

[Translation]

ANNUAL SECURITIES REPORT

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TOYOTA FINANCE AUSTRALIA LIMITED
(E05954)

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

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PART I. CORPORATE INFORMATION

Notes:

- (1) In this document, all references to "TFA" are to Toyota Finance Australia Limited, and all references to the "Company" 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", "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; and
 - "yen" or "¥" are to the lawful currency of Japan.The Japanese yen amounts in parentheses are translated at the exchange rate of A\$1 = 95.73 yen, the middle rate of the telegraphic transfer selling and buying exchange rates as quoted by The Bank of Tokyo-Mitsubishi UFJ, Ltd. on 16 June 2014.
- (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 Corporations Act requirements 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 operated by ASX Limited ("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 the approval of the company in general meeting. 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 Securities Clearing House ("SCH"), and require the delivery of a proper instrument of transfer to the company (unless the transfer is SCH-regulated) 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 is to contain, amongst other things, the member's name and address, the date of entry of the member's name, the shares held by each member and the amount unpaid (if any), 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 the personal details of each director, and to maintain financial records and minutes of all proceedings and resolutions of meetings of its 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, and a proprietary company must have at least one director 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) requires the company to exercise in general meeting. There is no requirement that the directors hold

their meetings in Australia, but in the case of a public company at least 2 directors, and in the case of a proprietary company at least one director, must ordinarily reside in Australia.

Under the Corporations Act, there are no restrictions on the nationality or residence of shareholders. 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.

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 at the annual general meeting. In the case of all limited companies, no dividend shall be paid otherwise than out of profits of the company.

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

(2) Corporate System as Prescribed in the Articles of Incorporation, etc. of the Company

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

(a) Issues of Shares

The directors may, subject to the Corporations Act, issue shares to such persons and on such terms and conditions as the directors think fit subject to other provisions of TFA's constitution.

Where the share capital is divided into different classes (unless expressly provided otherwise), the rights attaching to a particular class may be varied with the written consent of at least three quarters of the holders of that class of shares or by a special resolution passed by the holders of that class of shares.

Unless all members have consented in writing to a proposed allotment of shares, any issue of shares must be offered in the first instance to the existing members.

(b) Dividends

TFA in general meeting may declare dividends, provided they do not exceed the amount recommended by the directors. The directors may from time to time pay such interim dividends as appear to the directors to be justified by the profits of TFA. Dividends may only be paid out of profits, and interest is not payable on dividends.

(c) Liquidation rights

If TFA is wound up, the liquidator may, with the sanction of a special resolution of TFA:

- (i) divide among the members any part of the assets of TFA; or

- (ii) vest any part of the assets of TFA in trustees on such trust for the benefit of the contributories as the liquidator thinks fit.

(d) Voting

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

A resolution put to the vote of the meeting must be decided on a show of hands unless a poll is demanded by a person entitled to do so before or immediately after the voting results are declared.

Each member present is entitled to one vote on a show of hands and one vote with respect to each share held by the member on a vote taken in a poll.

A resolution in writing (including a special resolution) signed by all the members for the time being entitled to receive notice of a meeting of members shall be as valid as if it had been passed at a duly convened general meeting.

(e) General Meeting

The directors may whenever they think fit convene a general meeting of TFA and the directors must convene and arrange to hold a general meeting when requisitioned by members in accordance with the Corporations Act.

There must be a quorum of a member or members representing one half of the total voting rights of all the members having the right to vote. Subject to the Corporations Act, a minimum of 14 days' notice must be given, and the notice of the meeting must specify the place, date, time and general nature of any special business to be considered.

(f) Transfer

A member may transfer any or all of their shares by an instrument in writing or in any other form that the directors approve. The instrument must be executed on behalf of both the transferor and transferee, and the transferor remains the holder of the shares until the transfer is registered. The directors may decline the registration of the share transfer without providing a reason.

(g) Directors

The number of directors shall not be less than three and not more than ten. The number of directors may be increased or decreased by TFA by resolution. The directors must retire (and are eligible for re-election) at every second general meeting.

TFA may remove a director from office by resolution.

The business of TFA shall be managed by the directors, who may exercise all powers of TFA that are not required to be exercised by TFA in general meeting. The directors may from time to time appoint a director as managing director on such terms as they think fit.

2. Foreign Exchange Control System

No approval is required by 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 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, "**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 Euro Medium Term Note 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 the course of carrying on a business outside of Australia, and non-residents of Australia for tax purposes that acquire their Notes in the course of 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 the course of carrying on a business at or through a permanent establishment in Australia, and Australian tax residents that acquire their Notes in the course of carrying on a business 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 S.A./N.V. ("**Euroclear**"), Clearstream Banking, société anonyme ("**Clearstream, Luxemburg**"), or another clearing system.*

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 relevant Final 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 Income Tax Assessment Act 1997 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 relevant Final Terms (or another relevant supplement to this Annual Securities Report).

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

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

(a) Section 128F exemption from 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 relevant Final Terms (or another relevant supplement to the Prospectus), 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 financiers, securities dealers or entities that carry on the business of investing in securities;
- 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 person or entity which holds more than 50% of the voting shares of, or otherwise controls, TFA;
- an entity in which more than 50% of the voting shares are held by, or which is otherwise controlled by, TFA;
- a trustee of a trust where TFA is capable of benefiting (whether directly or indirectly) under that trust; and
- a person or entity who is an “associate” of another person or company which is an “associate” of TFA under any of the foregoing.

However, for the purposes of sections 128F(5) and (6) of the Australian Tax Act (see paragraphs (iii) and (iv) above), an “associate” of TFA does not include 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 managed investment 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 managed investment scheme (for the purposes of the Corporations Act).

(b) Exemptions under certain double tax conventions

The Australian government has signed new or amended double tax conventions (“**New Treaties**”) with a number of countries (each a “**Specified Country**”). The New Treaties apply to interest derived by a resident of a Specified Country.

Broadly, the New 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.

The Australian Federal Treasury maintains a listing of Australia's double tax conventions which provides details of country, status, withholding tax rate limits and Australian domestic implementation. This listing is available to the public on the Federal Treasury's Department website.

(c) Notes in bearer form

Section 126 of the Australian Tax Act imposes a type of withholding tax (see below for the rate of withholding tax) 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 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 or Australian IWT is payable.

In addition, the ATO has confirmed that for the purpose 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.

The rate of withholding tax is 47% for the 2014-15, 2015-16 and 2016-17 income years and, under current law, will be reduced to 45% following the 2016-17 income year.

(d) Payment of additional amounts

As set out in more detail in the relevant terms and conditions for the Notes, and unless otherwise specified in the relevant Final Terms (or another relevant supplement to the Prospectus), if TFA is at any time required by law to deduct or withhold an amount in respect of any present or future taxes 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 those Notes 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 or transfer 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 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”;
- *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) 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; and
- *withholding taxes* – withholding tax is imposed (see below in relation to the rate of withholding tax) on the payment of interest on Notes in registered form unless the relevant holder of the Notes has quoted a tax file number ("TFN"), in certain circumstances an Australian Business Number ("ABN") or proof of some other exception (as appropriate).

Assuming the requirements of section 128F of the Australian Tax Act are satisfied with respect to the Notes, these rules should not apply to payments to a holder of Notes who is not a resident of Australia for tax purposes and does not hold those Notes in carrying on business at or through a permanent establishment in Australia.

Such withholding may be made from payments to holders of Notes in registered form who are residents of Australia or non-residents who carry on business at or through a permanent establishment in Australia but who do not quote a TFN, ABN or an appropriate exemption. For the avoidance of doubt, these provisions will not apply to Notes in bearer form.

The rate of withholding tax is 49% for the 2014-15, 2015-16 and 2016-17 income years and, under current law, will be reduced to 47% following the 2016-17 income year

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 2010 (10)	12 mths ended/ 31 March 2011 (10)	12 mths ended/ 31 March 2012 (10)	12 mths ended/ 31 March 2013 (10)	12 mths ended/ 31 March 2014 (10)
Interest and similar income	A\$ in Thousands	567,927	707,736	805,998 (11)	841,680	858,576
	Yen in Thousands	54,367,652	67,751,567	77,158,189	80,574,026	82,191,480
Net financing income	A\$ in Thousands	198,130	225,533	244,334 (11)	285,981	355,025
	Yen in Thousands	18,966,985	21,590,274	23,390,094	27,376,961	33,986,543
Profit after income tax expense	A\$ in Thousands	63,673 (1)	91,943 (2)	85,340 (3)	101,602 (4)	154,226 (5)
	Yen in Thousands	6,095,416	8,801,703	8,169,598	9,726,359	14,764,055
Contributed equity	A\$ in Thousands	120,000	120,000	120,000	120,000	120,000
	Yen in Thousands	11,487,600	11,487,600	11,487,600	11,487,600	11,487,600
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	580,780	640,892	699,091	755,416	889,736
	Yen in Thousands	55,598,069	61,352,591	66,923,981	72,315,974	85,174,427
Total Assets	A\$ in Thousands	8,270,474	10,377,676	11,071,086 (11)	13,022,572	14,097,048
	Yen in Thousands	791,732,476	993,454,923	1,059,835,063	1,246,650,818	1,349,510,405
Net Assets Per Share	A\$	4.840	5.341	5.826	6.295	7.414
	Yen	463	511	558	603	710
Earnings Per Share (6)	A\$	0.531	0.766	0.711	0.847	1.285
	Yen	50.833	73.329	68.064	81.083	123.013
Equity Ratio (7)	%	7.022	6.176	6.315	5.800	6.312
Return On Equity (8)	%	10.963	14.346	12.207	13.450	17.334
Net Cash Flows from Operating Activities	A\$ in Thousands	(1,305,443)	(1,218,431)	(1,646,542) (12)	(1,762,365) (13)	(94,728)
	Yen in Thousands	(124,970,058)	(116,640,400)	(157,623,466)	(168,711,201)	(9,068,311)
Net Cash Flows from Investing Activities	A\$ in Thousands	(7,192)	(14,176)	(8,849) (11)	(9,576)	(27,475)
	Yen in Thousands	(688,490)	(1,357,068)	(847,115)	(916,710)	(2,630,182)

Net Cash Flows from Financing Activities	A\$ in Thousands	408,417	1,961,573	887,592 (12)	1,891,604 (13)	499,693
	Yen in Thousands	39,097,759	187,781,383	84,969,182	181,083,251	47,835,611
Cash And Cash Equivalents	A\$ in Thousands	218,033	946,999	179,200	298,863	676,353
	Yen in Thousands	20,872,299	90,656,214	17,154,816	28,610,155	64,747,273
Number of Employees (9)	No. of employees	380	422.5	475.35	526.94	555.09

Note

1. Includes A\$5,092 thousand revenue from outside operating activities (share of net profit from associates).
2. Includes A\$7,811 thousand revenue from outside operating activities (share of net profit from associates).
3. Includes A\$7,262 thousand revenue from outside operating activities (share of net profit from associates).
4. Includes A\$7,038 thousand revenue from outside operating activities (share of net profit from associates).
5. Includes A\$9,741 thousand revenue from outside operating activities (share of net profit from associates).
6. Profit after income tax expense / number of issued outstanding shares
7. Net Assets / Total Assets
8. Profit after income tax expense / 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 and outbound secondments and part time staff.
10. The financial information included in the above table, for the year ended 31 March 2014, 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 2013, 2012, 2011 and 2010 has been prepared in accordance with AIFRS.
11. A change in the classification of motor vehicle company cars was made in the half-year ended 30 September 2012 from "loans and receivables" to "property, plant and equipment". Corresponding changes in the profit and loss account classification were effected. In line with this, the figures for the year ended 31 March 2012 were adjusted to be consistent and comparable with the financial information for the year-ended 31 March 2013. Such change has not been applied for the years ended 31 March 2011 and 2010.
12. A change in the disclosure of cash flows from financing activities from net to gross basis were made in 31 March 2013. In line with this, the figures for the year ended 31 March 2012 were adjusted to be consistent and comparable with the financial information for the year ended 31 March 2013. Such change has not been applied for the years ended 31 March 2011 and 2010.
13. Changes in classification of certain balances in the cash flows from operating and financing activities were made in 31 March 2014 to provide relevant information to stakeholders. The comparative information for the year ended 31 March 2013 were reclassified accordingly. Such changes have not been applied for the years ended 31 March 2012, 2011 and 2010.

