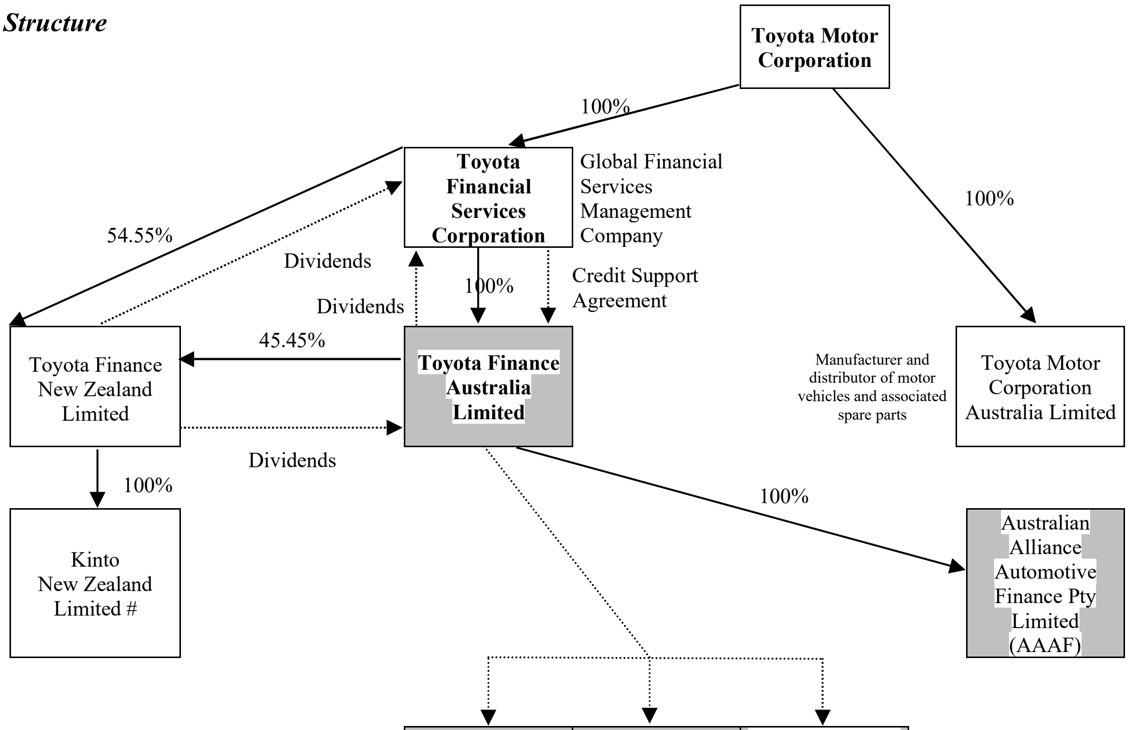
The Company's principal activities are:

- to finance the acquisition of motor vehicles by retail and commercial customers by way of consumer and commercial loans;
- to provide bailment facilities and commercial loans to motor dealers;
- to provide vehicle finance (by way of loans, term purchase, finance lease or operating lease) and fleet management services to corporate customers and government;
- to sell retail insurance policies underwritten by third party insurers as agents; and
- to provide car sharing services.

The following chart describes the relationship of the businesses of TFA's parent companies, TFA's subsidiaries and other companies related by direct shareholding to TFA to the business of TFA.

System Diagram of TFA's Business, Products, Customers

Corporate Structure



Sales Channels / ***Products***

		Dealer Sales	Fleet Sales	Customer Direct Sales
		Regional Offices	Account Managers	Customer Sales Centre
Consumer vehicle loans		✓		✓
Commercial Vehicle Loans/Chattel Mortgages		✓	✓	✓
Operating Lease (managed & unmanaged)			✓	
Finance Lease			✓	✓
Novated Finance Lease (managed & unmanaged)			✓	
Employee Leasing & Salary Packaging			✓	
Toyota Access		✓		✓
Wholesale & Dealer Finance	- Bailment	✓		
	- Capital Loan	✓		
	- Charge Plan	✓		
	- General Purpose Facility	✓		
Toyota Insurances	- Insurance	✓	✓	✓
Toyota Extra Care	- Warranty	✓		✓
	- Roadside Assist	✓	✓	✓
KINTO				✓

Customers

Dealers (Toyota & Non-Toyota)
Businesses Customers (Sole Traders, Partnerships, Companies)
Private (non-business) Customers

 # The entity previously known as TFNZ (Wholesale) Limited was renamed to Kinto New Zealand Limited on 14 October 2019.

4. Status of Related Companies

(1) Parent Company

All of the outstanding capital stock of TFA is owned directly by TFS. 100% of the voting power in TFA is held by TFS. TFS is a wholly-owned management company subsidiary of TMC, incorporated under the laws of Japan, and having capital stock amounting to 78,525 million yen as of 31 March 2023. TFS oversees TMC's finance subsidiaries. Its registered head office is located at Nagoya Lucent Tower, 6-1, Ushijima-cho, Nishi-ku, Nagoya City, Japan. For further information regarding TFS, see "PART II. INFORMATION CONCERNING GUARANTOR, ETC. OF FILING COMPANY; II. Information Concerning Companies other than the Guarantor; 3. Matters Relating to Such Company Which Is Not Subject to Continuous Disclosure Obligations".

TMC is a limited liability company organised under the laws of Japan, having its principal executive offices located at 1 Toyota-cho, Toyota City, Aichi Prefecture, Japan. TMC is one of the leading manufacturers of automotive vehicles in the world and is also engaged in other businesses. The capital stock of TMC as of 31 March 2023 amounted to 635,402 million yen. For further information regarding TMC, see "PART II. INFORMATION CONCERNING GUARANTOR, ETC. OF FILING COMPANY; II. Information Concerning Companies other than the Guarantor; 2. Matters Relating to Such Company Which Is Subject to Continuous Disclosure Obligations".

TFA has entered into a Credit Support Agreement with TFS dated 7 August 2000. TFS has in turn entered into a Credit Support Agreement with TMC dated 14 July 2000. For further information regarding these Credit Support Agreements, see "PART II. INFORMATION CONCERNING GUARANTOR, ETC. OF FILING COMPANY; II. Information Concerning Companies other than the Guarantor; 1. Reason Why Disclosure of Information Concerning Such Companies Is Necessary".

(2) Subsidiaries

Name and Location	Contributed Equity as at 31 March 2023	Principal Business	TFA's % Holding Of Voting Power	Relationship with TFA
Australian Alliance Automotive Finance Pty Limited (AAAF) St Leonards New South Wales Australia	A$2	This company became active and started its operations during the reporting period ended 31 March 2020. Prior to 1 July 2000, it carried on a wholesale bailment business. This business is now operated by TFA. This company is engaged in providing white label and private label finance: • to finance the	100%	Wholly owned subsidiary

		acquisition of motor vehicles by retail and commercial customers by way of consumer and commercial loans; and • to provide bailment facilities and commercial loans to motor dealers.		

As at 31 March 2023, AAAF's total liabilities exceeded total assets by A$24.6 million. TFA and AAAF are parties to a deed of cross guarantee under which each company guarantees the debts of the other. By entering into the deed, the wholly owned entities have been relieved from the requirement to prepare a financial report and a directors' report under ASIC Instrument 2016/785 issued by the Australian Securities and Investments Commission.

(3) Affiliates

Name and Location	Contributed Equity as at 31 March 2023	Principal Business	TFA's % Holding of Voting Power	Relationship with TFA
Toyota Finance New Zealand Limited Greenlane, Auckland New Zealand	NZ $25.28 million	This company is involved in the retail financing and leasing of new and used vehicles sold by Toyota dealers, the marketing of vehicle and finance related insurances and the provision of wholesale floor plan facilities to authorised Toyota dealers. This company also provides retail finance and related products for pleasure boats and transacts some unsecured personal loan business with existing creditworthy customers. All operations are conducted in New Zealand. This company supports the sales of Toyota vehicles sold by its associate, Toyota New Zealand Limited (100% owned by TMC) and the franchised Toyota dealership network. In this sense, the company's business is closely correlated to the level of sales of new and used Toyota motor vehicles distributed and sold through the Toyota dealership network in New Zealand.	45.45%	Share a common director
Kinto New Zealand Limited Greenlane, Auckland New Zealand	NZ $3.49 million	This company is involved in the short-term provision of vehicles to a group of registered members (car share). All operations are conducted in New Zealand.	45.45% (held indirectly through Toyota Finance New Zealand Limited)	No direct relationship

5. Employees

At 31 March 2023, the Company had 1,033.18 adjusted full-time equivalent employees. Adjusted full-time equivalent employees includes staff on maternity leave, outbound secondments and 33* part time employees but does not include temporary or contractor staff.

*33 part time employees equals 21.98 FTE

The number of employees by business cost centre as of 31 March 2023 is as follows:

Business Cost Centre	Adjusted FTE Employees	Temporary Staff	Contractor Staff
Executive	18	0	0
Corporate Services	85.3	13.28	0
Support Services	521.88	109.33	0
Risk Management	43	2.6	0
Retail Finance & Insurance	129.8	10.4	0
Fleet Management	176.6	11.2	0
Kinto	10	0	0
Australian Alliance Automotive Finance	33	0	0
Marketing, Distributor Liaison & Loyalty	15.6	0.53	0
Total	1,033.18	147.34	0

The average age of TFA's employees is 41 years. The average number of years of employment of TFA's employees is 4 years 10 months, and the annual average total remuneration (including bonuses) of TFA's employees was A$ 134,903.

There has been an increase in staff numbers over the last 12 months.

As far as the Company is aware no employees are members of the Finance Sector Union. TFA considers its employee relations to be satisfactory.

III. Status of Business

1. Management Policy, Business Environment, and Problems to Be Coped With, etc.

Not applicable.

2. Sustainability Perspective and Measures

Governance and Risk Management

Enterprise Risk Management Committee

The purpose of the Enterprise Risk Management Committee ("**ERMC**") is to drive an appropriate risk culture by defining and overseeing the risk appetite for key enterprise risks determined and set by TFA's Board of Directors (the "**Board**").

The ERMC assists the Board to discharge effectively its responsibilities regarding the following matters: a) setting the company's risk profile and risk appetite; b) setting the framework for the management of risks (financial and non-financial); c) proactively identifying and managing new and emerging risks; d) overseeing and reviewing the outcomes of stress testing; e) fostering a risk-based culture; and, f) referring matters of significant importance to the Board for its consideration and attention.

The ERMC is supported by a number of committees to manage specific risk types; these committees include the Asset Risk Committee and the Compliance Committee.

The ERMC met monthly during the fiscal year ended 31 March 2023 with 11 meetings being held in total.

The number of meetings attended by each committee member during the period is as follows:

Members	**No of Meetings Attended 1 April 2022 – 31 March 2023 (No meeting in January 2023)**
President & CEO	11
Executive Vice President	9
Vice President, Sales	10
Vice President, Support Services	10 (including delegate)
CFO & Vice President, Corporate	10
Executive Coordinator	11
General Manager, KINTO	8
General Manager, Toyota Fleet Management	11
General Counsel and Company Secretary	11
General Manager, Retail Finance & Insurance	11 (including delegate)
General Manager, AAAF	11 (including delegate)
General Manager, Finance	10
General Manager, Operations	10

Chief Information Officer	10
General Manager & Chief Risk Officer	11
Head of Strategy & Portfolio Planning	11
Head of Human Resources	11

Human Capital

Culture

TFA's human capital objective in managing TFA's business is to attract, retain, and fully engage talented team members who share TFA's core values, including continuous improvement and respect for people. Toyota's corporate culture is driven by "The Toyota Philosophy", TFA's roadmap of the company TFA wants to be, which is underpinned by TFA's mission of producing happiness for all and TFA's vision of creating mobility for all. TFA's team members are actively involved in Toyota's transformation toward becoming a mobility company. TFA offers a variety of training opportunities and career development resources to enhance the skills of TFA's team members, encourage innovation, and create an attractive workplace where employees want to stay and grow. TFA's hybrid work schedules (offered as appropriate) are intended to provide flexibility to TFA's team members, strengthen employee retention, and enable TFA to attract a broad and inclusive workforce. TFA encourages teamwork and collaboration and knows that valuing diverse backgrounds, experiences, and perspectives is the right thing to do not only for TFA's team members, but also for TFA's business.

Diversity and Inclusion

TFA believes in equality, respect, and the inclusive treatment of all people, and TFA promotes a workplace where all team members can play an active role. TFA believes that fostering a company culture that values and promotes diversity and inclusion helps TFA to achieve higher levels of productivity, enhances TFA's competitiveness and ability to innovate, spurs creativity among TFA's team members, and deepens TFA's ability to understand and serve TFA's customers.

TFA sponsors Diversity and Inclusion Committee, which endeavors to guide, endorse and support TFA's diversity and inclusion strategic efforts and offers trainings and workshops to educate employee and foster an inclusive and supportive environment.

Health and Safety

TFA recognises the health, safety, and well-being of TFA's team members is a top priority. Actively cultivating a culture, environment, and team member experience that embraces, empowers, and respects all people – including their health, wellbeing, and safety – drives innovation and relevancy. TFA offers a variety of support and benefits to TFA's team members beyond traditional healthcare, including adoption benefits, parental leave, mental health services, wellness programs, and support to enable people with disabilities to fully utilize their talents.

3. Risk Factors

Forward-looking statements contained in this section are based on TFA's judgment as of the date of the filing of this Annual Securities Report.

Risks and Uncertainties facing TFA

The principal activities of TFA, which are an integral part of the Toyota group's presence in Australia, are financing the acquisition of motor vehicles by retail and commercial customers by way of consumer and commercial loans; providing bailment facilities and commercial loans to motor dealers; providing vehicle finance (by way of loans, term purchase, finance lease or operating lease) and fleet management services to corporate customers and government; selling retail insurance policies underwritten by third party insurers as agents; and providing car sharing services.

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

Each of TFA, TFS and Toyota may be exposed to certain risks and uncertainties that could have a material adverse impact directly or indirectly on its business, results of operations and financial condition. There may be additional risks and uncertainties not presently known to TFA, TFS and Toyota or that it currently considers immaterial that may also have a material adverse impact on its business, results of operations and financial condition.

TFS is a holding company

TFS is a holding company and is completely dependent on the performance of its financial services subsidiaries (including TFA) and affiliates. The main business of TFS as a holding company is formulating the plans and strategies of the financial business, management of earnings and risk management of Toyota's finance companies and the promotion of efficient financial business. Its principal assets are the shares in its over 80 consolidated subsidiaries and nine affiliates. Consequently, TFS is dependent on the economic, financial and operating results of its financial services subsidiaries and affiliates and is therefore indirectly exposed to the same risks as those faced by its financial services subsidiaries and affiliates, including TFA. Any deterioration in the business, financial condition or results of operations of the financial services subsidiaries and affiliates of TFS or their ability or willingness to pay dividends to TFS would also materially adversely affect the financial condition or results of operations of TFS.

Industry and Business Risks

(1) General business, economic and geopolitical conditions, as well as other market events, may adversely affect TFA's business, results of operations and financial condition

TFA's results of operations and financial condition are affected by a variety of factors, including changes in the overall market for retail contracts, wholesale motor vehicle financing, leasing or dealer financing, the new and used vehicle market, changes in the level of sales of Toyota, Lexus, private label 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, changes in the funding markets, its credit ratings, the success of efforts to expand Toyota's (including TFA's) product lines, levels of TFA's operating and administrative expenses (including, but not limited to, labour costs, technology costs and premises costs), general economic conditions, inflation, consequences from changes in tax laws, fiscal and monetary policies in Australia as well as in the United States, Europe and other countries in which the Toyota group issues debt. Further, a significant and sustained increase in fuel prices could lead to lower new and used vehicle purchases. This could reduce the demand for motor vehicle retail, lease and wholesale financing. In turn, lower used vehicle values could affect return rates, amounts written off and depreciation on operating leases and lease residual value provisions.

Adverse economic conditions in Australia may lead to diminished consumer and business confidence, inflation, lower household incomes, increases in unemployment rates, higher consumer debt levels as well as higher consumer and commercial bankruptcy filings, any of which could adversely affect vehicle sales and discretionary consumer spending. These conditions may decrease the demand for TFA's financing products, as well as increase defaults and credit losses. In addition, as credit exposures of TFA are generally collateralised by vehicles, the severity of losses can be particularly affected by the decline in used vehicle values. Dealers are also affected by an economic slowdown and recession which increases the risk of default of certain dealers within TFA's dealer portfolio.

