

COMMERCIAL PAPER:

An Issuer's Perspective

November 2017

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- This presentation includes certain “forward-looking statements” within the meaning of The U.S. Private Securities Litigation Reform Act of 1995.
- These statements are based on current expectations and currently available information.
- Actual results may differ materially from these expectations due to certain risks, uncertainties and other important factors, including the risk factors set forth in the most recent annual and periodic reports of Toyota Motor Corporation and Toyota Motor Credit Corporation.
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Disclaimer Cont.

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Investor Relations

www.toyotafinancial.com
www.pressroom.toyota.com

The screenshot shows the Toyota Financial Services website. The top navigation bar includes 'EXPLORE FINANCING', 'MANAGE ACCOUNT', 'Toyota Websites', 'About Us', 'Customer Service', and 'Investor Relations'. The left sidebar lists 'INVESTOR RELATIONS', 'SEC Filings', 'Sales & Trading', 'Unsecured Term Debt', 'Asset-Backed Securities', 'Company Presentations', and 'About Toyota'. The 'Investor Relations' link is circled in red. The main content area features a banner with the text 'Toyota Financial Services makes it easier to get where you are going' and a line graph. Below the banner, the 'Investor Relations' section is highlighted with a red circle. The text below the circle reads: 'Toyota Motor Credit Corporation (TMCC) is one of the largest consumer finance companies in the U.S. and one of the highest-rated captive auto finance companies in the world. Click below to learn more about TMCC and its fixed income products.' Below this text are seven icons with corresponding text: 'SEC Filings' (bank icon), 'Sales & Trading' (globe icon), 'Unsecured Term Debt' (dollar sign icon), 'Asset-Backed Securities' (gear icon), 'Company Presentations' (tower icon), and 'About Toyota' (newspaper icon).

SEC Filings

Form 10-K (annual)

Form 10-Q (quarterly)

Form 8-K (presentations)

Global Corporate Structure

TOYOTA

Manufacturing



Sales



Financial Services



Toyota Across the United States

BY THE NUMBERS

We've made big strides toward expanding our operations, strengthening our ability to put customers first and continuing to deliver world-class products.



30 YEARS

manufacturing
in the U.S.



\$37.6 BILLION

in parts and
materials purchased¹



10 PLANTS

in the U.S.



2,449,630

vehicles sold in
the U.S. in 2016



1,382,246

vehicles produced
in the U.S. in 2016²



25 MILLION

vehicles built
in the U.S.



In 2016, we exported **EIGHT MODELS TO 34 COUNTRIES** around the world, helping to establish the U.S. as a Toyota global export hub.



Toyota has
136,000
EMPLOYEES
in the U.S.³

(1) Parts, materials, and components (FY ending 3/16). Goods and Services (CY 2016).

(2) Toyota vehicles and components assembled using U.S. and globally sourced parts.

(3) 2015 Center for Automotive Research Study. Includes direct and dealer employment.

Toyota Motor Sales



Toyota Camry XSE

Toyota Mirai (FCV)