The financial statements of TFA are prepared only on a consolidated basis, and all financial statistics and information contained herein consequently present 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 companies.

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.

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

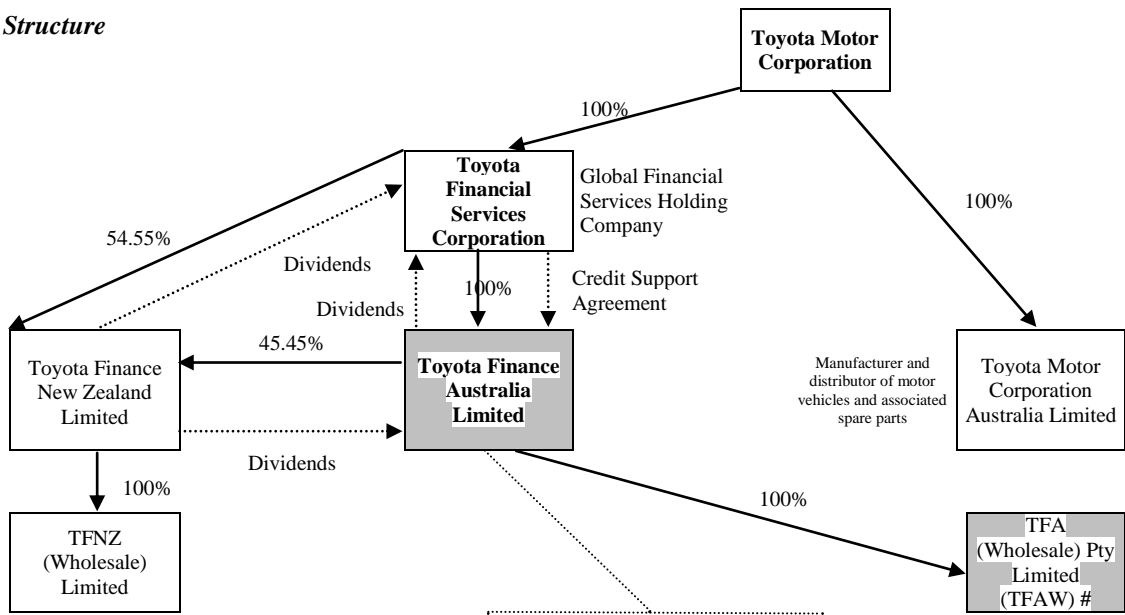
The Company's principal activities are:

- to finance the acquisition of motor vehicles by customers in the form of leasing, term purchase, consumer and commercial loans;
- to provide bailment facilities and commercial loans to motor dealers;
- to provide operating lease and fleet management services to customers; and
- to sell retail insurance policies underwritten by third party insurers.

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

Dealer Sales	Fleet Sales	Customer Direct Sales
Regional Offices	Account Managers	Customer Sales Centre

Products

	Dealer Sales	Fleet Sales	Customer Direct Sales
Consumer vehicle loans	✓		✓
Business Vehicle Loans/Chattel Mortgages	✓	✓	✓
Operating Lease (managed & unmanaged)		✓	
Finance Lease	✓	✓	✓
Novated Finance Lease (managed & unmanaged)	✓*	✓	✓*
Employee Leasing & Salary Packaging		✓	
Toyota Access	✓		✓
Term & Hire Purchase	✓	✓	✓
Wholesale & Dealer Finance	- Bailment	✓	
	- Back to Back Facility	✓	
	- Capital Loan	✓	
	- Charge Plan	✓	
	- General Purpose Facility	✓	
Toyota Insurances	- Insurance	✓	✓
	- Warranty	✓	✓
Toyota Extra Care	- Roadside Assist	✓	✓

Customers

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

* unmanaged leases only

TFA (Wholesale) Pty Limited does not actively trade

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 holding company subsidiary of TMC, incorporated under the laws of Japan, and having capital stock amounting to 78,525 million yen as of 31 March 2014. TMC holds 100% of the voting power in TFS. TFS was established to control Toyota's finance companies. Its registered head office is located at Nagoya Lucent Tower, 6-1, Ushijima-cho, Nishi-ku, Nagoya City. For further information regarding TFS, see "PART II. INFORMATION CONCERNING GUARANTOR, ETC. OF FILING COMPANY; II. Information Concerning Companies other than 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. 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 2014 amounted to 397,049 million yen. For further information regarding TMC, see "PART II. INFORMATION CONCERNING GUARANTOR, ETC. OF FILING COMPANY; II. Information Concerning Companies other than 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 2014	Principal Business	TFA's % Holding Of Voting Power	Relationship with TFA
TFA (Wholesale) Pty Limited (TFAW) St Leonards New South Wales Australia	A\$2	This company does not trade. Prior to 1 July 2000, it carried on a wholesale bailment business. This business is now operated by TFA.	100%	Wholly owned subsidiary

(3) Affiliates

Name and Location	Contributed Equity as at 31 March 2014	Principal Business	TFA's % Holding of Voting Power	Relationship with TFA
<p>Toyota Finance New Zealand Limited</p> <p>Greenlane, Auckland New Zealand</p>	<p>NZD 25.28 million</p>	<p>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.</p> <p>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.</p>	<p>45.45%</p>	<p>Share a common director</p>
<p>TFNZ (Wholesale) Limited</p> <p>Greenlane, Auckland New Zealand</p>	<p>NZ \$10</p>	<p>Non-trading company</p> <p>This company has no assets and no liabilities, contingent or real, and has not traded at all in the last 15 years.</p>	<p>45.45% (held indirectly through Toyota Finance New Zealand Limited)</p>	<p>None</p>

5. Employees

At 31 March 2014, the Company had 555.09 adjusted full-time equivalent employees. Adjusted full-time equivalent employees includes staff on maternity leave, outbound secondments and 46** part time employees but does not include temporary or contractor staff.

**46 part time employees equals 27.36 FTE

The number of employees by business cost centre as of 31 March 2014 is as follows:

Location	Adjusted FTE Employees	Temporary Staff	Contractor Staff
Executive	19	0.00	0.00
Corporate Services	56.60	3.00	3.00
Technology Services	60.68	6.00	68.64
Business Services	127.52	14.53	14.18
Retail, Finance & Insurance	165.09	4.00	4.00
Fleet Sales	112.80	0.00	6.10
Strategic Planning and Marketing	13.40	0.41	0.00
Total	<u>555.09</u>	<u>27.94</u>	<u>95.92</u>

The average age of TFA's employees is 39.20 years. The average number of years of employment of TFA's employees is 4 years 11 month, and the annual average total remuneration (including bonuses) of TFA's employees was A\$110,646.

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. Outline of Results of Operations

Financial information within the tables of this section has been derived from the Company's audited financial statements for the fiscal years ended 31 March 2014 and 2013.

(1) 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 the financial years ended 31 March 2014 and 2013.

	12 Months Ended 31 March	
	2014	2013
	(A\$ in Thousands)	
Revenue		
- Retail ⁽¹⁾	681,291	663,572
- Fleet ⁽²⁾	208,472	200,926
Total revenue	<u>889,763</u>	<u>864,498</u>
Profit before income tax		
- Retail ⁽¹⁾	182,079	152,156
- Fleet ⁽²⁾	70,768	55,883
Share of net profit of equity accounted investments	9,741	7,038
Unallocated corporate net (expense)/benefit ⁽³⁾	<u>(47,318)</u>	<u>(73,569)</u>
Profit before income tax	<u>215,270</u>	<u>141,508</u>
Income tax Expense	<u>(61,044)</u>	<u>(39,906)</u>
Total Profit after income tax	<u>154,226</u>	<u>101,602</u>

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. Unallocated corporate net benefit/(expenses) comprise those revenues/expenses which cannot be allocated to either retail or fleet segment on a reasonable basis.

Retail revenue grew by 2.7% in fiscal 2014 compared to fiscal 2013. This reflects growth in retail loans and receivables due to continued new business origination precipitated by joint sales and marketing activities with distributor and dealers.

Retail profit before tax increased by 19.7% in fiscal 2014 compared to fiscal 2013. Retail profit before tax for fiscal 2014 was affected by the following factors: (i) growth in average earning assets; (ii) lower sales and marketing expenses; offset by (iii) higher write-offs and bad debts provision.

Fleet revenue increased by 3.8% in fiscal 2014 compared to fiscal 2013. The increase in fleet revenue relative to the comparative period was due to portfolio growth.

Fleet profit before tax increased by 22.6% in fiscal 2014 compared to fiscal 2013. The increase in fleet profit before tax for fiscal 2014 was attributable to lower bad debts & provision expenses.

Unallocated corporate net expense was \$47.3 million in fiscal 2014 compared to \$73.6 million in fiscal 2013. The decrease of \$26.3 million is mainly attributable to decrease in International Financial Reporting Standards ("IFRS") adjustments.

(2) Loans and Receivables

	31 March 2014	31 March 2013
	(A\$ in Thousands)	
Bailment stock	1,917,975	2,126,846
Motor vehicles under operating lease	1,625,323	1,463,141
Term loans	9,604,717	8,631,018
Term Purchase	1,030,076	1,182,126
Finance leases	934,826	1,047,077
Gross loans and receivables	<u>15,112,917</u>	<u>14,450,208</u>
Accumulated depreciation on motor vehicles under operating lease	(587,363)	(499,189)
Unearned income	(1,257,392)	(1,254,438)
Net loans and receivables (net of unearned income)	13,268,162	12,696,581
Provision for impairment of loans and receivables	(173,275)	(168,485)
Net loans and receivables	<u><u>13,094,887</u></u>	<u><u>12,528,096</u></u>

Overall there was growth of 4.5% in net loans and receivables in fiscal 2014 compared to fiscal 2013. This is a reflection of (i) Toyota's continued number one position in the Australian motor vehicle market; (ii) TFA's competitive advantage in obtaining funding as a result of existing credit support arrangements involving TMC and TFS; (iii) the acquisition of new dealer accounts; and (iv) continued new business origination precipitated by joint sales and marketing activities with distributor and dealers.

Bailment stock, comprising motor vehicles financed by the Company on behalf of dealerships, decreased by 9.8% in fiscal 2014 compared to fiscal 2013. The decrease in bailment stock can be volatile and is influenced by seasonality and economic conditions.