Elevated levels of market disruption and volatility globally could increase TFA's cost of capital and adversely affect its ability to access the international capital markets and fund its business in a similar manner, and at a similar cost, to the funding raised in the past. These market conditions could also have an adverse effect on the results of operations and financial condition of TFA by diminishing the value of TFA's investment portfolios and increasing TFA's cost of funding. If, as a result, TFA increases the rates TFA charges its customers and dealers, TFA's competitive position could be negatively affected.

Challenging market conditions may result in less liquidity, greater volatility, widening of credit spreads and lack of price transparency in credit markets. Changes in investment markets, including changes in interest rates, exchange rates and returns from equity, property and other investments, will affect (directly or indirectly) the financial performance of TFA.

During a continued and sustained period of market disruption and volatility:

- there can be no assurance that TFA will continue to have access to the capital markets in a similar manner and at a similar cost as it has had in the past;

- issues of debt securities by TFA may be undertaken at spreads above benchmark rates that are greater than those on similar issuances undertaken during prior periods;

- TFA may be subject to over-reliance on a particular funding source or a simultaneous increase in funding costs across a broad range of sources; and

- the ratio of TFA's short-term debt outstanding to total debt outstanding may increase if negative conditions in the debt markets lead TFA to replace some maturing long-term liabilities with short-term liabilities (for example, commercial paper).

Any of these developments could have an adverse effect on TFA's results of operations and financial condition.

Geopolitical conditions and other market events may also impact TFA's results of operations and financial condition. Restrictive exchange or import controls or other disruptive trade policies, disruption of operations as a result of systemic political or economic instability, adverse changes to tax laws and regulations, social unrest, outbreak of war or expansion of hostilities (including the current conflict in Ukraine), health epidemics and other outbreaks, climate-related risks, and acts of terrorism, could lead to, among other things, declines in market liquidity and activity levels, volatile market conditions, a contraction of available credit, inflation, fluctuations in interest rates, weaker economic growth, and reduced business confidence on an international level, each of which could have a material adverse effect on TFA's results of operations and financial condition.

(2) Changes in interest rates and credit spreads may adversely affect TFA's business, results of operations and financial condition

Benchmark interest rates and credit spreads have both increased during the financial year ended 31 March 2023. When interest rates are high or increasing, TFA generally expects to earn higher financing revenue from their new originations. However, during the financial year ended 31 March 2023, increasing rates have and in the future could continue to have an adverse effect on TFA's business, financial condition and results of operations by increasing its cost of capital and the rates charged to customers and dealers, which could, in turn, decrease TFA's financing volumes and market share, as a result of customers and dealers seeking alternative solutions or increasing the amount of cash purchases, thereby resulting in a decline in its competitive positions. On the other hand, a low or negative interest rate environment may increase TFA's financing volumes and market share, however it could also have an adverse effect on its business, financial condition and results of operations by reducing returns on its investments in marketable securities and compressing its net interest margin. When credit spreads widen, it becomes more expensive for TFA to borrow. TFA's credit spreads may widen or narrow not only in response to events and circumstances that are specific to TFA but also as a result of general economic and geopolitical events and conditions. Changes in credit spreads will affect, positively or negatively, the value of TFA's derivatives, which could result in volatility in TFA's results of operations, financial condition, and cash flows.

(3) TFA's results of operations and financial condition are substantially dependent upon the sale of Toyota, Lexus and private label vehicles as well as its ability to offer competitive financing products and insurance products

TFA provides a variety of finance and insurance products to authorised Toyota, Lexus and private label dealers and its customers in Australia. Accordingly, TFA's business is substantially dependent upon the sale of Toyota, Lexus and private label vehicles in Australia.

TFA's business depends on its relationships with various vehicle distributors (each, a "**Distributor**") including Toyota Motor Corporation Australia Limited, which is the primary distributor of Toyota and Lexus vehicles in Australia.

Changes in the volume of Distributor sales or the volume of distributor sales by other Toyota distributors may result from governmental action, 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, Lexus and private label vehicles, changes in economic conditions, inflation, 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, and decreased or delayed vehicle production due to extreme weather conditions, natural disasters, supply chain interruptions, including shortages of parts, components or raw materials, or other events. For example, TFA and TFA's ultimate parent, TMC, have continued to experience a decrease in new inventory resulting from production constraints due to supply shortages affecting the automotive industry and continued steady demand for new vehicles. Any negative impact on the volume of Toyota, Lexus and private label vehicle sales could have a material adverse effect on TFA’s business, results of operations and financial condition.

While Distributors conduct extensive market research before launching new or refreshed vehicles and introducing new services, many factors both within and outside the control of Distributors affect the success of new or existing products and services in the market-place. Offering vehicles and services that customers want and value can mitigate the risks of increasing price competition and declining demand, but products and services that are perceived to be less desirable (whether in terms of product mix, price, quality, styling, safety, overall value, fuel efficiency, or other attributes) and the level of availability of products and services that are desirable can exacerbate these risks. With increased consumer interconnectedness through the internet, social media, and other media, mere allegations relating to quality, safety, fuel efficiency, corporate social responsibility (including related to climate change or other environmental issues), or other key attributes can negatively impact the reputation of Distributors or market acceptance of its products or services, even where such allegations prove to be inaccurate or unfounded. Any negative impact to the reputation of Distributors or market acceptance of its products or services could have an adverse impact on vehicle sales, which could have an adverse effect on TFA’s business, results of operations and financial condition.

The volume of Distributor sales may also be affected by Toyota’s ability to successfully grow through investments in the area of emerging opportunities such as mobility and connected services, vehicle electrification, fuel cell technology and autonomy, which depends on many factors, including advancements in technology, regulatory changes and other factors that are difficult to predict.

TFA operates in a highly competitive environment and competes with other financial institutions and, to a lesser extent, other motor vehicle manufacturers’ affiliated finance companies primarily through service, quality, TFA’s relationship with Distributors and financing rates.

Certain financing products offered by TFA may be subsidised by Distributors. The Distributors sponsor special subsidies and incentives on certain new and used Toyota and Lexus vehicles that result in reduced monthly payments by qualified customers for finance products. Support amounts received from Distributors in connection with these programmes approximate the amounts required by TFA to maintain yields and product profitability at levels consistent with standard products.

TFA's ability to offer competitive financing and insurance products in Australia depends in part on the level of Distributor sponsored subsidies, cash, and contractual residual value support incentive programme activity, which varies based on a Distributor's marketing strategies, economic conditions, and the volume of vehicle sales, among other factors. Any negative impact on the level of Distributor sponsored subsidy, cash, and contractual residual value support incentive programmes could in turn have a material adverse effect on TFA's business, results of operations and financial condition.

(4) Changes in consumer behaviour could affect the automotive industry, Toyota including TFA, and as a result, its business, results of operations and financial condition

A number of trends are affecting the automotive industry. These include a market shift from cars to sport utility vehicles (**SUVs**) and trucks, high demand for incentives, the rise of mobility services such as vehicle sharing and ride hailing, the development of autonomous and alternative-energy vehicles, the impact of demographic shifts in attitudes and behaviours towards vehicle ownership and use, the development of flexible alternatives to traditional financing and leasing such as subscription service offerings, changing expectations around the vehicle buying experience, increased focus on climate-related initiatives and regulation, adjustments in the geographic distribution of new and used vehicle sales, and advancements in communications and technology. Any one or more of these trends could adversely affect the automotive industry, a Distributor and Toyota, and could in turn have an adverse impact on TFA's business, results of operations and financial condition.

(5) Recalls and other related announcements by Toyota or private label companies could decrease the sales of Toyota, Lexus and private label vehicles, which could affect the business, results of operations and financial condition of TFA

Toyota, or other manufacturers of the vehicles TFA finances, including Distributors, periodically conduct vehicle recalls, which could include temporary suspensions of sales and production of certain Toyota, Lexus and private label vehicle models. Because TFA's business is substantially dependent upon the sale of Toyota and Lexus vehicles, such events could adversely affect TFA's business, results of operations and financial condition.

A decrease in the level of sales, including as a result of the actual or perceived quality, safety or reliability of Toyota, Lexus and private label vehicles or a change in standards of regulatory bodies, will have a negative impact on the level of TFA's financing volume, insurance products volume, earning assets, net financing revenues and insurance revenues. The credit performance of TFA's dealer and consumer portfolios may also be adversely affected. In addition, a decline in the values of used Toyota, Lexus and private label vehicles would have a negative effect on residual values and return rates, which, in turn, could increase TFA's depreciation expenses and credit losses. Further, certain Toyota affiliated entities are or may become subject to litigation and governmental investigations, and have been or may become subject to fines or other penalties. These factors could affect sales of Toyota, Lexus and private label vehicles and, accordingly, could have a negative effect on TFA's business, results of operations and financial condition.

(6) If TFA is unable to compete successfully or if competition increases in the businesses in which it operates, TFA's results of operations could be negatively affected

TFA operates in a highly competitive environment and TFA has no control over how Toyota dealers source financing for their customers. Competitors of TFA include commercial banks, credit unions and other financial institutions. To a lesser extent, TFA competes with other motor vehicle manufacturers' affiliated finance companies. In addition, online financing options provide consumers with alternative financing sources. Increases in competitive pressures could have an adverse impact on contract volume, market share, net financing revenues, margins and insurance revenues and margins. Further, the financial condition and viability of competitors and peers of TFA may have an adverse impact on the financial services industry in which TFA operates, resulting in a decrease in demand for its products and services. This could have an adverse impact on the volume of TFA's business and its results of operations.

(7) A failure or interruption in the operations of TFA could adversely affect its results of operations and financial condition

Operational risk is the risk of loss resulting from, among other factors, lack of established processes, inadequate or failed processes, systems or internal controls, theft, fraud, extreme weather conditions, natural disasters (such as wildfires or bushfires, floods, tornadoes, earthquakes, hurricanes (including an increase in the frequency of such conditions and disasters as the result of climate change)) or other catastrophes (including without limitation, explosions, terrorist attacks, riots, civil disturbances, health epidemics and other outbreaks) that could affect TFA.

Operational risk can occur in many forms including, but not limited to, errors, business interruptions, failure of controls, failure of systems or other technology, deficiencies in TFA's insurance risk management programme, inappropriate behaviour or misconduct by employees of, or those contracted to perform services for, TFA and vendors that do not perform in accordance with their contractual agreements. These events can potentially result in financial losses or other damages to TFA, including damage to reputation.

TFA has established business recovery plans to address interruptions in its operations but can give no assurance that these plans will be adequate to remedy all events that TFA may face. A catastrophic event that results in the destruction or disruption of any of TFA's critical business or information technology systems could harm its ability to conduct normal business operations.

TFA relies on a framework of internal controls designed to provide a sound and well-controlled operating environment. Due to the complex nature of TFA's business and the challenges inherent in implementing control structures across large organisations, control issues may be identified in the future that could have an adverse effect on TFA's operations.

*(8) TFA's provision of private label financial services to Mazda and Suzuk*i *dealers and customers*

TFA and AAAF, a wholly owned subsidiary of TFA, entered into arrangements with Mazda Australia Pty Limited ("**Mazda Australia**") and with Suzuki Australia Pty Ltd

("**Suzuki Australia**") and AAAF provides retail and dealer financial products and services to Mazda Australia and Suzuki Australia dealers and customers in Australia.

Although TFA intends to leverage its strengths and capabilities to serve and retain new private label customers, it may encounter additional costs and may fail to realise the anticipated benefits of its private label financial services programme. The provision and/or servicing of wholesale and retail financing to private label dealers and customers may result in additional credit risk exposure, which if TFA is unable to appropriately monitor and mitigate, may result in an adverse effect on TFA's results of operations and financial condition. The provision of wholesale and retail financing to private label dealers and customers may also expose TFA to additional operating risks related to consumer demand for private label vehicles, the profitability and financial condition of private label companies, the level of the private label incentivised retail financing, recalls announced by the private label companies and the perceived quality, safety or reliability of the private label vehicles, and changes in prices of the private label used vehicles and their effect on residual values of the private label off-lease vehicles and return rates, each of which may adversely affect TFA's business, results of operations and financial condition.

(9) Various risks related to health epidemics and other outbreaks faced by TFA have had and may continue to have material adverse effects on its business, financial condition, results of operations and cash flows

TFA faces various risks related to health epidemics and other outbreaks, such as the global outbreak of the coronavirus ("**COVID-19**"), which have led, and may in the future lead, to periodic disruption and volatility in the international capital markets and in the economies of many countries, including in Australia, and which in turn, could have a material impact on TFA's financial condition, liquidity and results of operations. Although global economies, including where TFA operates, have begun to recover from the COVID-19 pandemic, certain adverse consequences of the pandemic, including labour shortages, disruptions of global supply chains and inflationary pressures continue to impact the global economies, which have continued to impact certain financial results of TFA during the financial year ended 31 March 2023, including but not limited to a decrease in financing volume due to lower dealer inventory levels (global supply challenges), which has resulted in lower levels of subvention and incentives as well as increased competition from other financial institutions. The long-term and ultimate impacts of the social, economic and financial disruptions caused by the COVID-19 pandemic, including negative impacts on TFA's financial condition, liquidity and results of operations, will depend on future developments that remain uncertain, including, for example, future actions taken by governmental authorities, central banks and other parties in response to the pandemic and its adverse consequences, and the effects on TFA's customers, dealers and competitors.

The likelihood of future health epidemics or other outbreaks, the ultimate duration of any pandemic, and the possibility of a resurgence of the COVID-19 pandemic or similar public health issues are uncertain. A new pandemic or the resurgence of the COVID-19 pandemic may subject Toyota, including TFA, to among several other things, increased delinquencies and defaults by its customers and dealers, the reinstatement of certain payment relief options, closures of manufacturing plants by Toyota, and disruption among the supply chain and with other third-party vendors.

Financial Market and Economic Risks

(10) TFA's borrowing costs and access to the unsecured debt capital markets depends significantly on the credit ratings of TFA and its parent companies and their credit support arrangements

The credit ratings for notes, bonds and commercial paper issued by TFA, depend, in large part, on the existence of the credit support arrangements with TFS and TMC and on the results of operations and financial condition of TMC and its consolidated subsidiaries. If these arrangements (or replacement arrangements acceptable to the rating agencies) are not available to TFA, or if the credit ratings of TMC and TFS as credit support providers were lowered, the credit ratings for notes, bonds and commercial paper issued by TFA would be adversely impacted.

Credit rating agencies which rate the credit of TMC and its affiliates, including TFS and TFA, may qualify or alter ratings at any time. Global economic conditions, including the ongoing impact of COVID-19 and other geopolitical factors may directly or indirectly affect such ratings. Any downgrade in the sovereign credit ratings of the United States or Japan may directly or indirectly have a negative effect on the ratings of TMC, TFS and TFA. Downgrades or placement on review for possible downgrades could result in an increase in TFA's borrowing costs as well as reduced access to the domestic and international capital markets. These factors would have a negative impact on TFA's competitive position, results of operations, liquidity and financial condition.

(11) A disruption in funding sources and access to the capital markets would have an adverse effect on liquidity

Liquidity risk is the risk arising from the inability to meet obligations in a timely manner when they become due. TFA's liquidity strategy is to maintain the capacity to fund assets and repay liabilities in a timely and cost-effective manner even in adverse market conditions. Disruption in TFA's funding sources may adversely affect its ability to meet its obligations as they become due. An inability to meet obligations in a timely manner would have a negative impact on TFA's ability to refinance maturing debt and fund new asset growth and would have an adverse effect on its results of operations and financial condition.

(12) Allowances for credit losses may not be adequate to cover actual losses, which may adversely affect TFA's results of operations and financial condition

TFA maintains an allowance for credit losses to cover expected credit losses ("**ECL**") as of the balance sheet date resulting from the non-performance of its customers and dealers under their contractual obligations. The determination of the allowance involves significant assumptions, complex analyses, and management judgment and requires TFA to make significant estimates of current credit risks using existing qualitative and quantitative information. Actual results may differ from estimates or assumptions. For example, TFA reviews and analyses external factors, including changes in economic conditions, actual or perceived quality, safety and reliability of Toyota, Lexus and private label vehicles, unemployment levels, the used vehicle market and consumer behaviour, among other factors. Internal factors, such as purchase quality mix and operational changes are also considered. A change in any of these factors would cause a change in estimated ECL. As a result, TFA's allowance for credit losses may not be adequate to cover TFA's actual losses.

In addition, changes in accounting rules and related guidance, new information regarding existing portfolios, and other factors, both within and outside of TFA's control, may require changes to the allowance for credit losses. A material increase in TFA's allowance for credit losses may adversely affect TFA's results of operations and financial condition.