Toyota Motor Sales



Toyota 4 Runner



Toyota Sequoia

Toyota Manufacturing - Texas



Toyota Financial Services



Toyota Financial Services

TOYOTA FINANCIAL SERVICES

Global Network

AMERICAS

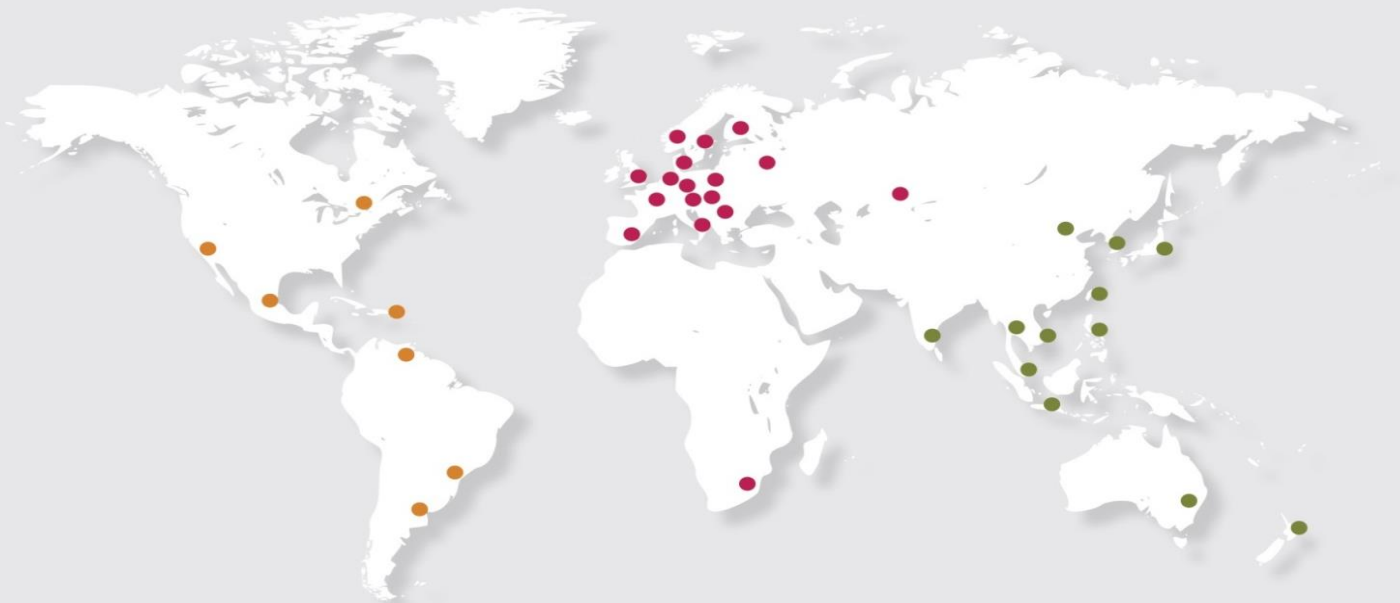
- Argentina
- Brazil
- Canada
- Mexico
- Puerto Rico
- U.S.A.
- Venezuela