Motor vehicles under operating lease increased by 11.1% on a gross basis in fiscal 2014 compared to fiscal 2013. On a net of accumulated depreciation basis, the balance likewise increased by 7.7% in fiscal 2014 compared to fiscal 2013. The increase reflects Toyota Fleet Management's focus on expanding its business through the acquisition of new customers.

Term Loans and Term Purchase increased by 8.4% in fiscal 2014 compared to fiscal 2013. This is primarily due to strong growth in consumer and commercial lending driven by joint

sales and marketing activities with distributor over the period. There was growth in unearned income of 0.2% over the equivalent period.

Finance leases decreased by 10.7% in fiscal 2014 compared to fiscal 2013. The decline in finance leases reflects a declining popularity of the product in the market.

Provisions for impairment as a percentage of net loans and receivables (net of unearned income) was at the same level in fiscal 2014 compared to fiscal 2013 (see section 5 for further commentary).

A maturity analysis of net loans and receivables (net of unearned income) follows.

	31 March 2014	31 March 2013
	(A\$ in Thousands)	
Not longer than 12 months	5,335,657	5,201,727
Beyond 12 months	7,932,505	7,494,854
TOTAL	<u>13,268,162</u>	<u>12,696,581</u>

The increase of 4.5% in the maturity analysis total in fiscal 2014 compared to fiscal 2013 is generally reflective of the corresponding increase in the majority of the current and non-current maturity bandings in fiscal 2014 compared to fiscal 2013.

(3) Net financing income

	12 Months Ended 31 March	
	2014	2013
	(A\$ in Thousands)	
Interest and similar revenue	858,576	841,680
Interest expense and similar charges	(503,551)	(555,699)
Net financing income	<u>355,025</u>	<u>285,981</u>

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

12 Months

Ended 31 March

	2014	2013
	Interest (A\$ in Thousands)	Interest (A\$ in Thousands)
Interest and similar revenue		
Cash and cash equivalents	15,895	14,330
Lease income	136,179	133,735
Term Purchase	72,989	92,359
Other loans and receivables	<u>742,828</u>	<u>688,766</u>
Total interest revenue	967,891	929,190
Fee income	77,833	70,843
Fee expense	<u>(187,148)</u>	<u>(158,353)</u>
Total interest and similar revenue	<u>858,576</u>	<u>841,680</u>
Interest expense and similar charges		
Due to banks and other financial institutions	174,536	193,793
Bonds and commercial papers	210,783	183,494
Borrowings from affiliated entity	728	1,775
Net (loss)/gain on translation of foreign currency debt	544,200	(64,459)
Fair value (gain)/loss on derivative financial instruments at fair value through profit or loss	(439,958)	230,131
Transaction costs	<u>13,262</u>	<u>10,965</u>
Total interest expense and similar charges	<u>503,551</u>	<u>555,699</u>

Interest and similar revenue increased by 2.0% in the fiscal year ended 31 March 2014 compared to fiscal 2013. This was driven by a 4.5% increase in net loans and receivables over the comparison period offset by lower portfolio yield.

The Company's fee income increased 9.9% in the fiscal year ended 31 March 2014 compared to fiscal 2013. This was due to growth in the loans and receivables portfolio.

Fee expense increased by 18.2% in the fiscal year ended 31 March 2014 compared to fiscal 2013 primarily due to growth in the loans and receivables portfolio over the same period and the impact of additional incentive payments.

Interest expense and similar charges decreased by 9.4% in the fiscal year ended 31 March 2014 compared to fiscal 2013. The decrease was primarily due to lower net loss on translation of foreign currency debt and fair valuation on derivative instruments in the fiscal year ended 31 March 2014. The Company continues to use derivative contracts as part of its interest rate and currency risk management program.

(4) Depreciation and Amortisation Expenses

	12 Months Ended 31 March	
	2014	2013
	(A\$ in Thousands)	
Depreciation		
Leasehold improvements	787	695
Plant and equipment	1,307	1,042
Motor vehicles	3,027	1,371
Total depreciation	5,121	3,108
Amortisation		
Computer software development	11,233	10,028
Impairment Losses		
Computer software development	1,721	-
Total depreciation, amortisation and impairment expenses	18,075	13,136

(5) Impairment of Loans and Receivables

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

	As at	
	31 March 2014	31 March 2013
	(A\$ in Thousands)	
Provision for impairment of loans and receivables		
Opening balance	168,485	145,859
Bad debts written off	(44,870)	(36,708)
Increase in provision	49,660	59,334
Closing balance	173,275	168,485
	12 months Ended 31 March	
	2014	2013
	(A\$ in Thousands)	
Bad and doubtful debts expense		
Recovery of bad debts written off	(6,673)	(5,670)
Increase in provision	49,660	59,334
Total bad and doubtful debts expense	42,987	53,664

Provisions for impairment of loans and receivables are established when there is objective evidence that the Company is unlikely to collect all amounts due under the original terms of

the contract. The above balances are considered adequate to cover expected credit losses as of 31 March 2014.

The total provision for impairment of loans and receivables as at 31 March 2014 is \$173.3 million or 1.31% of net loans and receivables before provisions compared to \$168.5 million or 1.33% of net loans and receivables before provisions at 31 March 2013. The provision as a percentage of receivables is in line with the prior fiscal year. The Company continues to review and update its provisioning methodologies as and when it is deemed necessary.

Total bad and doubtful debt expense decreased in current year compared to prior year. The decrease is reflective of the portfolio's objective evidence.

(6) Cash flows

Abridged Statement of Cash flows

	12 Months Ended 31 March	
	2014	Restated 2013
	(A\$ in Thousands)	
Net cash outflow from lending and other operating activities	(522,173)	(2,102,154)
Interest received	967,763	929,526
Interest paid	(468,735)	(495,928)
Income taxes paid	(71,583)	(93,809)
Net cash outflow from operating activities	(94,728)	(1,762,365)
Net cash outflow from investing activities	(27,475)	(9,576)
Net cash inflow from financing activities	499,693	1,891,604
Net increase in cash and cash equivalent	377,490	119,663

The cash flow statement in 2013 was restated to reclassify certain balance to provide relevant information to stakeholders.

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

In fiscal 2014 an inflow of funds of \$499.7 million and a net interest inflow of \$499.0 million were used to finance increased lending and other operating activities of \$522.2 million. There was a \$377.5 million increase in the Company's net cash position during the year.

In fiscal 2013 an inflow of funds of \$1,891.6 million and a net interest inflow of \$433.6 million were used to finance increased lending and other operating activities of \$2,102.2 million. There was a \$119.7 million increase 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.

(7) Parent Entity Financial Information

Financial Information

Statement of Financial Position

	Parent 2014 \$'000	Parent 2013 \$'000
Asset		
Cash and cash equivalents	676,353	298,863
Loans and receivables	13,094,887	12,528,096
Derivative financial instruments	129,785	48,835
Investments in associates	4,284	4,284
Intangible assets	43,429	36,433
Property, plant and equipment	18,259	10,372
Deferred tax assets	27,927	26,356
Other assets	74,875	69,274
Total Assets	<u>14,069,799</u>	<u>13,022,513</u>
Liabilitie		
Due to banks and other financial institutions	2,714,811	2,842,844
Bonds and commercial paper	6,297,074	5,587,106
Related party liabilities	3,737,186	3,212,555
Derivative financial instruments	151,834	309,219
Other liabilities	322,198	306,885
Total Liabilities	<u>13,223,103</u>	<u>12,258,609</u>
Net Assets	<u>846,696</u>	<u>763,904</u>
Equit		
Contributed equity	120,000	120,000
Retained earnings	726,696	643,904
Total Equity	<u>846,696</u>	<u>763,904</u>

As at 31 March 2014, current assets and current liabilities amounted to \$6,044,999,000 and \$4,861,036,000 respectively (2013 : \$5,542,685,000 and 5,692,622,000 respectively).

Financial Information (continued)

Statement of Comprehensive Income

	Parent 2014 \$'000	Parent 2013 \$'000
Interest and similar revenue	858,576	841,680
Interest expense and similar charges	<u>(697,487)</u>	<u>(598,622)</u>
Net financing income	161,089	243,058
Other income	<u>192,824</u>	<u>157,692</u>
Net operating income	353,913	400,750
Bad and doubtful debts expense	(42,987)	(53,664)
Employee benefits expense	(76,726)	(68,442)
Depreciation, amortisation and impairment expense	(18,075)	(13,136)
IT and communication expense	(9,461)	(8,418)
Sales and marketing expense	(10,705)	(9,182)
Occupancy	(5,992)	(5,482)
Other expenses	<u>(16,736)</u>	<u>(16,005)</u>
Profit before income tax	173,231	226,421
Income tax expense	<u>(61,044)</u>	<u>(39,906)</u>
Profit after income tax	<u>112,187</u>	<u>186,515</u>

Fiscal Year 2013 was restated to adjust for the dividends provided for or paid previously included in the profit for the period balance.

2. Status of Production, Orders and Sales

See "1. Outline of Operating Results".

3. Problems to Be Coped With

Not Applicable.

4. Risk Factors

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

(1) Possible Increase in Prevailing Market Interest Rates

An increase in the interest rates charged by the Company's lenders or available to the Company in the capital markets may adversely affect the Company's income.

As the Company's assets consist primarily of fixed rate contracts, it is not able to reprice its existing fixed rate contracts and may be unable to increase rates on new fixed rate contracts due to competitive reasons.

(2) The Company's Assets are subject to Prepayment Risk

Customers may terminate their finance and lease contracts early. As a result, the Company estimates the rate of early termination of finance contracts in its interest rate hedging activities. Consequently, changes in customer behaviour contrary to the Company's estimates may affect its financial condition and results of operations.

(3) General Business, Economic and Geopolitical Conditions

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

Adverse economic conditions may lead to diminished consumer and business confidence, lower household incomes, increases in unemployment rates and consumer and commercial bankruptcy filings, all 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 losses. In addition, where credit exposures of TFA are collateralised by vehicles, the severity of losses can be particularly affected by the decline in used vehicle prices. Vehicle and industrial equipment dealers are affected by economic slowdowns, which in turn increases the risk of default of certain dealers within TFA's portfolios.

Market conditions are subject to periods of volatility which can have the effect of reducing activity in a range of consumer and industry sectors which can adversely impact the financial performance of the Company. Elevated levels of market disruption and volatility, including in the United States and Europe could increase its cost of capital and adversely affect the Company's ability to access the global 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 the Company by diminishing the value of TFA's investment portfolio and increasing the Company's cost of funding. If, as a result, the Company increases the rates it charges its customers and dealers, the Company'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 (whether directly or indirectly) the financial performance of the Company.

If there is a continued and sustained period of market disruption and volatility:

- there can be no assurance that the Company will continue to have access to the capital markets in a similar manner and at a similar cost as the Company has in the past;
- issues of debt securities by the Company may be undertaken at spreads above benchmark rates that are greater than those on similar issuances undertaken during the prior several years;
- the Company 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 the Company's short-term debt outstanding to total debt outstanding may increase if negative conditions in the debt markets lead the Company 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 the Company's financial condition and results of operations.

Geopolitical conditions may also impact a Company's operating results. Any political or military actions in response to terrorism, regional conflict or other events, could adversely affect general economic or industry conditions.