(13) Use of models, estimates and assumptions –if the design, implementation or use of models is flawed or if actual results differ from estimates or assumptions, the results of operations and financial condition of TFA could be materially and adversely affected

TFA uses quantitative models, estimates and assumptions to price products and services, measure risk, estimate asset and liability values, assess liquidity, manage its balance sheet and otherwise conduct its business and operations. If the design, implementation, or use of any of these models is flawed or if actual results differ from TFA's estimates or assumptions, it may adversely affect TFA's results of operations and financial condition. In addition, to the extent that any inaccurate model outputs are used in reports to regulatory agencies or the public, TFA could be subjected to supervisory actions, litigation, and other proceedings that may adversely affect its business, results of operations and financial condition.

TFA's assumptions and estimates often involve matters that require the exercise of its management's judgment, are inherently difficult to predict and are beyond TFA's control (for example, macro-economic conditions). In addition, such assumptions and estimates often involve complex interactions between a number of dependent and independent variables, factors, and other assumptions. As a result, TFA's actual experience may differ materially from these estimates and assumptions. A material difference between the estimates and assumptions and the actual experience may adversely affect TFA's results of operations and financial condition.

(14) Fluctuations in the valuation of investment securities or investment market prices could negatively affect net financing revenues and results of operations

Investment market prices, in general, are subject to fluctuation, which may result from perceived changes in the underlying characteristics of the investment, the relative price of alternative investments, geopolitical conditions, or general market conditions. Negative fluctuations in the fair value of equity investments and credit losses on available-for-sale debt securities may adversely affect TFA's net financing revenues and results of operations. Additionally, the amount realised in the subsequent sale of an investment may significantly differ from the reported market value and could negatively affect the net financing revenues and other revenues of TFA.

(15) A decrease in the residual values of off-lease vehicles and a higher number of returned lease assets could negatively affect TFA's results of operations and financial condition

Residual value represents an estimate of the end of term market value of a leased asset. Residual value risk is the risk that the estimated residual value at lease origination will not be recoverable at the end of the lease term. TFA is subject to residual value risk on lease products, where the customer may return the financed vehicle on termination of the lease agreement. The risk increases if the number of returned lease assets is higher than anticipated and/or the loss per unit is higher than anticipated. Fluctuations in the market value of leased assets subsequent to lease origination may introduce volatility in TFA's profitability, through residual value provisions, gains or losses on disposal of returned assets and/or increased depreciation expense.

Factors which can impact the market value of vehicle assets include local, regional and national economic conditions, inflation, new vehicle pricing, new vehicle incentive programmes, new vehicle sales, the actual or perceived quality, safety or reliability of Toyota and Lexus vehicles, future plans for new Toyota, Lexus and private label product introductions, competitive actions and behaviour, product attributes of popular vehicles, the mix of used vehicle supply, the level of current used vehicle values, inventory levels and fuel prices heavily influence used vehicle values and thus the actual residual value of off-lease vehicles. Differences between the actual residual values realised on leased vehicles and TFA's estimates of such values at lease origination could have a negative impact on TFA's results of operations and financial condition. Actual return volumes may be higher than expected which can be impacted by higher contractual lease-end residual values relative to market values, a higher market supply of certain models of used vehicles, new vehicle incentive programmes and general economic conditions. The return of a higher number of leased vehicles could also adversely affect TFA's results of operations and financial condition.

TFA offers Guaranteed Future Value ("**GFV**") loan products which give customers a choice to retain their vehicle at the end of the term of the finance contract subject to payment of all money payable at the end of the term or to sell their vehicle back to TFA or its nominee for the agreed GFV. There is the risk that the vehicle value at the end of the agreed loan term is less than the GFV. Fluctuations in the market value of these assets (vehicles) subsequent to loan origination may introduce volatility in TFA's profitability, through impairment provisions and/or losses on disposal of returned assets.

(16) Exposure to credit risk could negatively affect TFA's results of operations and financial condition

Credit risk is the risk of loss arising from the failure of a customer, dealer or other party to meet the terms of any retail, lease or dealer financing contract or other contract with TFA or otherwise fail to perform as agreed. An increase in credit risk would require a provision, or would increase TFA's provision, for credit losses, which would have a negative impact on TFA's results of operations and financial condition. There can be no assurance that TFA's monitoring of credit risk and its efforts to mitigate credit risk are, or will be, sufficient to prevent an adverse effect on its results of operations and financial condition.

The level of credit risk on TFA's retail loan portfolio is influenced primarily by two factors: the total number of contracts that default and the amount of loss per occurrence, which in turn are influenced by various economic factors, the used vehicle market, purchase quality mix, contract term length and operational changes. The used vehicle market is impacted by the supply of, and demand for, used vehicles, interest rates, inflation, new vehicle incentive programmes, the manufacturer's actual or perceived reputation for quality, safety and reliability and the general economic outlook.

The level of credit risk on TFA's dealer portfolio is influenced primarily by the financial strength of dealers within that portfolio, dealer concentration, collateral quality and other economic factors. The financial strength of dealers within TFA's dealer portfolio is influenced by general macroeconomic conditions, the overall demand for new and used vehicles and the financial condition of motor vehicle manufacturers, among other factors.

Economic slowdown and recession in Australia, extreme weather conditions, natural disasters, health epidemics, such as the COVID-19 pandemic, and other factors increase the risk that a customer or dealer may not meet the terms of a retail, lease or dealer financing or other contract with TFA or may otherwise fail to perform as agreed. A weak economic environment evidenced by, among other things, unemployment, underemployment and consumer bankruptcy filings, may affect the ability of some customers of TFA and dealers to make their scheduled payments.

(17) TFA's results of operations, financial condition and cash flows may be adversely affected by market risks related to changes in interest rates, foreign currency exchange rates and market prices

Market risk is the risk that changes in interest rates and foreign currency exchange rates cause volatility in TFA's results of operations, financial condition and cash flows.

Derivative financial instruments are entered into by TFA to economically hedge or manage its exposure to market risk. However, changes in interest rates, foreign currency exchange rates and market prices cannot always be predicted or hedged.

Changes in interest rates or foreign currency exchange rates (due to inflationary pressure or other factors) could affect TFA's interest expense and the value of its derivative financial instruments, which could result in volatility in its results of operations, financial condition and cash flows.

*(18) The transition away from the London Interbank Offered Rate ("**LIBOR**") and the adoption of alternative reference rates ("**ARR**") could adversely impact TFA's business and results of operations*

TFA is, or may become, exposed to LIBOR-based financial instruments, including through certain of TFA's financing activities, derivative contracts and unsecured debt. The transition away from the use of LIBOR to alternative rates and other potential interest rate benchmark reforms is continuing. These reforms have caused and may in the future cause such rates to perform differently than in the past, or to disappear entirely, or have other consequences which cannot be predicted.

The publication of non-U.S. dollar LIBOR rates on a representative basis, as well as the publication of the lesser used 1-week and 2-month U.S. dollar LIBOR tenors, ceased as of the end of December 2021. The most commonly used U.S. dollar LIBOR tenors are expected to continue to be published until 30 June 2023.

In June 2017, the New York Federal Reserve's Alternative Reference Rates Committee recommended the Secured Overnight Financing Rate ("**SOFR**") an alternative to U.S. dollar LIBOR. On 16 December 2022, the Federal Reserve Board adopted the final rule that implemented the Adjustable Interest Rate (LIBOR) Act passed by Congress in March 2022 ("**LIBOR Act**"). The LIBOR Act identified benchmark replacement rates based on SOFR for covered derivative transactions and cash transactions where a practicable interest rate fallback method has not been established by 30 June 2023.

The composition and characteristics of SOFR are not the same as those of LIBOR. As a result, there can be no assurance that SOFR or any ARR will perform in the same way as LIBOR would have at any time, including, without limitation, as a result of changes in interest and yield rates in the market, market volatility or global or regional economic, financial, political, regulatory, judicial or other events. With limited operating history, it remains unknown whether SOFR will continue to evolve and what the effects of its implementation may be on the markets for financial instruments. Although the LIBOR Act and its implementing regulations include safe harbours if the Federal Reserve Board's SOFR-based replacement rates are used, these safe harbours are untested, and TFA could still be exposed to risks associated with disputes and litigation with counterparties and other market participants in connection with implementing replacement rates for LIBOR.

On 29 November 2017, the Bank of England and the United Kingdom Financial Conduct Authority (**FCA**) announced that, as of January 2018, its Working Group on Sterling Risk-Free Rates has been mandated with implementing a broad-based transition to the Sterling Overnight Index Average ("**SONIA**") over the next four years across sterling bond, loan and derivative markets, so that SONIA was established as the primary sterling interest rate benchmark by the end of 2021.

SONIA is based on actual transactions and reflects the average of the interest rates that banks pay to borrow sterling overnight from other financial institutions and other institutional investors and in relation to Notes is determined by reference to a compounded daily rate or a compounded index rate. In each case such rate will differ from sterling LIBOR in a number of material respects, including (without limitation) that compounded daily rate is a risk-free overnight non-term rate, whereas sterling LIBOR is expressed on the basis of a forward-looking term and includes a credit risk-element based on inter-bank lending. Sterling LIBOR and SONIA may behave materially differently as interest reference rates. The use of SONIA as a reference rate is nascent, and is subject to change and development, both in terms of the substance of the calculation and in the development and adoption of market infrastructure for financial instruments referencing SONIA.

To facilitate an orderly transition from LIBOR to ARRs, TFA established an initiative led by senior management, with board and committee oversight. As a result of this initiative, TFA has committed to using SOFR linked rates in connection with various borrowing arrangements and the prime rate in connection with various lending arrangements. Nevertheless, TFA may continue to be subject to risk on outstanding instruments which rely on LIBOR. Those risks arise in connection with transitioning such instruments to a new reference rate, the taking of discretionary actions (for example, under fallback provisions) or the negotiation of fallback provisions and final amendments to existing LIBOR based agreements. If a contract or instrument is not transitioned to a new reference rate and LIBOR ceases to exist, TFA may experience increased interest rate risk. In addition, TFA may be dependent on third parties to upgrade its systems, software, and other critical functions to assist in its orderly transition from LIBOR, including for new agreements. A failure to properly transition away from LIBOR could expose TFA to various financial, operational, and regulatory risks, which could have a significant impact on TFA's financial condition and results of operations.

Refinitiv Benchmark Services (UK) Limited, the administrator of Canadian Dollar Offered Rate ("**CDOR**"), published a cessation notice on 16 May 2022 announcing that the calculation and publication of all tenors of CDOR will permanently cease immediately following a final publication on 28 June 2024 (the "**CDOR Cessation Date**"). Investors should be aware that, when CDOR is discontinued or otherwise unavailable, the rate of interest on Floating Rate Notes and/or loans that reference CDOR will be determined for the relevant period by the fallback provisions applicable to such Notes and/or loans. If, during the term of any Floating Rate Notes and/or loans that reference CDOR, CDOR is no longer quoted on the designated CDOR page, CDOR will be determined using alternative methods. Any of these alternative methods may result in interest payments on the Floating Rate Notes and/or loans that reference CDOR that are different from or do not otherwise correlate over time with the interest payments that would have been made on the Floating Rate Notes and/or loans if the designated CDOR page had remained available.

The additional alternative rates for any Floating Rate Notes and/or loans referencing CDOR are uncertain. There is no assurance that the characteristics of any of the alternative rates for CDOR will be similar to those prior to the CDOR Cessation Date, or that any such alternative rate will produce the economic equivalent of CDOR.

(19) The failure or commercial soundness of TFA's counterparties and other financial institutions may have an effect on TFA's liquidity, results of operations or financial condition

TFA has exposure to many different financial institutions and TFA routinely executes transactions with counterparties in the financial industry. TFA's debt, derivative and investment transactions, and its ability to borrow under committed and uncommitted credit facilities, could be adversely affected by the actions and commercial soundness of other financial institutions. TFA cannot guarantee that its ability to borrow under committed and uncommitted credit facilities will continue to be available on reasonable terms or at all. Deterioration of social, political, employment or economic conditions in a specific country or region may also adversely affect the ability of financial institutions, including TFA's derivative counterparties and lenders, to perform their contractual obligations. Financial institutions are interrelated as a result of trading, clearing, lending or other relationships and, as a result, financial and political difficulties in one country or region may adversely affect financial institutions in other jurisdictions, including those with which TFA has relationships. The failure of any of the financial institutions and other counterparties to which TFA has exposure, directly or indirectly, to perform their contractual obligations, and any losses resulting from that failure, may adversely affect TFA's liquidity, results of operations and financial condition.

Regulatory, legal and other risks

(20) Changes in accounting standards could adversely affect TFA's results of operations and financial condition

TFA's audited consolidated financial statements in the Annual Financial Report for the financial year ended 31 March 2023 have been prepared in accordance with the Australian Accounting Standards ("**AAS**") and Interpretations issued by the Australian Accounting Standards Board ("**AASB**"), as well as the Corporations Act and comply with International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standards Board ("**IASB**").

The IASB is continuing its programme to develop new accounting standards where it perceives they are required and to rewrite existing standards where it perceives they can be improved. Any future change adopted by the IASB and AASB may have a beneficial or detrimental impact on the reported earnings of TFA.

Accounting Standards are periodically revised and/or expanded. The application of accounting principles is also subject to varying interpretations over time. Accordingly, TFA is required to adopt new or revised accounting standards or comply with revised interpretations that are issued from time to time by various parties, including accounting standard setters and those who interpret the standards, such as the IASB. Those changes could adversely affect TFA's results of operations and financial condition.

(21) A failure or interruption of the information systems of TFA could adversely affect its business, results of operations and financial condition

TFA relies on its own information systems and third-party information systems to manage its operations which creates meaningful operational risk for TFA. Any failure or interruption of TFA's information systems or the third-party information systems on which it relies as a result of inadequate or failed processes or systems, human error, employee misconduct, catastrophic events, 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 its business, results of operations and financial condition. These operational risks may be increased as a result of remote or hybrid work arrangements.

In addition, any upgrade or replacement of TFA's existing transaction systems and treasury systems could have a significant impact on its ability to conduct its core business operations and increase the risk of loss resulting from disruptions of normal operating processes and procedures that may occur during and after the implementation of new systems. For example, the development and implementation of new systems and any future upgrades related thereto may require significant expenditure and divert management attention and other resources from TFA's core business operations. There are no assurances that such new systems will provide TFA with any of the anticipated benefits and efficiencies. There can also be no assurance that the time and resources management will need to devote to implementation and upgrades, potential delays in the implementation or upgrade or any resulting service interruptions, or any impact on the reliability of TFA's data from any upgrade of its legacy system, will not have a material adverse effect on its business, results of operations and financial condition.

(22) A security breach or a cyber-attack could adversely affect TFA's business, results of operations and financial condition

TFA collects and stores certain personal and financial information from customers, employees and other third parties. Security breaches or cyber-attacks involving TFA's systems or facilities, or the systems or facilities of third-party providers, could expose TFA to a risk of loss of personal information of customers, employees and third parties or other confidential, proprietary or competitively sensitive information, business interruptions, regulatory scrutiny, actions and penalties, litigation, reputational harm, a loss of confidence and other financial and non-financial costs, all of which could potentially have an adverse impact on TFA's future business with current and potential customers, results of operations and financial condition.

TFA relies on encryption and other information security technologies licensed from third parties to provide security controls necessary to help in securing online transmission of confidential information pertaining to customers, employees and other aspects of TFA's business. Advances in information system capabilities, new discoveries in the field of cryptography or other events or developments may result in a compromise or breach of the technology that TFA uses to protect sensitive data. A party who is able to circumvent these security measures by methods such as hacking, fraud, trickery or other forms of deception could misappropriate proprietary information or cause interruption to the operations of TFA. TFA may be required to expend capital and other resources to protect against such security breaches or cyber-attacks or to remedy problems caused by such breaches or attacks. TFA's security measures are designed to protect against security breaches and cyber-attacks, but TFA's failure to prevent such security breaches and cyber-attacks could subject it to liability, decrease its profitability and damage its reputation. Even if a failure of, or interruption in, the systems or facilities of TFA is resolved in a timely manner or an attempted cyber incident or other security breach is successfully avoided or thwarted, it may require TFA to expend substantial resources or to take actions that could adversely affect customer satisfaction or behaviour and expose TFA to reputational harm.