EUROPE/AFRICA

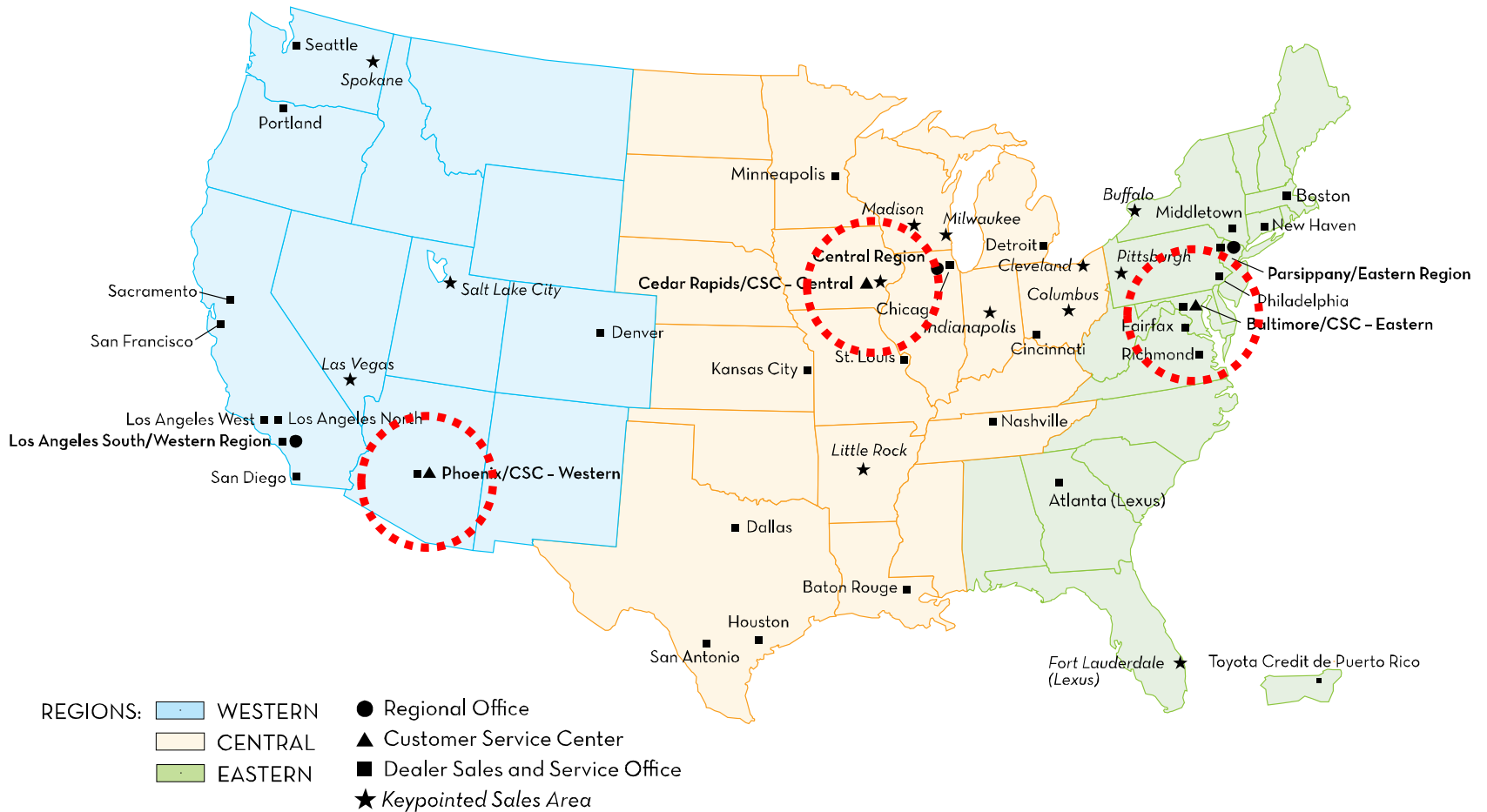
- Czech
- Denmark
- Finland
- France
- Germany
- Hungary
- Italy
- Kazakhstan
- Netherlands
- Norway
- Poland
- Russia
- Slovakia
- South Africa
- Spain
- Sweden
- U.K.

ASIA/PACIFIC

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



Extensive Field Organization



Products & Services



- ✓ Retail loans
- ✓ Leases



- ✓ Wholesale
- ✓ Revolving credit lines
- ✓ Real estate
- ✓ Working capital



- ✓ Service agreements
- ✓ Prepaid maintenance
- ✓ GAP
- ✓ Tire and wheel

Balance Sheet (Q2FY2018)

Earning Assets

- Retail
 - **\$51.3 billion**
- Lease
 - **\$38.8 billion**
- Dealer financing
 - **\$16.1 billion**
- Total
 - **\$106.2 billion**

Financial Liabilities

- Secured notes & loans payable
 - **\$14.6 billion**
- Unsecured notes and loans payable
 - **\$58.3 billion**
- Commercial paper
 - **\$25.2 billion**

Fundamentals

- Short-term, unsecured promissory notes issued primarily by corporations.
- **3(a)(3)** vs. 4(2)
- **270 day** maximum maturity
- Fixed rate – discounted
or interest bearing
- Floating rate – monthly or
quarterly resets