(4) *Controlling Shareholder – Credit Ratings and Credit Support*

All of the outstanding capital stock and voting stock of TFA is owned directly or indirectly by TFS. TFS is a wholly-owned holding company subsidiary of TMC.

As a result, TFS effectively controls TFA and is able to directly control the composition of the Board of Directors of TFA and direct the management and policies of TFA.

TFA raises most of the funding it requires to support its business from the domestic and international capital markets. The cost and availability of that funding is influenced by credit ratings. Lower credit 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 nationally recognised statistical rating organisation ("NRSRO"). Each NRSRO may have different criteria for evaluating risk, and therefore ratings should be evaluated independently for each NRSRO.

The credit ratings for notes, bonds and commercial paper issued by TFA depend, in large part, on the existence of the credit support arrangements described in "PART II. INFORMATION CONCERNING THE GUARANTOR, ETC. OF THE FILING COMPANY, II. Information Concerning Companies Other than the Guarantor, 1. Reason Why Information Concerning Such Companies is Necessary" and on the financial condition and results of operations 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's capital markets programmes, may qualify or alter ratings at any time. Global economic conditions 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 and TFA's capital markets programmes. Downgrades or placement on review for possible downgrades could result in an increase in 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, financial condition and results of operations.

The credit support arrangements may be amended, provided that such amendment does not have any adverse effects upon any holder of any Notes outstanding at the time of such amendment, and does not require the acceptance of the rating agencies.

If TFA for any reason does not have the benefit of these arrangements, TFA would expect the credit ratings of Notes issued by it to be substantially less than the current ratings of Notes issued by it, leading to either significantly constrained access, or no access, to the domestic or international capital markets, substantially higher borrowing costs and potentially an inability to raise the volume of funding necessary for it to operate its business.

(5) *Sales of Toyota Vehicles*

TFA's business is substantially dependent upon the sale of Toyota and Lexus vehicles and its ability to offer competitive financing in its market place. TFA's business is also substantially dependent upon its accredited Toyota and other vehicle dealership network introducing new finance and lease business to TFA and except in the case of TFA's business regulated under the Australian consumer credit laws or as otherwise agreed with TFA, such dealerships are free to introduce other financiers to their customers. Competition in respect of commission payments to Australian dealerships from other financiers, as well as changes in ownership or financial viability of such dealerships may adversely affect the financial condition and results of operations of TFA.

Toyota Motor Corporation Australia Limited ("TMCA" or the "Distributor") is the primary distributor of Toyota and Lexus vehicles ("Toyota vehicles") in Australia. Higher levels of sales of new and used Toyota vehicles in Australia relative to the level of sales of new and used vehicles of other makes are favourable for the Company's business. Lower levels of sales of new and used Toyota vehicles in Australia relative to the level of sales of new and used vehicles of other makes are not favourable for the Company's business.

Factors in relation to the sale of new and used vehicles which would impact the level of TFA's financing volume and results of operations include:

- changes resulting from governmental action;
- changes in consumer demand;
- changes in economic conditions;
- recalls;
- the actual or perceived quality, safety or reliability of Toyota vehicles;
- decreased or delayed vehicle production due to natural disasters, supply chain interruptions or other events;
- changes in the level of TMCA sponsored subsidy and incentive programmes;
- increased competition;
- changes in the effectiveness of motor vehicle dealers selling Toyota vehicles relative to those selling vehicles of other makes;
- changes in pricing of imported units due to currency fluctuations or other reasons; and
- significant increases in fuel prices which may adversely affect sales in the larger Toyota vehicle range, (but may increase sales in the smaller Toyota passenger vehicle range).

Further, a significant and sustained increase in fuel prices could decrease new and used vehicle purchases, thereby reducing the demand for motor vehicle retail and wholesale financing.

(6) *Recalls and Other Related Announcements*

Certain members of the Toyota group of companies around the world periodically conduct vehicle recalls which could include temporary suspensions of sales and production of certain Toyota and Lexus models. In September 2010 Toyota Motor Corporation Australia Limited also announced a safety recall in respect of certain Toyota models. Because the

Company's business is substantially dependent upon the sale of Toyota and Lexus vehicles, such events could adversely impact the Company's business. A decrease in the level of sales, including as a result of the actual or perceived quality, safety or reliability of Toyota and Lexus vehicles, will have a negative impact on the level of the Company's financing volume, insurance volume, earning assets and revenues. The credit performance of the Company's dealer and consumer lending and/or finance portfolios may also be adversely affected. In addition, a decline in values of used Toyota and Lexus vehicles would have a negative effect on realised values and return rates, which, in turn, could increase depreciation expense and credit losses. Further, some members of the Toyota group of companies are or may become subject to litigation and governmental investigations and have or may become subject to fines or other penalties. These factors could affect sales of Toyota and Lexus vehicles and, accordingly could have a negative effect on the Company's financial condition and results of operations.

(7) *Residual Value and Guaranteed Future Value Risk*

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. The Company is subject to residual value risk on lease products where the customer may return the financed vehicle on termination of the lease agreement. Fluctuations in the market value of leased assets subsequent to lease origination may introduce volatility in the Company's profitability, through residual value provisions and/or gains or losses on disposal of returned assets.

TFA offers Guaranteed Future Value (GFV) loan and hire purchase 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 the Company or its nominee for the agreed GFV. The GFV risk is the risk that the vehicle value at the end of the agreed contract term is less than the GFV. Fluctuations in the market value of these assets (vehicles) subsequent to contract origination may introduce volatility in the Company's profitability, through fair value adjustments to value the GFV and/or losses on disposal of returned assets. There is no risk to the Company where the customer retains their vehicle at the end of the term of their finance contract and pays out their finance contract in full.

Factors which can impact on the market value of vehicle assets include local, regional and national economic conditions, new vehicle pricing, new vehicle incentive programmes, new vehicle sales, the actual or perceived quality, safety or reliability of vehicles, future plans for new Toyota and Lexus 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. Differences between the actual sale price realised on returned vehicles and the Company's estimates of such values at contract origination could have a negative impact on its financial condition and results of operations.

(8) *Provisions for Bad and Doubtful Debts*

The Company cannot assure that its allowance for bad and doubtful debts will be adequate to cover future credit losses. Increases in credit losses could adversely affect the Company's financial condition and results of operations.

(9) *Large Exposures*

A large exposure refers to the degree of concentration in a loan portfolio or a segment of a loan portfolio. TFA has a large exposure to a number of dealerships and fleet customers. In particular, dealerships may have common ownership and TFA may make bailment and loan advances to those groups of dealerships. Failure of a dealership or fleet customer to which TFA has a large exposure may adversely affect the financial condition and results of operations of TFA.

(10) *Impact of Changes to Accounting Standards*

The audited consolidated financial statements in the Annual Financial Report for the year ended 31 March 2014, have been prepared in accordance with Australian Accounting Standards 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 program to develop new accounting standards where it perceives they are required and to rewrite existing standards where it perceives they can be improved. In particular, the IASB and the Financial Accounting Standards Board in the United States continue to work together to harmonise the accounting standards of the United States and IFRS. Any future change in IFRS may have a beneficial or detrimental impact on the reported earnings of the Company, where they are adopted by the AASB.

(11) *Competition*

The Australian financial services industry is highly competitive and the Company has no control over how Toyota dealers source financing for their customers. Competitors of the Company include commercial banks, credit unions and other financial institutions. To a lesser extent, the Company competes with other motor vehicle manufacturers' affiliated finance companies. Increases in competitive pressures could have an adverse impact on the Company's contract volume, market share, revenues and margins. Further, the financial condition and viability of competitors and peers of the Company may have an impact on the financial services industry in which the Company operates, resulting in changes in demand for their products and services. This could have an adverse impact on the Company's financial condition and results of operations.

(12) *The Australian Economy*

If economic conditions in Australia were to weaken, the amount of non-performing finance contracts, provisions for doubtful debts and debt write-offs may increase. Increases in credit costs would have a negative impact on the Company's financial condition and results of operations.

If economic conditions in Australia were to weaken, customer demand for the Company's products and services may lessen, having a negative impact on the Company's financial condition and results of operations. If this lessened customer demand was accompanied by an increase in early repayment of contracts by customers, the negative impact on the Company's financial condition and results of operations would be worsened.

If economic conditions in Australia were to weaken, this may adversely affect conditions in the domestic capital markets and the cost and availability to the Company of funding from the domestic and international capital markets.

If economic conditions in Australia were to strengthen to the extent that there was an increase in prevailing market interest rates in Australia, the considerations mentioned in "Possible Increase in Prevailing Market Interest Rates" may, in some circumstances, apply.

(13) International Economy

If international economic conditions were to materially weaken, this may adversely affect the Australian economy which may in turn adversely affect the Company's financial condition and results of operations.

If international economic conditions were to weaken, this may adversely affect conditions in the domestic and international capital markets and the cost and availability to the Company of funding from those markets.

If international economic conditions were to weaken, this may adversely affect the ability of TMC and TFS to meet their obligations under the credit support agreements described in "PART II. INFORMATION CONCERNING THE GUARANTOR, ETC. OF THE FILING COMPANY, II. Information Concerning Companies Other than the Guarantor, 1. Reason Why Information Concerning Such Companies is Necessary".

(14) Changes to Australian Laws, Regulations or Government Policies

Changes to the laws, regulations or policies of Australian governments (federal, state or local) (and the actions flowing from such changes to policies) may have a negative impact on the Company's business or require significant expenditure by the Company or significant change to the Company's processes and procedures, to ensure compliance with those laws, regulations or policies so that it can effectively carry on its business.

(15) Changes to Other National or International Laws, Regulations or Government Policies

Changes to other national or international laws or regulations or to policies of other national governments (federal, state or local) or international organisations (and the actions flowing from such changes to policies) may have a negative impact on the Company's business or require significant expenditure by the Company or significant change to the Company's processes and procedures, to ensure compliance with those laws, regulations or policies so that it can effectively carry on its business.

Compliance with applicable law is costly and can affect operating results. 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. The failure to comply could result in significant statutory civil and criminal penalties, monetary damages, legal fees and costs, possible revocation of licenses and damage to the Company's reputation, brand and valued customer relationships.

(16) Australian Taxation

The Company is subject to numerous tax laws and is required to remit many different types of tax revenues based on self assessment and regulation. The Company interprets the tax legislation and accounts to the authorities based on its knowledge of the tax laws at the time of its assessment. Tax laws, or the interpretation thereof, are subject to change through legislation, tax rulings or court interpretation. Changes to the application or interpretation of tax laws may adversely impact the Company's financial condition and results of operations.

The Company may also be subject to an audit by tax authorities for up to seven years after its self assessment. If the Company has not accounted correctly for its tax liabilities, this may adversely impact the Company's financial condition and results of operations.

Potential future Australian Government policy measures, including but not limited to potential future stimulus measures or potential new measures arising from Australian Government sponsored reviews of the Australian tax system or for any other reasons, may directly or indirectly impact the Company's net income. A later future modification or cessation of such potential future measures may adversely impact the net income of the Company.