TFA could also be subjected to cyber-attacks that could result in slow performance and loss or temporary unavailability of its information systems. Information security risks have increased because of new technologies, the use of the internet and telecommunications technologies (including mobile devices) to conduct financial and other business transactions, and the increased sophistication and activities of state-sponsored actors, organised crime, perpetrators of fraud, terrorists, and others. In addition, TFA may face increased cyber-security risks and increased vulnerability to security breaches and other information technology disruptions as a result of increased remote or hybrid work arrangements among its workforce. TFA may not be able to anticipate or implement effective preventative measures against all security breaches of these types, especially because the techniques used change frequently and because attacks can originate from a wide variety of sources. The occurrence of any of these events could have a material adverse effect on TFA's business, results of operations and financial condition.

(23) TFA's enterprise data practices, including the collection, use, sharing, disposal and security of personal and financial information of its customers, employees and third-party individuals, are subject to increasingly complex, restrictive, and punitive laws and regulations which could adversely affect TFA's business, results of operations and financial condition

Under these laws and regulations, the failure to maintain compliant data practices could result in consumer complaints, lawsuits and regulatory inquiry, resulting in civil or criminal penalties, as well as brand impact or other harm to TFA's business. In addition, increased consumer sensitivity to real or perceived failures in maintaining acceptable data practices could damage TFA's reputation and deter current and potential customers from using TFA's products and services. For example, well-publicised allegations involving the misuse or inappropriate sharing of personal information have led to expanded governmental scrutiny of practices relating to the safeguarding of personal information and the use or sharing of personal data by companies in Australia and other countries. That scrutiny has in some cases resulted in, and could in the future lead to, the adoption of stricter laws and regulations relating to the use and sharing of personal information which if applicable to TFA, could impact its business. These types of laws and regulations could prohibit or significantly restrict financial services providers such as TFA from sharing information among affiliates or with third parties such as vendors, and thereby increase compliance costs, or could restrict TFA's use of personal data when developing or offering products or services to its customers. These restrictions could inhibit TFA's development or marketing of certain products or services or increase the costs of offering them to customers. Because many of these laws and regulations are new, there is little clarity as to their interpretation, as well as a lack of precedent for the scope of enforcement. The cost of compliance with these laws and regulations will be high and is likely to increase in the future. Any failure or perceived failure of TFA to comply with applicable privacy or data protection laws and regulations could for TFA result in requirements to modify or cease certain of its operations or practices, significant liabilities or fines, penalties or other sanctions.

(24) The regulatory environment in which TFA operates could have a material adverse effect on its business and results of operations

Regulatory risk is the risk to TFA arising from the failure or alleged failure to comply with applicable regulatory requirements and the risk of liability and other costs imposed under various laws and regulations, including changes in applicable law, regulation and regulatory guidance.

(25) Changes to Laws, Regulations or Government Policies

Changes to the laws, regulations or to the policies of national governments (federal, state, provincial or local) of Australia or of any other national governments (federal, state, provincial or local) or international organisations (and the actions flowing from such changes to policies) may have a negative impact on TFA's business or require significant expenditure by it, 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.

Compliance with applicable laws and regulations is costly and such costs can adversely affect TFA's results of operations. Compliance requires forms, processes, procedures, controls and the infrastructure to support these requirements. Compliance may create operational constraints and place limits on pricing, as the laws and regulations in the financial services industry are designed primarily for the protection of consumers. Changes in laws and regulations could restrict TFA's ability to operate its business as currently operated, could impose substantial additional costs or require it to implement new processes, which could adversely affect its business, prospects, financial performance or financial condition. The failure to comply with applicable laws and regulations could result in significant statutory civil and criminal fines, penalties, monetary damages, attorney or legal fees and costs, restrictions on TFA's ability to operate its business, possible revocation of licenses and damage to its reputation, brand and valued customer relationships. Any such costs, restrictions, revocations or damage could adversely affect TFA's business, prospects, results of operations or financial condition.

(26) A negative outcome in legal proceedings may adversely affect TFA's results of

operations and financial condition

TFA is, and may be, subject to various legal actions, governmental proceedings and other claims arising in the ordinary course of business. A negative outcome in one or more of these legal proceedings may adversely affect TFA's results of operations and financial condition.

(27) Environmental Related Regulation

Concern over climate change or other environmental matters may result in new or increased legal and regulatory requirements and new financial incentives regarding electrified vehicles intended to mitigate factors contributing to, or intended to address the potential impacts of, climate change or other environmental concerns. Such regulations (including laws related to greenhouse gas emitting products or services) and government incentives may require TFA and other Toyota companies to alter its proposed business plans, lead to increased compliance costs and changes to its operations and could have an adverse effect on its business, results of operations and financial condition.

4. Management's Analysis of Financial Conditions, Operating Results and Cash Flow

(1) Outline of Results of Operations

A review of the development and performance of the Group's business during the financial year.

References herein to "fiscal 2023" denote the year ended 31 March 2023 and references herein to "fiscal 2022" denote the year ended 31 March 2022.

(a) Profit from Ordinary Activities

The Company'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 following table summarises the Company's profit before income tax by operating segment for fiscal 2023 and fiscal 2022.

	12 Months Ended 31 March	
	2023	2022
	(A$ in Thousands)	
Finance margin		
- Retail [(1)]	382,439	356,167
- Fleet [(2)]	96,891	84,309
Fair value (loss)/gain	(335,519)	60,551
Treasury Operation income/(cost)	6,349	83,594
Investment interest	46,363	3,732
Other unallocated revenue items [(3)]	(5,659)	1,139
Total revenue	**190,864**	**589,492**
Segment result		
- Retail [(1 & 4)]	163,717	238,222
- Fleet [(2 & 4)]	116,249	105,254
Share of net profits of associate accounted for using the equity method	16,050	10,783
Fair value (loss)/gain	(335,519)	60,551
Other Unallocated net income [(3)]	54,515	30,693
Profit before income tax	**15,012**	**445,503**
Income tax expense	(122)	(130,507)
Profit attributable to owners of Toyota Finance Australia Limited	**14,890**	**314,996**

Note

1. Retail comprises loans and leases to personal and commercial customers, including wholesale finance which comprises loans and bailment to motor vehicle dealerships.
2. Fleet comprises loans and leases to small business and fleet customers consisting of medium to large commercial clients and government bodies.
3. Other unallocated revenue items and other unallocated net income comprise those revenues/expenses which cannot be allocated to either retail or fleet segment on a reasonable basis.
4. Effective 1 April 2018, it has been decided to discontinue the allocation of the capital benefit to the business segments, as capital management is a centralised function.

Retail net financing revenue increased by 7.4% in fiscal 2023 compared to fiscal 2022. Primarily, attributable by increase in administration fee and interest revenue due to the increase in portfolio size ($19.5 billion in fiscal 2023 compared from $18.2 billion in fiscal 2022).

The Retail segment recorded a decrease in operating profit of $164 million before income tax in fiscal 2023 compared to an operating profit of $238 million in fiscal 2022. Primarily, this was due to an increase in treasury cost ($47m), bad debts ($14m) and administration expenses ($7m).

Fleet net financing revenue increased by 15% in fiscal 2023 compared to fiscal 2022. Primarily, this was due to an increase in rental income on operating lease.

The Fleet segment recorded an increase in operating profit of $116 million before income tax in fiscal 2023 compared to an operating profit of $105 million in fiscal 2022. Primarily, this was due to a release of impairment loss provision and an increase in rental income on operating lease.

(b) Financing Assets and Motor Vehicles under Operating Lease

a) Loans and receivables	31 March 2023	31 March 2022
	(A$ in Thousands)	
Finance leases	1,113,333	988,592
Unearned income on finance leases	(73,228)	(51,177)
Finance leases - Net	**1,040,105**	**937,415**
Bailment stock	2,921,785	2,504,099
Term loans - Net	17,816,838	16,709,871
Term purchase - Net	614,915	596,247
Net loans and receivables (net of unearned income)	**22,393,643**	**20,747,632**
Provision for impairment of loans and receivables	(140,967)	(161,450)
Net loans and receivables	**22,252,676**	**20,586,182**

b) Motor vehicles under operating lease	31 March 2023	31 March 2022
	(A$ in Thousands)	
Operating lease - At cost	3,069,879	2,749,030
Provision for residual value impairment loss	(8,750)	(30,350)
Accumulated depreciation	(1,196,916)	(1,032,349)
Total motor vehicles under operating lease	**1,864,213**	**1,686,331**

There was growth of 8% in net loans and receivables (net of unearned income and net of provision for impairment) in fiscal 2023 compared to fiscal 2022. Toyota continued as number one position in the Australian motor vehicle market; TFA's competitive advantage in obtaining funding as a result of existing credit support arrangements involving TMC and TFS; and continued new business origination precipitated by joint sales and marketing activities with the distributor and dealers.

Bailment stock, comprising motor vehicles financed by the Company on behalf of dealerships, increased by 17% in fiscal 2023 compared to fiscal 2022. The level of bailment stock is influenced by seasonality and economic conditions.

The net increase in term loans, term purchase and finance lease of 7% in fiscal 2023 compared to fiscal 2022 was primarily due to growth in all portfolio size. There was an increase in unearned income of 36% over the equivalent period.

Motor vehicles under operating lease increased by 11% in fiscal 2023 compared to fiscal 2022. The increase reflects Toyota Fleet Management's focus on expanding its business through the acquisition of new customers.

Provision for impairment as a percentage of net loans and receivables (net of unearned income) was reduced to 0.6% in fiscal 2023 compared to 0.8% in fiscal 2022.

A maturity analysis of financing assets follows.

a) Loans and receivables	31 March 2023	31 March 2022
	(A$ in Thousands)	
Net loans and receivables maturing within 12 months	8,014,206	7,593,144
Net loans and receivables maturing beyond 12 months	14,379,437	13,154,488
Total	**22,393,643**	**20,747,632**

b) Motor vehicles under operating lease	31 March 2023	31 March 2022
	(A$ in Thousands)	
Future minimum lease receipts under operating leases		
Not later than one year	338,226	300,137
One to two years	213,162	191,575
Two to three years	138,755	128,240
Three to four years	70,169	60,986
Four to five years	26,348	26,120
Over five years	13,105	11,430
Total	**799,765**	**718,488**

(c) Net Financing Revenue

	12 Months Ended 31 March	
	2023	2022
	(A$ in Thousands)	
Interest revenue	998,153	738,758
Rental income on motor vehicles under operating lease	440,162	412,764
Fee income	54,015	49,563
Financing and similar revenue	**1,492,330**	**1,201,085**
Interest expense and similar charges	(933,184)	(261,370)
Depreciation expense on motor vehicles under operating lease	(368,282)	(350,223)
Financing expense and similar charges	**(1,301,466)**	**(611,593)**
Net financing and similar revenue	**190,864**	**589,492**

The following table shows the amounts of each of the Company's major categories of interest revenue and interest expense and similar charges.

	12 Months Ended 31 March	
	2023	2022
	(A$ in Thousands)	
a) Interest revenue and expense		
Interest revenue		
Interest revenue	1,175,631	915,870
Fee income recognised using the effective interest rate method	90,014	81,118
Fee expense recognised using the effective interest rate method	(267,492)	(258,230)
Total interest revenue	**998,153**	**738,758**
Interest expense and similar charges		
Interest expense	510,731	243,354
Net loss/(gain) on translation of foreign currency debt	1,207,576	(126,324)
Fair value (gain)/loss on derivative financial instruments at fair value through statements of comprehensive income	(813,928)	117,540
Transaction costs	27,869	25,897
Interest on lease liabilities (1)	936	903
Total interest expense and similar charges	**933,184**	**261,370**
b) Fee income earned on originated assets		
Administration and management fee	51,966	46,790
Other fees	2,049	2,773
Total fee income	**54,015**	**49,563**

Note

1. From 1 April 2019, interest on lease liabilities has been recognised as a result of the adoption of AASB 16 *Leases*.

Total interest revenue increased by 35% in fiscal 2023 compared to fiscal 2022. Primarily, this was due to higher interest rates.

Fee income recognised using the effective interest rate method increased by 11% in fiscal 2023 compared to fiscal 2022. The increase in fee income was mainly contributed by termination fee.

Fee expense recognised using the effective interest rate method increased by 4% in fiscal 2023 compared to fiscal 2022. The increase was primarily driven by higher commissions on consumer loan.

Total interest expense and similar charges increased by 257% in fiscal 2023 compared to fiscal 2022. Primarily, due mainly to an increase in interest expense, net loss on translation of foreign currency debt and offset by a fair value gain on derivative financial instruments in fiscal 2023. The Company continues to use derivative contracts as part of its interest rate and currency risk management programme.

(d) Depreciation, Write-off and Amortisation

	12 Months Ended 31 March	
	2023	2022
	(A$ in Thousands)	
Depreciation on property, plant and equipment		
Right-of-use assets [1]	7,135	7,184
Leasehold improvements	2,304	2,321
Plant and equipment	635	1,589
Motor vehicles	2,092	1,889
Write-off on property, plant and equipment	13	-
Total depreciation and write-off	**12,179**	**12,983**
Amortisation		
Computer software development [2]	16,855	11,691
Total amortisation	**16,855**	**11,691**
Total depreciation, write-off and amortisation	**29,034**	**24,674**

Note

1. From 1 April 2019, depreciation on right-of-use assets has been recognised as a result of the adoption of AASB 16 *Leases*.
2. The amortisation of computer software development as at 31 March 2023 includes amortisation of software as a service arrangements amounting to $5,116,000 (2022: nil).

(e) Impairment of Financing Assets

The Company's level of credit losses is influenced primarily by two factors: the total number of contracts that default and loss per occurrence. The Company maintains an allowance for credit losses to cover expected losses. The following table provides information related to the Company's credit loss experience.

	As at	
	31 March 2023	31 March 2022
	(A$ in Thousands)	
a) Provision for credit impairment of loans and receivables		
Opening balance	161,450	197,150
Decrease in impairment loss provision	(20,483)	(35,700)
Closing balance*	**140,967**	**161,450**

	As at	
	31 March 2023	31 March 2022
	(A$ in Thousands)	
b) Credit impairment loss		
Bad debts written off	59,412	34,929

Recovery of bad debts written off	(23,289)	(21,211)
Decrease in impairment loss provision	(20,483)	(35,700)
Total impairment (gain)/loss	**15,640**	**(21,982)**

	As at	
	31 March 2023	31 March 2022
	(A$ in Thousands)	
c) Provision for non-credit impairment loss on motor vehicles under operating lease		
Opening balance	30,350	52,750
Decrease in impairment loss provision	(21,600)	(22,400)
Closing balance	**8,750**	**30,350**

	As at	
	31 March 2023	31 March 2022
	(A$ in Thousands)	
d) Non-credit impairment loss		
Impairment reversal	514	376
Decrease in impairment loss provision	(21,600)	(22,400)
Total impairment reversal	**(21,086)**	**(22,024)**

Note

* The balance as at 31 March 2023 includes provision on guaranteed future value of $2,200,000 (2022: $400,000) which is calculated under AASB 16.

The Company has two types of financial assets that are subject to AASB 9.

- Retail and Wholesale receivables which are subject to the general impairment model
- Fleet receivables which are subject to the simplified impairment model

The impairment loss provision for the year ended 31 March 2023 has decreased as a result a release of impairment loss provision.

While cash and cash equivalents are also subject to the impairment requirements of AASB 9, the identified impairment loss was immaterial.

(f) Cash Flows

	12 Months Ended 31 March	
	2023	2022
	(A$ in Thousands)	
Cash flows from operating activities		
Net cash outflow from lending and other operating activities	(2,310,352)	(2,916,400)
Interest received	1,171,307	916,572
Short term lease payments	(254)	(246)
Rental income received	440,162	412,764
Interest paid	(551,049)	(306,649)
Term deposits withdrawn	-	554,000
Income taxes paid	(170,730)	(111,426)
Net cash outflow from operating activities	**(1,420,916)**	**(1,451,385)**
Net cash outflow from investing activities	**(24,564)**	**(20,418)**
Net cash inflow from financing activities	**1,352,102**	**198,219**
Net decrease in cash and cash equivalents	**(93,378)**	**(1,273,584)**

Cash flows provided by operating, investing, and financing activities have been used primarily to support asset growth.

In fiscal 2023 an inflow of funds from financing activities of $1,352 million and a net inflow of $1,060 million from interest received, interest paid, and rental income were used to finance increased net cash outflow from lending and other operating activities of $2,310 million. There was a $93 million decrease in the Company's net cash position during the year.

The Company believes that cash provided by operating and financing activities as well as access to domestic and international capital markets and the issuance of commercial paper will provide sufficient liquidity to meet future funding requirements.