Sources of Liquidity

- Credit Support Agreements with TFSC/TMC⁽¹⁾
- AA-, A-1+⁽²⁾ / Aa3, P-1⁽²⁾ rated captive finance company by S&P / Moody's
- **\$20.6 billion** committed credit facilities⁽³⁾
- **\$6.1 billion** in available for sale investment securities⁽⁴⁾
- Over **\$80 billion** in readily salable consumer retail loan & lease receivables⁽⁴⁾

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

(2) Moody's and S&P long-term and short-term ratings; outlook stable

(3) Average balance for quarter ended September 30, 2017

(4) As of September 30, 2017

Daily Pricing Goals

- ✓ Transparency
- ✓ Stability
- ✓ Consistency

Fixed Rate Pricing

TMCC Pricing Table as of November 14 2017			
Term	LIBOR/Basis Swap	TMCC Credit Spread	TMCC Fixed Disc. Rate
O/N	1.18278%	-15 bps	1.03%
1wk	1.20406%	-13 bps	1.07%
1mo	1.26350%	-9 bps	1.17%
2mo	1.36100%	-7 bps	1.29%
3mo	1.41899%	-10 bps	1.31%
6mo	1.52000%	+2 bps	1.53%
9mo	1.60950%	+7 bps	1.66%

Term	Index	Credit Spread	Final
2m	1.361%	+ -0.07%	= 1.29%

* This example is strictly for illustrative purposes only

Floating Rate Pricing

- 1 Choose **Final Maturity** and **Basis**
 - i. 6 month vs. 9 month
 - ii. 1-month LIBOR vs. 3-month LIBOR

- 2 Calculate **Spread**

6mo	1 mo. LIBOR	USBA AF PREB Curncy	+4.63 bps	+7 bps
9mo	1 mo. LIBOR	USBA AI PREB Curncy	+6.00 bps	+13 bps

- 3 Determine **First Coupon**

9m final maturity
1m LIBOR basis

<u>Index Rate</u>	<u>Spread</u>	<u>First Coupon</u>
US0001M 1.24333 At 4:55 Op 1.24333 US0001M Index 96)	+ 0.13%	= 1.37333%

* This example is strictly for illustrative purposes only

Sample Pricing

90 days	120 days	150 days	180 days	210 days	240 days	270 days
1.31%	1.37%	1.44%	1.52%	1.57%	1.61%	1.65%

- **270 day** maximum maturity.
- Maturity dates can be **matched** to an investor's **cash flow**.
- Transactions can be for **same day** settlement.

* This example is strictly for illustrative purposes only

Sample Transaction

90 days	120 days	150 days	180 days	210 days	240 days	270 days
1.31%	1.37%	1.44%	1.52%	1.57%	1.61%	1.65%

Trade Date:

November 14, 2017

Settlement Date:

November 15, 2017

Maturity Date:

May 14, 2018

Par Amount:

\$10,000,000.00

Discount Rate:

1.52%

Proceeds Amount:

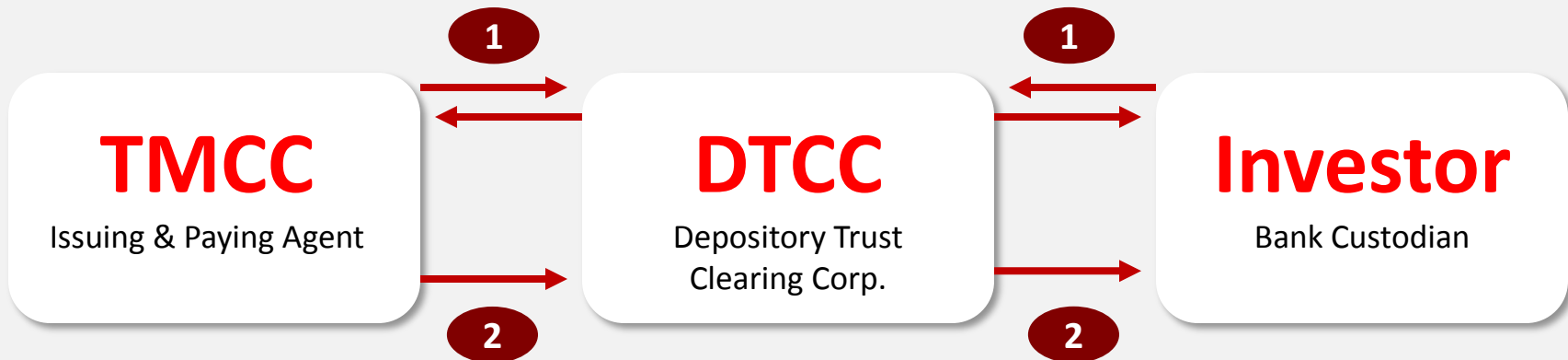
\$9,924,000.00

* This example is strictly for illustrative purposes only

Settlement Process



November 15, 2017: TMCC delivers \$10,000,000 commercial paper to Investor. Investor receives TMCC commercial paper and pays \$9,924,000 to TMCC.



May 14, 2018: TMCC commercial paper matures. TMCC wires \$10,000,000 to Investor.

* This example is strictly for illustrative purposes only

Market Themes



✓ Fed Policy



✓ Regulatory Reform



✓ Supply and Demand

Frequently Asked Questions

No-Quote Dates

- Manage to maximum dollar amount per day

CP Axes

- Relevant price breaks by tenor
- Short dates, when available

CP Specials

- Driven by:
 - ✓ Change in needs
 - ✓ Asset growth
 - ✓ CP maturities
 - ✓ Just-in-time funding

TMCC Floating

6mo final | 1mL+7
9mo final | 1mL+13
6mo final | 3mL+2
9mo final | 3mL+7

TMCC Discount

FROM	TO	RATE	NQ DAYS
1	1	-	1
2	6	1.07	
7	14	1.07	7-9
15	29	1.11	16-17,20-24,27-29
30	44	1.17	30-31,34,36-38,41-43

TCCI CP Specials

132-135 days @ 1.46 244-248 days @ 1.68
189-192 days @ 1.60 258-262 days @ 1.69
223-227 days @ 1.65 266-269 days @ 1.70

Questions?



Distribution Channels



Issuer	--1---	--2---	--3---	--4---	--5---	--6---	--7---	--15---	--30---	--45---	S&P	MDY	FI	Outs. (MM)
1) Toyota Motor Credit										0.100*	A-1+	P-1	NR	26056
2) Toyota Cred Puerto R									0.090*	0.100*	A-1+	P-1	NR	526
3) Societe Generale							0.100*	NQ*	NQ		A-1	P-1	F1	
4) Sears Roebuck Accept	NQ	NQ	NQ	NQ	NQ	NQ	3.700*	4.400	4.500	4.500	C	NP	C	401
5) Prudential Funding	0.060	0.060	0.060	0.060	0.060	0.060	0.070*	0.080			A-1+	P-1	F1	1400
6) Intesa Funding LLC	0.190	0.210	0.210	0.210	0.210	0.210	0.240*	0.320*	0.430*	0.450*	A-3	P-2	F2	
7) Instit Sec Funding	0.180						0.200*	0.200*	0.260	0.260	A-1	P-1	NR	2500
8) General Electric Co	NQ	NQ	NQ	NQ	NQ	NQ	NQ *	0.080			A-1+	P-1	NR	8200
9) GE Capital Corp	NQ	NQ	NQ	NQ	NQ	NQ	NQ	NQ	NQ	NQ	A-1+	P-1	NR	22000
10) Dexia Delaware LLC					0.180	0.180	0.220*	0.240*	0.280*	0.310	A-2	P-2	F1	176
11) Credit Agric CIB NY	0.120						0.120*	NQ*			A-1	P-1	F1	
12) Abbey Natl NA LLC							0.080*	0.090*		0.140*	A-1	P-1	F1	5750



Thank you!