The Company's membership of a GST group and an income tax consolidated group is discussed in the "5. Material Contracts Relating to the Business, etc." in this ASR. Transactions by other members of the GST group and income tax consolidated group with external parties to those groups may be subject to review by the tax authorities and would be dealt with by the head company of the relevant group. As such, TFA will generally either have no knowledge, or not have detailed knowledge, of any such reviews as they pertain to other members of the relevant group.

(17) Legal Proceedings

The Company 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 the Company's financial condition and results of operations.

(18) Insolvency Laws

In the event that TFA becomes insolvent, insolvency proceedings (including, without limitation, administration under the Corporations Act) will be governed by the applicable laws in force in Australia or the law of another jurisdiction determined in accordance with Australian law. Those insolvency laws, as so applied and interpreted, may be different from the insolvency laws of certain other jurisdictions. If TFA becomes insolvent, the treatment and ranking of holders of Notes issued by TFA and TFA's other creditors and shareholders under the relevant governing law may be different from the treatment and ranking of those persons if TFA was subject to the bankruptcy or insolvency laws of another jurisdiction. In particular (a) the administration procedure under the Corporations Act, which provides for the potential re-organisation of an insolvent company, differs significantly from bankruptcy or similar provisions under the insolvency laws of other non-

Australian jurisdictions, (b) in Australia some statutory claims by shareholders for breach of statutory requirements can rank equally with claims of other creditors.

(19) Market Risk

Market risk is the risk that changes in market interest rates, foreign currency exchange rates, and other relevant market parameters or prices cause volatility in the Company's financial condition and/or results of operations and/or cash flow. The effect of an increase in market interest rates on the Company's income and capital could have an adverse affect on the Company's business, financial condition and results of operations by increasing the rates it charges to its customers and dealers, thereby affecting its competitive position. Market risk also includes the risk that the value of the investment portfolio of the Company could decline.

Senior management and the Company's shareholder, where applicable, provide written principles for overall risk management, as well as policies covering specific areas, such as foreign currency exchange rate risk, interest rate risk, use of derivative financial instruments and non-derivative financial instruments.

The responsibility for risk management is vested in various committees and head office departments which form part of TFA's Governance Structure. The key committees include-

- Executive Committee
- Management Committee
- Audit Committee
- Compliance Committee
- Credit Committee
- Asset & Liability Committee
- Residual Value Committee, and
- Project Control Committee

The above committees operate under charters or policies approved by senior management and the Company's shareholder, where appropriate.

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

The Company has a policy requiring it to manage its foreign currency exchange rate risk against its functional currency (i.e. Australian Dollars). The Company is required to hedge 100% of its foreign currency exchange rate risk. Derivative financial instruments are entered into by the Company to economically hedge its exposure to foreign currency exchange rate risk.

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates and/or the value of a financial instrument will fluctuate because of changes in market interest rates. The Company 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 rates. Derivative financial instruments are entered into by the Company to manage its exposure to interest rate risk.

Adverse changes in market interest rates and/or foreign currency exchange rates could affect the value of the derivative financial instruments entered into by the Company which could result in volatility in the Company's results of operations. Changes in the fair value of derivatives to the extent that they are not offset by the translation of the items economically hedged, may introduce volatility in the Company's income statement and produce anomalous results.

(20) Operational Risk

Operational risk is the risk of loss resulting from, among other factors, inadequate or failed processes, systems or internal controls, the failure to perfect collateral, theft, fraud, natural disaster or other catastrophe (including, without limitation, explosions, fires, floods, earthquakes, terrorist attacks, riots, civil disturbances and epidemics). Operational risk can occur in many forms including, but not limited to, errors, business interruptions, failure of controls, failure of system or other technology, deficiencies, inappropriate behaviour or misconduct by employees of, or those contracted to perform services for, the Company and vendors that do not perform in accordance with their contractual agreements. The Company is also exposed to the risk of inappropriate or inadequate documentation of contractual relationships. These events can potentially result in financial losses or other damages to the Company, including damage to reputation.

In addition, any upgrade or replacement of its 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 the implementation of new systems. These factors could have an adverse effect on the Company's financial condition and results of operations

The Company also relies on a framework of internal controls designed to provide a sound and well-controlled operating environment. Due to the nature of its business and the challenges inherent in implementing control structures, problems may be identified in the future that could have a material effect on its financial condition and results of operations.

The Company strives to maintain appropriate levels of operational risk relative to its business strategies, competitive and regulatory environment, and markets in which it operates. Appropriate levels of insurance coverage are maintained for those operating risks that management agree should be protected through the purchase of insurance. Notwithstanding these control measures and insurance coverage, the Company remains exposed to operational risk. However, while the Company's approach to operational risk management is intended to mitigate such losses, management can provide no assurance that these problems will not have a material effect on the Company's financial condition and results of operations.

(21) A security breach or a cyber attack could adversely affect the Company's operating results and financial condition

The Company relies on internal and external information and technological systems to manage its operations and is exposed to risk of loss resulting from breaches in the security or other failures of these systems. The Company collects and stores certain personal and financial information from employees, customers and other third parties. Security breaches

could expose the Company to a risk of loss of this information, regulatory scrutiny, actions and penalties, litigation, reputational harm and a loss of confidence that could potentially have an adverse impact on future business with current and potential customers.

The Company relies on encryption and authentication technology licensed from third parties to provide the security and authentication necessary to effect secure online transmission of confidential information from customers and employees. Advances in computer capabilities, new discoveries in the field of cryptography or other events or developments may result in a compromise or breach of the algorithms that the Company uses to protect sensitive customer transaction data. A party who is able to circumvent these security measures could misappropriate proprietary information or cause interruption to the operations of the Company. The Company may be required to expend capital and other resources to protect against such security breaches or cyber attacks or to alleviate problems caused by such breaches or attacks. The Company's security measures are designed to protect against security breaches and cyber attacks, but failure to prevent such security breaches and cyber attacks could subject the Company to liability, a decrease in profitability and damage to the reputation of the Company.

(22) *Regulatory Risk*

Regulatory risk is the risk 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.

(23) *Liquidity Risk*

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

(24) *Credit Risk*

Credit risk is the risk of loss arising from a failure of a customer or dealer to meet the terms of any retail or lease contract with the Company or otherwise fail to perform as agreed. The level of credit risk on the Company's wholesale, retail, fleet and lease portfolios 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 level of credit risk on TFA's dealer financing portfolio is influenced primarily by the financial strength of dealers within that portfolio, dealer concentration, the quality and perfection of collateral and other economic factors. The financial strength of dealers within the dealer financing 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. An increase in credit risk would increase TFA's

provision for credit losses, which would have a negative impact on its financial condition and results of operations.

A downturn in economic conditions in Australia, natural disasters and other factors would increase the risk that a customer or dealer may not meet the terms of a finance contract with TFA, or may otherwise fail to perform as agreed. A weaker economic environment, evidenced by, among other things, unemployment, underemployment and consumer bankruptcy filings, may affect some of TFA's customers' ability to make their scheduled payments. There can be no assurance that TFA's monitoring of credit risk, the taking and perfection of collateral and its efforts to mitigate credit risk are, or will be, sufficient to prevent an adverse effect on its financial condition and results of operations.

(25) Risk Relating to Non-Toyota Dealers

TFA provides financing for some dealerships which sell products not distributed by the Distributor (or one of its affiliates). A significant adverse change, such as the closure, a restructuring or bankruptcy of automobile manufacturers other than Toyota may increase the risk that these dealers may be impacted financially and default on their loans with TFA.

(26) Transparency Obligations Directive

In certain circumstances, TFA may seek to terminate the listing of any series of notes issued by TFA under its Euro Medium Term Note Programme (referred to as "EMTNs" in this section) on a stock exchange in the European Economic Area which is a regulated market for the purposes of the Markets in Financial Instruments Directive and seek an alternate listing on a stock exchange outside the European Economic Area or on a stock exchange that is not a regulated market for the purposes of the Markets in Financial Instruments Directive. These circumstances include the implementation of (i) the Transparency Obligations Directive 2004/109/EC of the European Parliament and of the Council of 15th December, 2004 (the "TOD"), or any law implementing or complying with, or introduced in order to conform to the TOD, so as to require TFA (a) to prepare its financial statements in accordance with, or reconciled to, IFRS or International Accounting Standards ("IAS"); (b) to provide additional quantitative or qualitative disclosures regarding significant differences between AAS and IFRS or any additional auditor's report relating to such disclosures; (c) to change the form of its financial reports in any other respect (other than AAS and Australian generally accepted auditing standards); or (d) to have its financial statements audited in accordance with International Standards on Auditing; or (ii) any other future law or EU Directive imposing other requirements (including new corporate governance requirements) on TFA that it in good faith determines are unduly burdensome in order to maintain the continued listing of any EMTNs on a regulated market in the European Union.

In these circumstances, TFA has agreed to use all reasonable endeavours to seek an alternative admission to listing, trading and/or quotation of such EMTNs by another listing authority, securities exchange and/or quotation. Subject to the foregoing TFA is not under any obligation to holders of the EMTNs to maintain any listing of EMTNs in such circumstances.

Although there is no assurance as to the liquidity of any EMTNs as a result of the listing on a regulated market in the European Union, delisting such EMTNs may have a material

affect on an investor's ability to (a) continue to hold such EMTNs or (b) sell the EMTNs in the secondary market.

(27) Counterparty Credit Risk

The Company has exposure to many different financial institutions and routinely executes transactions with counterparties in the financial industry. The Company'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. Deterioration of social, political, employment or economic conditions in a specific country or region, may also adversely affect the ability of financial institutions, including the Company'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 the Company has relationships. The failure of any of the financial institutions and other counterparties to which the Company has exposure, directly or indirectly, to perform their contractual obligations, and any losses resulting from that failure, may materially and adversely affect the Company's liquidity, financial condition and results of operations.

(28) The proposed introduction of a Financial Transaction Tax ("FTT")

On 14 February 2013, the European Commission published a proposal for a Directive for a common FTT in certain participating Member States (Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia), although prospective Noteholders should note that Member States may cease to participate and additional Members States may decide to participate.

The proposed FTT has very broad scope and could, if introduced in the form proposed by the European Commission, apply to certain dealings in financial instruments (including secondary market transactions). The issuance and subscription of Notes should, however, be exempt.

Under the form proposed by the European Commission, the FTT could apply to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in financial instruments where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (i) by transacting with a person established in a participating Member State or (ii) where the financial instrument which is subject to the dealings is issued in a participating Member State.

The proposed Directive remains subject to negotiation between the participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear.

Prospective holders of the Notes are advised to seek their own professional advice in relation to the FTT and recent developments.

(29) *Risk Relating to Fair Value of Assets*

The Company uses estimates and various assumptions in determining the fair value of many of its assets which in some cases do not have an established market value or are not publicly traded. The Company's assumptions and estimates may be inaccurate for many reasons. For example, assumptions and estimates often involve matters that are inherently difficult to predict and are beyond the Company's control (for example, macro-economic conditions and their impact on Toyota dealers). In addition, such estimates and assumptions often involve complex interactions between a number of dependent and independent variables, factors, and other assumptions. As a result, 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 the Company's financial condition and results of operations.