(g) Parent Entity Financial Information

Statement of Financial Position
FOR THE YEAR ENDED 31 MARCH 2023

	Parent 2023 $'000	Parent 2022 $'000
Assets		
Cash and cash equivalents	2,104,066	2,197,444
Loans and receivables	19,194,809	18,313,002
Motor vehicles under operating lease	1,864,213	1,686,331
Derivative financial instruments	491,183	391,673
Investment accounted for using the equity method	4,284	4,284
Intangible assets	55,156	29,076
Property, plant and equipment	17,532	20,665
Right-of-use assets	21,865	27,830
Deferred tax assets	4,590	2,158
Other assets	4,463,091	3,432,476
Total assets	**28,220,789**	**26,104,939**
Liabilities		
Due to banks and other financial institutions	2,281,887	1,234,009
Bonds and commercial paper	16,788,751	16,379,643
Related party liabilities - Special purpose vehicles	6,105,182	4,445,872
Derivative financial instruments	623,947	1,251,824
Other liabilities	454,213	647,283
Contract liabilities	125,300	116,261
Lease liabilities	29,034	35,731
Total liabilities	**26,408,314**	**24,110,623**
Net assets	**1,812,475**	**1,994,316**
Equity		
Contributed equity	120,000	120,000
Retained earnings	1,692,475	1,874,316
Total equity	**1,812,475**	**1,994,316**

As at 31 March 2023, current assets and current liabilities amounted to $12,249,976,000 and $9,058,774,000 respectively (2022: $9,852,748,000 and $10,014,765,000 respectively). The current assets include loans and receivables, net of unearned income and excluding provision for impairment of loans and receivables.

Statement of Comprehensive Income
FOR THE YEAR ENDED 31 MARCH 2023

	Parent 2023 $'000	Parent 2022 $'000
Interest revenue	883,945	678,638
Rental income on motor vehicles under operating lease	440,162	412,764
Fee income	48,854	46,393
Financing and similar revenue	**1,372,961**	**1,137,795**
Interest expense and similar charges	(1,105,080)	(382,900)
Depreciation expense on motor vehicles under operating lease	(368,282)	(350,223)
Financing expense and similar charges	**(1,473,362)**	**(733,123)**
Net financing and similar revenue	**(100,401)**	**404,672**
Other revenue	255,970	214,319
Net operating income	**155,569**	**618,991**
Credit impairment (loss)/reversal	(7,674)	22,321
Non-credit impairment reversal	21,086	22,024
Employee benefits expense	(177,220)	(165,212)
Depreciation, write-off and amortisation	(29,034)	(24,674)
IT and communication expense	(41,334)	(58,428)
Sales and marketing expense	(9,765)	(8,000)
Other expenses	(32,968)	(30,186)
Share of overhead expenses as related to subsidiaries	39,519	32,307
Profit/(loss) before income tax	**(81,821)**	**409,143**
Income tax (expense)/credit	1,472	(128,865)
Profit/(loss) attributable to owners of Toyota Finance Australia Limited	**(80,349)**	**280,278**

(2) Status of Production, Orders and Sales

See "(1) Outline of Results of Operations".

(3) Management Discussion and Analysis

(a) Derivatives and Hedging Activities

The consolidated entity's activities expose it to a variety of financial risks: market risk (including currency risk and interest rate risk), credit risk, liquidity risk and residual value risk. The consolidated entity's overall risk management programme focuses on the unpredictability of financial markets and used vehicle markets and seeks to manage potential adverse effects on the financial performance of the consolidated entity. The consolidated entity does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes. Derivative financial instruments are used to manage the consolidated entity's exposure to currency risk and interest rate risk. The residual value risk of the consolidated entity arises mainly from receivables under operating lease and loans with guaranteed future value.

Risk management is carried out by various committees and departments based on charters approved by the senior management in accordance with TFA's Enterprise Risk Management Framework.

Asset Liability & Pricing Committee

The Asset, Liability & Pricing Committee has been established to :

- provide oversight of senior management's identification of material financial risks facing the consolidated entity and to set the internal treasury funds transfer price;
- oversee the consolidated entity's investment portfolio, review the consolidated entity's asset and liability performance;
- provide oversight to ensure the consolidated entity's pricing strategy is in line with the governance frameworks; and
- set the benchmark prices for the consolidated entity's products.

Compliance Committee

The Compliance Committee's purpose is to uphold the brand, reputation and values of the consolidated entity by ensuring the business and its employees comply with all applicable laws, codes, regulations and license requirements.

The Compliance Committee also provides regular and timely updates to the Board of Directors and the Senior Executive Team ("**SET**").

Foreign exchange risk

The consolidated entity operates in international capital markets to obtain debt funding to support its earning assets. Transactions may be denominated in foreign currencies, exposing the consolidated entity to foreign exchange risk arising from various currency exposures.

Foreign exchange risk arises from recognised assets and liabilities denominated in currency that is not the consolidated entity's functional currency and net investments in foreign operations. The risk is measured using debt maturity analysis.

Management has set up a policy requiring the consolidated entity to manage its foreign exchange risk against its functional currency. The consolidated entity is required to economically hedge 100% of its foreign exchange risk at the time of debt issuances. Derivative financial instruments are entered into by the consolidated entity to hedge its exposure to foreign currency risk, including:

- Forward exchange contracts to hedge the foreign currency risk arising on the issue of commercial paper in foreign currencies and affiliated entity loan; and
- Cross currency swaps to manage the foreign currency and interest rate risk associated with foreign currency denominated medium term notes, bank loans and US commercial paper.

The consolidated entity's net exposure to foreign currency risk at the end of the reporting period ended 31 March 2023 is immaterial. There has been no change in this position when compared to the reporting period ended 31 March 2022.

Cash flow and fair value interest rate risk

Cash flow and fair value interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The consolidated entity is exposed to the effects of fluctuations in the prevailing levels of market interest rates as it borrows and lends funds at both floating and fixed interest rates. Derivative financial instruments are entered into by the consolidated entity to economically hedge its exposure to cash flow and fair value interest rate risk, including:

- Fixed-to-floating interest rate swaps to manage the interest rate risk generated by the consolidated entity's earning assets. Such interest rate swaps have the economic effect of converting loans and receivables from fixed rates to floating rates;
- Fixed-to-floating interest rate swaps to manage the interest rate risk generated by the consolidated entity's functional currency denominated fixed rate medium term notes and bank loans. Such interest rate swaps have the economic effect of converting borrowings from fixed rates to floating rates; and
- Cross currency swaps to manage the foreign currency and interest rate risk associated with foreign currency denominated medium term notes, US commercial paper and bank loans. Such cross currency swaps have the economic effect of converting borrowings from foreign denominated fixed or floating rates to functional currency floating rates.

Under the interest rate swaps, the consolidated entity agrees with other parties to exchange, at specified intervals (mainly quarterly), the difference between fixed contract rates and floating rate interest amounts calculated by reference to the agreed notional principal amounts. Under the cross currency swaps, the consolidated entity agrees with other parties to exchange, at specified intervals, foreign currency principal and fixed (or floating) rate interest amounts, and functional currency principal and floating rate interest amounts calculated with reference to the agreed functional currency principal amount.

The consolidated entity's policy is to maintain most of its debt exposure in its functional currency at floating rate, using interest rate swaps or cross currency swaps to achieve this when necessary.

The following table details the Company's exposure to interest rate risk as at the end of the reporting period.

Consolidated 2023	Variable interest rate $'000	Fixed interest rate $'000	Non-interest bearing $'000	Total $'000
Operating lease receivables	-	1,872,963	-	1,872,963
Financial assets				
Cash and liquid assets	2,104,066	-	-	2,104,066
Loans and receivables	5,130,243	17,263,400	-	22,393,643
Interest rate swaps	15,934,500	(15,934,500)	-	-
Other assets	69,500	-	58,612	128,112
Total financial assets	**23,238,309**	**3,201,863**	**58,612**	**26,498,784**
Financial liabilities				
Banks and other financial institutions	7,140,674	-	-	7,140,674
Commercial papers	4,566,655	-	-	4,566,655
Medium-term notes	1,224,362	10,997,734	-	12,222,096
Cross currency swaps	8,812,123	(8,812,123)	-	-
Interest rate swaps	2,572,411	(2,572,411)	-	-
Other liabilities	162,700	-	286,512	449,212
Lease liabilities	-	29,034	-	29,034
Total financial liabilities	**24,478,925**	**(357,766)**	**286,512**	**24,407,671**
Net financial assets/(liabilities)	**(1,240,616)**	**3,559,629**	**(227,900)**	**2,091,113**

Consolidated 2022	Variable interest rate $'000	Fixed interest rate $'000	Non-interest bearing $'000	Total $'000
Operating lease receivables	-	1,716,681	-	1,716,681
Financial assets				
Cash and liquid assets	2,197,444	-	-	2,197,444
Loans and receivables	4,575,525	16,172,107	-	20,747,632
Interest rate swaps	12,921,500	(12,921,500)	-	-
Other assets	162,100	-	51,434	213,534
Total financial assets	**19,856,569**	**4,967,288**	**51,434**	**24,875,291**
Financial liabilities				
Banks and other financial institutions	4,757,304	-	-	4,757,304
Commercial papers	4,268,914	-	-	4,268,914
Medium-term notes	1,223,796	10,886,933	-	12,110,729
Cross currency swaps	9,184,803	(9,184,803)	-	-
Interest rate swaps	2,567,096	(2,567,096)	-	-
Other liabilities	169,000	-	485,801	654,801
Lease liabilities	-	35,731	-	35,731
Total financial liabilities	**22,170,913**	**(829,235)**	**485,801**	**21,827,479**
Net financial assets/(liabilities)	**(2,314,344)**	**5,796,523**	**(434,367)**	**3,047,812**

Credit Risk

The consolidated entity's treasury department manages credit risk through the use of external ratings such as Standard & Poor's ratings or equivalent, counterparty diversification, monitoring of counterparty financial condition and master netting agreements in place with all derivative counterparties.

The below table shows the percentage of the consolidated entity's money market deposits and derivatives relating to treasury funding activities, based on the Standard & Poor's rating.

Rating	Consolidated 2023 %	Consolidated 2022 %
AA-	21	8
A+	1	1
A	78	91
A-	-	-
	100	100

The Company does not currently anticipate non-performance by any of its counterparties and has no reserves related to non-performance as of 31 March 2023. The Company has not experienced any counterparty default during the 12 months ended 31 March 2023.

(b) Liquidity and Capital Resources

The Company requires, in the normal course of business, substantial funding to support the level of its earning assets. Significant reliance is placed upon the Company's ability to obtain debt funding in the capital markets and from other sources in addition to funding provided by earning asset liquidations and cash provided by operating activities.

Commercial Paper

Commercial paper issuances are used to meet short-term funding needs.

Domestic commercial paper issued by TFA ranged from approximately A$709 million to A$1,244 million during the year ended 31 March 2023, with an average outstanding balance of approximately A$993.2 million.

Euro commercial paper issued by TFA ranged from the equivalent of approximately A$1,245 million to the equivalent of approximately A$3,186 million during the year ended 31 March 2023, with an average outstanding balance of the equivalent of approximately A$2,204 million.

US commercial paper issued by TFA ranged from the equivalent of approximately A$630 million to the equivalent of approximately A$2,609 million during the year ended 31 March 2023, with an average outstanding balance of the equivalent of approximately A$1,523 million.

Medium Term Notes

Long term funding requirements are met through, among other things, the issuance of a variety of debt instruments in both the Australian and international capital markets. Domestic and Euro medium term notes ("**MTNs**") have provided TFA with significant sources of funding in years prior to fiscal 2023. During the year ended 31 March 2023, TFA issued A$0 million of Domestic MTNs and the equivalent of approximately A$2,297 million of Euro MTNs all of which had original maturities of one year or more.

For the year ended 31 March 2023, TFA had the equivalent of A$12,271 million of MTNs outstanding of which the equivalent of approximately A$8,898 million was denominated in foreign currencies. The original tenors of all MTNs outstanding as at 31 March 2023 ranged from 2 years to 7.5 years.

TFA anticipates continued use of MTNs. The Programmes under which MTNs are issued by TFA in the Australian and international capital markets may be expanded or updated from time to time to allow for the continued use of these sources of funding. In addition, TFA may issue notes in the Australian and international capital markets that are not issued under its MTN programmes.

Back Up Liquidity and Other Funding Sources

On 18 November 2022, TFA 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 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 31 March 2023.

The 364 Day Credit Agreement, the Three Year Credit Agreement and the Five Year Credit Agreement have replaced the 364 Day Credit Agreement dated as of 5 November 2021, which was extended on 4 November 2022 to 21 November 2022, the Three Year Credit Agreement dated as of 5 November 2021 and the Five Year Credit Agreement dated as of 5 November 2021. Each of the 364 Day Credit Agreement dated as of 5 November 2021, the Three Year Credit Agreement dated as of 5 November 2021 and the Five Year Credit Agreement dated as of 5 November 2021, were all terminated on 18 November 2022.

For additional liquidity purposes, TFA maintains the following bank facilities: an overdraft facility, committed banking facilities and uncommitted money market funding facilities which aggregated A$665 million as at 31 March 2023. The average aggregate amount outstanding under these facilities during the year ended 31 March 2023 was A$136 million.

In addition to funding obtained from bilateral bank loans entered into by TFA in years prior to the year ended 31 March 2023, TFA entered into bilateral bank loans during the year ended 31 March 2023 denominated in A$ totalling A$1,250 million. The original tenors of these bilateral bank loans ranged from 1.5 years to 2 years.

TFA also has a US$1 billion revolving loan facility from Toyota Motor Credit Corporation ("**TMCC**") which is incorporated in California, United States of America. TMCC is wholly-owned by Toyota Financial Services International Corporation, a Californian corporation which is a wholly-owned subsidiary of TFS. The average amount outstanding under this facility during the year ended 31 March 2023 was approximately US$0 million.

TFA also has two domestic securitisation programmes. Under each programme, vehicle finance receivables up to a specified maximum total amount may be sold into a special-purpose securitisation trust. TFA partially provides subordinated funding to each trust. The accounts of each trust are included in TFA's consolidated financial statements.

Details of each programme are as follows:

Date	Limit (A$ million)	Commitment	TFA funded Mezzanine Note*	Balance at 31 March 2023 (A$ million)
November 2009	4,733.5	Uncommitted	25%	2,479.63
March 2012	3,400	Uncommitted	15%	2,379.16

*TFA subordinated funding

Credit Ratings

The cost and availability of unsecured financing is influenced by credit ratings. Lower ratings generally result in higher borrowing costs as well as reduced access to capital markets. Credit ratings are not recommendations to buy, sell or hold securities and are subject to revision or withdrawal at any time by the assigning rating agency. Each rating agency may have different criteria for evaluating risk, and therefore ratings should be evaluated independently for each agency.

(c) Contractual Obligations and Credit Related Commitments

The Company has certain obligations to make future payments under contracts and credit-related financial instruments and commitments. Aggregate contractual obligations and credit-related commitments in existence at 31 March 2023 are summarised as follows:

	Commitments expiring within the following periods	
	Within 12 months	Beyond 12 months
	(A$ in Millions)	
Contractual Obligations:		
Total debt	10,607	13,322
Total	10,607	13,322

The consolidated entity, as members of the Toyota Motor Corporation Australia Limited GST Group ("**GST Group**"), are jointly and severally liable for 100% of GST payable by the GST Group. The GST Group had a net GST payable as at 31 March 2023 of $47.4 million (2022: $82.1 million).

The consolidated entity, in association with other Australian incorporated entities with a common owner, implemented the income tax consolidation legislation from 1 April 2003 with Toyota Motor Corporation Australia Limited as the head entity of the income tax consolidated group. Under the income tax consolidation legislation, income tax consolidation entities are jointly and severally liable for the income tax liability of the consolidated income tax group unless an income tax sharing agreement has been entered into by member entities. At the date of filing of this Annual Securities Report, an income tax sharing agreement has been executed.

(d) Critical Accounting Estimates and Assumptions Used to Make Such Estimates

The consolidated financial statements of the Company have been prepared in accordance with the AAS issued by the AASB and also comply with the IFRS as issued by the IASB. The critical accounting policies adopted for the preparation of such consolidated financial statements are described in the notes to consolidated financial statements.

5. Material Contracts Relating to the Business, etc.

(1) Credit Support Agreement

For definitions and descriptions of the TFS Credit Support Agreement and the TMC Credit Support Agreement, see "PART II. INFORMATION CONCERNING GUARANTOR, ETC. OF FILING COMPANY".

A credit support fee agreement was entered into between TFA and TFS as of 30 March 2001 (the "**Credit Support Fee Agreement**"). The Credit Support Fee Agreement provides that TFA will pay to TFS a fee equivalent to a percentage of the weighted average outstanding amount of its own bonds, debentures, notes and other investment securities and commercial paper that have the benefit of the TFS Credit Support Agreement.