(30) *Risk of Fluctuations in Valuation of Investment Securities or Significant fluctuations in Investment Market Prices*

Investment market prices, in general, are subject to fluctuation. Consequently, the amount realised in the subsequent sale of an investment may significantly differ from the reported market value and could negatively affect the revenues of the Company. Additionally, negative fluctuations in the value of available-for-sale investment securities could result in unrealised losses recorded in other comprehensive income or in other-than-temporary impairment within the results of operations. Fluctuation in the market price of a security may result from perceived changes in the underlying economic characteristics of the investment, the relative price of alternative investments, national and international events, and general market conditions.

5. Material Contracts Relating to the Business, etc.

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.

Property Leases

The Company has entered into commercial office leases for each of its Head Office (including NSW Regional Office) at St Leonards, New South Wales, National Customer Solutions Centre and National Collections Centre at North Ryde, New South Wales, National Fleet Sales at Woollooware Bay, New South Wales and Regional Offices in Melbourne, Victoria; Adelaide, South Australia; Perth, Western Australia; and Brisbane and Townsville in Queensland. These leases are on commercial terms with entities not

associated with TFA except for the Melbourne and Woollooware Bay premises which are leased from TMCA on commercial terms.

Tax Arrangements

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, Toyota Technical Centre Asia Pacific Australia Pty Ltd (all eligible tier 1 companies) and their subsidiary members SCT Pty Ltd, TFAW, the Southern Cross Toyota 2009-1 Trust, the Southern Cross Toyota 2011-1 Trust, the King Koala TFA 2012-1 Trust and the Southern Cross Toyota 2012-1 Trust (collectively the "Group").

The main purpose of these Agreements is to formalise the management, calculation, allocation, funding and payment of the 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 Group based on the stand alone liability of each Group member.

TMCA is responsible as head entity of the Group for remitting Group income tax liability to the Australian Taxation Office as and when required. TMCA indemnifies each member of the Group where liability arises as a result of TMCA's failure to pay the Group income tax liability provided each Group member has given TMCA the necessary information and has paid its share of the 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. The tax consolidated group was formed effective 1 April 2003. Prior to this period, TFA is liable only for its own income tax liability. TFA's liability is effectively limited within the consolidated group by the TSD. The TSD broadly limits TFA's exposure for group income tax liability to the income tax liability TFA would have paid were it not a member of the 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 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. The members of the GST Group are the same as for the income tax group discussed above, except that Toyota Technical Centre Asia Pacific Pty Ltd is not a member of the GST group.

Agency Agreement

The notes issued under the EUR50,000,000,000 Euro Medium Term Note Programme of TFA and certain other issuers have the benefit of an Agency Agreement dated 13 September 2013, (the "Agency Agreement") and made between, *inter alios*, TFA as issuer and The Bank of New York, 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
One Canada Square
London E14 5AL

Securitisation Programmes

There is a set of documents relating to each of TFA's securitisation programmes. For descriptions of the securitisation programmes see PART I. CORPORATE INFORMATION, III. Status of Business, 7. Management Discussion and Analysis, (2) Liquidity and Capital Resources - *Back Up Liquidity and Other Funding Sources*.

There are no other material contracts.

6. Research and Development Activities

Not applicable.

7. Management Discussion and Analysis

(1) 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 program focuses on the unpredictability of financial 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 or policies approved by senior management in accordance with the company's Enterprise Risk Management Framework.

Asset and Liability Committee

An Asset and Liability Committee meets to proactively and collaboratively manage and monitor the interest rate and liquidity risks of the consolidated entity. The consolidated entity's Treasury department identifies, evaluates and hedges financial risks. The treasury department implements the consolidated entity's policies to manage the consolidated entity's foreign currency risk, interest rate risk, credit risk with banks and other financial intermediaries, and liquidity risk.

Compliance Committee

The Compliance Committee is responsible for the establishment, publication and maintenance of the Compliance Framework to manage the consolidated entity's compliance with all the laws, regulations and codes of practice that apply to the business and the conditions of the company's ACL and AFS Licenses.

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 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 their functional currency. The consolidated entity is required to 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 foreign 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.

The consolidated entity's exposure to foreign currency risk at the reporting period ending 31 March 2014 is immaterial. There has been no change in this position when compared to the reporting period ending 31 March 2013.

Cash flow and fair value interest rate risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value 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 rates. Derivative financial instruments are entered into by the consolidated entity to manage 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. 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. Such cross currency swaps have the economic effect of converting borrowings from foreign denominated fixed 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 principle amounts. Under the cross currency swaps, the consolidated entity agrees with other parties to exchange, at specified intervals, foreign currency principal and fixed 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 functional currency at floating rate, using interest rate swaps or cross currency swaps to achieve this when necessary. The consolidated entity's policy is to maintain between 20% and 50% of its loans and receivables funded at floating rate, using interest rate 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.

31 March 2014	Weighted Average Interest Rate %	Variable Interest Rate \$'000	Fixed Interest Rate			Non Interest Bearing \$'000	Total \$'000
			Less than 1 year \$'000	1 to 5 years \$'000	Over 5 years \$'000		
Financial Assets							
Cash and liquid assets	2.7%	676,353	-	-	-	-	676,353
Loans and receivables	7.6%	3,041,645	3,110,965	6,870,865	244,689	-	13,268,164
Hedge swaps		8,292,250	(3,394,000)	(4,893,250)	(5,000)	-	-
Other assets		-	-	-	-	40,370	40,370
Total financial assets		12,010,248	(283,035)	1,977,615	239,689	40,370	13,984,887
Financial Liabilities							
Banks & other financial institutions	3.3%	6,200,818	-	-	-	-	6,200,818
Loans from related company	2.6%	216,673	-	-	-	-	216,673
Commercial papers	2.6%	2,001,060	-	-	-	-	2,001,060
Medium term notes	3.3%	-	468,631	3,827,383	-	-	4,296,014
Cross currency swaps		1,513,837	(208,074)	(1,305,764)	-	-	(1)
Interest rate swaps		2,401,100	(241,400)	(2,159,700)	-	-	-
Other liabilities		-	-	-	-	322,048	322,048
Total financial liabilities		12,333,488	19,157	361,919	-	322,048	13,036,612
Net Financial Assets		(323,240)	(302,192)	1,615,696	239,689	(281,678)	948,275

31 March 2013	Weighted Average Interest Rate %	Variable Interest Rate \$'000	Fixed Interest Rate			Non Interest Bearing \$'000	Total \$'000
			Less than 1 year \$'000	1 to 5 years \$'000	Over 5 years \$'000		
Financial Assets							
Cash and liquid assets	3.5%	298,862	-	-	-	-	298,862
Loans and receivables	10.0%	3,164,125	2,796,724	6,511,698	224,035	-	12,696,582
Hedge swaps		8,142,000	(3,104,000)	(5,038,000)	-	-	-
Other assets		-	-	-	-	21,049	21,049
Total financial assets		11,604,987	(307,276)	1,473,698	224,035	21,049	13,016,493
Financial Liabilities							
Banks & other financial institutions	3.7%	5,670,973	-	-	-	-	5,670,973
Loans from related company	3.1%	335,796	-	-	-	-	335,796
Commercial papers	3.1%	1,856,963	-	-	-	-	1,856,963
Medium term notes	3.6%	-	1,173,565	2,519,510	37,069	-	3,730,144
Cross currency swaps		1,216,515	(323,965)	(852,409)	(40,141)	-	-
Interest rate swaps		2,536,700	(830,400)	(1,706,300)	-	-	-
Other liabilities		-	-	-	-	305,351	305,351
Total financial liabilities		11,616,947	19,200	(39,199)	(3,072)	305,351	11,899,227
Net Financial Assets		(11,960)	(326,476)	1,512,897	227,107	(284,302)	1,117,266

Credit Risk

The consolidated entity's Treasury manages credit risk through the use of external rating such as Standard and Poor's rating or equivalents, 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	Restated
	2014	Consolidated
	%	2013
		%
AA-	40	39
A+	41	34
A-	7	10
A	12	17
	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 2014. The Company has not experienced any counterparty default during the 12 months ended 31 March 2014.

Fiscal year 2013 has been restated due to misclassification between AA and AA- ratings.

(2) 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 remained constant at A\$600 million during the year ended 31 March 2014.

Euro commercial paper issued by TFA and outstanding ranged from the equivalent of approximately A\$1,005 million to the equivalent of approximately A\$1,878 million during the year ended 31 March 2014, with an average outstanding balance of the equivalent of approximately A\$1,371 million.

Medium Term Notes

Long term funding requirements are met through, amongst 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 2014. During the year ended 31 March 2014, TFA issued the equivalent of approximately A\$1,657 million of Euro MTNs all of which had original maturities of one month or more.

The original maturities of all MTNs outstanding at 31 March 2014 ranged from 1 year to 10 years. As of 31 March 2014, TFA had total MTNs outstanding, the original face value of which was the equivalent of A\$4,332 million, of which the equivalent of approximately A\$1,931 million was denominated in foreign currencies.

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

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\$1,605 million as at 31 March 2014 (includes A\$300 million committed securitisation programme referred to below). The average aggregate amount outstanding under these facilities during the year ended 31 March 2014 was approximately A\$ nil.

In addition to funding obtained from bilateral bank loans entered into by TFA in years prior to the year ended 31 March 2014, the Company entered into bilateral bank loans during the year ended 31 March 2014 denominated in US\$ totalling US\$200 million and denominated in A\$ totalling A\$550 million. The original tenors of these bilateral bank loans ranged from 3 years to 5 years.

TFA also has a USD1 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 Americas Corporation, a California

corporation which is a wholly-owned subsidiary of TFS. The average amount outstanding under this facility during the year ended 31 March 2014 was approximately US\$200 million.

TFA also has four domestic securitisation programs. Under each program, vehicle finance receivables up to a specified maximum total amount may be sold into a special-purpose securitisation trust. TFA partially guarantees the funding of each trust, and provides subordinated funding to one trust. The guarantees are unsecured. The accounts of each trust are included in TFA's consolidated financial statements.

Details of each program are as follows:

Date	Limit (A\$ million)	Commitment	TFA guarantee	TFA subordinated funding	Balance at 31 March 2014 (A\$ million)
November 2009	See Note	Uncommitted	15%	Nil	\$1,840.9
March 2011	\$300	Committed	15%	Nil	Nil
March 2012	\$1,500	Uncommitted	15%	Nil	\$1,460.4
March 2012	See Note	Uncommitted	15%	15%	\$184.7

Note: The November 2009 and March 2012 programs have a combined limit of \$2,550 million plus any amount of subordinated funding provided by TFA.

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.

(3) 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 2014 are summarised as follows:

	Commitments expiring within the following periods	
	Within 12 months	Beyond 12 months
	(A\$ in Millions)	
Contractual Obligations:		
Premises occupied under lease	4.3	16.7
Total debt	4,543.2	8,171.3
TOTAL	4,547.5	8,188

TFA, as a member of the Toyota Motor Corporation Australia Limited GST (goods and services tax) Group ("The GST Group"), is jointly and severally liable for 100% of the GST

payable by the GST Group. The GST Group had a net GST payable as at 31 March 2014 of A\$49.3 million (2013: A\$42.32 million).

TFA, in association with other Australian incorporated entities with a common owner, implemented the income tax consolidation legislation from 1 April 2003 with TMCA as the Head Entity. 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. An income tax sharing agreement has been executed. TFA believes the assets of the Head Entity are sufficient to meet the income tax liabilities as they fall due.

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

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

The Company has outstanding commitments to extend credit in the normal course of business. Outstanding credit commitments provided to customers which were undrawn as at the end of fiscal 2014 are shown below.

	<u>31 March 2014</u>
	(A\$ in Thousands)
Revolving Facilities	30,458
Chargeplan	124,508
TOTAL	<u><u>154,966</u></u>

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 major initiatives have been undertaken to develop the Company's loans and receivables systems and which not only further integrate the Company with the dealer network and with TMCA but also look to extend the Company's product offering. Work on systems development capitalised in fiscal 2014 amounted to A\$20.0 million. Work on these initiatives continues into fiscal 2015.

2. Principal Facilities

The Head Office (headquarters) of the Company is located at St Leonards, New South Wales, Australia.

In addition, there are regional offices located at:

- St Leonards, New South Wales;
- North Ryde, New South Wales;
- Port Melbourne, Victoria;
- Milton, Queensland;
- Townsville, Queensland;
- Wayville, South Australia; and
- Subiaco, Western Australia.

The Company has a National Customer Solutions Centre and National Collections Centre located at North Ryde, New South Wales.

The Company has a National Fleet Sales Centre located at Woollooware Bay, New South Wales.

The Company has a Wholesale Service Centre located at the Victorian Regional Office.

All premises are occupied under lease. The premises in Port Melbourne, Victoria and Woollooware Bay, 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 2014 and the approximate number of employees of the Company located at those facilities as at 31 March 2014 (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 2014 (A\$ in Thousands)	Number of employees as at 31 March 2014
St Leonards New South Wales	<ul style="list-style-type: none"> • Head Office • Regional Office 	1,107	311.48
Port Melbourne Victoria	<ul style="list-style-type: none"> • Regional Office • Wholesale Service Centre 	337	56.07
Milton Queensland	<ul style="list-style-type: none"> • Regional Office 	-	39
Wayville South Australia	<ul style="list-style-type: none"> • Regional Office 	-	24
Subiaco Western Australia	<ul style="list-style-type: none"> • Regional Office 	519	31.62
Townsville Queensland	<ul style="list-style-type: none"> • Regional Office 	-	6
Wooloware Bay New South Wales	<ul style="list-style-type: none"> • Fleet Sales 	-	16
North Ryde New South Wales	<ul style="list-style-type: none"> • National Customer Solutions Centre • National Collections Centre • Direct Sales Centre 	912	69.92

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

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

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 2014)

Name	Address	Number of Shares Held (shares)	Ratio of Stockholding to Total Issued Shares
Toyota Financial Services Corporation	Nagoya Lucent Tower, 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. Dividends are declared and paid by TFA as determined by its Board of Directors.

During fiscal 2014 a final ordinary dividend of \$23.6 million was paid out of fiscal 2013 retained profits compared to \$39.0 million paid out in fiscal year 2013 out of fiscal 2012 retained profits. An interim dividend of \$5.3 million (31 March 2013: \$7.2 million) was also declared and paid out of fiscal 2014 retained profits.

3. Trends in Stock Prices

Not applicable.

4. Directors

(1) 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.

<u>Name</u>	<u>Date Appointed</u>	<u>Position held</u>	<u>Date of Birth</u>	<u>Brief Personal History</u>
CHANDLER, John Rodney	26 February 2007 (Director) 23 June 2009 (Managing Director)	Managing Director	31 October 1955	Master of Business Administration; Managing Director of TFA
MILES, Daniel Noel	28 February 2011	Director	12 June 1958	Vice President of TFA
YASUDA, Masahide	22 June 2007	Director	1 April 1949	Bachelor of Engineering and Applied Physics; President and Chief Executive Officer of TMCA
CRAMB, Anthony Lenard Wilson	31 May 2013	Director	9 January 1963	Executive Director, Sales & Marketing, TMCA
YOMODA, Yasuhiro	27 February 2012	Director	22 March 1956	Senior Vice President, TFS
RITCHENS, Ian Gordon	25 June 2010	Director	24 March 1965	Bachelor of Economics, Graduate Diploma of Accounting; Finance Director of TFA
KNIGHT, Brenton Ian	30 April 2014	Director	5 December 1959	Managing Director of TFNZ
WATANABE, Shigehito	28 February 2014	Alternate Director	15 June 1964	Senior Executive Director and Treasurer TMCA

ABE, Shin	28 February 2014	Alternate Director	25 January 1975	Executive Coordinator TFA
SAITO, Takayuki	28 February 2014	Alternate Director	19 February 1971	General Manager Treasury & Foreign Exchange, Dept Finance Div. TMC

None of the Directors hold any of the shares of TFA.

(2) 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 2014 and 2013 in accordance with AIFRS is as follows.

	12 months Ended 31 March	
	2014	2013
	(A\$)	
Compensation		
Short-term employee benefits	5,350,835	4,887,052

Directors and senior executives of TFA are included in the definition of key management personnel.

Loans to key management personnel of TFA as disclosed in the accounts of TFA for the 12 months ended 31 March 2014 and 2013 in accordance with AIFRS is as follows:

At 31 March	Amount	Outstanding Balance	Terms	Average Rate	Security
2014	\$2,603,024	\$2,576,441	30 years, variable	4.92%	Secured by 1st mortgages over the loan property
2013	\$2,603,024	\$2,587,961	30 years, variable	5.73%	Secured by 1st mortgages over the loan property

5. 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 holding 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 monthly (except January) and on such additional times as required during the fiscal year ended 31 March, 2014 with 15 Board meetings being held. For the fiscal year ended 31 March, 2015 it is proposed that the Board will meet bimonthly, with the first meeting being held in April, 2014. Additional Board meetings will be held 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 "V. Statements of the Company, 4. Directors, (1) Directors".

The Board is currently comprised of eight Directors and two alternate Directors. Of the Directors, three are executive Directors.

All Directors of TFA shall be elected by the members at general meeting and the members may by ordinary resolution remove any director before the expiration of his period of office.

The Directors shall have power 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.

The office of a Director shall ipso facto be vacated:

- (a) if he becomes bankrupt or suspend payment or execute any deed or arrangement or of composition with his creditors; or
- (b) if he be found lunatic or become a mentally sick person; or
- (c) if he be absent from meetings of the Directors during a continuous period of six calendar months without special leave of absence from the Board and the Board Resolves that his office be vacated; or
- (d) if by notice in writing delivered to TFA he resigns his office.

All Directors serve for a maximum number of two years, subject to re-election in accordance with TFA's constitution.

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 consistent with the corporate goals, which is applied by competent sales people using satisfactorily documented, robust policies and procedures. Operational risk includes business continuity planning and testing processes and outcomes from such tests.

Residual Value Committee

The Residual Value Committee undertakes to measure and assess residual values on assets based on best practices and critical variable information such as used car market dynamics, economic conditions, governmental policies/regulations, the credit market and the conditions of assets under lease/guaranteed future value. It reports all matters with potential impact on residual value assets and all other matters which would mitigate potential residual value risks to the consolidated entity.

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.

Pricing Committee

The Pricing Committee meets monthly and aims to actively assess new business margins given volume and rate requirements and a changing interest rate and competitor environment.

Legal

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

The role of Legal 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.

Internal Audit

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;
- undertake the annual Sarbanes Oxley testing program in accordance with the Toyota Motor Corporation policy and coordinate its testing effort with the independent accountants.

Internal Audit carries out its activities in a manner consistent with the TFS global Internal Audit Charter, and adopts the Institute of Internal Auditors' international standards and members' code.

The Head of Internal Audit reports to the President and Chief Executive Officer. The annual audit plan is approved by TFA's Audit Committee, comprising the Executive management of TFA.

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

Internal Audit provides assistance to the independent accountants described in "(2) Remuneration of Independent Accountants" below as and when required by the independent accountants.

(iv) Remuneration of Directors

Each of the TFA directors are senior executives of TMC, TFS, TMCA, TFNZ or TFA and do not receive any separate remuneration for acting as directors of TFA.

(2) Remuneration of 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 2014 (\$)	Consolidated 2013 (\$)
	<u> </u>	<u> </u>
PricewaterhouseCoopers - Australian firm		
Audit or review of the financial reports of the entity	640,967	420,972
Other audit-related work	211,861	242,355
Other assurance service	281,164	-
Total audit and other assurance services	<u>1,133,992</u>	<u>663,327</u>
Taxation	17,627	19,801
Advisory Services	56,300	-
Total remuneration	<u><u>1,207,919</u></u>	<u><u>683,128</u></u>
Related practices of PricewaterhouseCoopers - Australian firm (including overseas PricewaterhouseCoopers firms)		
Other assurance services	<u>289,294</u>	<u>368,891</u>

The Company's financial statements are audited by the independent accountants, PricewaterhouseCoopers – Australian firm ("PwC"). In addition to audit services, PwC also provides other assurance services, advisory services and taxation services to TFA.

Remuneration for services provided by PwC to TFA is determined by agreement between PwC 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 and related practices of PwC do not breach independence requirements. All services provided to TFA by PwC and related practices of PwC 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 and related practices of PwC (including overseas PricewaterhouseCoopers firms) during the 12 month period ended 31 March 2014 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 partner involved in the audit of the financial statements of the Company for the year ended 31 March 2014.

JW Bennett Audit Engagement Partner

VI. Financial Condition

The financial statements of the Company for the years ended 31 March 2014 and 2013 included herewith have been prepared in accordance with Australian Accounting Standards 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 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 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 financial statements included herewith have been audited by PricewaterhouseCoopers in the Commonwealth of Australia, independent accountants, and their reports are presented as attached.

However, the aforementioned financial statements of the Company have not been audited in accordance with Item 1 of Article 193-2 of the Financial Instruments and Exchange Law of Japan because such audit is exempted by Article 1-2 of the Ordinance of the Cabinet Office Relating to Audit Certification of Financial Statements (MOF Ordinance No.12 of 1957).

The original consolidated 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 financial statements included herewith.

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

The original consolidated 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 95.73 yen to 1 Australian dollar, the middle rate of the telegraphic transfer selling and buying exchange rates as quoted by The Bank of Tokyo-Mitsubishi UFJ, Ltd. on 16 June 2014, 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 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 financial statements of TFA, 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 7-54 of Financial Report for the year ended 31 March 2014]

2. Major Assets, Liabilities, Income and Expenses

See notes to consolidated financial statements.

3. Other Matters

(1) Subsequent events

Since the end of fiscal 2014, the Company is not aware of any other matter or circumstance not otherwise dealt with in the financial statements included herewith as at 31 March 2014 and for the year ended 31 March 2014 that has significantly or may significantly affect the operations of the Company, the results of its operations, or the state of affairs of the Company in subsequent financial years.

(2) Legal proceedings

TFA is not involved in any litigation or proceedings of a material nature.

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

The accompanying consolidated financial statements have been prepared in accordance with Australian Accounting Standards 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. Major differences are summarised below:

(1) Provision for bad and doubtful debts

In Australia, provision for bad and doubtful debts is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the contract. In determining the level of the provision for bad and doubtful debts, reference is made to asset growth, economic conditions, other general risk factors and historical loss experience. The amount of the provision is the difference between the asset's carrying value and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the original effective interest rate. The amount of the loss is recognised in profit or loss.

Under Japanese GAAP, 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.

(2) *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.