(2) Property Leases

The Company has entered into commercial office leases for each of its offices; Head Office at St Leonards, New South Wales, Centralised Operations Centre at Scoresby, Victoria, and Regional Offices in Sydney Olympic Park, New South Wales; Melbourne, Victoria; Adelaide, South Australia; Perth, Western Australia; and Brisbane, Queensland; and AAAF offices in Eight Mile Plains, Queensland. These leases are on commercial terms with entities not associated with TFA except for the Melbourne and Sydney Olympic Park premises which are leased from TMCA on commercial terms.

(3) Tax Arrangements

In this discussion, "Tax Arrangements" refers to the income tax consolidated grouping arrangement and the GST grouping arrangement.

TFA has entered into the following taxation arrangements:

- Tax Contribution Deed ("**TCD**");
- Tax Sharing Deed ("**TSD**"); and
- GST Grouping Arrangement.

The TCD and TSD are income tax arrangements between TMCA, TFA (all eligible tier 1 companies) and their subsidiary members SCT Pty Ltd (and SCT Pty Ltd's subsidiary companies MLan Computer Solutions (Aust) Pty Ltd and OTS Australia Pty Ltd), AAAF, the Southern Cross Toyota 2009-1 Trust, and the King Koala TFA 2012-1 Trust (collectively the "**Income Tax Group**").

The main purpose of these Agreements is to formalise the management, calculation, allocation, funding and payment of the Income Tax Group's income tax liability for any year a group income tax consolidated return is filed. The arrangement effectively allocates the income tax liability to each member of the Income Tax Group based on the stand alone liability of each Group member.

TMCA is responsible as head entity of the Income Tax Group for remitting Group income tax liability to the Australian Taxation Office as and when required. TMCA indemnifies each member of the Income Tax Group where liability arises as a result of TMCA's failure to pay the Income Tax Group income tax liability provided each Income Tax Group member has given TMCA the necessary information and has paid its share of the Income Tax Group income tax liability.

For so long as TFA is a member of an income tax consolidated group TFA is joint and severally liable for the income tax liabilities of the group. TFA's liability is effectively limited within the consolidated group by the TSD. The TSD broadly limits TFA's exposure for Income Tax Group income tax liability to the income tax liability TFA would have paid were it not a member of the Income Tax Group. There are also indemnities provided by the parties to the TCD and TSD to each other in relation to instances of default by a party.

Under the GST Grouping Arrangement (the "**GST Group**" whose members are the same as the Income Tax Group, except SCT Pty Ltd, MLan Computer Solutions (Aust) Pty Ltd and OTS Australia Pty Ltd who are not members of the GST Group), a group GST and Luxury Car Tax return is filed by TMCA. Under the GST and LCT law TFA is jointly and severally liable for the GST and LCT liabilities of the Group, should TMCA default in its group obligations to the Australian Taxation Office.

Transactions by other members of the Income Tax Group and the GST Group with external parties may be subject to review by the tax authorities and would be dealt with by the representative member or head company of the relevant group. As such, TFA will generally either have no knowledge, or not have detailed knowledge, of any such review as they pertain to other members of the Income Tax Group and/or the GST Group.

(4) Agency Agreement

The notes issued under the EUR60,000,000,000 Euro Medium Term Note Programme of TFA and certain other issuers have the benefit of an Agency Agreement dated 16 September 2022, (the "**Agency Agreement**") and made between, *inter alios*, TFA as issuer and The Bank of New York Mellon, acting through its London branch, as issuing agent, principal paying agent and calculation agent.

As of the date of the filing of this statement, the name of the issuing and principal paying agent and its specified office are set out below.

Issuing and Principal Paying Agent:	The Bank of New York Mellon acting through its London branch One Canada Square Canary Wharf London E14 5AL United Kingdom

(5) Securitisation Programmes

There is a set of documents relating to each of TFA's securitisation programmes. For descriptions of the securitisation programmes see "3. Management's Analysis of Financial Conditions, Operating Results and Cash Flow, (3) Management Discussion and Analysis, (b) Liquidity and Capital Resources - *Back Up Liquidity and Other Funding Sources*".

There are no other material contracts.

6. Research and Development Activities

Not applicable.

IV. Statements of Facilities

1. Outline of Capital Expenditures, etc.

The Company places emphasis on developing information systems comparable to the level of service and suite of products the Company wishes to deliver. As such, a number of initiatives have been undertaken to develop the Company's systems. Work on systems development capitalised in fiscal 2023 amounted to A$34 million.

Capitalised computer software and development costs are amortised from the point at which the asset is ready for use on a straight-line basis over its useful life, which varies from 3 to 10 years.

Implementation costs, including costs to configure or customise the software as a service ("**SaaS**") provider's application are recognised as operating expenses when the services are received.

For SaaS arrangements, where the supplier provides both configuration and customisation services, judgement has been applied to determine whether each of the services are distinct or not from the underlying use of the SaaS application. Distinct configuration and customisation costs are expensed as incurred as the software is configured or customised (i.e., upfront).

For non-distinct customisation activities that significantly enhance or modify a SaaS cloud-based application, judgement has been applied in determining whether the degree of customisation and modification of the SaaS application is significant or not. Non-distinct configuration and customisation costs are considered as prepaid expenses and are expensed over the SaaS contract term.

2. Principal Facilities

The Head Office (headquarters) of the Company and sales office are located at St Leonards, New South Wales, Australia.

In addition, there are regional sales and services offices located at:

- Sydney Olympic Park, New South Wales;
- Scoresby, Victoria;
- Milton, Queensland;
- Adelaide Airport, South Australia;
- Subiaco, Western Australia;
- Eight Mile Plains, Queensland; and
- Altona, Victoria

All premises are occupied under lease. The premises in Altona, Victoria; and Sydney Olympic Park, New South Wales are leased from TMCA on commercial terms and conditions.

The following table sets out information on the net book value of the Company's principal facilities as at 31 March 2023 and the approximate number of employees of the Company located at those facilities as at 31 March 2023 (the approximate number of employees does not take account of employee absence from the facilities due to sickness, business travel or other reasons).

Location of Facility	Function	Net Book Value of Leasehold Assets at 31 March 2023 (A$ in Thousands)	Number of employees as at 31 March 2023
St Leonards New South Wales	• Head Office	857	486
Port Melbourne Victoria	• Regional Office • Wholesale Service Centre	12	15
Milton Queensland	• Regional Office	-	40
Adelaide Airport South Australia	• Regional Office	686	26
Subiaco Western Australia	• Regional Office	-	34
Eight Mile Plains Queensland	• Regional Office	-	7
Scoresby Victoria	• Centralised Operations	6,527	461
Sydney Olympic Park New South Wales	• Fleet Sales & Operations • Regional Office	939	63
Essendon Fields Victoria	• AAAF	-	0
Altona Victoria	• AAAF	0	66

3. Plans for Establishment, Removal, etc. of Facilities

The Company has no plans for the establishment or disposal of any material facilities. However, in the normal course of business, the leases of certain premises (facilities) will be allowed to expire and may be renewed or offices relocated as considered appropriate.

V. Statements of the Company

1. Shares, etc.

(1) Aggregate Number of Shares, etc.

(i) Aggregate Number of Shares

(As of 31 March 2023)

Number of Shares Authorised to be Issued (shares)	Aggregate Number of Issued Shares (shares)	Number of Unissued Shares (shares)
120,000,000	120,000,000	-

(ii) Issued Shares

(As of 31 March 2023)

Bearer or Non-bearer	Par Value Shares or Shares without Par Value	Type	Number of Shares Issued (shares)	Name of Financial Instruments Exchange on which the Shares are Listed	Content of Shares
Non-bearer	Shares without Par Value	Fully Paid Ordinary Shares	120,000,000	None	Ordinary Shares
Total	-	-	120,000,000	-	-

(2) Information Concerning Exercise of Bonds with Stock Acquisition Rights, etc. with Moving Strike Clause

Not applicable.

(3) Number of Outstanding Shares; Changes in Share Capital

There is no change in the number of outstanding shares and share capital during the current five fiscal years.

(4) Breakdown of Shareholders

See "(5) Major Shareholders".

(5) Major Shareholders

(As of 31 March 2023)

Name	Address	Number of Shares Held (shares)	Ratio of Stockholding to Total Issued Shares
Toyota Financial Services Corporation	6-1, Ushijima-cho, Nishi-ku, Nagoya City	120,000,000	100%
Total	-	120,000,000	100%

2. Dividend Policy

TFA does not have an official dividend policy. The Constitution of TFA permits the Board of Directors of TFA, subject to Australian Law and to any special rights or restrictions attached to any shares, to recommend to the shareholders that the shareholders declare or determine that a dividend is payable.

In fiscal 2022, final dividend of $91.26 million was declared and paid out of fiscal 2022 retained profits. No dividends were declared in fiscal 2023.

3. Corporate Governance, etc.

(1) Corporate Governance

All of the outstanding capital stock of TFA is owned directly by TFS. 100% of the voting power in TFA is held by TFS. TFS is a wholly-owned management company subsidiary of TMC.

The principal corporate governance practices of TFA are outlined below.

(i) Board of Directors

Functions and Responsibilities

The Board of Directors of TFA is responsible to its shareholder, TFS, for the performance of TFA in both the short and longer term. Their focus is to enhance the interests of the shareholder and other stakeholders and to ensure TFA and its controlled entities are properly managed.

The Board is responsible for corporate governance of TFA. The Board will develop strategies for TFA, review strategic objectives, and monitor the performance against those objectives. The overall goals of the corporate governance process are to drive shareholder value, assure a prudential and ethical base to TFA's conduct and activities, and ensure compliance with TFA's legal and regulatory obligations.

The Board draws on relevant corporate governance best practice principles to assist it to contribute to the performance of TFA.

The Board met quarterly and on additional occasions as required during the fiscal year ended 31 March 2023 with 5 Board meetings being held in total.

The number of meetings attended by each director during the period is as follows:

Director	Meetings attended
TSIROGIANNIS, Evangelos	5
KADENA, Shiro	4
ITO, Hiroyasu	1
KNIGHT, Brenton Ian	5
MCGRATH, Gai Marie	5
PAPPAS, John	3

CALLACHOR, Matthew John	2
TEMPLIN, Mark Steven	4

For the fiscal year ending 31 March 2024, the Board will meet quarterly and at additional times as required.

The functions of the Board include:

- review and approval of corporate strategies, the annual budget and financial plans;
- overseeing and monitoring organisational performance and the achievement of TFA's strategic goals and objectives;
- monitoring financial performance including approval of the annual financial reports;
- appointment of, and assessment of the performance of, the Managing Director and the members of the senior management team;
- ensuring there are effective management processes in place and approving major corporate initiatives;
- enhancing and protecting the reputation of TFA;
- ensuring the significant risks facing TFA have been identified and appropriate and adequate control, monitoring and reporting mechanisms are in place; and
- reporting to the shareholder.

Day to day management of TFA's affairs and implementation of corporate strategy and policy initiatives are delegated by the Board to the Managing Director, Directors and senior executives.

Composition of the Board

Each Director brings relevant skills, experience and attributes appropriate for TFA and its business.

Details of the Directors of TFA in office are listed in "(2). Directors, (i) Directors".

The Board currently comprises seven Directors. Of the Directors, two are executive Directors.

All Directors of TFA may be elected by the shareholder and the shareholder may by ordinary resolution remove any director.

The Directors may at any time and from time to time to appoint any eligible person as a Director either to fill a casual vacancy or as an addition to the Board of Directors but so that the total number of Directors shall not at any time exceed the maximum number fixed (ten).

It shall not be necessary for a Director to hold shares in TFA in order to qualify as a Director.

In addition to the circumstances in which the office of a Director becomes vacant under the Corporations Act, the office of a Director becomes vacant if:

(a) the Director becomes of unsound mind; or

(b) the Director is absent from meetings of the Directors during a continuous period of six calendar months without the consent of the Board; or

(c) by notice in writing delivered to TFA the Director resigns their office.

Ethical Standards of Directors

All TFA Directors are required to adopt appropriate ethical standards and comply with all relevant legislative requirements.

Conflicts of Interest – Directors

Board members are required to identify any conflict of interest they may have in TFA's affairs and refrain from participating in any discussion or voting on these matters except in circumstances where this is permitted under Australian law.

(ii) Employees

Code of Professional Conduct

All employees of TFA are subject to a Code of Professional Conduct (the "**Code**"). If the standards of conduct set out in the Code are breached, employees will face disciplinary action which may lead to termination of employment, and, in some circumstances, legal proceedings.

The Code is reviewed and updated as necessary to ensure it reflects appropriate standards of integrity and professionalism.

Some of the principal obligations placed upon employees by the Code are summarized below.

Employees of TFA are required to abide by all applicable rules and regulations and Government legislation.

Employees of TFA must abide by all of TFA's policies as replaced, amended or varied from time to time.

If an employee of TFA fails to abide by TFA's policies, it may lead to disciplinary action up to and including the termination of employment.

Employees must treat all information and material that concerns TFA's business affairs, or its customers or its employees, with absolute confidentiality. Accordingly employees are required to agree with TFA as a term of their contract of employment with TFA that they will not either during or after their employment with TFA, use any confidential information for the benefit of any person or entity except TFA.

Employees must at all times perform their duties and responsibilities with honesty, integrity, objectivity and diligence.

Employees must not be engaged or interested in any activity which may be in conflict with the interests of TFA. Employees must not engage or have an interest in any business or employment outside TFA which may:

- adversely affect or otherwise interfere with the employee's performance of his or her duties at TFA;
- influence the judgement of the employee so that he or she may not act in the best interests of TFA; or
- involve the employee in any financial dealings on behalf of a company or other body with TFA.

All staff must comply with Occupational Health and Safety laws operating in the state in which they are employed. Employees must also comply with the TFA Occupational Health and Safety Policy.

(iii) Risk Management

TFA's risk management functions are carried out by the following areas of TFA.

Risk Management

Risk Management area is responsible for the management of TFA's operational, credit and compliance risk. The role of the Risk Management area is to ensure that TFA's business has a sound risk strategy which is consistent with TFA's corporate goals, and which is applied by all areas in the organisation using robust and properly documented policies and procedures. Operational risk management includes business continuity planning and testing processes.

Senior Executive Team

SET is responsible for strategy development and implementation; the ERMC is a part of the SET.

Asset Risk Committee

The purpose of the Asset Risk Committee is to:

- act independently to set operating lease residual values at no greater than the forecast break-even position to ensure that the consolidated entity is protected from future residual value losses;
- act independently to set guaranteed future values at no greater than the forecast break-even position to ensure that the consolidated entity is protected from future guaranteed future value losses; and
- provide regular and timely updates to the SET.

Treasury

The role of Treasury is to manage TFA's traded and non traded market risk and liquidity risk. This risk is managed in accordance with guidelines specified by TFS. These guidelines are adhered to by the development of internally approved policies and procedures and reported to the Asset and Liability Committee on a monthly basis.

Legal and Compliance

Legal and Compliance manages TFA's legal and regulatory risks (other than those related to federal taxation matters).

The role of Legal and Compliance is to:

- ensure that TFA complies at all times with all applicable laws, regulations and codes of practice (other than those related to federal taxation matters); and
- provide legal advice and counsel to the business.

Tax Group

Tax Group within Financial Control manages TFA's federal taxation compliance.

The role of Tax Group is to:

- ensure that TFA complies at all times with all laws and regulations applicable to federal taxation matters; and
- provide taxation advice to the business on federal taxation.

(2) Directors

(i) Directors

The following table sets forth information regarding the members of the Board of Directors of TFA as at the date of the filing of this statement.

*Number of male directors: 6, Number of female directors: 1 (percentage of female directors: 14.28%)

Name	**Date Appointed**	**Position held**	**Date of Birth**	**Brief Personal History**
TSIROGIANNIS, Evangelos	1 July 2020 (Managing Director) 2 November 2017 (Director)	Managing Director Chief Executive Officer	18 March 1966	Managing Director of TFA
ITO, Hiroyasu	1 January 2023	Director	25 June 1967	Executive Vice President of TFA
KNIGHT, Brenton Ian	30 April 2014	Director	5 December 1959	Managing Director of TFNZ
MCGRATH, Gai Marie	1 October 2016	Director	20 December 1961	

PAPPAS, John	3 March 2022	Director	22 March 1975	Vice President & Chief Executive, Lexus Australia Vice President, Information & Digital Services Operations, TMCA
CALLACHOR, Matthew John	2 November 2017	Director	25 April 1961	President & CEO TMCA
TEMPLIN, Mark Steven	1 September 2018	Director	2 January 1961	Director, President and Chief Executive Officer, TMCC Director, President and Chief Operating Officer, TFSIC Director and Group Chief Operating Officer, TFS

(1) With effect from 2 January 2023, Shiro Kadena resigned as a Director.
(2) None of the Directors holds any of the shares of TFA.