(3) *Financial Instruments*

In Australia, financial instruments classified as held to maturity are recorded at amortised cost using the effective interest rate method. Derivative financial instruments are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. Changes in the fair value of a derivative financial instrument are recognised immediately in the income statement. Cashflows arising from financial instruments classified as held to maturity financial instruments are recognised on an accruals basis in the income statement. Hedge accounting is not being applied, hence the Company is required to measure derivative financial instruments at fair value and recognise changes in the fair value of a derivative financial instrument immediately in the income statement.

In Japan, under "Accounting standard for financial instruments" trading securities are recorded at market value (fair value), of which unrealised gains and losses are recorded in the statements of financial performance. Securities held to maturity are recorded at amortised cost. Other securities are valued at market value (fair value), of which unrealised gain and/or loss are included directly in shareholders' equity, net of tax. Derivative financial instruments are generally recorded on the balance sheet at market value with unrealised gains and losses recorded in current year's earnings. However, hedge accounting can be applied to certain transactions.

(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) *Fixed Assets*

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

In Japan, fixed assets are recorded at cost less accumulated depreciation. "Accounting Standard for Impairment of Fixed Assets" is applied for accounting standard for impairment of fixed assets. Under this standard, 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, there are no comprehensive accounting standards about fair value measurement and its disclosure. However, in each accounting standard, definition and computation method of fair value are stated. In addition, "Guidance on Disclosures about Fair Value of Financial Instruments" requires, in principle, companies to disclose the narrative explanation and fair value information of all financial instruments.

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
(amendment to the Shelf Registration Statement
filed on 3 February 2012) filed on 2 April 2013
2. Amendment to Shelf Registration Statement
(amendment to the Shelf Registration Statement
filed on 3 February 2012) filed on 11 April 2013
3. Supplemental Document to Shelf Registration
Statement and attachments thereto filed on 12 April 2013
4. Amendment to Shelf Registration Statement
(amendment to the Shelf Registration Statement
filed on 3 February 2012) filed on 9 May 2013
5. Supplemental Document to Shelf Registration
Statement and attachments thereto filed on 24 May 2013
6. Annual Securities Report and attachments thereto filed on 1 July 2013
7. Amendment to Shelf Registration Statement and
attachments thereto filed on 1 July 2013
(amendment to the Shelf Registration Statement
filed on 3 February 2012)
8. Amendment to Shelf Registration Statement
(amendment to the Shelf Registration Statement
filed on 3 February 2012) filed on 2 July 2013
9. Amendment to Shelf Registration Statement
(amendment to the Shelf Registration Statement
filed on 3 February 2012) filed on 3 July 2013
10. Supplemental Document to Shelf Registration
Statement and attachments thereto filed on 10 July 2013
11. Amendment to Shelf Registration Statement
(amendment to the Shelf Registration Statement
filed on 3 February 2012) filed on 11 July 2013
12. Supplemental Document to Shelf Registration
Statement and attachments thereto filed on 17 July 2013
13. Amendment to Shelf Registration Statement and filed on 2 December 2013

- attachments thereto
(amendment to the Shelf Registration Statement
filed on 3 February 2012)
14. Supplemental Document to Shelf Registration Statement and attachments thereto filed on 11 December 2013
 15. Amendment to Shelf Registration Statement and attachments thereto
(amendment to the Shelf Registration Statement
filed on 3 February 2012) filed on 20 December 2013
 16. Amendment to Shelf Registration Statement and attachments thereto
(amendment to the Shelf Registration Statement
filed on 3 February 2012) filed on 20 December 2013
 17. Semi-Annual Report and attachments thereto filed on 27 December 2013
 18. Amendment to Shelf Registration Statement and attachments thereto
(amendment to the Shelf Registration Statement
filed on 3 February 2012) filed on 27 December 2013
 19. Amendment to Shelf Registration Statement
(amendment to the Shelf Registration Statement
filed on 3 February 2012) filed on 27 December 2013
 20. Amendment to Shelf Registration Statement
(amendment to the Shelf Registration Statement
filed on 3 February 2012) filed on 27 December 2013
 21. Supplemental Document to Shelf Registration Statement and attachments thereto filed on 9 January 2014
 22. Supplemental Document to Shelf Registration Statement and attachments thereto filed on 9 January 2014
 23. Shelf Registration Statement and attachments thereto filed on 10 February 2014
 24. Amendment to Shelf Registration Statement
(amendment to the Shelf Registration Statement
filed on 10 February 2014) filed on 10 February 2014
 25. Amendment to Shelf Registration Statement
(amendment to the Shelf Registration Statement
filed on 10 February 2014) filed on 10 February 2014
 26. Supplemental Document to Shelf Registration Statement and attachments thereto filed on 24 February 2014

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| 27. | Amendment to Shelf Registration Statement
(amendment to the Shelf Registration Statement
filed on 10 February 2014) | filed on 28 March 2014 |
| 28. | Amendment to Shelf Registration Statement
(amendment to the Shelf Registration Statement
filed on 10 February 2014) | filed on 28 March 2014 |
| 29. | Supplemental Document to Shelf Registration
Statement and attachments thereto | filed on 4 April 2014 |
| 30. | Supplemental Document to Shelf Registration
Statement and attachments thereto | filed on 4 April 2014 |
| 31. | Amendment to Shelf Registration Statement and
attachments thereto
(amendment to the Shelf Registration Statement
filed on 10 February 2014) | filed on 1 July 2014 |

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, 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 TMC 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.

Securities with respect to which a Trustee is not appointed

Holders of such securities will have the right to claim directly against TFS and TMC 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 2013
To: 31 March 2014

Filed with the Director of Kanto Local Finance Bureau on 24 June 2014.

(ii) Quarterly Report or Semi-Annual Report

Not applicable.

(iii) Extraordinary Reports

Not applicable.

(iv) Amendment to Reports

Not applicable.

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

<u>Name</u>	<u>Address</u>
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
Fukuoka Stock Exchange	14-2, Tenjin 2-chome, Chuo-ku, Fukuoka
The Sapporo Securities Exchange	14-1, Minami-ichi-jo Nishi 5-chome, Chuo-ku, Sapporo

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

(i) Outline of Business

TMC and its affiliates (consisting of 542 subsidiaries (including variable interest entities) and 203 affiliates (as of 31 March 2014)) 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 25 of the Notes to Consolidated Financial Statements" of the Annual Securities Report filed by TMC on 24 June 2014.

Automotive

This business sector includes designing, manufacturing and selling automobiles such as sedans, minivans, 2-Boxes, sports utility vehicles, 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 Tokyo Toyopet Motor Sales Co., Ltd. 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, Crown, Prius, Camry, Corolla, AQUA, SPADE, Vitz, Passo, Prius α , VELLFIRE, VOXY, RAV4, Tanto, Profia 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 and equipment. 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 design, manufacturing and sales of housing as well as the information and telecommunications business. Housing is mainly manufactured by Toyota Home and sold through Toyota Home and other domestic sales outlets.

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

Consolidated Indicators of Business Operations

Fiscal period		Year Ended 31 March 2010	Year Ended 31 March 2011	Year Ended 31 March 2012	Year Ended 31 March 2013	Year Ended 31 March 2014
Net Revenues	(million yen)	18,950,973	18,993,688	18,583,653	22,064,192	25,691,911
Income Before Income Taxes and Minority Interests	(million yen)	291,468	563,290	432,873	1,403,649	2,441,080
Net Income Attributable to TMC Shareholders	(million yen)	209,456	408,183	283,559	962,163	1,823,119
Comprehensive Income	(million yen)	515,072	149,704	341,694	1,934,156	2,892,501
Net Assets	(million yen)	10,930,443	10,920,024	11,066,478	12,772,856	15,218,987
Total Assets	(million yen)	30,349,287	29,818,166	30,650,965	35,483,317	41,437,473
Shareholders' Equity Per Share	(yen)	3,303.49	3,295.08	3,331.51	3,835.30	4,564.74
Net Income Attributable to TMC Shareholders Per Share - Basic	(yen)	66.79	130.17	90.21	303.82	575.30
Net Income Attributable to TMC Shareholders Per Share - Diluted	(yen)	66.79	130.16	90.20	303.78	574.92
Ratio of TMC Shareholders' Equity	(%)	34.1	34.7	34.4	34.2	34.9
Ratio of Net Income Attributable to TMC to TMC Shareholders' Equity	(%)	2.1	3.9	2.7	8.5	13.7
Price Earnings Ratio	(times)	56.1	25.7	39.6	16.0	10.1
Cash Flows from Operating Activities	(million yen)	2,558,530	2,024,009	1,452,435	2,451,316	3,646,035
Cash Flows from Investing Activities	(million yen)	(2,850,184)	(2,116,344)	(1,442,658)	(3,027,312)	(4,336,248)
Cash Flows from Financing Activities	(million yen)	(277,982)	434,327	(355,347)	477,242	919,480
Cash and Cash Equivalents at End of Year	(million yen)	1,865,746	2,080,709	1,679,200	1,718,297	2,041,170
Number of Employees [Average Number of Temporary Employees]	(persons)	320,590 [59,160]	317,716 [66,396]	325,905 [75,757]	333,498 [83,190]	338,875 [85,778]

Notes:

- (1) TMC has prepared its consolidated financial statements in accordance with principles generally accepted in the USA.
- (2) Net revenues do not include consumption taxes etc.

Indicators of Business Operations of TMC

Period		106th	107th	108th	109th	110th
Fiscal period		Year Ended 31 March 2010	Year Ended 31 March 2011	Year Ended 31 March 2012	Year Ended 31 March 2013	Year Ended 31 March 2014
Net Revenues	(million yen)	8,597,872	8,242,830	8,241,176	9,755,964	11,042,163
Ordinary Income/(Loss)	(million yen)	(77,120)	(47,012)	23,098	856,185	1,838,450
Net Income	(million yen)	26,188	52,764	35,844	697,760	1,416,810
Capital Stock	(million yen)	397,049	397,049	397,049	397,049	397,049
Issued and outstanding shares	(thousands)	3,447,997	3,447,997	3,447,997	3,447,997	3,447,997
Net Assets	(million yen)	6,637,692	6,538,399	6,634,666	7,446,372	8,920,439
Total Assets	(million yen)	10,350,776	9,593,164	10,612,765	11,234,794	13,609,725
Net Assets Per Share	(yen)	2,113.70	2,081.64	2,091.65	2,347.91	2,812.17
Dividend Per Share (of which Interim Dividend Per Share)	(yen)	45 (20)	50 (20)	50 (20)	90 (30)	165 (65)
Net Income Per Share	(yen)	8.35	16.83	11.40	220.33	447.09
Net Income Per Share After Dilution	(yen)	8.35	16.83	11.40	220.31	446.81
Equity Ratio	(%)	64.0	68.0	62.4	66.2	65.5
Return On Equity	(%)	0.4	0.8	0.5	9.9	17.3
Price Earnings Ratio	(times)	448.5	199.1	313.1	22.1	13.0
Dividend Payout Ratio	(%)	538.9	297.2	438.5	40.8	36.9
Number of Employees [Average Number of Temporary Employees]	(persons)	71,567 [8,725]	69,125 [8,753]	69,148 [9,139]	68,978 [9,320]	68,240 [9,571]

Notes:

(1) Net revenues do not include consumption taxes etc.

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.