(ii) Key management personnel

The compensation of key management personnel by TFA as disclosed in the accounts of TFA for the 12 months ended 31 March 2023 and 2022 in accordance with AIFRS is as follows:

	12 months Ended 31 March	
	2023	2022
	(A$)	
Compensation		
Short-term employee benefits, post-employment, other long-term and termination benefits	2,229,631	1,812,635
	2,229,631	1,812,635

No loans were made to key management personnel of TFA as disclosed in the accounts of TFA for the 12 months ended 31 March 2023 and 2022 in accordance with AIFRS.

(3) Audit Status

(i) Internal Audit

Internal Audit provides independent, objective assurance and consulting services to the Board of Directors and the Audit Committee.

The purpose of internal audit is to:

- assist the consolidated entity in accomplishing its objectives by bringing a systematic and disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes;
- carries out reviews based on the approved plan and reports its activities to the Audit Committee; and
- enhance and protect the organisational value by providing risk-based and objective assurance, advice, and insight.

The role of Internal Audit for TFA is to:

* support management and the Board of Directors in evaluating and improving the effectiveness of the risk management, control and governance process;
* evaluate and facilitate the improvement of internal controls to assist the organisation manage its operational, financial, systems and regulatory risks; and
* undertake the annual Sarbanes Oxley testing programme in accordance with the Toyota Motor Corporation policy and coordinate its testing effort with the independent accountants.

Internal Audit comprises a team of qualified auditors, who are members of the Institute of Internal Auditors and other professional associations. The Head of Internal Audit reports to the Audit Committee, and administratively to the General Counsel and Company Secretary who is a member of TFA's Senior Executive Team.

Internal Auditors undertake audits across the Company according to the annual Internal Audit Plan as approved by the Audit Committee, as well as TFS Regional and Global Audit.

Audit reports are reviewed by the Audit Committee which meets at least quarterly. Internal Audit monitors the resolution of issues and reports on audit matters to the Audit Committee.

Internal Audit may provide assistance to the independent accountants described in "(ii) Independent Accountants" below as and when required by the independent accountants.

(ii) Independent Accountants

During the year the following fees were paid or payable for services provided by the auditor of the Company, its related practices and non-related audit firms:

	Consolidated 2023 ($)	Consolidated 2022 ($)
PricewaterhouseCoopers - Australian firm		
Audit or review of the financial reports of the	902,885	884,742

entity		
Other statutory assurance services	235,253	405,751
Other assurance service	320,243	330,243
Total audit and other assurance services	1,458,381	1,620,736
Taxation	13,559	16,137
Total remuneration	1,471,940	1,636,873
Related practices of PricewaterhouseCoopers - Australian firm (including overseas PricewaterhouseCoopers firms)		
Other assurance services	131,031	97,141

The Company's financial statements are audited by the Australian firm of PricewaterhouseCoopers (ABN 52 780 433 757), independent accountants ("**PwC Australia**"). In addition to audit services, PwC Australia also provides other assurance services, advisory services and taxation services to TFA.

Remuneration for services provided by PwC Australia to TFA is determined by agreement between PwC Australia and TFA's management.

The Toyota Group globally and the global network of PricewaterhouseCoopers firms each have internal processes to ensure services provided to TFA by PwC Australia and related practices of PwC Australia do not breach independence requirements. All services provided to TFA by PwC Australia and related practices of PwC Australia are subject to these internal processes. The Company is not aware of any instances where the independence requirements have been breached.

The remuneration earned by PwC Australia and related practices of PwC Australia (including overseas PricewaterhouseCoopers firms) during the 12 month period ended 31 March 2023 for services provided to TFA is disclosed in the notes to and forming part of the consolidated financial statements of the Company at the end or during that 12 month period and extracted in the above table.

Set out below are details of the PwC Australia partner involved in the audit of the financial statements of the Company for the year ended 31 March 2023.

David R Cox Audit Engagement Partner

PwC Australia has served as the independent accountant for 41 years.

PwC Australia have been engaged as the independent accountant to align with the independent accountant of our ultimate parent and parent entity.

(4) Remuneration of Directors

TFA directors who are senior executives of TMC, TFS, TMCC, TMCA, TFNZ or TFA and do not receive any separate remuneration for acting as directors of TFA. TFA has one paid non-executive director.

(5) Status of Shareholding

Not applicable.

VI. Financial Condition

The consolidated and company financial statements of the Company for the years ended 31 March 2023 and 2022 included herewith have been prepared in accordance with the Australian Accounting Standards ("**AAS**") issued by the Australian Accounting Standards Board ("**AASB**") and also comply with the International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standards Board ("**IASB**").

The accompanying consolidated and company financial statements of the Company are pursuant to Article 131, paragraph 1 of Regulations Relating to Terminology, Form and Methods of Preparation of Financial Statements, etc. (Ministry of Finance ("**MOF**") Ordinance No.59 of 1963 - hereinafter called as "Regulations Relating to Financial Statements").

Major differences between accounting principles, procedures and presentation adopted for preparing the consolidated and company financial statements by the Company and those generally accepted in Japan have been hereafter explained in "4. Differences in Accounting Principles and Practices between Australia and Japan."

The consolidated and company financial statements included herewith have been audited by PricewaterhouseCoopers in the Commonwealth of Australia, independent accountants. PricewaterhouseCoopers is a "foreign auditing firm, etc." prescribed by Article 1-3, Paragraph 7 of the Certified Public Accountants Act (Act No. 103 of 1948), and the report of the independent accountants, which is equivalent to the audit certification prescribed in Article 193-2, Paragraph 1, Item 1 of the Financial Instruments and Exchange Act, is attached to this report.

The original consolidated and company financial statements (in English) included herewith are copies of those filed with the Australian Securities and Investments Commission by TFA and the original report of PricewaterhouseCoopers in the Commonwealth of Australia, independent accountants (in English) included with this report is substantially the same as the original report of the independent accountants attached to the consolidated and company financial statements included herewith.

The Japanese versions of the consolidated and company financial statements and report of the independent accountants included herewith are translations of the originals.

The original consolidated and company financial statements of the Company are presented in Australian dollars. All amounts presented in yen in the accompanying financial statements are translated from the amounts in Australian dollars at the exchange rate of 95.37 yen to 1 Australian dollar, the middle rate of the telegraphic transfer selling and buying exchange rates as quoted by MUFG Bank, Ltd. on 15 June 2023, in accordance with the provision of Article 134 of the Regulation Relating to Financial Statements. Fractions are rounded to the nearest million yen. The amounts in Japanese Yen may not total due to rounding.

The amounts of the consolidated and company financial statements presented in yen and matters mentioned in "2. Major Assets, Liabilities, Income and Expenses", "3. Other Matters" and "4. Differences in Accounting Principles and Practices between Australia and Japan" are not included in the original consolidated and company financial statements, except for the references to the original financial statements, and have not been subject to audit by independent accountants.

1. Financial Statements

[Exact translation of pages 7-76 of Financial Report for the year ended 31 March 2023]

2. Major Assets, Liabilities, Income and Expenses

See notes to consolidated and company financial statements.

3. Other Matters

(1) Subsequent events

Inflation and rising interest rates present a challenge to the Australian households, with impacts felt across various sectors of the economy. As a result of the macro-economic environment, management continues to monitor bad debts, loans and lease delinquencies. To date, no material escalation in the default trends has been observed.

Other than as set out above, the directors are not aware of any other matters or circumstances that has occurred since 31 March 2023 that has significantly affected or may significantly affect the operations of the consolidated entity, the results of these operations or the state of affairs of the consolidated entity in subsequent financial periods.

(2) Legal proceedings

From time to time, there may be litigation or regulatory proceedings against the Group. The Board continues to monitor each of these actions or investigations. We are not aware of any pending litigation, proceedings, hearings or claims negotiations which may result in significant loss to the Group.

4. Differences in Accounting Principles and Practices between Australia and Japan

The accompanying consolidated and company financial statements have been prepared in accordance with AAS issued by the AASB and also comply with IFRS and, accordingly, differ from those prepared in conformity with accounting principles and practices generally accepted in Japan. If the Company was to present its financial statements in accordance with Japanese GAAP, the Company would be required to make a number of subjective determinations and elections concerning the presentation of its financial statements with retroactive effect. The Company has not made any such determinations or elections.

The Company has not made any attempt to reconcile its financial statements to Japanese GAAP or to quantify the differences between AAS and Japanese GAAP. In addition to the specific differences mentioned in the subsequent paragraphs, there may be other differences not mentioned which could be of greater significance than the differences mentioned. The Company has no intention of reconciling such financial statements or quantifying such differences in the future.

If the Company was to change the presentation of its 2022 Financial Information to Japanese GAAP, the Company would expect that differences might arise under AAS as a result of, among other matters, the following:

(1) Classification and Measurement of Financial Instruments

In Australia, the classification and measurement of financial assets depends on how these are managed (the entity's business model) and their contractual cash flow characteristics. These factors determine whether the financial assets are measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss. (AASB 9)

In Japan, financial assets are classified as securities, receivables, money held in trust, derivatives etc., based on their legal forms in principle. Furthermore, securities are classified into securities held for trading, securities held to maturity, equity investment in subsidiaries and affiliates, and other securities.

- Securities held for trading are measured at fair value with changes in fair value recognised in profit or loss.

- Securities held to maturity are measured at cost or amortized cost.

- Equity investments in subsidiaries and affiliates in non-consolidated financial statements are stated at cost.

- Other securities are measured at fair value. Changes in fair value are recognized either a) in the net assets section and recycled to the income statement when sold, impaired or collected, or b) in the net assets section where the fair value exceeds historical cost, and in income statement where the fair value is lower than historical cost for each security. However, equity securities with no market prices are measured at cost.

(2) Provision for impairment of loans and receivables

In Australia, in accordance with AASB 9, ECL model has been introduced for recognition of impairment losses and a "three-stage" impairment model based on changes in credit quality since initial recognition has been used. Assets move through three stages according to changes in credit quality, and the stage determines how companies measure impairment losses and apply the effective interest method. In this "three-stage" approach, if, at each reporting date, credit risk on a financial instruments has not increased significantly since initial recognition, the loss allowance shall be measured at an amount equal to 12-month ECL. If, at each reporting date, credit risk on a financial instruments has increased significantly since initial recognition, the loss allowance shall be measured at an amount equal to lifetime ECL rather than 12-month ECL.

Credit risk assessment and ECL estimate should reflect an unbiased and probability-weighted amount, and incorporate reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions. When estimating ECL, the time value of money should also be considered.

In Japan, future credit losses on receivables are estimated using the following methods, depending on the following classification of receivables. With regard to normal receivables, allowance for doubtful accounts is estimated by applying the historical credit loss rates or another appropriate base, depending on the status of receivables. With regard to doubtful receivables, allowance for doubtful accounts is estimated using one of the following methods, depending on the status of receivables; 1) future credit losses are estimated by first deducting future cash inflows to be generated from foreclosure or guarantors from the recorded receivable amount, and then by considering the debtor's financial condition and operating results for the remaining amount, 2) regarding receivables for which cash flows from principal and interest are reasonably estimable, future credit losses are estimated as the difference between the cash flow discounted at the originally contracted interest rate and the recorded amount. With regard to the failed receivables and other similar receivables, allowance for doubtful accounts is estimated as the recorded receivable amount less cash inflows from foreclosures or guarantors.

(3) Fees on loans

In Australia, all fees relating to the successful origination or settlement of a loan (together with the related direct costs) are deferred and recognised as an adjustment to the effective interest rate on the loan.

In Japan, fees on loans are generally recorded on an accrual basis.

(4) De-recognition of financial instruments

In Australia, financial instruments are de-recognised when the rights to receive cash flows from the financial assets have expired or if an entity transfers substantially all the risks and rewards of ownership of the asset (for example, an unconditional sale of a financial asset). If an entity retains substantially all the risks and rewards of ownership of the asset, the financial instruments are not de-recognised and the transaction is accounted for as a collateralised borrowing. If an entity neither transfers nor retains substantially all the risks and rewards of ownership of the asset, it needs to determine whether it has retained control. Control is based on the transferee's practical ability to sell the asset. The asset is derecognised if the entity has lost control. If the entity has retained control, it continues to recognise the asset to the extent of its continuing involvement.

The difference between the amount received and the carrying amount of the asset is recognised in the income statement on de-recognition. Any fair value adjustments of the assets formerly reported in equity are recycled to the income statement. Any new assets or liabilities arising from the transaction are recognised at fair value.

In Japan, the following three requirements need to be met in order to derecognise financial assets: (1) the contractual rights of the transferee over the transferred financial assets are secured legally from transferors and their creditors; (2) the transferee can enjoy contractual rights on financial assets directly and indirectly in the normal way; and (3) the transferor does not have the right or the obligation to repurchase the transferred financial assets before their maturity date.

(5) Property, plant and equipment

In Australia, property, plant and equipment are recorded at cost less accumulated depreciation. Any write-downs to recoverable value of an asset are recognised as an impairment charge in the income statement. Impairment losses may be reversed if the impairment loss decreases in future years.

In Japan, property, plant and equipment are recorded at cost less accumulated depreciation. Under Japanese GAAP, when amounts of undiscounted future cash flows of long-lived assets are less than their carrying amounts, the difference between the carrying amounts and the recoverable amounts are recognized as impairment losses.

(6) Financial Instruments: Disclosure

In Australia, information on the valuation techniques and inputs used to measure financial instruments carried at fair value on the balance sheet and, for recurring fair value measurements using significant unobservable inputs (Level 3), the effect of the measurements on profit or loss or other comprehensive income is required to be disclosed.

In Japan, from the fiscal year beginning on or after April 1, 2021, "Accounting Standard for Fair Value Measurement", "Implementation Guidance on Accounting Standard for Fair Value Measurement", and the revised "Guidance on Disclosures about Fair Value of Financial Instruments" are applied. In certain cases, information of the valuation techniques and inputs are disclosed, and for the financial assets and liabilities whose fair value is categorized in level 3, the amounts recorded in profit or loss or other comprehensive income are required to be disclosed separately in the notes to the financial statements.

(7) Leases

In Australia, under AASB 16, lessees are required to recognize an asset (the right to use the leased item) and a financial liability to pay rentals for almost all lease contracts.

In Japan, lease transactions are classified as operating leases and finance leases. Finance lease transactions shall be accounted for in a manner similar to the accounting for ordinary sale or purchase transactions. Operating lease transactions shall be accounted for in a manner similar to the accounting for ordinary rental transactions. A lease transaction needs to meet the criteria of non-cancellability and full-payout to be finance lease. Also while determination as to whether a lease transaction is a finance lease or not is made based on the economic substance.

In Japan, a lease transaction deems to be a finance lease, either when its non-cancelable lease term covers more than approximately 75% of the economic life of the leased property, or when its present value of the total lease payment during the non-cancelable lease term is more than approximately 90% of reasonably estimated amount if a lessee would purchase the leased property in cash. Finance leases are recorded as lease assets and liabilities for leased property and related liabilities using the similar method to that adopted for usual sales transactions in the financial statements of the lessee.

VII. Changes in Exchange Rate

This description is omitted since the exchange rates between the Australian dollar, which is the currency used in the financial statements of TFA, and the currency of Japan, have been stated in more than one daily newspaper reporting general affairs in Japan for the latest five years.

VIII. Outline of Share Handling, etc. in Japan

Not applicable.

IX. Information for Reference of the Company

1. Information Concerning Parent Company, etc. of the Company

Not applicable, because no securities issued by TFA are listed on a financial instruments exchange in Japan.

2. Other Information for Reference

The documents filed during the period from the commencement date of the most recent business year through the filing date of this Annual Securities Report, and the filing dates thereof, are as follows:

1.	Amendment to Shelf Registration Statement and attachment thereto (amendment to the Shelf Registration Statement filed on 1 February 2022)	filed on 26 April 2022
2.	Supplemental Document to Shelf Registration Statement and attachments thereto	filed on 16 May 2022
3.	Annual Securities Report and attachments thereto	filed on 4 July 2022
4.	Amendment to Shelf Registration Statement and attachment thereto (amendment to the Shelf Registration Statement filed on 1 February 2022)	filed on 4 August 2022
5.	Amendment to Shelf Registration Statement (amendment to the Shelf Registration Statement filed on 1 February 2022)	filed on 10 August 2022
6.	Supplemental Document to Shelf Registration Statement and attachments thereto	filed on 23 August 2022
7.	Amendment to Shelf Registration Statement and attachment thereto (amendment to the Shelf Registration Statement filed on 1 February 2022)	filed on 27 September 2022
8.	Supplemental Document to Shelf Registration Statement and attachments thereto	filed on 7 October 2022
9.	Amendment to Shelf Registration Statement and attachment thereto (amendment to the Shelf Registration Statement filed on 1 February 2022)	filed on 2 November 2022
10.	Amendment to Shelf Registration Statement (amendment to the Shelf Registration Statement filed on 1 February 2022)	filed on 10 November 2022
11.	Supplemental Document to Shelf Registration Statement and attachments thereto	filed on 22 November 2022
12.	Semi-Annual Report and attachments thereto	filed on 23 December 2022

13.	Amendment to Shelf Registration Statement and attachment thereto (amendment to the Shelf Registration Statement filed on 1 February 2022)	filed on 28 April 2023
14.	Supplemental Document to Shelf Registration Statement and attachments thereto	filed on 22 May 2023

PART II. INFORMATION CONCERNING GUARANTOR, ETC. OF FILING COMPANY

I. Information Concerning Guarantor

Not applicable.

II. Information Concerning Companies other than the Guarantor

1. Reason Why Disclosure of Information Concerning Such Companies Is Necessary

Holders of debt securities issued by TFA may have the benefit of Credit Support Agreements governed by Japanese law, one between TMC and TFS dated 14 July 2000 (as supplemented), and the other between TFS and TFA dated 7 August 2000 (together, the "**Credit Support Agreements**").

Securities with respect to which a Trustee is appointed

The Trustee, Union Bank of California N.A., will have the right to claim in favour of holders of such securities directly against TFS and/or TMC, as the case may be, to perform their respective obligations under the Credit Support Agreements by making a written claim together with a declaration to the effect that such holders will have recourse to the rights given under the Credit Support Agreements. If TFS and/or TMC receives such a claim from the Trustee, TFS and/or TMC shall indemnify, without any further action or formality, the holders against any loss or damage resulting from the failure of TFS and/or TMC to perform any of their respective obligations under the Credit Support Agreements. The Trustee may then enforce the indemnity directly against TFS and/or TMC in favour of such holders. If the Trustee, having become bound to proceed directly against TFS and/or TMC, fails to do so within a reasonable period thereafter to protect the interests of the holders of such securities, and such failure shall be continuing, the holders of such securities may themselves take the actions mentioned above. TMC's obligations under its Credit Support Agreement rank pari passu with its direct, unconditional, unsubordinated and unsecured debt obligations.

Securities with respect to which a Trustee is not appointed

Holders of such securities will have the right to claim directly against TFS and/or TMC, as the case may be, to perform their respective obligations under the Credit Support Agreements by making a written claim together with a declaration to the effect that the holder will have recourse to the rights given under the Credit Support Agreements. If TFS and/or TMC receives such a claim from any holder of such securities, TFS and/or TMC shall indemnify, without any further action or formality, the holder against any loss or damage resulting from the failure of TFS and/or TMC to perform any of their respective obligations under the Credit Support Agreements. The holder of such securities who made the claim may then enforce the indemnity directly against TFS and/or TMC. TMC's obligations under its Credit Support Agreement rank pari passu with its direct, unconditional, unsubordinated and unsecured debt obligations.

2. Matters Relating to Such Company Which Is Subject to Continuous Disclosure Obligations

TMC is subject to continuous disclosure obligations.

(1) Documents Filed by Such Company

(i) Annual Securities Report and Attachments Thereto

Fiscal Year: From: 1 April 2022
To: 31 March 2023

Filed with the Director of the Kanto Local Finance Bureau on 30 June 2023.

(ii) Quarterly Report or Semi-Annual Report

Not applicable.

(iii) Extraordinary Reports

Not applicable.

(iv) Amendment to Reports

Amendment to Report (Amendment to the Annual Securities Report listed in (i) above) filed with the Director of the Kanto Local Finance Bureau on 30 June 2023.

(2) Places Where the Above Reports Are Made Available for Public Inspection

Name	Address
Toyota Motor Corporation - Headquarters	1, Toyota-cho, Toyota, Aichi-ken
Tokyo Stock Exchange, Inc.	2-1, Nihonbashi Kabuto-cho, Chuo-ku, Tokyo
Nagoya Stock Exchange, Inc.	8-20, Sakae 3-chome, Naka-ku, Nagoya

(3) Outline of Business and Changes in Principal Indicators of Business Operations

(i) Outline of Business

TMC and its affiliates (consisting of 569 subsidiaries and 168 affiliates and jointly controlled entities (as of 31 March 2023)) primarily operate the automotive business as well as the finance operations and other businesses.

Information concerning the businesses in the following three categories is divided into segments in the same manner as is set forth in "V. Financial Condition - 1. Consolidated Financial Statements - (1) Note 5 of the Notes to Consolidated Financial Statements" of the Annual Securities Report filed by TMC on 30 June 2023.

Automotive

This business sector includes designing, manufacturing and selling automobiles such as sedans, minivans, compact cars, SUVs, trucks etc. and their related parts and accessories. While TMC, Hino Motors, Ltd., and Daihatsu Motor Co., Ltd. are primarily engaged in automobile manufacturing, a certain portion of such manufacturing is subcontracted to Toyota Auto Body Co., Ltd. etc., and overseas manufacturing is undertaken by Toyota Motor Manufacturing Kentucky, Inc. etc. Automotive parts are manufactured by TMC as well as by Denso Corporation etc. Such products are sold to domestic customers through sales outlets such as those of TOYOTA Mobility Tokyo Inc. etc. nationwide, and TMC also sells directly to certain major customers. Sales outside Japan are undertaken by sales companies such as Toyota Motor Sales, USA, Inc.

Principal automotive business products are as follows:

Principal Types of Products
LS, RX, Crown, Corolla, Yaris, RAV4, HiLux, Camry, Tacoma, Highlander, FORTUNER, AVANZA, Sienta, ROOMY, HiAce, AQUA, NOAH, VOXY, RAIZE, Alphard, Profia, Tanto and others

Financial Services

This business sector mainly consists of financing complementary to sales of automobiles and other products manufactured by TMC and its affiliates as well as the business of leasing vehicles. Such sales financing services are provided domestically by Toyota Finance Corporation etc. and by Toyota Motor Credit Corporation etc. overseas.

All Other

All other business sectors include the information and telecommunications business.

(ii) Changes in Principal Indicators of Business Operations
Consolidated Indicators of Business Operations

Period		International Financial Reporting Standards				
		Transition date	116th	117th	118th	119th
Fiscal period		1 April 2019	March 2020	March 2021	March 2022	March 2023
Operating Income	(million yen)	-	29,866,547	27,214,594	31,379,507	37,154,298
Profit Before Income Tax	(million yen)	-	2,792,942	2,932,354	3,990,532	3,668,733
Net Income Attributable to TMC	(million yen)	-	2,036,140	2,245,261	2,850,110	2,451,318
Comprehensive Income Attributable to TMC	(million yen)	-	1,555,009	3,217,806	3,954,350	3,251,090
TMC Shareholders' Equity	(million yen)	19,907,100	20,618,888	23,404,547	26,245,969	28,338,706
Total Assets	(million yen)	53,416,405	53,972,363	62,267,140	67,688,771	74,303,180
TMC Shareholders' Equity Per Share	(yen)	1,405.65	1,490.80	1,674.18	1,904.88	2,089.08
Earnings Per Share Attributable to TMC - Basic	(yen)	-	145.49	160.65	205.23	179.47
Earnings Per Share Attributable to TMC - Diluted	(yen)	-	144.02	158.93	205.23	179.47
Ratio of TMC Shareholders' Equity	(%)	37.3	38.2	37.6	38.8	38.1
Ratio of Net Income Attributable to TMC to TMC Shareholders' Equity	(%)	-	10.0	10.2	11.5	9.0
Price Earnings Ratio	(times)	-	8.9	10.7	10.8	10.5
Cash Flows from Operating Activities	(million yen)	-	2,398,496	2,727,162	3,722,615	2,955,076
Cash Flows from Investing Activities	(million yen)	-	(2,124,650)	(4,684,175)	(577,496)	(1,598,890)
Cash Flows from Financing Activities	(million yen)	-	362,805	2,739,174	(2,466,516)	(56,180)
Cash and Cash Equivalents at End of Year	(million yen)	3,602,805	4,098,450	5,100,857	6,113,655	7,516,966
Number of Employees [Average Number of Temporary Employees]	(persons)	371,193 [86,708]	361,907 [86,596]	366,283 [80,009]	372,817 [87,120]	375,235 [94,974]

Notes:

(1) TMC has prepared its consolidated financial statements in accordance with International Financial Reporting Standards.

(2) On 1 October 2021, TMC effected a five-for-one stock split of its common stock to shareholders. "TMC Shareholders' Equity Per Share", "Earnings Per Share Attributable to TMC - Basic" and "Earnings Per Share Attributable to TMC - Diluted" are calculated based on the assumption that the stock split was implemented at the beginning of the 116th period.

(3) TMC completed the acquisition of all outstanding First Series Model AA Class Shares on 2 April 2021 and cancelled them on 3 April 2021. "Earnings Per Share Attributable to TMC - Diluted" for the year ended 31 March 2023 is presented as the same amount to "Earnings Per Share Attributable to TMC - Basic", as there are no dilutive shares for the year ended 31 March 2023.

Period		U.S. GAAP	
		115th	116th
Fiscal period		Year Ended 31 March 2019	Year Ended 31 March 2020
Net Revenues	(million yen)	30,225,681	29,929,992
Income Before Income Taxes and Minority Interests	(million yen)	2,285,465	2,554,607
Net Income Attributable to TMC Shareholders	(million yen)	1,882,873	2,076,183
Comprehensive Income	(million yen)	1,936,602	1,866,642
Net Assets	(million yen)	20,565,210	21,241,851
Total Assets	(million yen)	51,936,949	52,680,436
Shareholders' Equity Per Share	(yen)	1,366.18	1,450.43
Net Income Attributable to TMC Ordinary Shareholders Per Share - Basic	(yen)	130.11	147.12
Net Income Attributable to TMC Ordinary Shareholders Per Share - Diluted	(yen)	129.02	145.90
Ratio of Shareholders' Equity	(%)	37.3	38.1
Ratio of Net Income Attributable to TMC to TMC Ordinary Shareholders' Equity	(%)	9.8	10.4
Price Earnings Ratio	(times)	10.0	8.8
Cash Flows from Operating Activities	(million yen)	3,766,597	3,590,643
Cash Flows from Investing Activities	(million yen)	(2,697,241)	(3,150,861)
Cash Flows from Financing Activities	(million yen)	(540,839)	397,138
Cash and Cash Equivalents and Restricted Cash and Cash Equivalents at End of Year	(million yen)	3,706,515	4,412,190
Number of Employees [Average Number of Temporary Employees]	(persons)	370,870 [87,129]	359,542 [86,219]

Notes:

(1) TMC prepared its consolidated financial statements in accordance with principles generally accepted in the USA up to the 116th period.

(2) On 1 October 2021, TMC effected a five-for-one stock split of its common stock to shareholders. "Shareholders' Equity Per Share", "Net Income Attributable to TMC Ordinary Shareholders Per Share - Basic" and "Net Income Attributable to TMC Ordinary Shareholders Per Share - Diluted" are calculated based on the assumption that the stock split was implemented at the beginning of the 115th period.

Indicators of Business Operations of TMC

Period		115th	116th	117th	118th	119th
Fiscal period		Year Ended 31 March 2019	Year Ended 31 March 2020	Year Ended 31 March 2021	Year Ended 31 March 2022	Year Ended 31 March 2023
Net Revenues	(million yen)	12,634,439	12,729,731	11,761,405	12,607,858	14,076,956
Ordinary Income	(million yen)	2,323,122	1,735,365	1,886,691	2,171,530	3,520,848
Net Income	(million yen)	1,896,825	1,424,062	1,638,057	1,693,947	2,936,379
Capital Stock	(million yen)	635,402	635,402	635,402	635,402	635,402
Outstanding Shares Ordinary Shares Model AA Class Shares	 (thousands) (thousands)	 3,262,997 47,100	 3,262,997 47,100	 3,262,997 47,100	 16,314,987 -	 16,314,987 -
Net Assets	(million yen)	12,450,275	12,590,891	13,894,021	14,607,272	16,493,041
Total Assets	(million yen)	17,716,994	17,809,246	21,198,281	20,991,040	23,230,320
Net Assets Per Share	(yen)	845.11	875.44	959.55	1,060.16	1,215.84
Dividend Per Share Ordinary Shares (of which Interim Dividend Per Share)	(yen)	220 (100)	220 (100)	240 (105)	*148 (120)	60 (25)
First Series Model AA Class Shares (of which Interim Dividend Per Share)	(yen)	211 (105.5)	264 (132.0)	264 (132.0)	- (-)	- (-)
Net Income Per Share	(yen)	131.42	100.85	116.56	121.98	214.99
Net Income Per Share After Dilution	(yen)	129.98	100.05	115.31	121.97	-
Equity Ratio	(%)	70.3	70.7	65.5	69.6	71.0
Return On Equity	(%)	15.5	11.4	12.4	11.9	18.9
Price Earnings Ratio	(times)	9.9	12.9	14.8	18.2	8.7
Dividend Payout Ratio	(%)	33.5	43.6	41.2	42.6	27.9
Number of Employees [Average Number of Temporary Employees]	(persons)	74,515 [11,122]	74,132 [10,795]	71,373 [9,565]	70,710 [9,917]	70,056 [11,405]
Total Shareholder Return (Comparative Indices: TOPIX Total Return)	(%) (%)	98.3 (95.0)	101.7 (85.9)	136.2 (122.1)	176.6 (124.6)	155.9 (131.8)
Highest Stock Prices	(yen)	7,686	8,026	8,712	2,475 (12,375)	2,283
Lowest Stock Prices	(yen)	6,045	5,771	6,163	1,622 (8,110)	1,764

Notes:

(1) Total shareholder return is calculated by the following calculating formula.

$$\text{Total shareholder return (\%)} = \frac{\text{Stock prices at the closing date of each fiscal year} + \text{Accumulated dividend per share from four fiscal years prior to the current fiscal year to each fiscal year}}{\text{Stock prices at the closing date of five fiscal years prior to the current fiscal year}}$$

(2) Since the beginning of the 118th period, "Accounting Standard for Revenue Recognition" (ASBJ. Statement No. 29, 31 March 2020) etc. has been applied. Thus, the major business indices for the 118th and subsequent periods show the indices to which such Accounting Standard has been applied.

(3) On 1 October 2021, TMC effected a five-for-one stock split of its common stock to shareholders. "Net Assets Per Share", "Net Income Per Share" and "Net Income Per Share After Dilution" are calculated based on the assumption that the stock split was implemented at the beginning of the 115th period.
* The Interim Dividend for the 118th period was ¥120 prior to the stock split, the Year-end Dividend was ¥28 after the stock split, and the Annual Dividend is presented as a simple total of ¥148. Dividend Per Share (of which Interim Dividend Per Share) is as follows when calculated based on the assumption of no stock split.

Period	115th	116th	117th	118th	119th
Fiscal period	Year Ended 31 March 2019	Year Ended 31 March 2020	Year Ended 31 March 2021	Year Ended 31 March 2022	Year Ended 31 March 2023
Dividend Per Share Ordinary Shares (of which Interim Dividend Per Share) (yen)	220 (100)	220 (100)	240 (105)	260 (120)	300 (125)

(4) TMC completed the acquisition of all outstanding First Series Model AA Class Shares on 2 April 2021 and cancelled them on 3 April 2021. "Net Income Per Share After Dilution" is not presented for the year ended 31 March 2023, as there are no dilutive shares for the year ended 31 March 2023.

(5) Stock prices are the market rate of ordinary shares on the Tokyo Stock Exchange (First Section) on or before 3 April 2022 and on the Tokyo Stock Exchange (Prime Market) from 4 April 2022. With respect to the stock price for the 118th period, the Highest Stock Price and the Lowest Stock Price after the stock split are presented and the Highest Stock Price and the Lowest Stock Price prior to the stock split are presented in parentheses. Please also note that the First Series Model AA Class Share does not apply because it is unlisted.

3. Matters Relating to Such Company Which Is Not Subject to Continuous Disclosure Obligations

TFS is not subject to continuous disclosure obligations.

[Taken from the latest Annual Securities Report filed by Toyota Finance.]

III. Information of Index, etc.

Not applicable.